

2020 ANNUAL PERFORMANCE REPORT

Covering the Period from July 1, 2020 – June 30, 2021



Left: Max Higbee Center new location under development

Right: Phase 1 of the BHA Samish Way Redevelopment Project completed

**Bellingham Housing Levy
2020-2021 Bellingham General Fund
2020 Community Development Block Grant (CDBG)
Special allocation CDBG-CV (COVID)
2020 HOME Investment Partnership Fund**



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September 9, 2021
DRAFT for Public Comment

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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 and renewed this levy in 2018. 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 "2020" 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 cycle starting July 1 and ending on June 30. **This report covers the period from July 1, 2020 through June 30, 2021.** Where contractual obligations run for a period different from this, figures are adjusted to best reflect the performance and commitments over this July 1, 2020 through June 30, 2021 Action Plan period.

The CAPER is required under the United States, Code of Federal Regulations (CFR), specifically at 24 CFR 91.520(a). HUD typically requires the submittal of the CAPER within 90 days after the end of the jurisdiction's program year; Bellingham's program year ends on June 30.

Community Participation

HUD requires the City to provide the public with two opportunities for input annually. The City provides one of those opportunities to comment on this Annual Performance Report (CAPER). The hearing occurred before the City's Community Development Advisory Board ("CDAB") on September 9, 2021. Publication announcing the CAPER, the public comment period and hearing printed on September 2, 2021 in the Bellingham Herald. [Describe participation after the comment period, including CDAB discussion, public participation in hearing, and/or comments submitted.]

Submission of Report

HUD requires the Annual Performance Report to be submitted each year. The City provides the findings to the Mayor, City Council, and Library and posts the report on the city's webpage: <https://cob.org/services/housing/planning-and-performance-documents>.

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

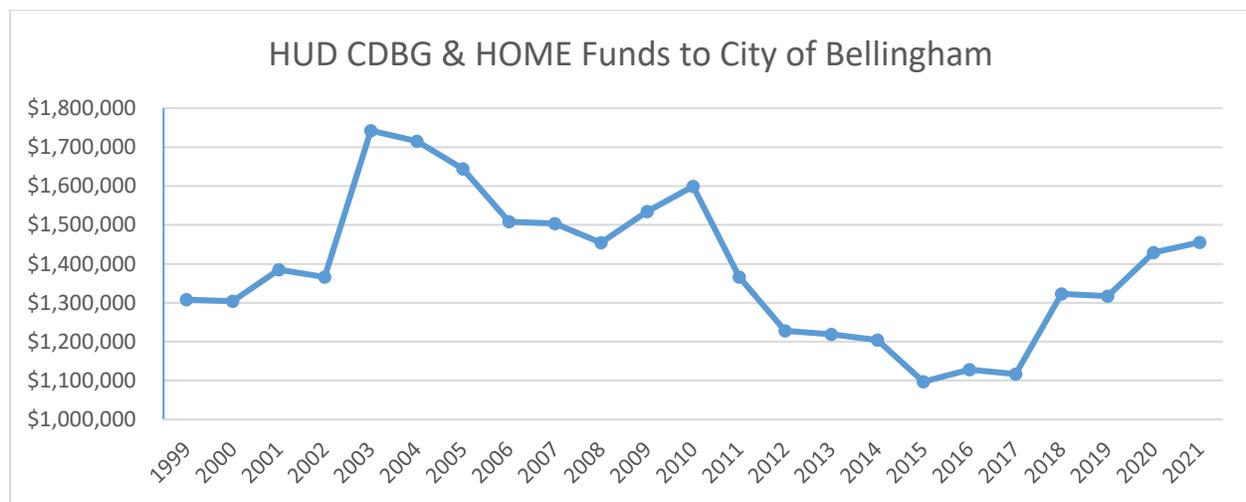
Bellingham receives federal and local funding for the housing and community development activities covered by this Annual Performance Report.

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 in 2020 and 2021. The graph below shows the variability in federal funding to the City since 1999, *not adjusted* for inflation.



During the 2020 Program Year, HUD announced additional fund availability through CDBG as a response to the coronavirus pandemic (COVID-19). These funds are referred to as CDBG-CV. The first tranche of CDBG-CV was received during the 2020 Program year (\$495,646), and a second tranche of CDBG-CV was received early in the 2021 Program Year.

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 all prior year funds left to commit and draw, and includes commitments made as part of the 2021 Program Year Action Plan. It does not include program income that is returned to the City from prior loans, and in turn used for additional activity funding.

Fund	Authorized Amount	Amount Committed	Net Drawn Amount	Available to Commit	Available to Draw
HOME (2018)	537,364	537,364	100,547	0	436,817
CDBG (2019)	805,312	805,312	743,392	0	61,920
HOME (2019)	511,743	511,743	52,404	0	459,339
CDBG (2020)	842,424	842,424	238,018	0	604,406
HOME (2020)	586,639	586,639	75,171	0	511,468
CDBG-CV	1,149,226	1,149,226	51,392	0	1,097,834
CDBG (2021)	852,590	655,882	0	196,708	852,590
HOME (2021)	602,793	602,793	0	0	602,793

Bellingham Housing Levy (aka "Home Fund")

In 2017, Bellingham voters approved a renewal of a property tax levy that was initially approved in 2012. The 2017 levy has a budget of \$40 million over a 10-year period (2019-2028) to provide, produce, and/or preserve affordable housing. As with the original levy, 2/3 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 30 and the balance on October 31. In addition to property taxes collected, interest is earned on the balance, and occasionally payments are made on loans. As of June 30, 2021, the City had \$9,027,788 available to draw from levy funds, the majority of which is already committed to projects.

Bellingham General Fund

The City allocates "general fund" money for housing and human service grants as well as some ongoing programs. For the 2020 Action Plan year, the City spent \$464,472 from this source for human service grants. This includes support that was provided to the Opportunity Council to support winter emergency motel stays (\$50,000) and the administration of the Whatcom Homeless Service Center (\$37,419). In addition, the general fund supported some general administrative costs of the programs covered in this report, and the City's contribution to the Ground-level Response and Coordinated Engagement (GRACE) program that operates countywide and provides intensive case managers and mental health specialists who work with the Bellingham Community Paramedic and Police Department; this program expanded to include a Law Enforcement Assisted Diversion (LEAD) element mid-way through the program year (now budgeted at \$280,000/year).

Leveraging Funds

An anticipation of both federal and city funding is that the funds will help leverage other non-federal or non-city funds. The following table shows the leveraging of activities *completed* in the 2020 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 City Funds	Local City Funds	Total Project	Leverage of City Local+Fed Funds	Leverage of Federal Funds	Leverage of Local Funds
Rental Housing Development	495,500	2,377,163	26,348,704	\$8.17	\$52.18	\$10.08
Preservation of Housing	419,320	214,439	680,467	\$0.07	\$0.62	\$2.17
Homebuyer	88,304	159,817	1,746,550	\$6.04	\$18.78	\$9.93
Community Facilities	280,000	0	752,395	\$1.69	\$1.69	\$0.00
Rental Assistance & Services	507,082	1,513,464	9,049,924	\$3.48	\$16.85	\$4.98
TOTAL	1,790,206	4,264,883	38,578,040	\$5.37	\$20.55	\$8.05

Leveraging fluctuates significantly from year to year and from program to program. This is influenced by the availability of funding, the competitiveness of City priority projects and programs relative to other funders' priorities, the absolute costs of project and program service delivery, and timing of project completion.

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

Funding Source	Housing-CD Fund	Homebuyer	WA State HFC	Housing Rehab	TOTAL
Home	6,985,646	1,547,193	483,629	236,658	9,253,126
CDBG/CDBG-R	4,450,978	804,268		2,651,178	7,906,424
Levy	10,868,655	179,157	534,724		11,582,536
NSP		326,843			326,843
TOTAL	22,305,279	2,857,461	1,018,353	2,887,836	29,068,929

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	2,331,004	1,547,193	483,629	236,658	4,598,484
CDBG/CDBG-R	3,563,274	804,268		2,651,178	7,018,720
Levy	5,321,974	179,157	534,724		6,035,855
NSP		326,843			326,843
TOTAL	11,216,253	2,857,461	1,018,353	2,887,836	17,979,903

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 acquisition of existing housing and rehabilitation is eligible, and housing for special needs populations can also be 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 2020 program year for the production of rental housing. [Add fund balance information].

Budget and expenditures include commitments from years prior to 2020.

Summary of Committed Rental Housing Development Program Projects

Some projects committed in prior years are still underway and not reflected below under either new commitments or completed projects. This includes the 11-unit Lydia Place Heart House development.

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Mercy Housing NW <i>Barkley Family Housing</i> Barley Neighborhood	The City committed to help Mercy Housing NW develop a 77-unit multifamily project with a childcare center on the ground floor in the Barley neighborhood. Units will be a mix of 1-, 2-, and 3-bedrooms, primarily targeted to families with children, 10% of which will be homeless-on-entry. This project is also supported with 9% low-income housing tax credits. <u>Income Target:</u> 39 below 30% AMI; 38 below 50% AMI	77	\$3,350,000 (Levy + HOME)	\$25,126,000
Opportunity Council <i>Recovery House</i> Roosevelt Neighborhood	The City committed to supporting Opportunity Council in its major rehabilitation of a site left vacant for 10 years by PeaceHealth. The property will serve 16 individuals in a Level 4 Recovery Residence otherwise at risk of homelessness to add in their stability, offering an average stay of 6 months. <u>Income Target:</u> 14 below 30% AMI; 2 below 50% AMI	16	\$735,010 (Levy)	\$2,413,509
Bellingham Housing Authority <i>Samish Commons, Phase 3</i> Sehome Neighborhood	The 2015 CAPER included the City's early commitment to this property, anticipating 72 units; the 2019 CAPER added 50 to the unit count for a total of 122 units; this entry adds 49 units for the third residential building, which will be for workforce housing supported with 4% housing tax credits. <u>Income Target:</u> 35 below 50% AMI; 14 below 60% AMI	49	\$3,252,750 (Levy + ARPA)	\$21,923,196
TOTAL:		142	\$ 7,337,760	\$49,462,705

Summary of Completed Rental Housing Development Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Lydia Place <i>A Place for Dads</i> Birchwood Neighborhood	The City helped Lydia Place purchase a home formerly owned by the Bellingham Housing Authority. The 3-bedroom home is for a homeless-on-entry family with a Dad present. <u>Income Target:</u> 1 below 50% AMI	1	\$374,700 (Levy)	\$419,191
Sun Community Service <i>Nevada St PSH</i> Roosevelt Neighborhood	The City helped Sun CS purchase a home formerly owned by the Bellingham Housing Authority. This property is run similar to Greggie's House, serving formerly-homeless or -institutionalized individuals with a mental health diagnosis. Because the home is run as shared housing with 3 separate individuals, it is considered a 3-unit property. <u>Income Target:</u> 3 below 50% AMI	3	\$328,665 (CDBG, Levy)	\$338,612
Options Housing <i>34th St Housing for Developmentally Disabled Adults</i>	Options Housing (formerly <i>Foundation for the Challenged</i>) purchased and rehabilitated an existing single family home with City assistance to provided shared supportive housing to developmentally disabled	3	\$200,500 (CDBG)	\$623,956

Samish Neighborhood	adults in partnership with DSHS (and contracted service provider Access Living). <u>Income Target:</u> 3 below 30% AMI			
Bellingham Housing Authority <i>Samish Commons, Phase I</i> Sehome Neighborhood	This represents the completion of the first residential building of the Samish Way Redevelopment at the old Aloha Motel site comprising 69 units of housing, 14 of which are targeted for homeless-on-entry households. This project also received 9% Low-Income Housing Tax Credits and funding from the State and County. <u>Income Target:</u> 35 below 30% AMI; 18 below 40% AMI; 16 below 60% AMI	69	\$1,968,798 (Levy)	\$24,966,945
TOTAL:		76	\$ 2,872,663	\$26,348,704

Production of Rental Housing Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here: <https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of housing production, there is one goal and one corresponding outcome indicator. The following table shows the five-year goal, the number of units where funding was committed to activities in 2020, and the number of units actually completed. This table is updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2020 Committed	2020 Actual	% of Goal Committed	% of Goal Actual
Increase affordable housing supply for rental and interim housing	Rental units constructed	316	140	40	142	76	89%	37%
TOTALS:		316	140	40	142	76	89%	37%

Levy Goals:

The renewed Housing Levy that began in 2020 set a combined goal for both Production and Preservation of Housing. The combined goal is 600 units over ten years. See the section on Preservation of Housing regarding achievement towards this goal.

Preservation of Housing

Program Objectives

The housing preservation 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 2020 for the preservation of housing. [Add fund balance information].

Budget and expenditures include commitments from years prior to 2020.

Summary of Committed Preservation of Housing Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
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; 7 below 80% AMI	14	\$420,000 CDBG	\$420,000
Catholic Housing Services <i>Mt. Baker Apts</i> City Center	This was a modification of a 2017 Preservation commitment when additional emergency modification needs were found. CHS successfully rehabilitated the 84-unit building, with 25 additional units now rent-restricted. Only the additional Levy funds are shown here, which were added to a prior commitment of CDBG and Levy. <u>Income Target:</u> 4 below 30% AMI; 31 below 50% AMI; 49 below 60% AMI	84	\$250,000 Levy	\$13,663,742
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,	18	\$125,000 Levy	\$125,000

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
	subfloor, electrical and plumbing, window and door, and heating system. <u>Income Target:</u> 13 below 50% AMI; 5 below 80% AMI			
TOTALS:		116	\$ 795,000	\$ 14,208,742

The City also sets aside \$50,000 each year in Housing Levy dollars for **Emergency Repair**, on an *as-needed basis* (if funds not used, they will be returned to the fund balance).

Summary of Completed Preservation of Housing Projects

The Opportunity Council put the Manufactured Home Repair program on hold due to the coronavirus pandemic for most of the 2020 program year, resulting in no completed projects through that program.

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Mt. Baker Apts</i> City Center	This project was modified when additional emergency modification needs were found. CHS successfully rehabilitated the 84-unit building, with 25 additional units now rent-restricted. This reflects the total commitment of both CDBG and Levy funds. NOTE: these units are not included in the overall goal totals <u>Income Target:</u> 4 below 30% AMI; 31 below 50% AMI; 49 below 60% AMI	84	\$1,050,000 Levy & CDBG	\$13,663,742
DVSAS <i>Baker Place Shelter</i> Birchwood Neighborhood	Funding to help DVSAS retire the remaining mortgage on the Baker Place Shelter property. <u>Income Target:</u> 14 below 30% AMI	14	\$214,439 Levy	\$234,313
Sean Humphrey House Lettered Streets Neighborhood	Funding to do necessary health and safety repairs on the interior and exterior of this group home serving adults with HIV-AIDS. <u>Income Target:</u> 2 below 30% AMI; 4 below 50% AMI	6	\$90,237 CDBG	\$117,071
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> 7 below 30% AMI; 3 below 50% AMI; 1 below 60% AMI; and 2 below 80% AMI	13	\$ 329,083 CDBG	\$ 329,083
TOTALS:		117	\$ 1,683,759	\$ 14,344,209

Preservation of Housing Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here:

<https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>). Note that the Mount Baker Apartments unit numbers are not included in the goals as they are modifications of earlier plans that were counted in a prior year.

Consolidated Plan Goals:

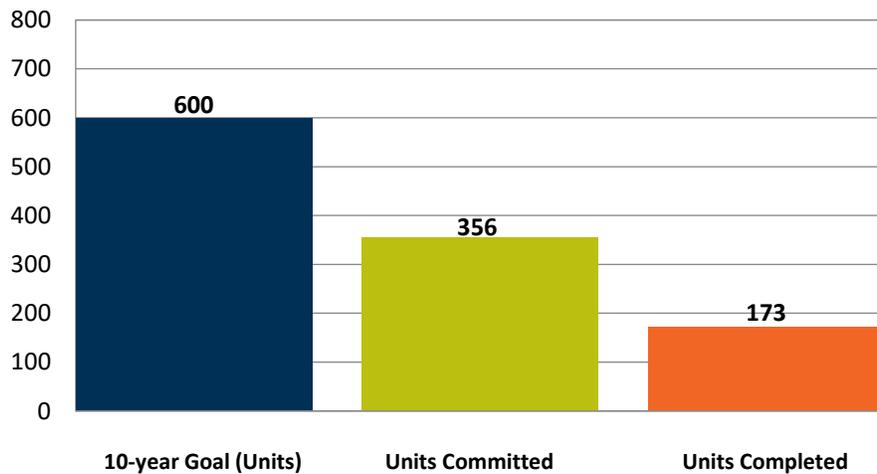
The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of housing preservation, there is one goal with two corresponding outcome indicators. The following table shows the five-year goal, the number of units where funding was committed to activities in 2020, and the number of units actually completed. This table is updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2020 Committed	2020 Actual	% of Goal Committed	% of Goal Actual
Rehabilitation of existing units	Homeowner housing rehabilitated	75	63	52	32	13	127%	87%
	Rental units rehabilitated	62	20	18	0	20	32%	61%
TOTALS:		137	83	70	32	33	84%	75%

Levy Goals:

The renewed Housing Levy that began in 2020 set a goal for both the Production of Rental Homes and the Preservation of Housing programs. The goal does not distinguish between either program. Not reflected under levy goals are projects solely completed with HUD funding. The 10-year Levy goal is 600 units, with the City having committed funds towards 356 units and with 173 units completed.

Production & Preservation



The following table identifies the number of units by program:

Program	Commitment	Units Completed
Production	282	116
Preservation	74	57
	356	173

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 primary funding used for this program is HOME and Housing Levy.

Homebuyer Funding Summary

Housing Levy funds were budgeted in the 2020 program year for the homebuyer program. HOME funds included carryover from commitments made in earlier years. [Add fund balance information].

Budget and expenditures include commitments from years prior to 2020.

Summary of Committed Homebuyer Program Projects

The City committed funds in the 2017 Action Plan year to a new homebuyer development being undertaken by Kulshan Community Land Trust (CLT) and Habitat for Humanity in partnership that is anticipated to be complete in the 2021 Action Plan year. The City also has prior funds committed to a City Surplus Property in the Roosevelt neighborhood being developed in partnership with Kulshan CLT.

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
WSHFC Restricted / Kulshan CLT and WSHFC Unrestricted	The City committed down payment and/or closing cost assistance to programs in partnership with the WA State Housing Finance Commission: both the Restricted program operating in partnership with Kulshan Community Land Trust, and the Unrestricted program operated available through WSHFC-participating banks for buyers whose incomes are below 80% AMI. <u>Income Target: 10 under 80% AMI</u>	1	\$350,000 (HOME & Levy)	TBD
TOTALS:		10	\$ 350,000	

Summary of Completed Homebuyer Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
WSHFC Restricted / Kulshan CLT <i>New Inventory of Homes</i> Puget (1) Roosevelt (2)	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 under 50% AMI; 2 under 80% AMI	3	\$119,817 (Levy)	\$784,500
WSHFC Restricted / Kulshan CLT <i>Resales of Existing Homes</i> Birchwood (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 under 80% AMI	1	\$40,000 (Levy)	\$260,000
WSHFC Restricted / Kulshan CLT <i>Resales of Existing Condos</i> Puget (1)	The City provided down payment and/or closing cost assistance to Kulshan Community Land Trust condominium buyers whose incomes are below 80% AMI. <u>Income Target:</u> 1 under 80% AMI	1	\$40,000 (HOME)	\$160,750
WSHFC Unrestricted <i>Condo Sales</i> Birchwood (1)	The City provided down payment and/or closing cost assistance to condominium buyers whose incomes are below 80% AMI. <u>Income Target:</u> 1 under 60% AMI	1	\$23,674 (HOME)	\$201,300
WSHFC Unrestricted <i>Home Sales</i> Silver Beach (1)	The City provided down payment and/or closing cost assistance to home buyers whose incomes are below 80% AMI. <u>Income Target:</u> 1 under 80% AMI	1	\$24,630 (HOME)	\$340,000
TOTALS:		7	\$248,121	\$1,746,550

Production of Homebuyer Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here: <https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of homeownership, there is one goal with one corresponding outcome indicator. The following table shows the five-year goal, the number of units where funding was committed to activities in 2020, and the number of units actually completed. This table is updated as the 5-year Consolidated Planning period progresses.

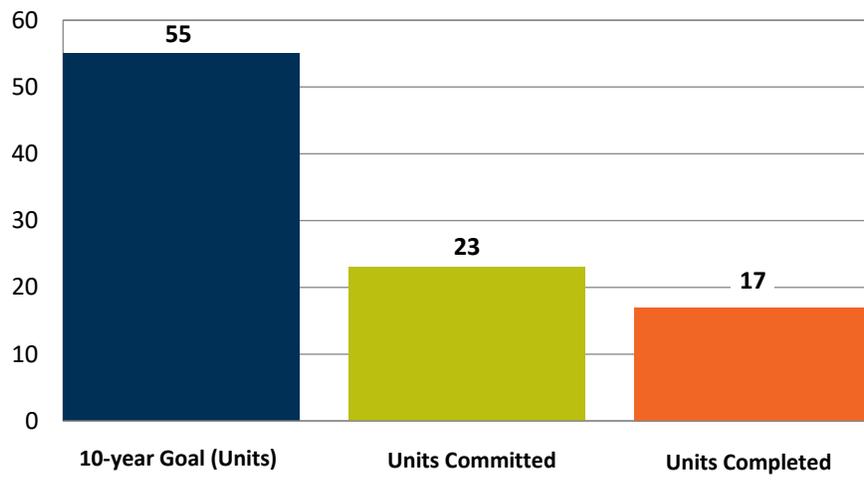
Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2020 Committed	2020 Actual	% of Goal Committed	% of Goal Actual
Increase affordable housing supply for homeownership	Assistance to homebuyers	36	1	10	10	7	31%	47%
TOTALS:		36	1	10	10	7	31%	47%

Levy Goals:

The renewed Housing Levy that began in 2020 set a goal for the Homebuyer program. The goal is 55 units over ten years, with 23 units committed, and 17 completed (note that there were 12 units that had

been committed under the prior levy but not yet completed and these were rolled over into the current Housing Levy program numbers reflected here).

Homebuyer Program



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, public and community facilities, such as food banks, senior centers and community centers, or facilities for special needs populations. 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.¹

Community Development Funding Summary

CDBG funds were budgeted and committed in the 2020 program year for the Community Facilities program. [Add fund balance information].

Budget and expenditures include commitments from years prior to 2020.

Summary of Committed Community Facility Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
YMCA <i>Barkley Early Learning</i> Barkley	The City committed funds for tenant improvements at the new, expanded childcare facility being developed in conjunction with the Mercy Housing Barkley Family project listed in the Production section earlier. The facility will have 7 classrooms and expand their service by 20% to 102 slots; of portion of these are for low-moderate income households. <u>Income Target:</u> >23 under 80% AMI	23	\$200,000 (CDBG)	\$5,155,591
Bellingham Childcare & Early Learning <i>Outdoor Improvements</i> Cornwall Park	The City committed funds to Bellingham Childcare & Learning Center for improvements to meet licensing requirements and make enhancements to outdoor areas benefitting the infant and preschool classrooms. BCEL has 72 slots, a portion of which are dedicated to low-moderate income households. <u>Income Target:</u> >20 under 80% AMI	20	\$ 20,000 (GF)	\$95,351
TOTALS:		43	\$220,000	\$ 5,250,942

¹ The city funds many activities that can be considered community facilities. 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. These types of projects are typically undertaken with City funds other than CDBG, but not part of the Housing and Services Program within the Community Development Division.

Summary of Completed Community Facility Program Projects

Project Sponsor Project Name Neighborhood	Project Description	Pop. Served	City \$	Project \$
Max Higbee Center <i>Move and Expansion Project</i> City Center	The Max Higbee Center moved to grow its capacity and begin serving those on its waiting list by renovating and shifting to a facility on N State St. Max Higbee provides recreation and day support to youth and adults with developmental and physical challenges. <u>Income Target:</u> Presumed Benefit population (<50% AMI)	233	\$280,000	\$752,395
TOTALS:		233	\$280,000	\$ 594,210

Community Facility Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan which can be found here: <https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>.

Consolidated Plan Goals:

The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of community facilities, there is one goal with one corresponding outcome indicator. The following table shows the five-year goal, the number of units where funding was committed to activities in 2020, and the number of units actually completed. This table is updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2020 Committed	2020 Actual	% of Goal Committed	% of Goal Actual
Promote Neighborhood Equity	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	11,500	1,249	2,030	43	233	11%	20%
TOTALS:		11,500	1,249	2,030	43	233	11%	20%

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 2020 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 2020 for the Rental Assistance and Housing/Human Service program. [Add fund balance information].

Expenditures: In the 2020 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 2020.

Program	CDBG	CDBG-CV	HOME	LEVY	GF	TOTAL
Housing Services	150,155	83,093		906,590	83,057	\$1,222,895
Human/Social Services	72,784				381,415	\$454,199
Rental Assistance			209,933	316,514		\$526,447
TOTALS	\$222,939	\$83,093	\$209,933	\$1,223,104	\$464,472	\$2,203,541

Summary of Rental Assistance and Housing Service Program Projects

Goal Supported	Agency	Program Name
Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	Lydia Place	Ending Family Homelessness (merged with) Transitional Housing - Homeless Women with Children
	Opportunity Council	Homeless Housing Services / Rapid Rehousing
	Northwest Youth Services	Positive Adolescent Development
	Northwest Youth Services	Transitional Living
	YWCA	Larrabee Residence
	DVSAS	Domestic Violence Safe Shelter
	Northwest Youth Services	Ground Floor for Youth
	Opportunity Council	Homeless Outreach Team

	Opportunity Council	Homeless Service Center Operations
	Opportunity Council	Housing Lab
Address & Prevent Homelessness: Tenant based rental assistance	Opportunity Council	Homeless Housing Services / Rapid Rehousing
	Opportunity Council	Tenant-based Rental Assistance
	Lydia Place	Ending Family Homelessness
Address & Prevent Homelessness: Homeless Person Overnight Shelter	Opportunity Council	Emergency Motel Stays

Summary of Human / Social Service Program Projects

<i>Human and Social Services</i>		
Goal Supported	Agency	Program Name
Address & Prevent Homelessness: Public service activities <u>other than</u> low/moderate income housing benefit	Lydia Place	Mental Health Program
	Bellingham Food Bank	Free Grocery Program
	Opportunity Council	Volunteer Chore Program
	DVSAS	Safe Start Program
	NWYS	Vocational Readiness
	Whatcom Literacy Council	Gaining Jobs & Self Sufficiency Through Literacy
	NWYS	Teen Court
	Whatcom Dispute Resolution Center	Parent/Teen Mediation
	Brigid Collins	Targeted Intensive Case Management
	Whatcom County Council on Aging	Meals on Wheels
	Opportunity Council	Maple Alley Inn
	Sean Humphrey	Residential Services
	Rebound of Whatcom County	Rebound Roots
	St. Francis / Generations	Generations Childcare Tuition Assistance
	Bellingham Childcare & Early Learning Center	Childcare and Early Learning for Low-income Families
	Bellingham School District	Carl Cozier Family Resource Center
Mercy	Senior Support Services	

Summary of Committed Annual 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 over the long term to assist with rental payments, housing case management and operational staff for security. This commitment was in conjunction with a capital development award. The City has committed a total of about \$1.4m through 2022.	42	\$227,560	\$ 1,050,000

Project Sponsor <i>Project Name</i>	Project Description	Units	City \$	Project \$
	<u>Income Target:</u> 21 below 30% AMI; 13 below 50% AMI; 8 below 60% AMI			
Sun Community Services <i>Greggie's House & Nevada PSH</i> Sunnyland / Roosevelt	The City committed funds over the long term to assist with case management services, rent and administrative costs at these 2 different Sun facilities. This commitment was in conjunction with two different capital development awards. <u>Income Target:</u> 6 below 30% AMI; 3 below 50% AMI	9	\$ 87,404	\$ 124,034
Opportunity Council <i>22 North</i> City Center	The City committed funds for the long term 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	\$ 142,000	\$652,350
TOTAL:		91	\$ 456,964	\$1,826,384

Rental Assistance, Housing and Human/Social Service Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here:

<https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

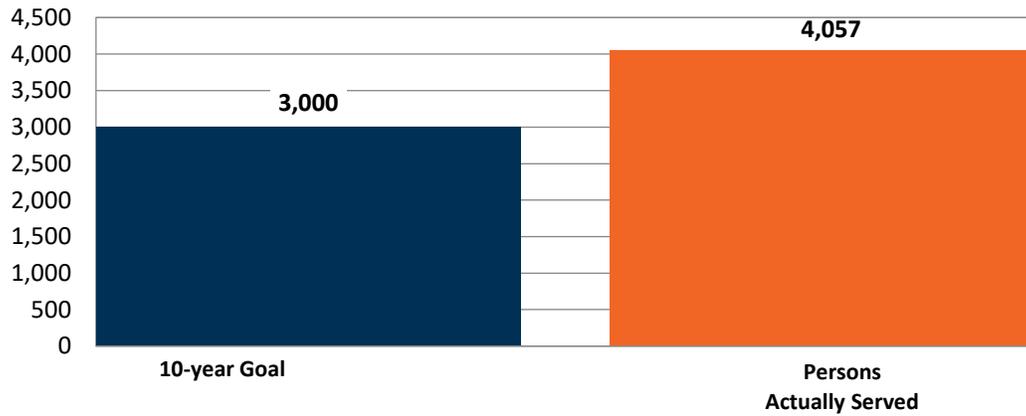
The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of rental assistance and services, there is one goal with five corresponding outcome indicators. The following table shows the five-year goal, the number of units where funding was committed to activities in 2020, and the number of units actually completed. This table is updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2020 Committed	2020 Actual	% of Goal Committed	% of Goal Actual
Address & Prevent Homelessness	Homeless person overnight shelter	300	450	573	150	172	200%	248%
	Tenant based rental assistance	250	50	52	28	58	31%	44%
	Public service activities other than low/moderate income housing benefit	21,310	30,000	38,696	15,000	18,258	211%	267%
	Public service activities for low/moderate income housing benefit	5,155	1,750	2,426	1,000	1,620	53%	78%
	Overnight/Emergency Shelter/Transitional Housing Beds added	55	-	-	36		65%	0%
		27,070	16,025	20,967	16,225	20,780	119%	154%

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 10-year Levy goal is 3,000 persons or households. The following reflects only those services program beneficiaries from programs focused on housing services which reflects a predominance of levy funding.

Rental Assistance & Supportive Services



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.
- 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 (the renewed levy raised this to 6%). 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 2020 program year for Administrative Expenses.

	2020	2021	2022	TOTAL
Budget:				
Levy	240,000	240,000	240,000	720,000
General Fund	238,000	240,000	337,857	815,857
CDBG	171,877	210,484		382,361
HOME	100,468	70,663		171,131
Commitments:				
Levy	189,273	240,000	240,000	669,273
General Fund	238,000	240,000	337,857	815,857
CDBG	171,877	210,484		382,361
HOME	100,468	70,663		171,131
Fund Balance	50,727	0	0	50,727

Monitoring Fund

The renewed Housing Levy provides ten years of funding for both activities and administrative expenses. Some Levy programs from both the 2012 and 2018 levies 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 an additional \$25 per unit for each unit over 10. 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 2020 Action Plan year, the City has collected \$655,975 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 (80% AMI or below). 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 program for income requirements.

Commitment to Affirmatively Further 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's [Housing Development Guideline and Procedure Handbook](#) lays out the expectations of project owners for marketing their units

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.

The City is committed to providing education to landlords, tenants, and property management agencies about Fair Housing law. In the 2020 program year, information sharing was entirely virtual due to the pandemic, but city staff still fielded inquiries from the public, and supported the sharing of information

via the City’s website and email lists. The City also continues to maintain the web-based complaint option for via the Fair Housing page of the City’s website. The button allows people to e-mail staff directly regarding fair housing and submit questions or complaints. In program year 2020, staff continued to receive questions and complaints through this avenue, the majority of which were regarding Emotional Support Animals and Familial Status. Staff respond with information and training materials, and direct tenants as needed to the Fair Housing Center of Washington, or the Fair Housing Office of HUD for their guidance and advocacy.

Households/Persons Served

The following table shows the persons served with projects or activities that were committed in the 2020 program year. 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	10			10	
Rental Production	142	53	75	14	
Preservation	31		19	12	
Community Facilities	43			43	
Housing, Human/Social Services	16,150	10,000	6,000	100	50
TOTALS	16,376	10,053	6,094	179	50
		61%	37%	1%	0%

The following table shows the persons served with projects or activities that were completed in the 2020 program year. Race/ethnicity is not available for all 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	7	0	1	6	0	7					
Rental Production	76	39	21	16	0	<i>To Come</i>					
Preservation ²	33	23	7	3	0						
Community Facilities ³	233	233									
Housing, Human/Social Services	20,108	12,872	7,049	145	42	16,182	708	618	166	2,434	1,834
TOTALS	20,457	12,934	7,311	170	42	16,198	709	618	166	2,435	1,834
		63%	36%	1%	0%	80%	4%	3%	1%	12%	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 spending by income targets indicates that 92% of all the funding under the new levy is targeted to very-low income persons or households. The prior levy had an overall average of 84% targeted to very-low income persons or households.

² The homeowner/manufactured preservation programs do not collect information by race/ethnicity.

³ The Community Facilities project was an population-wide benefit project, serving individuals with mental and physical challenges. No race/ethnicity data is collected.

Program	Funds	Units	<=30% AMI	> 30%,	>50%,	ELI Levy (<= 50% AMI)	LI Levy (> 50% AMI)
				<=50% AMI	<=80% AMI		
Homebuyer	167,817	7	0	1	6	0	167,817
Production	725,169	76	39	21	16	725,169	0
Preservation	464,439	33	23	7	3	422,217	42,222
Housing Services	1,707,870	1,849	1,634	185	30	1,680,160	27,710
	\$3,065,295	1,965	1,696	214	55	\$2,827,546	\$237,749
			86.31%	10.89%	2.80%	92%	8%