

2015 ANNUAL PERFORMANCE REPORT



**Bellingham Housing Levy
2015-2016 Bellingham General Fund
2015 Community Development Block Grant (CDBG)
2015 HOME Investment Partnership Fund**



Kelli Linville, Mayor
Richard M. Sepler, Planning and Community Development Director
Tara Sundin, Community and Economic Development Manager
Samya Lutz, Housing & Services Program Manager

October 28, 2016

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About this Report

The City receives formula grants from the U.S. Department of Housing and Urban Development ("HUD") for housing and community development activities. In addition, Bellingham voters approved a Levy in 2012 for housing activities. Both funding sources require preparation of an Annual Performance Report that shows progress towards meeting goals.

This report covers the "2015" Action Plan year. In 2013, the City changed its Action Plan year from a calendar year (January 1 - December 31) to a new cycle starting July 1 and ending on June 30th. **This report covers the period from July 1, 2015 through June 30, 2016.** Where contractual obligations run for a period different from this, figures are adjusted to best reflect the performance and commitments over this July 1, 2015 through June 30, 2016 Action Plan period.

Citizen Participation

HUD requires the City to provide the public with two opportunities for input. The City provides one of those opportunities to comment on the Annual Performance Report. This hearing was scheduled before the City's Community Development Advisory Board ("CDAB") on **September 8, 2016 at 6:00 p.m.** in the Mayor's Boardroom at City Hall.

Submission of Report

HUD requires the Annual Performance Report to be submitted by September 30th. The City will provide the findings to the Mayor, City Council, and Library and post the report on the city's webpage: <https://www.cob.org/services/planning/cd/Pages/capr.aspx>.

For More Information

Contact the Planning and Community Development department with any questions about this report or the funding programs.

Samya Lutz, Housing & Services Program Manager
210 Lottie Street
Bellingham, WA 98229
360-778-8385
cd@cob.org

FINANCIAL PERFORMANCE

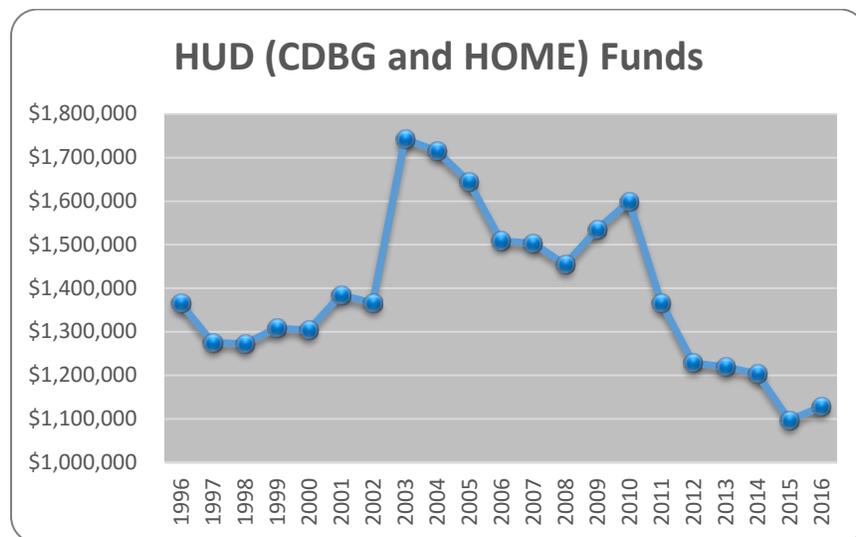
Bellingham receives federal and local funding for the housing and community development activities covered by this Annual Performance Report.

Federal Funds

Bellingham receives two "entitlement" grants from the U.S. Department of Housing and Urban Development (HUD):

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)

The city receives these grants based on a formula adopted by Congress and HUD. The formula takes into account numerous factors to allocate funds after Congressional appropriation to the program. The grants from HUD have generally declined since the early 2000's, without even considering inflation.



CDBG and HOME have their own respective rules about commitment of funds and timeliness of expenditure. The federal grants cannot be drawn until expenses have been incurred. New HOME rules do not allow funds to be committed until the entire project has been funded. The following table shows the amount of prior year funds left to commit and draw.

Fund	Authorized Amount	Amount Committed	Net Drawn Amount	Available to Commit	Available to Draw
CDBG (2013)	746,106	746,106	746,106	-	-
HOME (2013)	472,962	472,962	444,900	-	28,062
CDBG (2014)	739,465	739,465	507,943	-	231,522
HOME (2014)	464,419	464,419	70,277	-	394,142
CDBG (2015)	720,226	386,088	166,233	334,138	553,993
HOME (2015)	376,810	82,937	41,279	293,873	335,531
	3,519,988	2,891,977	1,976,738	628,011	1,543,250

Bellingham Housing Levy (aka "Home Fund")

In 2012, Bellingham voters approved a property tax levy of \$21 million over a 7-year period (2013-2019) to provide, produce, and/or preserve affordable housing. 2/3^{rds} of the funding must benefit those households earning less than 50% of the Area Median Income (AMI).

Most property owners pay their property tax in two installments; the first half taxes are due on April 30th and the balance on October 31st. As of June 30th, 2016, the City collected \$10,546,502 and had \$1,976,154 in reserve (not spent).



Bellingham General Fund

The City allocates "general fund" money for housing and human service grants. For the 2015 Action Plan year, the City appropriated \$431,797 in human service grants and another \$33,519 to support the administrative costs of the Whatcom Homeless Service Center. The general fund also supports some general administrative costs of the programs covered in this report.

Leveraging Funds

An anticipation of both federal and city funding is that the funds will help leverage other non-federal or non-city funds. In 2015, for every federal dollar expended on activities which were *completed*, \$6 of non-federal funds were leveraged. Leveraging will continue to increase, as the Levy has enabled additional resources to assist in housing development, preservation and services. The projection for activities committed in 2015, but which are not yet completed, is that for every federal dollar expended, another \$27 of non-federal funds will be expended.

The following table shows the anticipated leveraging of new activities committed in 2015.

Program	Federal Funds	Local City Funds	Total Project	Leverage of City/Fed Funds	Leverage of Federal Funds	Leverage of City Funds
Rental Housing Development	574,911	3,005,288	34,096,040	\$8.52	\$58.31	\$10.35
Preservation of Housing	278,986	154,508	433,494	\$0.00	\$0.55	\$1.81
Homebuyer	0	360,000	1,800,000	\$4.00	\$0.00	\$4.00
Community Facilities	340,665	0	1,463,546	\$3.30	\$3.30	\$0.00
Rental Assistance & Services	240,000	278,131	2,441,077	\$3.71	\$9.17	\$7.78
TOTAL	1,434,562	3,797,927	38,884,157	\$6.69	\$27.05	\$9.59

Outstanding Loans

When the City financially assists with improvements or construction on real property, the City most often provides the funding in the form of a loan that is secured on the property. There are two basic types of loans the City provides:

- 1) Deferred Payment Loan - Repayment is not required as long as the housing or community development facility continues to provide benefit for low-income persons or households. Once that benefit ends, through sale or otherwise, repayment is required.
- 2) Payment Loan - repayment of the loan is required, most often at reduced rates and extended terms.

The following table shows the amount of **outstanding loans**¹ the City has by program and fund.

Funding Source:	Housing-CD Fund	Homebuyer	Housing Rehab	TOTAL
HOME	6,489,612	1,851,550	117,350	8,458,512
CDBG	2,720,873	885,721	2,333,352	5,939,946
Levy	4,804,510	194,157		4,998,667
General Fund	150,000			150,000
TOTAL	\$14,164,995	\$2,931,428	\$2,450,702	\$19,547,125

The following table shows the amount of **outstanding deferred payment loans** the City has.

Funding Source:	Housing-CD Fund	Homebuyer	Housing Rehab	TOTAL
HOME	2,484,052	1,851,550	117,350	4,452,952
CDBG	1,823,053	885,721	2,333,352	5,042,126
Levy	1,165,459	194,157		1,359,616
General Fund	150,000			150,000
TOTAL	\$5,622,564	\$2,931,428	\$2,450,702	\$11,004,694

¹ This represents the full loan, and not the outstanding balance that might be owed on the loan.

HOUSING, HUMAN SERVICE AND COMMUNITY FACILITY PROGRAMS

The City has seven main program areas for housing, human service and community facility programs. These program areas are used to solicit grant or loan applications, set goals, and monitor progress. These programs include:

- Production of Rental Housing
- Homebuyer
- Preservation of Housing
- Rental Assistance and Supportive Services (includes human services)
- Community Facilities
- Acquisition & Opportunity Fund
- Administration

Production of Rental Housing

Program Objectives

The program objectives include:

- Provide a mix of affordable rental housing, promoting housing opportunity and choice throughout the City.
- Work collaboratively with other funders to ensure that the greatest number of affordable housing units are produced each funding round.
- Contribute to countywide efforts to end homelessness by providing housing that serves individuals and families who are homeless or at risk of homelessness.
- Promote cost-effective sustainable design, construction, rehabilitation, and operations of affordable housing.
- Promote the development of housing that is sited in already urbanized areas and close to basic services.
- Promote the development of housing that is energy efficient, resulting in the reduction of resources and costs to low-income households.
- Contribute to the revitalization of low-income communities through development of affordable housing, including mixed-income housing and housing.

Funding Sources

All funding sources can be used to help support the production of rental housing. CDBG funds are generally not used, however, because construction of new permanent residential structures is not eligible. CDBG funds can be used to pay for other costs associated with rental housing for low-income persons, including rehabilitation of existing housing or public facility and improvement costs (e.g. sewer or storm water extensions). The primary funding sources used for this program are HOME and Housing Levy.

2015 Production of Rental Housing Funding Summary

Housing Levy and HOME funds were budgeted and committed in 2015 for the production of rental housing. At the end of 2019, there is an anticipated fund balance of approximately \$4 million.²

² The table includes Housing Levy commitments made in the 2016 Action Plan.

	2015	2016	2017-19	TOTAL
Budget:				
Levy Carry-forward	2,335,049			2,335,049
Levy	1,871,090	1,607,910	3,698,464	7,177,464
HOME	530,014			530,014
Commitments:				
Levy	4,205,185	1,270,095		5,475,280
HOME	530,014			530,014
Fund Balance:	\$954	\$337,815	\$3,698,464	\$4,037,233

Expenditures: In the 2015 Action Plan year, the City expended \$4,930,818 of Levy funds, and \$60,089 of HOME funds in the Production program area. Expenditures include commitments from years prior to 2015.

Summary of 2015 Committed Rental Housing Development Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Mercy Housing NW <i>Eleanor Apartments</i> York	Mercy Housing is building a new apartment complex for seniors at 405 E. Champion Street. <u>Income Target:</u> 40 below 30% AMI; 40 below 50% AMI	80	\$1,775,484 Levy \$280,014 HOME	\$22,254,108
Lydia Place <i>Birchwood Apartments</i> Birchwood	Lydia Place acquired a property together with the Domestic Violence and Sexual Assault Services as tenants in common. Lydia Place will convert a portion of the motel and operate a 7-unit permanent supportive housing program for women at the rear of 2622 Birchwood Avenue. <u>Income Target:</u> 7 below 30% AMI	7	\$524,701 Levy	\$861,270
Northwest Youth Services/Opportunity Council <i>22 North</i> City Center	Predevelopment funds were committed in 2014 to "22 North", a project proposed by Northwest Youth Services (NWYS) that has since shifted to the Opportunity Council, with supportive services provided by NWYS. Initial feasibility work took place during this reporting period, and the project was committed more substantial funds in the 2016 Action Plan as a 40-unit (youth and adult) supportive housing project (rather than the initially-conceived 10-unit youth project). <u>Income Target:</u> 10 below 30% AMI	10	\$345,000 Levy \$250,000 HOME	\$595,000
Bellingham Housing Authority <i>Aloha Property</i> Sehome	The Bellingham Housing Authority (BHA) responded to a public process and proposed the development of 150 units of affordable housing on the site of the former Aloha Motel. There is currently a purchase and sale agreement between the BHA and the City, pending project details and more certainty on additional funding commitments for the project. Phase I targets are included here, with the remainder of the 150 units proposed for a second phase. The 72 units in phase I will consist of 13 units for families with children, 15	72	\$1,560,000 Levy	\$19,370,000

	units for individuals or households with disabilities, and 42 units for low income individuals or households. <u>Income Target:</u> 36 below 30% AMI; 36 below 50% AMI			
TOTALS:		169	\$ 4,735,199	\$43,080,378

In addition to the projects listed in the table, Pioneer Human Services was committed funds for a project they have since decided to discontinue.

Summary of 2015 Completed Rental Housing Development Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Francis Place</i> Central Business District	Catholic Housing Services (CHS) of Western Washington developed a 42 unit apartment building with 32 of the units targeted to serve the homeless population. The project is modeled as a Permanent Supportive Housing facility, and utilizes Housing First principles. The three target resident populations include: chronically homeless, mentally-ill; homeless 18-24 year olds; and minimal barrier applicants who are able to pay rent. <u>Income Target:</u> 21 below 30% AMI; 13 below 50% AMI; 8 below 60% AMI	42	\$362,500 Levy \$315,000 HOME	\$9,678,072
TOTALS:		42	\$ 677,500	\$9,678,072

Villa Santa Fe (formerly, Bakerview Family Housing), a 50-unit farmworker housing project committed to in 2013, is due to be completed before the end of 2016, and will be reported in the next reporting period.

Production of Rental Housing Goals

The City has established goals and outcomes in the 2013-2017 Consolidated Plan (<https://www.cob.org/services/planning/cd/Pages/consolidated-plan.aspx>) and the Housing Levy Administrative and Financial Plan (<https://www.cob.org/Documents/planning/housing/levy/housing-levy-2013.pdf>).

Consolidated Plan Goals:

There are three goals in the Consolidated Plan which are closely related to the production of new rental housing (one goal has two different outcomes). The following table shows the five year goal, the number of units where funding was committed to activities in 2015, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals, including accomplishments in 2013 and 2014.

Goal Description	Outcome	Goal	2015 Committed	2015 Actual	% of Goal Committed	% of Goal Actual
Increase supply of affordable rental housing	Rental units constructed	100	112	0	125%	2%
Increase supply of affordable rental housing	Housing for Homeless Added	40	20	10	75%	25%
Increase supply of affordable family housing	Rental units constructed	12	15	0	458%	0%
Increase supply of permanent supportive housing	Rental units constructed	60	22	32	100%	68%
TOTALS:		212	107	42	127%	25%

Levy Goals:

The Housing Levy set a combined goal for both Production and Preservation of Housing. The combined goal was 417 units over seven years. See the section on Preservation of Housing regarding achievement towards this goal.

Preservation of Housing

Program Objectives

The program objectives include:

- Working collaboratively with other funders of affordable rental housing, ensure that the greatest number of quality affordable housing units are preserved each funding round.
- Contribute to countywide efforts to end homelessness by providing housing that serves individuals and families who are homeless or at risk of homelessness.
- Promote cost-effective sustainable design, construction, rehabilitation, and operations of affordable housing.
- Promote the preservation of housing that is energy efficient, resulting in the reduction of resources and costs to low-income households.
- Promote preservation of affordable housing, and prevent displacement of low-income residents, through purchase and rehabilitation of existing housing.
- Contribute to the revitalization of low-income communities through preservation of affordable housing, including mixed-income housing and housing opportunities for existing low-income residents at risk of being displaced by redevelopment and rising housing costs.
- Promote the preservation of owner-occupied housing, allowing seniors to age in place and the disabled to improve mobility and accessibility.

Funding Sources

All funding sources can be used to help support the preservation of housing.

2015 Preservation of Housing Funding Summary

Housing Levy, CDBG and HOME funds were budgeted and committed in 2015 for the preservation of housing. At the end of 2019, there is an anticipated fund balance of \$753,308.

	2015	2016	2017-19	TOTAL
Budget:				
Levy Carry-forward	305,000	225,492	1,408	305,000
Levy	200,000	400,000	900,000	1,500,000
CDBG	420,665			420,665
HOME	115,120			115,120
Commitments:				
Levy	279,508	624,084	375,000	1,278,592
CDBG	420,665			420,665
HOME	115,120			115,120
Fund Balance	\$225,492	\$1,408	\$526,408	\$753,308

Expenditures: In the 2015 Action Plan year, the City expended \$385,972 of Levy funds, \$224,831 of CDBG funds and \$287,374 of HOME funds for Preservation Program projects. Expenditures include commitments from years prior to 2015.

Summary of 2015 Committed Preservation of Housing Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Interfaith Coalition <i>Family Housing 4-plex</i> Roosevelt	Interfaith Coalition will renovate its 4-plex apartment building in need of major rehabilitation. The building houses homeless families with children. <u>Income Target:</u> 4 below 30% AMI	4	\$154,508 Levy	\$154,508
DVSAS <i>Safe Shelter</i> Confidential	Funding will be used to bring the newly acquired Safe Shelter up to ADA, energy efficiency, and building standards, as well as to upgrade and address several maintenance issues. <u>Income Target:</u> 3 below 50% AMI; 2 below 80% AMI	5	\$89,007 CDBG	\$89,007
City of Bellingham <i>Homeowner Rehabilitation Program</i> Various	The City of Bellingham provides financial assistance to low-income homeowners for repairs and weatherization of their homes. <u>Income Target:</u> 6 below 50% AMI; 8 below 80% AMI	14	\$446,778 HOME & CDBG	\$446,778
Opportunity Council <i>Manufactured Home Repair</i> Various	The Opportunity Council coordinates with the low-income home weatherization and minor home repair program to rehabilitate and repair mobile homes in the city. Typical repairs or replacements will include roof, subfloor, electrical and plumbing, window and door, and heating system. <u>Income Target:</u> 34 below 50% AMI; 10 below 80% AMI	44	\$125,000 Levy	\$125,000
TOTALS:		67	\$ 815,293	\$ 815,293

In addition to the new 2015 commitments shown above, prior year commitments carried forward and using City funds include:

- **Opportunity Council, Dorothy Place, \$44,692**
- **YWCA, Larrabee Residence, \$177,111**
- **Lydia Place, Lydia Place Preservation, \$179,235**

2016-19 Commitments for Preservation projects using City funds include:

- **Opportunity Council, Manufactured Home Repair, \$125,000 each year through 2019 (\$500,000)**
- **DVSAS, Birchwood Shelter, \$329,084**
- **Opportunity Council, G Street 4-plex Renovation, \$120,000**
- **Emergency Repair, as needed, \$50,000 each year through 2019 (if funds not used, they will be returned to be in the fund balance)**

Summary of 2015 Completed Preservation of Housing Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Opportunity Council <i>Manufactured Home Repair</i> Various	The Opportunity Council coordinates with the low-income home weatherization and minor home repair program to rehabilitate and repair mobile homes in the city. Typical repairs or replacements will include roof, subfloor, electrical and plumbing, window and door, and heating system. <u>Income Target:</u> 2 below 30% AMI; 2 below 50% AMI; 1 below 80% AMI	5	\$ 27,175	\$ 44,262
City of Bellingham <i>Homeowner Rehabilitation Program</i> Various	The City of Bellingham provided financial assistance to low-income homeowners for repairs and weatherization of their homes. <u>Income Target:</u> 3 below 50% AMI; 5 below 80% AMI	8	\$ 245,629	\$ 245,629
Lydia Place <i>ADA Upgrade - minor remodel</i> Puget	Lydia Place is a large 8-bedroom home built in 1966. Funds were be used to address a number of critical needs including deferred long-term maintenance, increase energy efficiency and lower operation costs, meeting ADA standards and increasing accessibility, increased safety and functionality of common space, and capital expense reserves. <u>Income Target:</u> 8 below 30% AMI	8	\$230,040	\$251,259
Opportunity Council <i>Dorothy Place Rehabilitation</i> Sehome	Dorothy Place serves women and children who have experienced domestic violence and are homeless. The work focused on replacement of flooring, plumbing and electrical fixtures, and appliances, along with painting and other maintenance. <u>Income Target:</u> 21 below 30% AMI; 1 below 50% AMI	22	\$267,377	\$368,577
YWCA <i>Larrabee Residence Rehabilitation</i> Sehome	The improvements to YWCA's Larrabee Residence addressed deficiencies in indoor air quality, energy efficiency and plumbing systems and renovated the building's lower level for the YWCA's emergency and transitional shelter programs serving very low-income women. <u>Income Target:</u> 27 below 30% AMI; 9 below 50% AMI	36	\$244,501	\$272,001
Bellingham Housing Authority <i>Deer Run Terrace Rehabilitation</i> Barkley	Deer Run Terrace is a 42-unit affordable apartment building serving seniors originally built in 1995. Deer Run Terrace is in need of modernization, energy efficiency upgrades and an envelope replacement. The sustainability measures focus on improved energy performance, thermal comfort, healthier indoor air environment, environmental compatibility and simplified maintenance. <u>Income Target:</u> 14 below 30% AMI; 16 below 50% AMI; 12 below 60% AMI	42	\$550,000	\$4,558,003
TOTALS:		121	\$1,564,722	\$5,739,731

Preservation of Housing Goals

The City has established goals and outcomes in the 2013-2017 Consolidated Plan (<https://www.cob.org/services/planning/cd/Pages/consolidated-plan.aspx>) and the Housing Levy Administrative and Financial Plan (<https://www.cob.org/Documents/planning/housing/levy/housing-levy-2013.pdf>).

Consolidated Plan Goals:

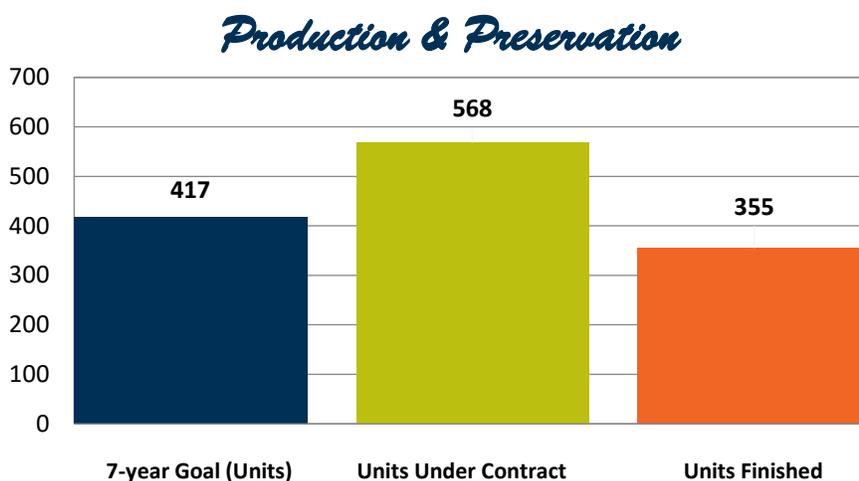
There are two goals in the Consolidated Plan which are closely related to the preservation of housing (one goal has two different outcomes). The following table shows the five year goal, the number of units where funding was committed to activities in 2015, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals.

Goal Description	Outcome	Goal	2015 Committed	2015 Actual*	% of Goal Committed	% of Goal Actual
Maintain housing stock	Homeowner housing rehabilitated	50	58	13	350%	222%
Maintain housing stock	Rental units rehabilitated	250	-	50	17%	50%
Maintain inventory of interim housing	Homelessness Prevention	400	9	58	20%	17%
TOTALS:		700	67	121	43%	43%

* Some activities were committed in prior years and completed in 2015

Levy Goals:

The Housing Levy set a goal for both the Production of Rental Homes and the Preservation of Housing programs. The goal does not distinguish between either programs. The 7-year Levy goal is 417 units, with the City committing funds towards 568 units and 355 units completed.



The following table identifies the number of units by program.

Program	Contract Target	Units Finished
Production	270	53
Preservation	298	302
	568	355

With a Production Program fund balance of about \$4 million, the Production Program should be on target to support an additional 140 units of housing development over the course of the Levy.

Homebuyer Program

Program Objectives

The Homebuyer Program is intended to provide an ongoing resource to enable low-income households to purchase a home in Bellingham. The following general program objectives guide the Homebuyer Program:

- Assist homebuyers to acquire their home at an affordable cost that will enable them to manage the costs of homeownership and to realize a reasonable share of any increase in home value so they can purchase other housing when the household's needs change.
- Create an on-going resource to assist future low-income home-buyers through resale restrictions that will maintain an affordable home price and/or loan repayment terms that will generate funds to assist future home purchasers.
- Promote programs that achieve long-term affordability through restrictions on resale.
- Combine with other sources of homebuyer and housing rehabilitation assistance funds.
- Use existing service delivery systems for lending activities.
- Promote pre-purchase homebuyer education as a best practice by requiring households using City of Bellingham homebuyer assistance to complete a pre-purchase homebuyer education program.

Funding Sources

All funding sources can be used to help support the homebuyer program. The funding has shifted in recent years from the CDBG program to HOME and Housing Levy.

2015 Homebuyer Funding Summary

Housing Levy funds were budgeted in 2015 for the homebuyer program. 2015 HOME funds included carryover from commitments made in earlier years.

	2015	2016	2017-19	TOTAL
Budget:				
Levy Carry-forward	218,665			
Levy	141,336	141,409	383,853	666,598
HOME	46,073			46,073
Commitments:				
Levy	360,000			360,000
HOME				
Fund Balance	\$46,074	\$141,409	\$383,853	\$352,671

Expenditures: In the 2015 Action Plan year, the City expended \$70,000 of HOME funds towards homebuyer activities. The Homebuyer program has \$352,671 in Levy funds remaining to be committed.

Summary of 2015 Committed Homebuyer Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
WA State Housing Finance Commission <i>Restricted Down Payment Assisted Program</i> Various	The City and Commission entered into an Agreement to finance qualified second mortgages for down payment and closing costs assistance to eligible homebuyers at 0% interest, with resales restricted through a partnership with Kulshan Community Land Trust. <u>Income Target:</u> 6 @ 80% AMI or below	6	\$210,000	\$210,000
WA State Housing Finance Commission <i>Unrestricted Down Payment Assisted Program</i> Various	The City and Commission entered into an Agreement to finance qualified second mortgages for down payment and closing costs assistance to eligible homebuyers at 3% interest <u>Income Target:</u> 6 @ 80% AMI or below	6	\$150,000	\$240,000
TOTALS:		12	\$360,000	\$450,000

Summary of 2015 Completed Homebuyer Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Kulshan Community Land Trust <i>New Homebuyer Units</i> Birchwood (2), Sunnyland (1)	The City provided down payment and/or closing cost assistance to Kulshan Community Land Trust home buyers whose incomes are below 80% AMI. <u>Income Target:</u> 3 @ 80% AMI or below	3	\$105,000	\$663,382
Kulshan Community Land Trust <i>Resales of Existing Homes</i> Columbia (1), York (2)	The City provided additional financial assistance for the resale of existing affordable homes with Kulshan Community Land Trust. <u>Income Target:</u> 3 @ 80% AMI or below	3	\$23,927	\$743,192
Kulshan Community Land Trust <i>Resales of Existing Homes</i> Birchwood (1)	The City approved resales of existing affordable homes without any additional financial assistance. <u>Income Target:</u> 1 @ 80% AMI or below	1	\$0	\$0
TOTALS:		3 new	\$128,927	\$1,406,574

Production of Homebuyer Goals

The City has established goals and outcomes in the 2013-2017 Consolidated Plan

(<http://www.cob.org/services/planning/cd-planning/consolidated-plan.aspx>) and the Housing Levy Administrative and Financial Plan (<http://www.cob.org/documents/planning/housing/housing-levy-2013.pdf>).

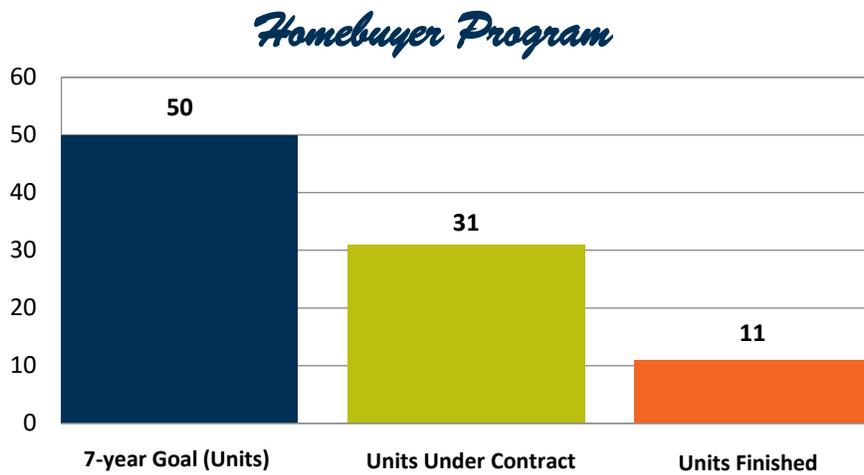
Consolidated Plan Goals:

There are two goals in the Consolidated Plan which are closely related to the production of new homebuyer units (one goal has two different outcomes). The following table shows the five year goal, the number of units where funding was committed to activities in 2015, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals.

Goal Description	Outcome	Goal	2015 Committed	2015 Actual	% of Goal Committed	% of Goal Actual
Increase supply of affordable family housing	Direct financial assistance to homebuyers	16	3	2	56%	44%
Increase supply of affordable owner-occupied housing	Direct financial assistance to homebuyers	20	9	-	115%	35%
Increase supply of affordable owner-occupied housing	Homeowner Housing Added	4	-	1	200%	125%
TOTALS:		40	12	3	100%	48%

Levy Goals:

The Housing Levy set a goal for the Homebuyer program. The goal was 50 units over seven years, with 31 units committed and 11 completed.



Community Facilities Program

Funding Sources

Generally, only CDBG funding can be used to fund capital improvements for community facilities. City general funds could also be used for this purpose if appropriated. However, the City has funded only limited projects through this program over the years.³

Program Objectives

The Community Facilities Program provides funding to "public facilities and improvements" that can include infrastructure, such as sewer, drainage, parks, sidewalks, architectural barriers, or public facilities, such as food banks, senior centers and community centers. All funding in this program must primarily benefit low-income persons, households or neighborhoods. The terms "public facilities" or "public improvements" are broadly interpreted in the CDBG program to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public.

2015 Community Development Funding Summary

CDBG funds were budgeted and committed in 2015 for the Community Facilities program.

	2015	2016	2017-19	TOTAL
Budget:				
CDBG	410,665	208,500	0	619,165
General Fund	0		0	\$ 0
Commitments:				
CDBG	410,665	208,500	0	619,165
General Fund	0		0	\$ 0
Fund Balance	0	0	0	\$ 0

Expenditures: In the 2015 Action Plan year, the City expended \$354,660 of CDBG funds towards community facility activities.

Summary of 2015 Committed Community Facility Program Projects

Project Sponsor Project Name Neighborhood	Project Description	Pop. Served	City \$	Project \$
Opportunity Council <i>Safety and Service Improvements</i> Central Business District	The Opportunity Council is undertaking Phase II of a major rehabilitation of the main building where they deliver a wide variety of services to low-income families. Work includes safety improvements to exterior entries, and interior service delivery improvements. <u>Income Target:</u> presumed benefit low-income	13,500	\$208,500	\$ 494,100

³ The city funds many activities that can be considered community facilities, however. Transportation and other public works projects take place in low-income neighborhoods. Funds directed to economic development, public safety improvements and other programs can also be considered community facilities that benefit low-income persons.

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
WFCN/BHA <i>Roosevelt Neighborhood Resource Center</i> Roosevelt	The Whatcom Family and Community Network leases the building from the Bellingham Housing Authority, serving families with children in the Roosevelt neighborhood and promoting neighborhood safety. The BHA will upgrade the resource center and improve energy efficiency by replacing windows, floor coverings, heating, and doing other repairs. <u>Income Target:</u> presumed benefit low-income	1,700	\$85,665	\$85,665
Unity Care NW <i>Dental Clinic</i> City Center	Unity Care is expanding their health care offerings to provide comprehensive dental care for low-income adults with a 12 operatory dental clinic in downtown Bellingham. <u>Income Target:</u> presumed benefit low-income	6,250	\$225,000	\$1,347,881
TOTALS:		21,450	\$ 519,165	\$1,927,646

Summary of 2015 Completed Community Facility Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
Brigid Collins <i>Accessibility</i> Sehome	The project made improvements to the Family Activity room entrance with new railing and stairs, overhang and fencing. <u>Income Target:</u> presumed benefit low-income	1,900	\$24,000	\$96,311
WFCN/BSD <i>Shuksan Family Resource Center</i> Birchwood	The Whatcom Family and Community Network in conjunction with Bellingham School District relocated a portable to establish the Shuksan Family Resource Center that provides a link between parents and local resources to help students succeed. <u>Income Target:</u> presumed benefit low-income	1,500	\$30,000	\$30,000
DVSAS <i>Accessibility</i> Central Business District	The Domestic Violence and Sexual Assault Services made improvements to the main services building to improve accessibility and services. <u>Income Target:</u> presumed benefit low-income	2,009	\$30,000	\$136,000
TOTALS:		5,409	\$ 84,000	\$ 262,311

Community Facility Goals

Consolidated Plan Goals:

The City has established goals and outcomes in the 2013-2017 Consolidated Plan

(<http://www.cob.org/services/planning/cd-planning/consolidated-plan.aspx>) and the Housing Levy Administrative and Financial Plan (<http://www.cob.org/documents/planning/housing/housing-levy-2013.pdf>).

There is one goal in the Consolidated Plan which is closely related to community facilities. The following table shows the five year goal, the number of units where funding was committed to activities in 2015, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals.

Goal Description	Outcome	Goal	2015 Committed	2015 Actual	% of Goal Committed	% of Goal Actual
Help fill gap in basic needs	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	800	13,500	1	3307%	1936%
Support equitable investment in public facilities and improvements	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	3,000	7,950	5,409	513%	0%
TOTALS:		3,800	21,450	5,410	1666%	550%

Levy Goals:

The Housing Levy does not authorize funding for community facilities.

Rental Assistance and Housing/Human Services Program

Program Objectives

The Rental Assistance and Housing/Human Services Program provides funding to a wide range of activities. The primary areas of activity for 2015 include:

- Tenant-based rental assistance (TBRA)
- Project-based rental assistance and housing services
- Housing services
- Human and social services
- Winter emergency shelter

Funding Sources

All funding sources are used to support the numerous activities in the rental assistance and housing/human services program. However, each funding source has its limitations. Housing Levy funds can only be used for rental assistance and housing services. CDBG funds can only be used for those activities that can account for the federal requirements to benefit low-income populations. HOME funds cannot be used for services, but can fund tenant-based rental assistance (TBRA). City general funds can be used for any activity that benefits low-income persons or households.

2015 Rental Assistance and Housing/Human Service Funding Summary

All four funds were budgeted and committed in 2015 for the Rental Assistance and Housing/Human Service program.

	2015	2016	2017-19	TOTAL
Budget:				
Levy Carry-forward	350,000	476,019	162,125	350,000
Levy	693,000	693,000	3,479,000	4,865,000
General Fund	349,797	465,760	-	815,557
CDBG	141,313	153,185	-	294,498
HOME	165,000	165,000	-	330,000
Commitments:				
Levy	566,981	1,006,894	2,229,242	3,803,117
General Fund	349,797	465,760	-	815,557
CDBG	141,313	153,185	-	294,498
HOME	165,000	165,000	-	330,000
Fund Balance⁴	\$476,019	\$162,125	\$1,411,883	\$1,411,883

⁴ Fund Balance in the Levy comes from a set-aside of funding for Project-based operating assistance, and contracts committed beyond June 2016.

Expenditures: In the 2015 Action Plan year, the City expended the following on housing services, human/social services and rental assistance.

Program	CDBG	HOME	LEVY	GF	TOTAL
Housing	93,842	-	381,566	30,000	\$ 505,408
Human/Social Services	47,000			319,797	\$ 366,797
Rental Assistance		180,673	256,077	0	\$ 436,750
TOTALS	\$140,842	\$ 180,673	\$ 637,643	\$ 349,797	\$ 1,308,955

Summary of 2015 Rental Assistance and Housing Service Program Projects

Agency	Program Name	Goal Supported	City \$
Rental Assistance and Housing Services			
Lydia Place	Transitional Housing - Homeless Women with Children	Support rapid rehousing of homeless persons and families	17,358
Opportunity Council	Homeless Housing Services	Provide supportive services to homeless	40,000
Lydia Place	Ending Family Homelessness	Provide supportive services to homeless	48,000
Northwest Youth Services	Positive Adolescent Development	Provide supportive services to homeless	45,000
Northwest Youth Services	Transitional Living	Provide supportive services to homeless	33,000
YWCA	Larrabee Residence	Provide supportive services to homeless	25,000
Domestic Violence & Sexual Assault Services	Domestic Violence Safe Shelter	Provide supportive services to homeless	20,500
Catholic Community Services	Anti-Victimization Re-housing Services	Provide supportive services to homeless	46,142
Opportunity Council	Tenant-based Rental Assistance	Support rapid rehousing of homeless persons and families	165,000
TOTAL			440,000

Summary of 2015 Human / Social Service Program Projects

Human and Social Services			
Whatcom Alliance for Health Advancement	Community-based Intensive Case Management	Help fill gap in basic needs to low-income	105,000
Sean Humphrey House	Services for Adults Living with AIDS / HIV	Help fill gap in basic needs to low-income	12,610
Opportunity Council	Volunteer Chore Program	Help fill gap in basic needs to low-income	30,000
Bellingham Food Bank	Free Grocery Program	Help fill gap in basic needs to low-income	25,000
Rebound of Whatcom County	Rebound Roots	Help fill gap in basic needs to low-income	31,000
Bellingham Childcare & Early Learning Center	Childcare & Early Learning Center	Help fill gap in basic needs to low-income	30,000
Whatcom Literacy Council	Gaining Jobs through Literacy	Help fill gap in basic needs to low-income	10,000

Whatcom Dispute Resolution Center	Parent / Teen Mediation	Help fill gap in basic needs to low-income	15,000
Whatcom Council on Aging	Meals on Wheels	Help fill gap in basic needs to low-income	30,500
Opportunity Council	Maple Alley Inn	Provide supportive services to homeless	20,000
Northwest Youth Services	Teen Court	Help fill gap in basic needs to low-income	25,000
Northwest Youth Services	Vocational Readiness	Help fill gap in basic needs to low-income	35,000
LAW Advocates	Homeless Disability Benefits Project	Help fill gap in basic needs to low-income	15,000
Mercy Housing Northwest	Farm Worker & Senior Support Services	Help fill gap in basic needs to low-income	12,000
Domestic Violence & Sexual Assault Services	Providing Help & Healing for Children of DV Victims	Help fill gap in basic needs to low-income	15,000
Brigid Collins Family Support Center	Target Intensive Case Management	Help fill gap in basic needs to low-income	30,000
TOTAL			441,110

Summary of 2015 Committed Project-based Rental Assistance and Housing Services

Project Sponsor <i>Project Name</i>	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Francis Place</i> Central Business District	The City committed funds for seven years to assist with rental payments, housing case management and operational staff for security. This commitment was in conjunction with a capital development award. <u>Income Target:</u> 21 below 30% AMI; 13 below 50% AMI; 8 below 60% AMI	42	\$ 978,994	\$ 1,921,939
Sun Community Services <i>Greggie's House</i> Sunnyland	The City committed funds for seven years to assist with case management services, rent and administrative costs. <u>Income Target:</u> 6 below 30% AMI	6	\$ 391,398	\$ 405,555
TOTAL:		48	\$ 1,370,392	\$ 2,327,494

Rental Assistance, Housing and Human/Social Service Goals

The City has established goals and outcomes in the 2013-2017 Consolidated Plan (<http://www.cob.org/services/planning/cd-planning/consolidated-plan.aspx>) and the Housing Levy Administrative and Financial Plan (<http://www.cob.org/documents/planning/housing/housing-levy-2013.pdf>).

There are three goals, each with two different outcome indicators, in the Consolidated Plan which address rental assistance, housing and human/social services. The following table shows the five year goal, the number of units where funding was committed to activities in 2015, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals.⁵

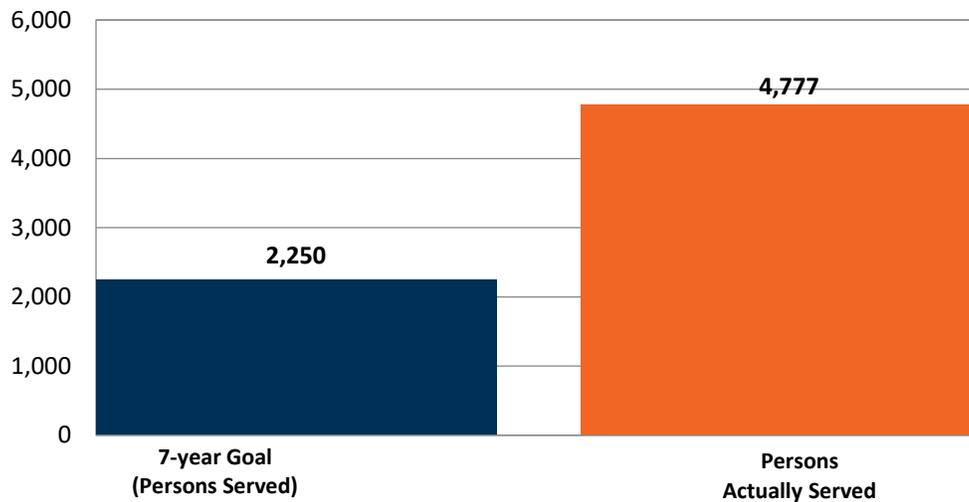
⁵ The numerous contracts the City has for housing, human and social services do not always align well with the Consolidated Plan goals and outcomes. For example, are emergency motel vouchers considered a supportive service to homeless persons or rapid rehousing of homeless persons? In addition, initial commitments are not

Goal Description	Outcome	Goal	2015 Committed	2015 Actual	% of Goal Committed	% of Goal Actual
Rapid rehousing of homeless persons	TBRA/Rapid Rehousing	100	64	161	194%	232%
Rapid rehousing of homeless persons	Overnight Shelter	400	198	192	74%	125%
Provide supportive services to the homeless	Public Service activities	400	1,025	443	899%	485%
Provide supportive services to the homeless	Homelessness Prevention	3,000	619	1,663	62%	191%
Help fill gap in basic needs	Public Service activities	50,000	11,999	19,522	95%	139%
Help fill gap in basic needs	HIV/AIDS Housing	35	6	6	54%	60%
TOTALS:		53,935	13,911	21,987	99%	145%

Levy Goals:

The Housing Levy set a goal for both the Rental Assistance and Supportive Services' programs. The goals are not distinct to the various aspects of the program (e.g. rental assistance versus services). The 7-year Levy goal is 2,250 persons or households (increased from 1,098 in 2015). The program has delivered services to 4,777 persons, far surpassing the Levy goals.

Rental Assistance & Supportive Services



always reported in final close outs with the same goal and outcome as the initial grant application. The key indicator is the number of persons that have actually been helped in a year with services. In this case, we can confidently say that more than 22,000 services were provided to people in the City during 2015.

Acquisition and Opportunity Program

Program Objectives

The Acquisition and Opportunity Program is a Housing Levy program intended to permit strategic acquisition of sites for low-income housing development. These loans are expected to be repaid with permanent project financing, which may be from either City or non-City funding sources. Loans are intended to facilitate development of rental or homeownership housing consistent with the objectives and priorities of those two programs.

Project Commitments and Fund Balance

\$875,000 of Housing Levy funds have been budgeted for this program. The City has used this fund to help pay for the acquisition of the Aloha Inn Motel, which was condemned by the City. Through a public process, the Bellingham Housing Authority was awarded the use of this property for the production of affordable housing consistent with the Production and Preservation Program. Because of this, funds were transferred back to the Acquisition and Opportunity Program from the Production and Preservation Program, making the Acquisition and Opportunity Program budget whole again and available for use on new opportunities.

Administration

The city commits administrative resources in order to carry out the activities of these various programs. The administrative tasks include:

- Strategic and Action Plans
- Annual performance reports
- Contract management, including review of proposals and underwriting
- Monitoring of activities
- Audits of city records
- Payment of invoices and expenses
- Reporting to federal and other funding sources

Funding Sources

All funding sources include funds for administrative expenses. Each funding source has its own unique requirements for administrative expenses. Highlights include:

- CDBG Program - No more than 20% of the federal grant and program income can be spent on administrative expenses.
- HOME Program - No more than 10% of the federal grant and program income can be spent on administrative expenses. Administrative expenses for the tenant-based rental assistance (TBRA) program, delivered by the Opportunity Council, are included within this limit.
- Levy Program - The Levy set aside 5.2% of the Levy funds for administrative purposes. These expenses include city interfund charges for management of the fund and procurement process, accounting for nearly half of the administrative expenses charged to the Levy.
- General Fund - The City general fund contributes space, legal and financial services, other salaries and miscellaneous expenses to the programs.

2015 Administrative Funding Summary

All four funds were budgeted and committed in 2015 for Administrative Expenses.

	2015	2016	2017-19	TOTAL
Budget:				
Levy	149,836	157,319	520,820	827,975
General Fund	220,000	238,000	809,000	1,267,000
CDBG	184,045	184,246		368,291
HOME	49,500	51,669		101,169
Commitments:				
Levy	130,382	135,597	439,335	705,314
General Fund	220,000	238,000	809,000	1,267,000
CDBG	184,045	184,246		368,291
HOME	49,500	51,669		101,169
Fund Balance	19,454	21,722	81,485	\$122,661

Monitoring Fund

The 2012 Housing Levy provides seven years of funding for both activities and administrative expenses. Some Levy programs require fifty years of ongoing commitment to affordable housing. This ongoing commitment is established through covenants and annual reporting requirements that must be monitored and reviewed by City staff. In order to meet this ongoing requirement, the City has established an annual monitoring fee, currently set at \$450 for projects with 10 or fewer housing units and \$450 + \$25 per unit for 11 or more units. A 10-unit project with a fifty year affordability requirement would require payment of \$22,500 into the monitoring fund.

As of the end of the 2015 Action Plan year, the City has collected \$377,147 that is reserved for future administrative expenses directed towards monitoring.

PERSONS SERVED

The primary purpose of the Housing, Human Service and Community Facility programs is to provide benefit to low-income persons or households, defined as those earning 80% or less of area medium income (AMI). The City also has a policy that ensures fair and equal housing and services, and tracks progress to ensure that funds are equitably distributed.

Income Limitations

Each funding source has its own limitations for income. In some cases, the limits are considered by project or activity, and in some cases by program. Here is a snapshot view of the limits:

CDBG Program - The City has an obligation that, in the aggregate, at least 70% of CDBG funds benefit low-income persons or households. Activities that provide services to a mix of incomes must "primarily" benefit low-income persons or households, meaning that at least 51% of those served are low-income. If the funds are used to provide a direct benefit, such as financially assisting a homeowner rehabilitation, then the household must be low-income.

HOME Program - HOME funds must benefit low-income persons or households. However, 90% of the households assisted for rental or TBRA program must have incomes that do not exceed 60% AMI. Finally, HOME has a "project" rule where projects of five or more HOME-assisted units, at least 20% of the units must be for households with incomes that are 50% AMI or below.

Levy Program - The Levy requires funds to benefit low- (80% AMI or below) and very-low (50% AMI or below) income households. Two-thirds of the funding must be directed to very-low income persons or households.

City General Fund - City general funds can be used for any income group. However, if the funds are used to provide financial assistance directly to a person or household, it would be considered a gifting of public funds if they were not considered necessary in support of the "poor" or "infirm". The City's use of general funds for housing and human service activities follows the CDBG programs for income requirements.

Affirmative Market Fair Housing

Fair and equal housing, having its basis in the Fourteenth Amendment to the United States Constitution adopted in 1868 and the Civil Rights Act of 1964, has historically been a desired goal of this nation. The City of Bellingham, committed to nondiscrimination and equal opportunity in housing, establishes procedures to further this commitment and to affirmatively market units receiving funding through the City.

The City of Bellingham believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of their race, color, religion, ancestry, national origin, familial or marital status, disability, sex, sexual orientation or gender identify.

2015 Households/Persons Served

The following table shows the persons served with projects or activities that were committed in 2015. Information by race/ethnicity is not available at the time of commitment.

Program	Households/Persons	Income			
		<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	>80% AMI
Homebuyer	12			12	
Rental Production	169	93	76		
Preservation	67	4	43	20	
Community Facilities	15,825			15,825	
Housing, Human/Social Services	13,911	9,675	3,664	487	85
TOTALS	29,984	9,772	3,783	16,344	85
		33%	13%	54%	0.0%

The following table shows the persons served with projects or activities that were completed in 2015. Race/ethnicity is not available for community facilities projects.

Program	Households/Persons	Income				Race/Ethnicity (# of Persons)					
		<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	>80% AMI	White	Am. Indian	Black/Af. Am	Asian	Other Race	Hispanic
Homebuyer	6		6			13				2	
Rental Production	42	41	1			32	2	1		7	5
Preservation ⁶	121	72	31	18		14			3	2	
Community Facilities	5,409		5,409								
Housing, Human/Social Services	21,987	14,448	7,064	475		19,246	1,057	648	214	822	2,474
TOTALS	27,565	14,561	7,096	5,908	0	19,305	1,059	649	217	833	2,479
		53%	26%	21%	0%	87%	5%	3%	1%	4%	11%

Levy Requirements for Very-Low Income

The Housing Levy requires two-thirds (67%) of the funds be directed towards very-low income (below 50% AMI) persons or households. The existing commitments with income targets indicate that 88% of all the funding committed through 2015 is targeted to very-low income persons or households.

Program	Funds	Units	Income			Levy	
			<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	ELI Levy (<= 50% AMI)	LI Levy (> 50% AMI)
Homebuyer	615,000	25		2	23	\$ 39,231	\$ 575,769
Production	6,307,950	267	133	126	8	\$ 6,238,902	\$ 69,048
Preservation	2,033,876	272	115	95	62	\$ 1,649,785	\$ 384,091
Housing Services	2,171,698	1,375	1,228	115	30	\$ 1,859,831	\$ 293,698
	\$ 11,128,524	1,939	1,476	338	123	\$ 9,787,749	\$ 1,322,606
			76%	18%	6%	88%	12%

⁶ The Manufactured Home Repair program does not collect information by race/ethnicity.