



# City of Bellingham 2018-2022 Consolidated Plan

May 29, 2018

Covers the period from July 1, 2018 – June 30, 2023

This is a public summary version of the City of Bellingham Consolidated Plan. The full version of the Consolidated Plan submitted to HUD is available in the same locations as this version, mirroring as closely as possible what is submitted digitally to HUD through their Integrated Disbursement and Information System (IDIS). Please contact the Community Development Division, Department of Planning & Community Development, at [cd@cob.org](mailto:cd@cob.org) with any questions or comments, or visit <http://www.cob.org>.

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## A Note about Data Sources

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The City of Bellingham receives federal funds through the U.S. Department of Housing and Urban Development (HUD). HUD provides a certain amount of default data for use in the development of the Consolidated Plan. Most of the data tables supplied by HUD are from the 2009-2013 American Community Survey (ACS). Wherever possible the data from these tables was updated or supplemented to reflect the most accurate and timely data available, which includes the following sources:

- **US Census:** The Census is the most statistically accurate source of data for the jurisdiction, but as we approach the end of a decade, most of the 2010 Census data is now outdated. 2000 and 2010 data are used throughout this report as a benchmark to compare changes and analyze longer term trends. All Census data is available to the public at: <https://factfinder.census.gov>.
- **American Community Survey (ACS):** This survey is a sample meant to provide more timely estimates between decennial Censuses. The ACS is available in 1-year, 3-year, and 5-year averages. Because the 1- and 3-year estimates have a high margin of error, the most recent 5-year estimates are used as a default for all calculations, unless otherwise specified. The most recent 5-year ACS available is the 2012-2016 estimate. All ACS data is available to the public at: <https://factfinder.census.gov>.
- **Comprehensive Housing Affordability Strategy (CHAS):** HUD commissioned the Census Bureau for special data tabulations that address housing and community development needs for low income households. CHAS data is based on the 2010-2014 ACS 5-year estimate, and can be accessed at: <https://www.huduser.gov/portal/datasets/cp.html#2006-2014>
- **Enterprise Community Partners – Opportunity360 Reports:** Enterprise Community Partners is a non-profit housing and community development organization, which also engages in policy and advocacy to benefit low-income communities. They developed the Opportunity360 tool to help inform local decision-making by providing an analysis of “opportunity indicators” at the Census Tract level. Having scores on a variety of indicators that affect opportunity is a helpful way to make comparisons within the jurisdiction and region. Their reports were used to analyze differences between neighborhoods within Bellingham. More information is available at: <https://www.enterprisecommunity.org/opportunity360>
- **Housing and Service Providers:** The City of Bellingham works with and provides funding to many community partners that provide affordable housing and critical human services. Housing inventory information was compiled from various sources, and is only accurate as of the date the information was provided. Statistics, analyses, and anecdotal evidence about trends and needs was also solicited from knowledgeable partners, especially the Bellingham/Whatcom County Housing Authority, the Opportunity Council/Homeless Service Center, Catholic Housing Services, and the Northwest Regional Council.

## Executive Summary

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Bellingham, like the entire Western Washington region, has seen population growth and increased housing costs over the past five years. As a result, there are not enough affordable rental units or homes to purchase for low- and moderate-income residents. This is primarily a function of the fact that rents and home values have risen much faster than wages in recent years, and new construction has not caught up with population growth. As a result, almost 43% of households in Bellingham pay more than 30% of their income for housing. This rate is higher than both the state and US averages for cost burden.

Affordable housing and human services are broadly needed. Certain groups are especially underserved at this time, including:

- People who are dealing with disability, mental health, or addiction issues
- Homeless single adults
- Single-parent households
- Elderly homeowners

A lack of affordable housing contributes to the rise in homelessness because it makes it even more difficult for low-income residents to save enough money to avoid eviction or foreclosure in the event of unforeseen expenses. Bellingham's homeless population has increased by 50% over the last five years to a total of 742 homeless individuals on a given night in 2017. Approximately 40% of this population is unsheltered at a point in time.

Family poverty has remained steady since the previous Consolidated Plan. Our analysis reveals that poverty is especially concentrated in a handful of neighborhoods, which also generally correspond to those with the highest minority (non-white) populations. We also see that minority households at some income levels are disproportionately cost burdened when compared to the general population.

The population of Bellingham is young and well-educated, but the senior population is growing and is expected to become a higher proportion of the population over time. This will present challenges for meeting housing and care needs for the elderly in the future, but will also present new economic opportunities.

The community has many diverse needs, and the City cannot address all of them with our limited resources. After a robust community participation process, the City has selected the following goals:

- Increase affordable housing supply
- Address and prevent homelessness
- Preserve existing housing
- Promote neighborhood equity
- Coordinate effective delivery of services

The City has prioritized actions accordingly to meet each of the above goals, which are detailed in the Strategic Plan section. While all actions are priorities over the next five years, the City has developed a tiered system to highlight the most urgent needs within the community, as well as a way to depict those priority

actions in which our partners take a lead role (with the City playing a strategic supporting role). This is done also due to the uncertainty of funding over this five-year period, as a way to simply depict how the City will handle various funding scenarios. The Tier 1, 2, and priorities with the city's partners as the lead are shown in the chart that follows.

Figure 1. 2018-2022 Consolidated Plan Priorities



## Public Participation

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City staff engaged in a robust public participation preprocess beginning in spring 2017, and which included the Assessment of Fair Housing that was accepted by HUD in December 2017. The complete Community Participation Plan is available at: <https://www.cob.org/Documents/planning/community-development/consolidated-plan/consolidated-plan-ppp.pdf>. The main components of the community participation process were:

- Consultation with the Community Development Advisory Board
- Regular email communication with a stakeholder list of 170 community organizations
- A website with regular updates and a public comment form: [www.cob.org/cpupdate](http://www.cob.org/cpupdate)
- Online and printed surveys targeting the general public, low-income residents, and local service agencies
- A Community Solutions Workgroup on the continuum of housing
- A service provider workgroup focused on homeless housing and service needs
- An interactive exhibit during Bellingham Housing Week (Nov 6-9, 2017)
- Social media posts
- In-person meetings with community groups, committees, and commissions upon request
- Public hearing on March 8, 2018
- A 30-day public comment period (from March 9-April 10, 2018)
- An open house to present the draft plan to the public on March 26, 2018
- City Council updates and deliberations

Every effort was made to solicit public feedback from the greatest diversity of community members and agencies possible through a variety of different strategies. This included translation of surveys and promotional materials into Spanish, targeting disabled residents, coordinating with public housing resident councils, and hand delivering printed surveys, postcards and fliers to places that provide services to low-income residents, such as Unity Care Northwest, Walton Place, Goodwill, Opportunity Council, and Francis Place. Every neighborhood was contacted by email and through the Mayor's Neighborhood Advisory Commission. Feedback was solicited from the business community and technology advocacy groups. Throughout the process, public comments were received in the form of survey responses, letters, emails, and verbal comments in public hearings and meetings. All public comments were compiled, summarized, and reported to City Council and the Community Development Advisory Board. See Appendix 1 for all written comments submitted during the formal comment period. Several citizens wrote to express their general support for the Consolidated Plan as written, and appreciation for the community engagement process. The other main themes of comments and suggestions received were:

### Housing affordability and zoning:

- The need for more housing units in general, and support for the City taking a more active role in the development of affordable multi-family housing.
- Both support for and opposition to more density and infill development in single-family neighborhoods, including accessory dwelling units.

- The difficulty of finding affordable housing in general, and concern with elderly residents being “priced out” of their homes through high property taxes.
- Expansion of the Urban Growth Area, while protecting sensitive environmental areas and greenspace within city limits.
- The need for building capacity of Community Housing Development Organizations through operational support.

Homelessness and human services:

- The need for more low-barrier housing and services for those experiencing homelessness (shelter, transitional, and permanent housing with supportive services), especially for adults without children.
- Support for programs that build self-sufficiency and self-respect, including providing jobs for people experiencing homelessness.

Neighborhood equity and public facilities:

- Insuring equal access to parks and greenways throughout the City.
- The need for more specific goals to promote racial equality, including equity training for all employees who deal with housing.
- The need for additional day facilities for special needs populations such as those with developmental disabilities, seniors with dementia, and those experiencing homelessness.
- The need for community gathering space and an affordable grocery store in the Birchwood neighborhood.
- The need for facility improvements and additional funding to cover operating costs at the Bellingham Senior Activity Center.

***Community Solutions Workgroup***

A major contribution to the priorities reflected within our Strategic Plan came from the formal recommendations of the Community Solutions Workgroup. Mayor Kelli Linville, Councilmember April Barker, and Councilmember Dan Hammill convened a Workgroup on the “Continuum of Housing and Service Needs” beginning in July 2017 and meeting monthly through October 2017. Community members on the board represented the following local stakeholder agencies:

- Bellingham/Whatcom County Housing Authority
- Community Development Advisory Board members
- Domestic Violence Sexual Assault Services
- Downtown Bellingham Partnership
- Lighthouse Mission Ministries
- Lydia Place
- Northwest Youth Services
- Opportunity Council
- PeaceHealth
- Philanthropic community: Chuckanut Health Foundation
- Pioneer Human Services

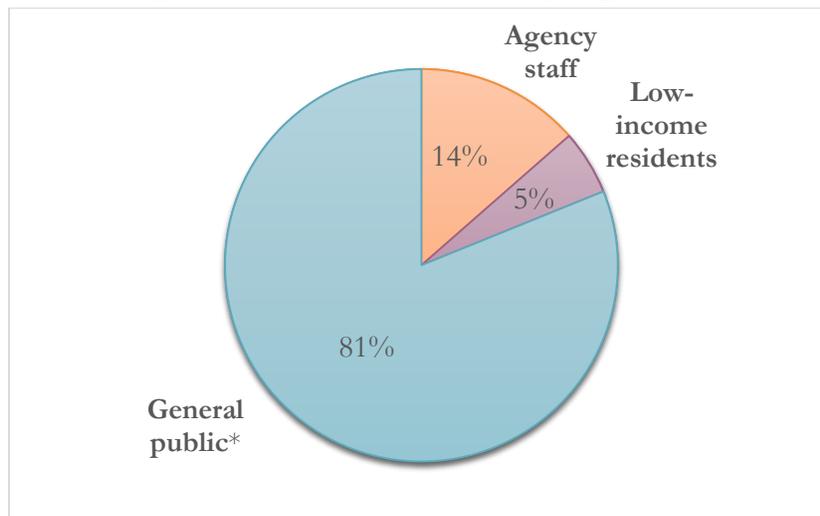
- Public housing resident/Housing advocate
- Whatcom County Health Department

The group was asked to identify key issues, and recommend strategies, actions, and solutions to address homelessness and the continuum of housing and service needs in Bellingham. Over the course of four meetings, the group identified a number of gaps and prioritized strategies to address them. All Workgroup materials, including meeting agendas, presentations, and the final Report of Recommendations can be found at: <https://www.cob.org/gov/public/bc/Pages/Community-Solutions-Workgroups.aspx>.

***Consolidated Plan survey results***

In addition to the Community Solutions Workgroup and Assessment of Fair Housing survey, the City launched a Consolidated Plan survey. The survey was designed to gather information about priorities from low-income residents who receive housing assistance, staff working at agencies that provide housing or other services to low-income residents, and the general public. The survey was open from November 5, 2017 until February 5, 2018, and there were a total of 865 participants. Figure 2 shows survey responses by group. A detailed summary of the survey results can be found online at: <https://www.cob.org/Documents/planning/community-development/consolidated-plan/consolidated-plan-survey.pdf>.

**Figure 2. Consolidated Plan survey respondents**



\*Note that those who did not answer demographics questions were included in the “general public” group.

The survey asked participants to rank issues related to affordable housing, homelessness, human services, and community development from highest to lowest by priority, and to select their top two or three priorities from a range of options which are permissible under HUD and local funding guidelines.

The top three problems related to affordable housing identified by all three groups were:

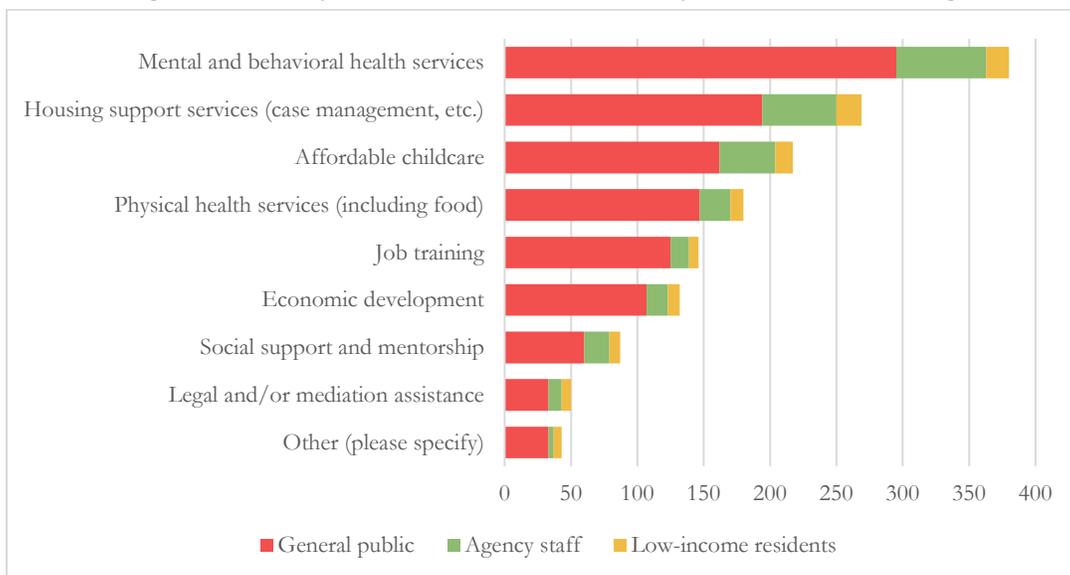
- Rents have increased too much (38%)
- Most of the jobs here don’t pay enough to afford housing costs (38%)
- Low-income and working families can no longer afford to live here (37%)

Many aspects of the Consolidated Plan survey reflect the priorities that were recommended by the Community Solutions Workgroup. The top solution that the general public, agency staff, and low-income residents thought the City should prioritize is **to build or purchase more housing to be reserved for low- or mixed-income residents** (prioritized by 51% of all respondents). The second highest priority given by the general public and low-income residents was to recruit companies that will bring higher wage jobs to town (40% and 42%, respectively). Among agency staff, the second highest priority was to change zoning to allow multi-family buildings in more neighborhoods (36%).

There was significant variation in opinions about homeless housing programs. The top program selected by the general public was transitional housing (46%) followed by emergency shelter (32%) and single-room occupancy housing (28%). Meanwhile, among staff who work for a human service or housing agency, the top priority by far was permanent supportive housing (53%), followed by transitional housing (29%) and single-room occupancy housing (26%). About 4% of respondents said the City should not provide any homeless housing programs or services.

There was much greater agreement among the community about what types human services the City should prioritize. The top service need chosen by each group was mental and behavioral health services, followed by housing support services and affordable childcare. There were some minor differences between groups: a greater proportion of low-income residents prioritized legal and/or mediation assistance compared to the general public, while the general public prioritized job training more highly than both other groups.

**Figure 3. What type of services should the City prioritize for funding?**



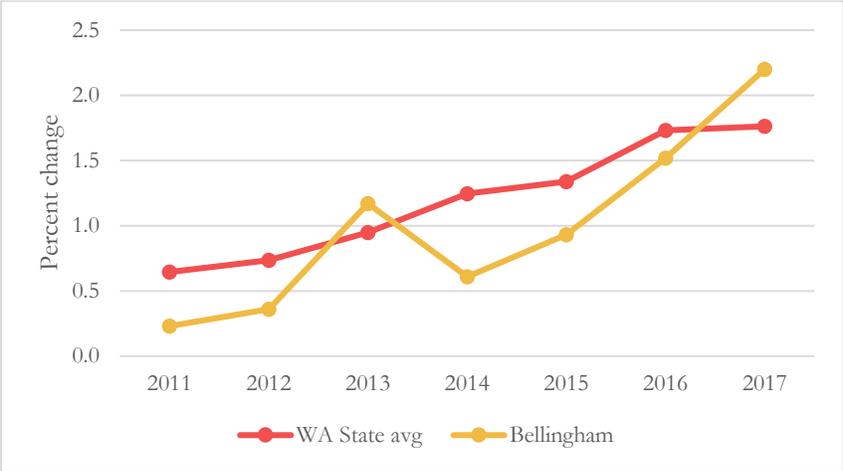
Participants were also asked to select three special needs populations which they think should receive more help. The top three populations prioritized by all groups were people with mental illness (49%), families with children or single parents (48%), and people experiencing homelessness (43%). These special needs populations align closely with the human services that survey respondents prioritized.

# Community Profile

## Demographics

The population of Bellingham estimate was 86,720 as of April 1, 2017.<sup>1</sup> The entire Western Washington region has been experiencing steady population and economic growth since the previous Consolidated Plan period. Both Whatcom County and Bellingham’s populations have grown, but at a rate that is slightly below the state’s average. Since 2010 the population of Washington State has grown by 8.7%. Of the 39 counties in the state Whatcom County was 11<sup>th</sup> in terms of population growth, with its population growing by 7.5% since 2010. Compared to both the state and the county, Bellingham as a city has seen slightly lower than average population growth, for a total increase of 7.2%. As Figure 4 shows, the annual growth rate jumped above state average in 2013 and 2017, and was below state average in all other years. Smaller cities in Whatcom County have seen much faster growth in recent years compared to Bellingham. Lynden has grown by 14% since 2010, and nearby Ferndale has grown by 18%.

Figure 4. Percent change in population by year



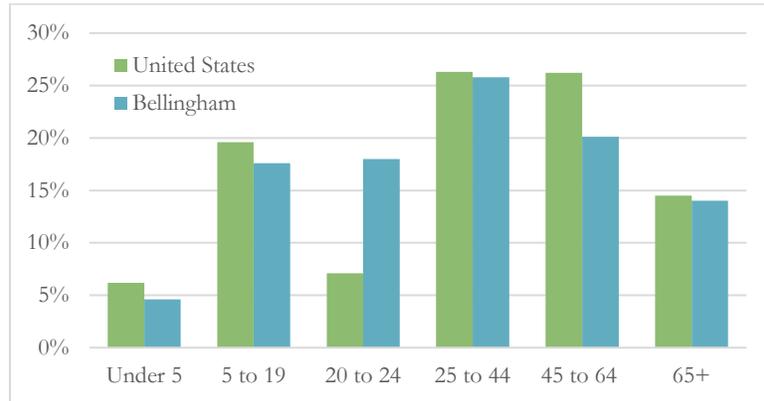
Bellingham’s housing shortage is sometimes attributed to a high number of students and retirees. In fact, Bellingham has a college-age population that is larger than average, but has an average-sized senior population. In both Washington State and the US as a whole, people age 20-24 make up about 7% of the population. As a college town, 18% of Bellingham’s population is 20-24 years of age.<sup>2</sup> However, the student-age population has not risen significantly in recent years. This portion of the population has remained consistently around 18% since 2000, before housing prices began to climb dramatically.

<sup>1</sup> Washington Office of Financial Management. Available at: <https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/april-1-official-population-estimates>. Note that other total population estimates are used throughout this report, depending on the year of the data source in use.

<sup>2</sup> Of course, not everyone age 20-24 is a college student, and some undergraduate and graduate students fall outside that age range. Academic year 2016-17 average enrollment at Western Washington University was 12,795 full-time students (or about 15% of the population). Enrollment varies quarter by quarter for all institutions, but we estimate around 21,000 people (or about 24% of the population) attend a community college, technical college, or university in Bellingham during the year – this includes part-time students and professional or continuing education students.

On the other hand, the senior population in the city has risen since the last Census—but it is still not above the national or state average. People age 65+ make up 14% of Bellingham’s population, the same as Washington State as a whole. This is just slightly lower than the US average of 14.5%.<sup>3</sup> However, there are significantly fewer people in the 45 to 64 age group. Figure 5 shows how Bellingham’s population by age group compares to the US population.

**Figure 5. Population by age group in United States and Bellingham**



Bellingham also differs from the state and nation in that our non-White population is lower than average. Although the city is gradually becoming more diverse, Table 1 shows that Bellingham remains a majority White community with the following racial and ethnic composition:

**Table 1. Bellingham’s population by race and ethnicity**

Race or Ethnicity	Total population	Percent of population
White (non-Hispanic and no other race)	69,938	82.8%
Asian	5,015	5.9%
American Indian or Alaska Native	1,540	1.8%
Black or African American	1,224	1.4%
Native Hawaiian or Pacific Islander	175	0.2%
Other race	2,453	2.9%
Hispanic or Latino (of any race)	6,912	8.2%

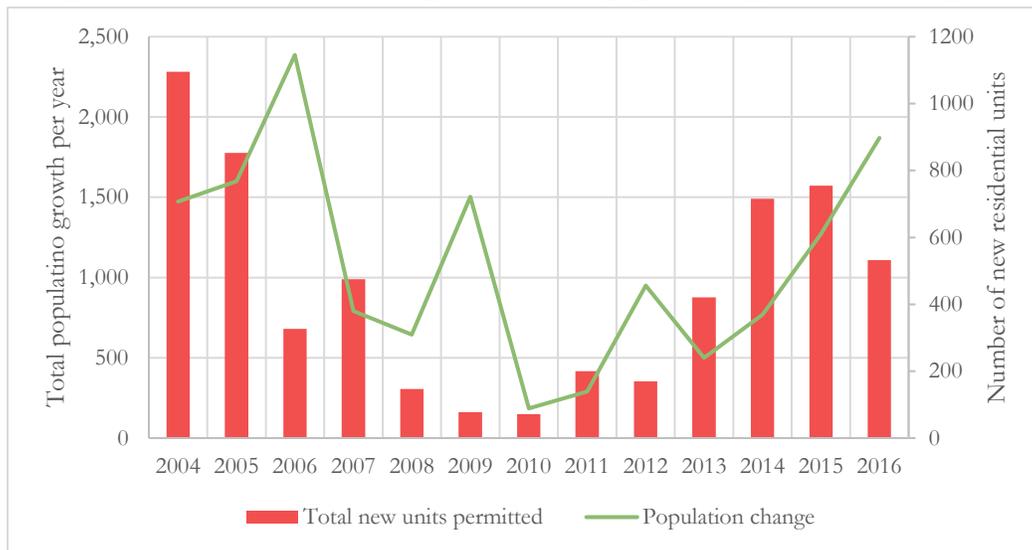
Data source: 2012-2016 ACS

<sup>3</sup> 2012-2016 American Community Survey (ACS)

## Population growth and housing demand

The composition of Bellingham’s population today is not well matched to our existing housing stock. Of all the housing units in Bellingham, 46% have three or more bedrooms, while the average number of people per housing unit is 2.17. The average family size and number of persons per household has steadily declined over time<sup>4</sup>, and therefore has increased demand for smaller units like one-bedroom and studio apartments. Today only 16% of housing units have one bedroom. Coupled with the slowdown in housing production that has not kept pace with population growth in general, this has resulted in a very low rental vacancy rate (estimated at 1.79%) and rapidly rising rents.

**Figure 6. New residential units permitted and population growth in Bellingham**



Data source: City of Bellingham (residential permits); WA Department of Commerce, April 1 population estimates

Even as population growth continued, the development of new housing units slowed significantly between 2007 and 2013 during the Great Recession, as shown in Figure 6. While the production of new units has accelerated since 2013, this has not yet alleviated preexisting demand or affordability challenges. For example, the population has risen by 3,140 since 2015 to a total of 86,720 residents. Meanwhile, there were 1,267 new units permitted in 2015 and 2016 combined. As Table 2 shows, using the average persons per household for multifamily and single family units, we can estimate there are enough housing units available to accommodate 2,633 new residents, a shortage of 507 housing units. This estimate does not take into consideration any preexisting housing shortage and reflects only the shortage for that two-year period.

<sup>4</sup> Office of Financial Management. Historical estimates for population and housing. Available at: <https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/historical-estimates-april-1-population-and-housing-state-counties-and-cities>

**Table 2. Population growth and new housing units from 2015 to 2017**

a. 2015 population estimate	83,580
b. 2017 population estimate	86,720
<b>c. Population change (b - a)</b>	<b>+3,140</b>
d. Total multifamily residential units permitted in 2015-2016	947
e. Total single family residential units permitted in 2015-2016	320
f. Average persons per multifamily unit	1.937
g. Average persons per single family unit	2.495
h. Estimated # of people housed in new multifamily units (d x f)	1,834
i. Estimated # of people housed in new single family units (e x g)	798
j. Total estimated number of additional people housed (h + i)	2,633
<b>k. Estimated 2-year housing shortage (j - c)</b>	<b>-507</b>

In response, this demand has encouraged developers to build more units. Much of Bellingham’s total land area (42%) is zoned as single-family residential, compared to 14% that is zoned as multi-family residential. This puts constraints on what types of housing developments can be sited in which neighborhoods, concentrating lower-income families in neighborhoods with multi-family zoning where housing is more affordable. As demographics change, there is demand for a greater variety of housing options in more neighborhoods.

## Incomes

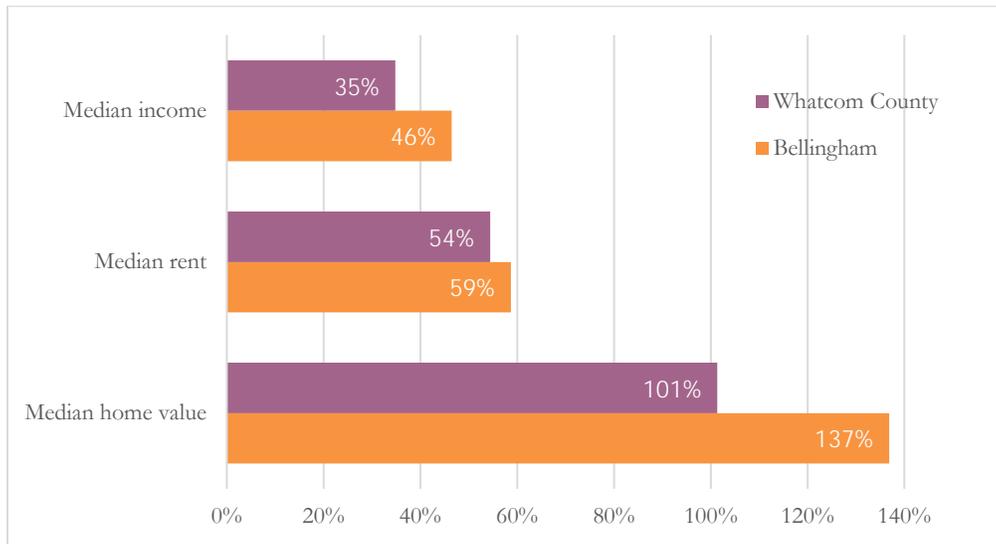
In Bellingham, the median household income is \$44,441, compared to \$54,207 in Whatcom County. Both lag behind the state’s median household income of \$62,848.<sup>5</sup> Even so, Whatcom County and Bellingham have seen housing costs grow faster than incomes.<sup>6</sup> According to the 2016 1-year ACS, the median household income in Bellingham has risen 46% from 2000 to 2016, while the median rent has risen 59%, and the median home value has risen 137%.<sup>7</sup> Increases in Whatcom County have followed a similar trend, but are a bit less dramatic.

<sup>5</sup> 2012-2016 American Community Survey (ACS) 5-year estimates. Available at: <https://factfinder.census.gov>

<sup>6</sup> American Community Survey 1-Year Estimates, Whatcom County.

<sup>7</sup> 2000 Census (Base Year), 2016 ACS 1-year estimate (Most recent year).

**Figure 7. Percent changes from 2000 to 2016 in Bellingham and Whatcom County**



Data source: 2000 Census and ACS 2016 1-year estimates for Whatcom County and Bellingham

Bellingham also has very high rates of poverty. Over 22% of individuals live below the Federal Poverty Level. This is almost ten percentage points higher than the Washington State poverty rate of 12.7%. It is important to note that the poverty rate is not equal across all racial or ethnic groups. For example, 44.9% of Native American or Alaska Natives in Bellingham live in poverty. This percentage is above the City's average for all non-white groups. Non-married families with children are also more likely to live in poverty. Over 50% of single female households with children live below the poverty level. All of the poverty measurements described here are slightly higher than during the last Consolidated Plan period, showing that there has been no significant reduction in poverty in recent years.