

2017 ANNUAL PERFORMANCE REPORT

Covering the Period from July 1, 2017 – June 30, 2018



Clockwise from top left: CHS Mt. Baker Apts, Lydia Place Birchwood Apts, Mercy Housing NW Eleanor Apartments, NWYS/OC 22 North. Photos by Matthew Bautista.

Bellingham Housing Levy
2017-2018 Bellingham General Fund
2017 Community Development Block Grant (CDBG)
2017 HOME Investment Partnership Fund



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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. For HUD purposes, this report is the Consolidated Annual Performance Evaluation Report, or "CAPER."

This report covers the "2017" Action Plan year, also referred to as a program 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, 2017 through June 30, 2018.** Where contractual obligations run for a period different from this, figures are adjusted to best reflect the performance and commitments over this July 1, 2017 through June 30, 2018 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 occurred before the City's Community Development Advisory Board ("CDAB"). Publication announcing the CAPER, the public comment period and hearing printed on August 1, 2018 in the Bellingham Herald. The public comment period began August 9, and the hearing was held September 13. No written comments were received, nor did any members of the public speak at the public hearing in front of CDAB.

Submission of Report

HUD requires the Annual Performance Report to be submitted each fall. The City provides the findings to the Mayor, City Council, and Library and posts the report on the city's webpage: <https://www.cob.org/services/housing/Pages/action-plan.aspx>.

For More Information

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

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FINANCIAL PERFORMANCE

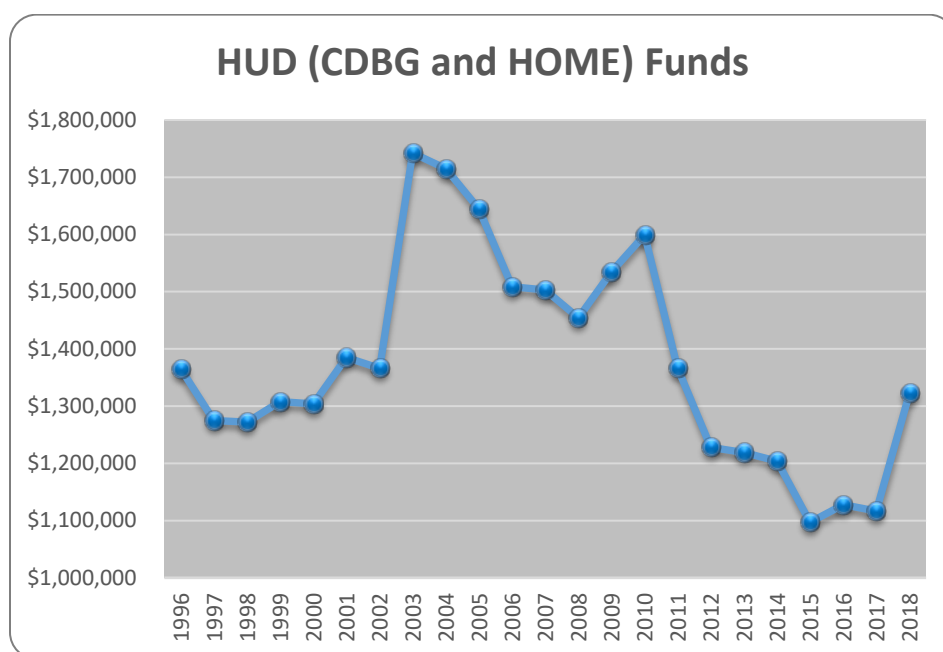
Bellingham receives federal and local funding for the housing and community development activities covered by this Annual Performance Report.

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 increased for the 2018 Action Plan year, after a general decline since the early 2000's.



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. 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 (2016)	721,231	721,231	289,533	-	431,698
HOME (2016)	406,691	406,691	406,691	-	-
CDBG (2017)	717,032	640,527	155,978	76,505	561,054
HOME (2017)	399,745	226,418	224,865	173,327	174,880
CDBG (2018)	785,545			785,545	785,545
HOME (2018)	537,364			537,364	537,364

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. 2/3rds 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. In addition to property taxes collected, interest is earned on the balance, and occasionally payments are made on loans. As of June 30th, 2018, the City had collected \$16,525,073 and had \$3,396,964 available to draw (a portion of which is already committed).

Bellingham General Fund

The City allocates "general fund" money for housing and human service grants. For the 2017 Action Plan year, the City spent \$339,925 in human service grants and another \$43,835 to support the administrative costs of the Whatcom Homeless Service Center. The general fund also supported the intensive case managers who work with the Bellingham Community Paramedic through Whatcom Alliance for Health Advancement for \$96,250, as well as 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 the 2017 program year, for every federal dollar expended on activities which were *completed*, over \$25 of non-federal funds were leveraged. This is an increase from \$6 in 2015; leveraging has increased because the Levy has enabled additional resources to assist in housing development, preservation and services.

The following table shows the anticipated leveraging of new activities committed in the 2017 program year. Keep in mind these are projected aggregate totals for the overall program areas, with leverage anticipated to vary by individual project.

Program	Federal Funds	Local City Funds	Total Project	Leverage of City/Fed Funds	Leverage of Federal Funds	Leverage of City Funds
Rental Housing Development	649,628	1,075,006	12,226,402	\$6.09	\$17.82	\$10.37
Preservation of Housing	346,364	369,935	9,660,979	\$12.49	\$26.89	\$25.12
Homebuyer	35,000	25,000	352,500	\$4.88	\$9.07	\$13.10
Community Facilities	250,000	0	1,080,250	\$3.32	\$3.32	\$0.00
Rental Assistance & Services	282,166	803,790	6,553,050	\$5.03	\$22.22	\$7.15
TOTAL	1,563,158	2,273,731	29,873,181	\$6.79	\$18.11	\$12.14

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 **loans with an outstanding balance**¹ the City has by program and fund.

Funding Source	Housing-CD Fund	Homebuyer	WA State HFC	Housing Rehab	TOTAL
HOME	7,248,210	1,655,059	156,245	274,347	9,333,861
CDBG/CDBG-R	3,282,225	804,268		2,310,125	6,396,618
Levy	6,848,402	197,157	429,907		7,475,466
NSP		326,843			326,843
TOTAL	17,378,837	2,983,327	586,152	2,584,472	23,532,787

The following table shows the amount of **only deferred payment loans with an outstanding balance** the City has (a subset of the above table).

Funding Source	Housing-CD Fund	Homebuyer	WA State HFC	Housing Rehab	TOTAL
HOME	3,267,682	1,655,059	156,245	274,347	5,353,332
CDBG/CDBG-R	2,298,951	804,268		2,310,125	5,413,344
Levy	1,505,609	194,157	429,907		2,129,673
NSP		108,828			108,828
TOTAL	7,072,242	2,762,312	586,152	2,584,472	13,005,177

¹ This represents the original full loan amount for those loans with an outstanding balance, and not only the 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.

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 (though rehabilitation is 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.

Production of Rental Housing Funding Summary

Housing Levy, HOME, and CDBG funds were budgeted and committed in the 2017 program year for the production of rental housing. At the end of 2019, there is an anticipated fund balance of \$942,017 for production activities.²

² The table includes Housing Levy commitments made in the 2018 Action Plan.

	2017	2018	2019	TOTAL
Budget:				
Levy Carry-forward	289,726			289,726
Levy	1,215,732	1,275,000	633,500	3,124,232
HOME/CDBG	563,616			563,616
Commitments:				
Levy	1,196,321	762,605	513,015	2,471,941
HOME/CDBG	563,616			563,616
Fund Balance	309,137	512,395	120,485	942,017

Expenditures include commitments from years prior to 2017.

Summary of Committed Rental Housing Development Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Mt. Baker Apts</i> City Center	This project is a combination production-preservation rehabilitation project, with 84 total units, 25 of which were previously not rent-restricted and counted as production units. The cost is prorated between the two program categories. <u>Income Target:</u> 4 below 30% AMI; 21 below 50% AMI	25	\$195,057 Levy \$69,943 CDBG	\$4,016,814
Opportunity Council <i>Promise Homes</i> Meridian Neighborhood	Predevelopment funding and development commitment to assist Opportunity Council in a new development project for mixed income housing with early learning services on site, for between 41 and 54 units for low and moderate income households. <u>Income Target:</u> 41 below 50% AMI; 13 below 80% AMI	41	\$1,035,006 Levy \$449,128 HOME	\$11,657,852
Lydia Place <i>Heart House</i> Puget Neighborhood	Predevelopment funding to assist Lydia Place in feasibility analysis of new development project on existing Gladstone site for between 8 and 12 additional units for homeless-on-entry households. <u>Income Target:</u> 8 below 30% AMI	8	\$40,000 Levy	TBD
TOTALS:		74	\$ 1,789,134	\$15,674,666

Summary of Completed Rental Housing Development Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Mt. Baker Apts</i> City Center	This project is a combination production-preservation rehabilitation project, with 84 total units, 25 of which were previously not rent-restricted and counted as production units. The cost is prorated between the two program categories. <u>Income Target:</u> 4 below 30% AMI; 21 below 50% AMI	25	\$195,057 Levy \$69,943 CDBG	\$4,016,814
Lydia Place <i>Bell Tower</i>	Lydia Place purchased an existing building and rehabilitated the bottom floor to provide 5 single room	5	\$336,000 Levy	\$823,800

Project Sponsor <i>Project Name</i> <i>Neighborhood</i>	Project Description	Units	City \$	Project \$
York Neighborhood	occupancy units for formerly homeless survivors of domestic violence. <u>Income Target:</u> 5 below 30% AMI			
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 converted a portion of the motel to operate a 7-unit permanent supportive housing program for women at the rear of the property. <u>Income Target:</u> 7 below 30% AMI	7	\$524,701 Levy	\$861,270
Mercy Housing NW <i>Eleanor Apartments</i> York	Mercy Housing developed a new apartment complex for seniors at 405 E. Champion Street. <u>Income Target:</u> 40 below 30% AMI; 40 below 50% AMI	80	\$1,657,911 Levy \$280,014 HOME	\$22,067,899
TOTALS:		117	\$ 3,063,625	\$27,552,807

Production of Rental Housing Goals

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

(<https://www.cob.org/documents/planning/community-development/consolidated-plan/2017-full-plan.pdf>) 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 2017, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals, including accomplishments in 2013, 2014, 2015, and 2016.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2017 Committed	2017 Actual	% of Goal Committed	% of Goal Actual
Increase supply of affordable rental housing	Rental units constructed	100	125	12	41	105	166%	117%
Increase supply of affordable rental housing	Housing for Homeless Added	40	45	10		5	113%	38%
Increase supply of affordable family housing	Rental units constructed	12	55	40	25		667%	333%
Increase supply of permanent supportive housing	Rental units constructed	60	80	41	8	7	147%	80%
TOTALS:		212	305	103	74	117	179%	104%

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.

Preservation of Housing Funding Summary

Housing Levy, CDBG and HOME funds were budgeted and committed in 2017 for the preservation of housing. At the end of 2019, there is an anticipated fund balance of \$314,103.

	2017	2018	2019	TOTAL
Budget:				
Levy Carry-forward	407,437			407,437
Levy	325,000	255,000	120,000	700,000
CDBG	319,317			319,317
HOME	67,173			67,173
Commitments:				
Levy	505,834	175,000	112,500	793,334
CDBG	319,317			319,317
HOME	67,173			67,173
Fund Balance	226,603	80,000	7,500	314,103

Expenditures include commitments from years prior to 2017.

Summary of Committed Preservation of Housing Projects

Project Sponsor Project Name Neighborhood	Project Description	Units	City \$	Project \$
Catholic Housing Services Mt. Baker Apts City Center	This project is a combination production-preservation rehabilitation project, with 84 total units, 59 of which were previously rent-restricted and underwent	59	\$369,935 Levy	\$9,479,680

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
	substantial rehabilitation under the preservation program. The cost is prorated between the two program categories. <u>Income Target:</u> 10 below 50% AMI; 49 below 60% AMI		\$165,065 CDBG	
City of Bellingham <i>Homeowner</i> <i>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	\$440,241 HOME & CDBG	\$440,241
Opportunity Council <i>Manufactured Home</i> <i>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	20	\$125,000 Levy	\$125,000
TOTALS:		93	\$ 1,100,241	\$ 10,044,921

In addition to the new 2017 program year commitments shown above, prior year commitments carried forward and using City funds include:

- **DVSAS, Baker Place Shelter Preservation, \$329,084**
- **Opportunity Council, G Street 4-plex rehabilitation, \$120,000**

2018-19 Commitments for Preservation projects using City funds include:

- **Opportunity Council, Manufactured Home Repair, \$125,000 each year through 2019 (\$250,000)**
- **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 Completed Preservation of Housing Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Mt. Baker Apts</i> City Center	This project is a combination production-preservation rehabilitation project, with 84 total units, 59 of which were previously rent-restricted and underwent substantial rehabilitation under the preservation program. The cost is prorated between the two program categories. <u>Income Target:</u> 10 below 50% AMI; 49 below 60% AMI	59	\$369,935 Levy \$165,065 CDBG	\$9,479,680
DVSAS <i>Safe Shelter Rehab</i> confidential	DVSAS completed a significant rehabilitation addressing health, safety, and other improvements needed at their confidential shelter for domestic violence survivors. <u>Income Target:</u> 5 below 30% AMI	5	\$89,007 CDBG	\$89,007
Opportunity Council <i>Manufactured Home</i> <i>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.	21	\$ 131,991 Levy	\$ 284,969

Project Sponsor <i>Project Name</i> <i>Neighborhood</i>	Project Description	Units	City \$	Project \$
	<u>Income Target:</u> 7 below 30% AMI; 10 below 50% AMI; 4 below 80% AMI			
City of Bellingham <i>Homeowner</i> <i>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> 2 below 30% AMI; 3 below 50% AMI; 1 below 60% AMI; 3 below 80% AMI	9	\$ 316,390	\$ 316,390
TOTALS:		94	\$ 1,072,388	\$ 10,170,046

The costs of housing rehabilitation have increased significantly in the past eighteen months, allowing fewer homes in both the manufactured home repair and homeowner rehabilitation programs to undergo rehabilitation for the same or similar cost as in previous years.

Preservation of Housing Goals

The City has established goals and outcomes in the 2013-2017 Consolidated Plan (<https://www.cob.org/documents/planning/community-development/consolidated-plan/2017-full-plan.pdf>) 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 2017 and prior, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals, including accomplishments in 2013, 2014, 2015, and 2016.

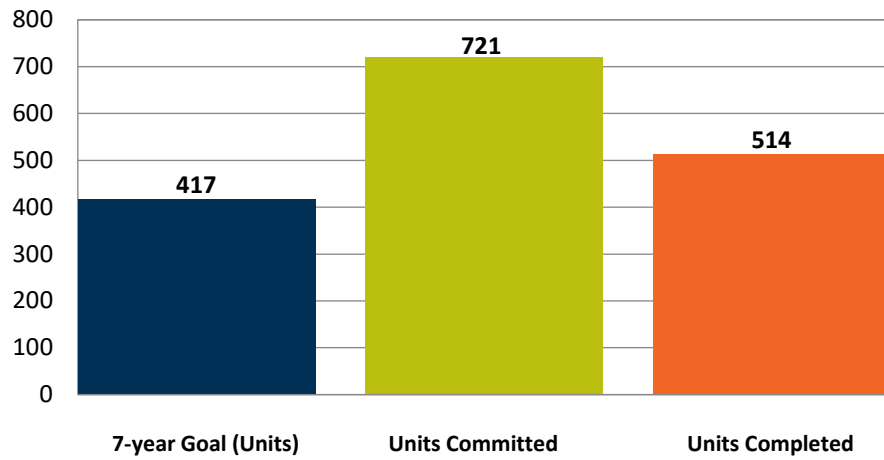
Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2017 Committed	2017 Actual	% of Goal Committed	% of Goal Actual
Maintain housing stock	Homeowner housing rehabilitated	50	233	136	34	30	534%	332%
Maintain housing stock	Rental units rehabilitated	250	46	125	59	59	42%	74%
Maintain inventory of interim housing	Homelessness Prevention	400	91	66	0	5	23%	18%
TOTALS:		700	370	327	93	94	66%	60%

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 721 units and 514 units completed.³

³ The 2015 CAPER mistakenly attributed 108 units preserved with HOME and CDBG dollars (not levy dollars) to the Levy preservation completed units total; those units have been removed from the calculation. In addition, 54 committed units have also been removed due to agencies not going forward with projects (Pioneer – 50 units; Interfaith – 4 units).

Production & Preservation



The following table identifies the number of units by program.

Program	Commitment	Units Completed
Production	376	215
Preservation	345	299
	721	514

With a Production Program fund balance of under \$1 million remaining in the 2012 Housing Levy, the Production Program should be able to support approximately 28 additional units of housing development over the remainder of the existing 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 over time from the CDBG program to HOME and Housing Levy.

Homebuyer Funding Summary

Housing Levy funds were budgeted in the 2017 program year for the homebuyer program. HOME funds included carryover from commitments made in earlier years.

	2017	2018-19	TOTAL
Budget:			
Levy Carry-forward	85,887		85,887
Levy	209,020	140,000	349,020
HOME/CDBG	200,000	381,147	581,147
Commitments:			
Levy	294,907	140,000	434,907
HOME/CDBG	200,000	381,147	581,147
Fund Balance	\$0	\$0	\$0

Expenditures include commitments from years prior to 2017.

Summary of Committed Homebuyer Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Kulshan CLT / Habitat for Humanity <i>Telegraph Road</i> Townhomes Meridian	Kulshan CLT and Habitat for Humanity are partnering on a townhome development in the Meridian neighborhood. Phase I includes 12 homes, with future phases anticipating more. <u>Income Target:</u> 12 @ 80% AMI or below	12	\$4,253 Levy \$315,747 CDBG	\$2,258,000
TOTALS:		12	\$320,000	\$2,258,000

Summary of Completed Homebuyer Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
WSHFC Restricted / Kulshan CLT <i>Resales of Existing Homes</i> Fairhaven (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> 1 @ 80% AMI or below	1	\$35,000 HOME	\$200,000
WSHFC Unrestricted <i>New Homebuyer Unit</i> Birchwood (1)	The City provided down payment and/or closing cost assistance through the WSHFC down-payment assistance program for home buyers whose incomes are below 80% AMI. <u>Income Target:</u> 1 @ 80% AMI or below	1	\$25,000 Levy	\$152,500
TOTALS:		2	\$60,000	\$352,500

Production of Homebuyer Goals

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

(<https://www.cob.org/documents/planning/community-development/consolidated-plan/2017-full-plan.pdf>) and the Housing Levy Administrative and Financial Plan (<http://www.cob.org/documents/planning/housing/housing-levy-2013.pdf>).

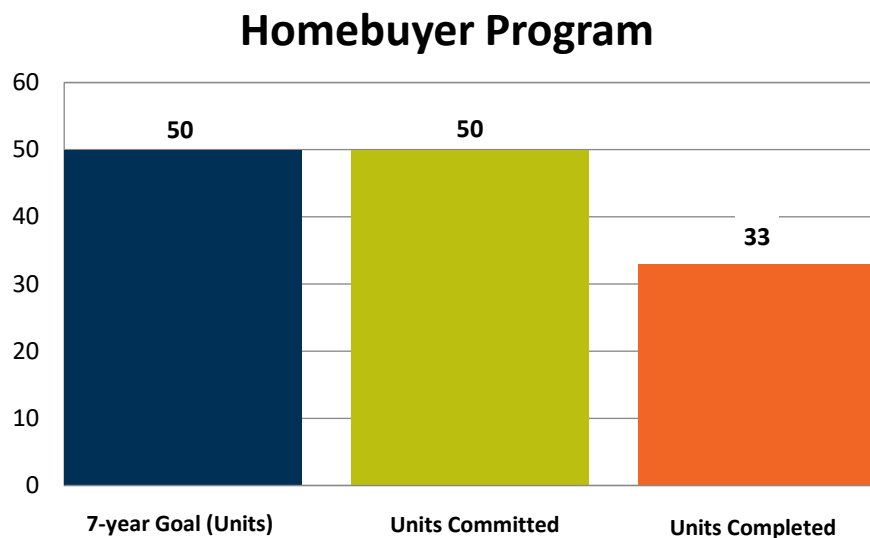
Consolidated Plan Goals:

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 2017, and the number of units actually completed. The final two columns show the City's progress towards achieving those goals, including accomplishments in 2013, 2014, 2015, and 2016.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2017 Committed	2017 Actual	% of Goal Committed	% of Goal Actual
Increase supply of affordable family housing	Direct financial assistance to homebuyers	16	12	10	1	1	81%	69%
Increase supply of affordable owner-occupied housing	Direct financial assistance to homebuyers	20	32	18	1	1	165%	95%
Increase supply of affordable owner-occupied housing	Homeowner Housing Added	4	8	7	12	0	500%	175%
TOTALS:		40	52	35	14	2	165%	93%

Levy Goals:

The Housing Levy set a goal for the Homebuyer program. The goal was 50 units over seven years, with 50 units committed and 33 completed.⁴



⁴ All WSHFC down payment assisted units were not included in the 2016 CAPER as some are assisted with federal HOME funds and some with Housing Levy or blended funds. This 2017 CAPER reports all completed WSHFC down payment assisted units. The WSHFC program is carried out under a single contract that has blended funding and would not be possible without the Housing Levy commitment.

Community Facilities Program

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.

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.⁵

Community Development Funding Summary

CDBG funds were budgeted and committed in the 2017 program year for the Community Facilities program.

	2017	2018	2019	TOTAL
Budget:				
CDBG	\$250,000	\$835,000	\$0	\$1,085,000
Commitments:				
CDBG	\$250,000	\$835,000	\$0	\$1,085,000
Fund Balance	\$0	\$0	\$0	\$0

Expenditures include commitments from years prior to 2017.

Summary of Committed Community Facility Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
Whatcom Dispute Resolution Center <i>Safety and Service Improvements</i> Central Business District	The Whatcom DRC is undertaking an acquisition of a new building, allowing them to expand and improve service delivery of mediation and dispute resolution services to low and moderate income households and individuals.	5,888	\$250,000	\$ 1,080,250
TOTALS:		5,888	\$250,000	\$ 1,080.250

⁵ 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.

Summary of Completed Community Facility Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
Opportunity Council <i>Safety and Service Improvements</i> Central Business District	The Opportunity Council undertook 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
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 upgraded the resource center and improved energy efficiency; replacing windows, floor coverings, heating, and doing other repairs. <u>Income Target:</u> presumed benefit low-income	777	\$85,665	\$86,816
TOTALS:		14,277	\$294,165	\$ 580,916

Community Facility Goals

Consolidated Plan Goals:

The City has established goals and outcomes in the 2013-2017 Consolidated Plan (<https://www.cob.org/documents/planning/community-development/consolidated-plan/2017-full-plan.pdf>) 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, including accomplishments in 2013, 2014, 2015, and 2016.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2017 Committed	2017 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	39,956	15,490	0	13,500	4995%	3624%
Support equitable investment in public facilities and improvements	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	3,000	23,340	11,659	5,888	777	974%	415%
TOTALS:		3,800	63,296	20,899	5,888	14,277	1821%	1090%

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 the 2017 program year included:

- 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.

Rental Assistance and Housing/Human Service Funding Summary

All four funds were budgeted and committed in 2017 for the Rental Assistance and Housing/Human Service program.

	2017	2018	2019-20	TOTAL
Budget:				
Levy Carry-forward	2,535,010	2,535,010 ⁶	2,535,010 ⁷	2,535,010
Levy	804,601	1,389,826	869,751	3,064,178
General Fund	485,760	523,760	-	1,009,520
CDBG	154,055	165,149	-	319,204
HOME	142,500	142,500	142,500	427,500
Commitments:				
Levy	804,601	1,389,826	2,621,838	4,816,265
General Fund	485,760	523,760	-	1,009,520
CDBG	154,055	165,149	-	319,204
HOME	142,500	142,500	142,500	427,500
Fund Balance⁸	\$2,535,010⁹	\$2,535,010¹⁰	\$782,922	\$782,922

⁶ The carry-forward amount is not counted in the second and third columns for purpose of the total, as it is not additional money available (only funds carried over from the previous year's fund balance).

⁷ Same as above.

⁸ Fund Balance in the Levy comes from a set-aside of funding for Project-based operating assistance, and contracts committed beyond June 2017.

⁹ The carry-forward amount is not counted in the second and third columns for purpose of the total, as it is not additional money available (only funds carried over from the previous year's fund balance).

¹⁰ Same as above.

Expenditures: In the 2017 Action Plan year, the City expended the following on housing services, human/social services and rental assistance. Expenditures may include commitments from years prior to 2017.

Program	CDBG	HOME	LEVY	GF	TOTAL
Housing Services	104,240		493,145	73,835	\$671,100
Human/Social Services	49,815			411,925	\$461,740
Rental Assistance		142,500	207,914		\$350,414
TOTALS	\$154,055	\$142,500	\$701,059	\$485,760	\$1,483,254

Summary of 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	25,063
Opportunity Council	Homeless Housing Services	Provide supportive services to homeless	49,600
Lydia Place	Ending Family Homelessness	Provide supportive services to homeless	83,000
Northwest Youth Services	Positive Adolescent Development	Provide supportive services to homeless	48,200
Northwest Youth Services	Transitional Living	Provide supportive services to homeless	36,000
YWCA	Larrabee Residence	Provide supportive services to homeless	25,000
Domestic Violence & Sexual Assault Services	Domestic Violence Safe Shelter	Provide supportive services to homeless	29,700
Catholic Community Services	Anti-Victimization Re-housing Services	Provide supportive services to homeless	49,600
Opportunity Council	Homeless Outreach Team	Provide supportive services to homeless	187,373
Opportunity Council	Tenant-based Rental Assistance	Support rapid rehousing of homeless persons and families	165,000
TOTAL			728,168

Summary of 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	102,000
Sean Humphrey House	Services for Adults Living with AIDS / HIV	Help fill gap in basic needs to low-income	10,989
Opportunity Council	Volunteer Chore Program	Help fill gap in basic needs to low-income	29,600
Bellingham Food Bank	Free Grocery Program	Help fill gap in basic needs to low-income	26,800
Rebound of Whatcom County	Rebound Roots	Help fill gap in basic needs to low-income	17,624
Bellingham Childcare & Early Learning Center	Childcare & Early Learning Center	Help fill gap in basic needs to low-income	29,870
Whatcom Literacy Council	Gaining Jobs through Literacy	Help fill gap in basic needs to low-income	12,490

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	30,000
Opportunity Council	Maple Alley Inn	Provide supportive services to homeless	22,100
Northwest Youth Services	Teen Court	Help fill gap in basic needs to low-income	24,300
Northwest Youth Services	Vocational Readiness	Help fill gap in basic needs to low-income	25,900
LAW Advocates	Homeless Disability Benefits Project	Help fill gap in basic needs to low-income	5,974
Mercy Housing Northwest	Farm Worker & Senior Support Services	Help fill gap in basic needs to low-income	19,300
Domestic Violence & Sexual Assault Services	Providing Help & Healing for Children of DV Victims	Help fill gap in basic needs to low-income	21,350
Brigid Collins Family Support Center	Target Intensive Case Management	Help fill gap in basic needs to low-income	27,482
TOTAL			440,779

Summary of 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
Opportunity Council 22 North City Center	The City committed funds for seven years to assist with rental payments, housing case management and operations. This commitment was in conjunction with a capital development award. <u>Income Target:</u> 20 below 30% AMI; 20 below 50% AMI	40	\$1,000,000	TBD
TOTAL:		88	\$ 2,370,392	\$ 3,327,494

Rental Assistance, Housing and Human/Social Service Goals

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

(<https://www.cob.org/documents/planning/community-development/consolidated-plan/2017-full-plan.pdf>) 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 2017, and the number of units

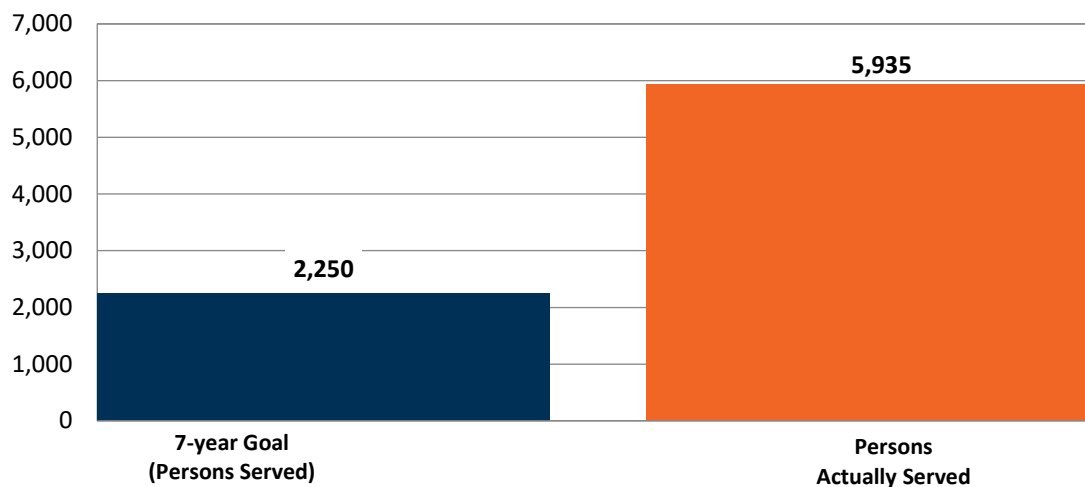
actually completed. The final two columns show the City's progress towards achieving those goals, including accomplishments in 2013, 2014, 2015, and 2016.¹¹

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2017 Committed	2017 Actual	% of Goal Committed	% of Goal Actual
Rapid rehousing of homeless persons	TBRA/Rapid Rehousing	100	254	306	60	80	314%	386%
Rapid rehousing of homeless persons	Overnight Shelter	400	464	693	170	197	159%	223%
Provide supportive services to the homeless	Public Service activities	400	4,374	3,381	119	119	1123%	875%
Provide supportive services to the homeless	Homelessness Prevention	3,000	2,049	5,939	81	0	71%	198%
Help fill gap in basic needs	Public Service activities	50,000	68,744	91,457	19,715	21,208	177%	225%
Help fill gap in basic needs	HIV/AIDS Housing	35	25	27	6	8	88%	100%
TOTALS:		53,935	75,910	101,803	20,151	21,612	178%	229%

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 5,935 persons, far surpassing the Levy goals.

Rental Assistance & Supportive Services



¹¹ 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 always completed 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 21,000 services were provided to people in the City during 2017.

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 had initially 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 housing¹² 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. In 2017, funds were again used, this time to help with the acquisition of the Bell Tower building by Lydia Place. This too was transferred to the Production and Preservation Program after permanent financing was arranged. As a result, \$875,000 remains available in this fund.

Administration

Program Objectives

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.

¹² Phase I of this project envisions 72 units and Phase II an additional 78 units of affordable housing.

- 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.

Administrative Funding Summary

All four funds were budgeted and committed in the 2017 program year for Administrative Expenses.

	2017	2018	2019	TOTAL
Budget:				
Levy Carry-forward	197,310 ¹³			197,310
Levy	128,604	175,609	190,000	494,213
General Fund	238,000	240,000	337,857	815,857
CDBG	205,406	199,108		404,514
HOME	50,974	53,236		104,210
Commitments:				
Levy	128,604	175,609	189,658	493,871
General Fund	238,000	238,000	337,857	813,857
CDBG	205,406	199,108		404,514
HOME	50,974	53,236		104,210
Fund Balance	197,310	199,310	197,652	199,652

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 2017 Action Plan year, the City has collected \$519,092 that is reserved for future administrative expenses directed towards monitoring.

¹³ The carry-forward amount is not counted in the second and third columns for purpose of the total, as it is not additional money available (only funds carried over from the previous year's fund balance).

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.

Commitment to Affirmatively 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 identity.

Households/Persons Served

The following table shows the persons served with projects or activities that were committed in the 2017 program year. Information by race/ethnicity is not available at the time of commitment.

Program	House-holds/ Persons	Income			
		<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	>80% AMI
Homebuyer	9			9	
Rental Production	74	4	70		
Preservation	80	7	20	53	
Community Facilities	4,676			4,676	
Housing, Human/Social Services	20,725	12,909	7,668	246	141
TOTALS	25,564	12,920 51%	7,758 30%	4,984 19%	141 0%

The following table shows the persons served with projects or activities that were completed in the 2017 program year. Race/ethnicity is not available for all community facilities projects.

Program	House-holds/ 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	3	0	0	3		2	0	0	0	1	0
Rental Production	117	56	61	0		104	2	0	6	5	5
Preservation ¹⁴	80	7	20	53		41	5	3	0	10	4
Community Facilities	777	180	154	272	171	463	44	33	51	186	84
Housing, Human/Social Services	22,320	16,343	5,669	179	129	18,090	808	702	188	2,532	2,061
TOTALS	23,297	16,586 71%	5,904 25%	507 2%	300 1%	18,700 80%	859 4%	738 3%	245 1%	2,734 12%	2,154 9%

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 84% of all the funding committed from 2013 through 2017 is targeted to very-low income persons or households.

Program	Funds	Units	<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	ELI Levy (<= 50% AMI)	LI Levy (> 50% AMI)
Homebuyer	998,927	45	0	2	43	39,231	959,696
Production	6,982,390	376	152	216	8	6,913,342	69,048
Preservation	2,698,387	313	161	78	74	2,197,915	500,472
Housing Services	4,044,566	2,860	2,604	224	32	3,750,437	294,129
	\$14,724,270	3,594	2,917 81.2%	520 14.5%	157 4.4%	\$12,900,925 88%	\$1,823,345 12%

¹⁴ The Manufactured Home Repair program does not collect information by race/ethnicity.