



2026 Action Plan

Covering the period from July 1, 2026 – June 30, 2027

a component of the

2023 – 2027 CONSOLIDATED PLAN

City of Bellingham

Washington

Public Comment Draft

March 6, 2026

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Bellingham approved the 2023-27 Consolidated Plan on May 8, 2023 (Resolution No. 2023-06). Since its adoption, the following has occurred:

- On June 30, 2023, the Consolidated Plan, including the 2023 Annual Action Plan, was submitted through the online system of U.S. Department of Housing and Urban Development (HUD), referred to as IDIS. After several modifications, HUD accepted the Consolidated Plan and 2023 Action Plan on August 4, 2023.
- On May 6, 2024, the 2024 Action Plan was approved by City Council (Resolution No. 2024-05) and subsequently accepted by HUD.
- On May 6, 2025, the 2025 Action Plan was approved by City Council (Resolution No.2025-07) and subsequently accepted by HUD.
- [add information after City Council consideration on April 27, 2026].

2026 is the fourth year under the 2023-27 Consolidated Plan. New activities selected for funding in this Action Plan (the Plan) are based on solicitation of proposals. Funding sources for these activities include federal HUD HOME and CDBG funds, as well as local City funds (Housing Levy, Affordable Housing Sales Tax, and General Fund). Some COVID-specific funding is reflected in this Plan in the form of a special HOME-ARP allocation provided in 2021 that must be expended by 2030.

The City specifically sought applications for the following through a Notice of Funding Availability (NOFA):

- **Rental Housing Development** – released on December 22, 2025, with applications due by February 5, 2026. No applications were received.
- **Housing Preservation and Shelter** – released on December 22, 2025, with applications due by February 5, 2026. No applications were received.
- **Prevention of Homelessness** – released on November 24, 2025, with applications due by February 5, 2026. Three applications were received.
- **New Homeownership Development** – released November 22, 2025 with applications due by February 5, 2026. Four applications were received.

In addition, a number of funding opportunities are open year-round, with general programmatic funding set aside to support projects that meet the criteria of the program. These include:

- **Emergency Housing Repairs** – supporting nonprofit agencies operating affordable housing or shelter benefiting low-income community members with needed health and safety repairs.

- **Home Rehabilitation Program** – supporting low- or moderate-income households who own single-, two-, three-, or four-plex units in need of health and safety repairs, with a priority for senior and/or disabled community members.
- **Predevelopment Funding for Housing** – supporting nonprofit agencies working toward the acquisition and/or development of additional affordable housing or shelter in the community to benefit low-income households.
- **Community Facilities and Improvements** – supporting acquisition or improvements to facilities that assist low and moderate income community members with basic needs and community services.

Several existing commitments from previous years are carried forward, as further described below.

2. Summarize the objectives and outcomes identified in the Plan

The City continues to prioritize housing development, homebuyer support, community facilities and housing and human services.

All projects and programs from prior years will be carried forward, with funding adjustments based on analysis of applications received and budget decisions.

New Project Funding

New funding will be set-aside for site preparations for a tiny house village, strategic acquisitions of property, housing preservation, community facilities, and homeownership projects.

Carryover and Continuing Projects

Activities funded prior to 2026, or ongoing programs, are adjusted for remaining amounts anticipated to be spent in 2026-27 and/or adjustments in funding sources. These activities include:

- Washington State Housing Finance Commission’s homebuyer down payment assistance program;
- Kulshan CLT’s La Freniere new homeownership development;
- Housing production projects –
 - Opportunity Council’s Cedar Commons at Bellis Fair senior housing,
 - Lake Whatcom Center’s Lincoln Street Studios supportive housing,
 - Mercy Housing Northwest’s Holly Street senior housing, and
 - Bellingham Housing Authority’s Unity Street redevelopment;
- Community & public facilities;
- Housing preservation activities (manufactured home repair, emergency repair, City owner-occupied housing rehabilitation program, and Lydia Place’s rehabilitation project at Gladstone House);
- Rental assistance and housing supportive services (Tenant Based Rental Assistance, multi-year housing services programs including project-based assistance, and the second year of the City’s biennial housing services contracts);

- Human and social services (the second year of the City’s biennial human services contracts, with the exception of Lydia Place’s Mental Health program, which will be rolled into their Family Services housing program).

Contingency Projects

In the event that appropriations are greater or less than anticipated, or planned activities are cancelled, the following activities are proposed as contingencies: Tenant Based Rental Assistance (HOME), Housing Rehabilitation (CDBG), Housing Land Acquisition & Development (CDBG and HOME), Housing Finance Commission Homebuyer (HOME), Community & Public Facilities (CDBG), and operations, including CHDO operating support, as well as modified funding amounts or sources for listed projects, in accordance with the Community Participation Plan.

3. Evaluation of past performance

This Action Plan is for the fourth year of the 2023-2027 Consolidated Plan. The City has completed two performance evaluation reports under the Consolidated Plan, the most recent reporting on the July 1, 2024 – June 30, 2025 Action Planning year. This performance report showed progress toward goals as follows:

- The goal of ‘Reduce housing cost burden for low- and moderate-income households’ showed forty-eight percent progress related to housing production and preservation, and seventeen percent progress related to homeownership;
- The goal of ‘Providing vulnerable households with services to remain stably housed’ showed three hundred percent progress;
- The goal of ‘Help vulnerable households to meet their basic needs’ showed one hundred ten percent progress related to community and public facilities, and four hundred percent progress related to human services; and
- The goal of ‘Increase safety for vulnerable groups’ showed sixty percent progress.

The City contributes to the goal of ‘Prevent housing discrimination and increase protections for low-income renters’ through staff efforts rather than external contracting, and is making progress here with fair housing and landlord-tenant education done annually, and a Rental Registration and Safety Program.

4. Summary of Citizen Participation Process and consultation process

The public consultation process for the 2026 Action Plan included a 30-day public comment period, and a public hearing before the Community Development Advisory Board (on March 12, 2026). The public was invited to comment on the Action Plan during the public comment period, which was held from March 9 – April 8, 2026. [SUMMARY OF PUBLIC COMMENTS TO BE ADDED IN FINAL DRAFT.]

The display ad providing notice of the public hearing and plan amendment was published in the Cascadia Daily on March 9, 2026. All public participation and consultation was done in accordance with the City’s Community Participation Plan that was last modified in 2022 to guide the 2023-27 Consolidated Plan.

The City Council discussed the Action Plan at their April 27, 2026 Community and Economic Development Committee meeting. [SUMMARY OF DISCUSSIONS TO BE ADDED IN FINAL DRAFT.]

5. Summary of public comments

The Community Development Advisory Board reviewed and discussed the draft plan at their March 12, 2026 and April 9, 2026 meetings prior to making a recommendation. [DETAILS OF PUBLIC COMMENTS TO BE ADDED IN FINAL DRAFT.]

6. Summary of comments or views not accepted and the reasons for not accepting them

[TO BE ADDED IN FINAL DRAFT.]

7. Summary

The 2026 Action Plan is intended to implement the priorities and strategies set forth in the 2023-2027 Consolidated Plan.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role | Name | Department/Agency |
|-----------------------|-------------|------------------------------------|
| Lead Agency | BELLINGHAM | |
| CDBG Administrator | BELLINGHAM | Planning and Community Development |
| HOPWA Administrator | | |
| HOME Administrator | BELLINGHAM | Planning and Community Development |
| HOPWA-C Administrator | | |

Table 1 – Responsible Agencies

Narrative (optional)

Consolidated Plan Public Contact Information

Samya Lutz, Housing & Services Program Manager, Planning and Community Development Department

City of Bellingham

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Phone: 360-778-8385 or E-mail: slklutz@cob.org

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City of Bellingham works in partnership with other agencies, nonprofit organizations, the public housing authority and other citizens and stakeholders to identify the needs for affordable housing, community development and homelessness. These needs are documented in the 2023-2027 Consolidated Plan. Based on these needs, the Consolidated Plan consultation process included setting priorities based on the financial resources available through HUD and local sources.

The consultation process for an Annual Action Plan is to align resources with the goals and strategies outlined in the Consolidated Plan. The City provided an opportunity for agencies and nonprofits to submit proposals for funding assistance that would work to implement the goals and strategies of the 2023-2027 Consolidated Plan. The process resulted in numerous activities.

Funding requests exceeded the amount of anticipated resources in most categories. Where additional resources are available, it is from the City's local resources: Housing Levy, Affordable Housing Sales Tax, or other locally-controlled dollars. CDBG and HOME grants, including the special COVID allocations and program income, are fully allocated in the 2026 Action Plan.

Including the listed agencies that were consulted, a broad array of individuals from dozens of agencies were notified that applications for funding assistance to implement the 2023-2027 Consolidated Plan were being accepted.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The public and assisted housing providers, as well as governmental health, mental health, and service agencies, have close working relationships in Bellingham and Whatcom County. The Whatcom County Health and Community Services Department is the lead agency for homeless housing, as well as public health, mental health and veteran's needs in our community. The City is an active member of the Whatcom County Housing Advisory Committee and numerous other Whatcom County lead committees for specific focus areas. The City also sits on the steering committee of the Whatcom Housing Alliance, a multi-sector group that advocates for equitable housing policies. The City's Community Development Advisory Board includes membership that represents ward areas throughout the City, and housing and social service providers, including a representative from the public housing authority. The City of Bellingham Mayor's office has hired a strategic initiatives manager to coordinate with Health and Human Services agencies and the Whatcom County Health and Community Services department on behavioral health and other housing and human service activities related to homelessness in Bellingham.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Whatcom County is the lead agency for the Continuum of Care and the Local Homeless Housing Plan. The Whatcom Homeless Service Center is the coordinating entity for homelessness, including a single point of entry. The City is committed to ensuring consistency in policies and efforts.

The City participates actively in the local Coalition to End Homelessness, including the Steering Committee for this group, which strives to actively engage people who have or are experiencing homelessness, identify their needs, and respond accordingly. The Coalition has the primary goal of implementing the county’s Local Homeless Housing Plan, “Whatcom County 5-year Homeless Housing Plan: Implementation Plan for 2026 through 2030”.

The City has coordinated with Whatcom County and has incorporated their goals, strategies, activities and outcomes in the Consolidated Plan. The City helps fund the Whatcom Homeless Service Center, which administers the Homeless Management Intake System (HMIS) for the community.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

City staff meet regularly with County staff and staff from the Whatcom Homeless Services Center (HSC), as well as other partner agencies who participate in taking HSC and Coordinated Entry referrals. The City and County strive to align their performance standards and expectations as much as possible and are in regular communication about funding allocations and changes over time. The City has a seat on the Whatcom County Housing Advisory Committee, which makes recommendations on County funding allocations. City staff is also participating in the Coordinated Entry Governing Body that is reviewing local Coordinated Entry and HMIS policies and procedures, and making recommendations for implementation improvements.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

| | | |
|---|--|--|
| 1 | Agency/Group/Organization | BELLINGHAM HOUSING AUTHORITY |
| | Agency/Group/Organization Type | Housing PHA |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | The Executive Director of the Bellingham Housing Authority is a member of the city's Advisory Board which recommends priorities and funding of the Action Plan. |

| | | |
|---|--|--|
| 2 | Agency/Group/Organization | OPPORTUNITY COUNCIL |
| | Agency/Group/Organization Type | Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims |
| | What section of the Plan was addressed by Consultation? | Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | The Opportunity Council was consulted and participated in development of the plan. In addition, because the Homeless Service Center is hosted by the Opportunity Council, strategies regarding homelessness were coordinated with them. |

Identify any Agency Types not consulted and provide rationale for not consulting

N/A

Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|-------------------|-------------------|---|
| Continuum of Care | Whatcom County | Whatcom County participated in developing the Homelessness Strategy and reviewed and commented on the Consolidated Plan. They also developed and continue to update the Countywide Health Improvement Plan. Whatcom County and City staff frequently assist one another in coordinated review of agency funding and activities. |

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Including the listed agencies that were consulted, 85 agencies and organizations were contacted to provide them with an advance opportunity to know that applications were being accepted for funding assistance to implement the 2023-2027 Consolidated Plan. In addition, discussion about the 2026 Action Plan process was included at Whatcom Coalition to End Homelessness steering committee meetings, and at the Whatcom County Housing Advisory Committee meetings, both of which include representatives from many local housing-related agencies as well as public representatives. The City also continues to follow its Community Participation Plan; specifically, the elements relevant to Action Plan development or modifications.

AP-12 Participation – 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

A public display ad for this Action Plan was published in the Bellingham Herald on March 9, 2025 as well as the Cascadia Daily, notifying the public of an opportunity to comment on the Action Plan and attend a public hearing. Notices were also sent out to stakeholders and the media and posted on the City's web site. The public hearing was held on March 12, 2026 and the public comment period was open through April 8, 2026. In addition, NOFAs were published and distributed broadly, as discussed elsewhere in this plan. Responses to these NOFAs and City priorities were what primarily impacted the goal setting.

Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (if applicable) |
|------------|------------------|------------------------------|--|---|--|---------------------|
| 1 | Public Hearing | Non-targeted/broad community | Held with advisory board members and the public no public chose to speak during the hearing, or submitted written comments | [TO COME] | [TO COME] | |
| 2 | Newspaper Ad | Non-targeted/broad community | Display ad - no direct response requested | Display ad - no direct response requested | Display ad - no direct response requested | N/A |

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

HUD's 2026 allocation to the City of Bellingham was not released at the time of the draft Action Plan publication for public comment. Anticipated resources were based on prior year allocations; adjustments will be made in accordance with the contingency funding plan and the Community Participation Plan.

Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|--|----------------------------------|--------------------|--------------------------|-----------|---|---|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | 797,516 | 185,000 | 844,087 | 1,824,603 | 980,516 | Funds used for priority needs, including preservation of housing stock, lead-based paint, public improvements, public services and administration and planning. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|----------|------------------|---|----------------------------------|--------------------|--------------------------|--------------|---|--|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| HOME | public - federal | Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA | 528,348.85 | 140,000 | 470,877 | 1,139,225.85 | 668,348.85 | Funds used for homebuyer assistance, tenant-based rental assistance, housing development (including CHDOs) and administration. |
| HOME-ARP | public - federal | Admin and Planning Public Services TBRA | 0 | 0 | 570,000 | 570,000 | 916,285 | Funds used for responding to the impacts of the coronavirus pandemic on qualifying populations. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|-----------------|---|----------------------------------|--------------------|--------------------------|------------|---|---|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| Other | public - local | Acquisition Admin and Planning Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership Public Services TBRA | 8,485,000 | 0 | 5,137,671 | 13,622,671 | 8,485,000 | The City of Bellingham has a voter-approved housing levy and an affordable housing sales tax that support development and preservation of housing, as well as rental assistance and housing services. |
| Other | public - local | Acquisition Admin and Planning Public Services | 828,748 | 0 | 0 | 828,748 | 0 | This is the city's investment in housing, human and social services. It is predominantly city general fund dollars, but also includes some of the city's ARPA-SLFRF and Real Estate Excise Tax. |

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how

matching requirements will be satisfied

On average, for every dollar of federal funds the City expended on activities that were completed, the City leverages over \$8 of non-federal funds. In particular, rental housing development and human (public) service funding leverage considerable funding from non-federal sources, tapping into the local commitment of nonprofit agencies delivering critical housing and services to our community.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City supports the existence of a number of tiny house villages in the jurisdiction. The City provides land and funding for a tiny house village operated by HomesNOW, and helped this provider relocate two prior villages to a new site in spring of 2025; the village is expected to continue. The City provides land and funding for a tiny house village operated by Road2Home, which is expected to continue. The City is actively preparing for a third tiny house village location, and intends to invest in site preparations for another village in partnership with a local organization.

The City is actively pursuing standing up a day center for the support of homeless individuals and households. The City will again be coordinating with Whatcom County Health and Community Services Department to analyze appropriate sites for winter and/or severe weather shelter utilization as needed and in compliance with City code related to shelter uses and related permit processes.

Discussion

Bellingham voters approved a Housing Levy renewal in 2018, assessing \$4 million per year to address housing development and preservation and services. Bellingham City Council approved a sales tax in 2021, bringing in an additional \$3.6 million (estimated) per year to address housing development and services. These funds are used to help support capital costs, rent and services, thus contributing to the federal matching requirements. The needs, priorities and strategies of the Consolidated Plan are assisted by these additional resources in the community, and aligned with the priorities of the local housing funds.

The HOME prior year resources primarily reflect unused funds for homeownership assistance and prior program income that has not yet been committed. HOME-ARP resources are carried forward consistent with the City's approved HOME-ARP Allocation Plan.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|--|------------|----------|---|-----------------|--------------------|--|--|
| 1 | Reduce cost burden | 2023 | 2027 | Affordable Housing Homeless Non-Homeless Special Needs | | Affordable Housing | CDBG: HOME: Levy + Sales Tax: | Rental units constructed Homeowner Housing Rehabilitated |
| 2 | Provide services to remain stably housed | 2023 | 2027 | Affordable Housing Homeless Non-Homeless Special Needs | | Housing services | HOME: Levy + Sales Tax: | Public service activities for Low/Moderate Income Housing Benefit Tenant-based rental assistance / Rapid Rehousing |
| 3 | Help meet basic needs (other than housing) | 2023 | 2027 | Homeless Non-Homeless Special Needs Non-Housing Community Development | | Basic needs | CDBG: Gen Fund: | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit Public service activities other than Low/Moderate Income Housing Benefit |
| 4 | Increase safety for vulnerable populations | 2023 | 2027 | Homeless Non-Housing Community Development | | Safe shelter | Levy + Sales Tax: | Public service activities for Low/Moderate Income Housing Benefit Homeless Person Overnight Shelter |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|---|------------|----------|-------------------------------|-----------------|--|--|---|
| 5 | Prevent discrimination and increase protections | 2023 | 2027 | Advocacy and Service Delivery | | Fair Housing education and enforcement | CDBG: HOME: Levy + Sales Tax: | Administrative activities to support education, monitoring, and coordination Other |

Table 6 – Goals Summary

Goal Descriptions

| | | |
|---|-------------------------|--|
| 1 | Goal Name | Reduce cost burden |
| | Goal Description | The greatest need in our community is to assist those with the lowest incomes with housing. The private market is unable to meet the demand for affordable housing units without assistance. The rise in housing costs, together with historically low vacancy rates and sluggish wage growth, makes it very difficult to find affordable housing. This goal includes the construction of new low-income rental housing, rehabilitation of owner-occupied and rental housing for low-income residents, and supporting down payment assistance and new homeownership opportunities. While offering rent assistance also reduces cost burden, we include this aspect under the goal of providing services to remain stably housed. |
| 2 | Goal Name | Provide services to remain stably housed |
| | Goal Description | Services provided under this goal are intended for vulnerable households, primarily those who belong to a priority population. Many households need more than a unit to maintain their housing stability. Support navigation programs for households vulnerable to homelessness, as well as rental assistance, case management, and homeless prevention and diversion programs. |

| | | |
|----------|-------------------------|--|
| 3 | Goal Name | Help meet basic needs (other than housing) |
| | Goal Description | Support the ability of households to address their non-housing basic needs and services such as through food security, childcare, literacy, violence-prevention, health and disability services, and senior assistance programs; including supporting facilities that further these services (new or acq/rehab). |
| 4 | Goal Name | Increase safety for vulnerable populations |
| | Goal Description | Support day and nighttime assistance for very vulnerable populations including through the provision of shelter, outreach, behavioral health, hygiene and service day centers. Improve climate resiliency and disaster preparedness. |
| 5 | Goal Name | Prevent discrimination and increase protections |
| | Goal Description | Education and administration funding. This includes public education on Fair Housing and housing issues, outreach to funding decision-makers and policymakers, and technical assistance and capacity-building for local organizations. This includes administration of all funding programs. |

Projects

AP-35 Projects – 91.220(d)

Introduction

The 2026 Action Plan includes continuation of existing activities, renewal of ongoing activities, and new projects.

Projects

| # | Project Name |
|---|---|
| 1 | Rental and Interim Housing Development |
| 2 | Homebuyer and Homeownership Development |
| 3 | Housing Rehab and Repair |
| 4 | Housing Services |
| 5 | Human and Social Services |
| 6 | Shelter and Outreach |
| 7 | Community Facilities and Improvements |
| 8 | Administration and Assistance |

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

In 2024, the City solicited new proposals for public service activities with the intent to fund them beginning July 1, 2025 and continuing (contingent of funding availability) through June 30, 2027 (with new annual contracts).

AP-38 Project Summary

DRAFT ACTION PLAN BUDGET SUMMARY [UNBALANCED]

| | A | B | C | D | E | F | G | H |
|----|--|------------------------|------------------------|---------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| 5 | RESOURCES ANTICIPATED | | | | | | | |
| | CDBG | HOME & HOME-ARP | CITY GF | JUSTICE / OPIOID RESPONSE | AH SALES TAX | HOUSING LEVY | TOTAL | |
| 6 | 795,516 | 528,348.85 | 285,000 | 188,748 | | | 1,797,613 | |
| 7 | 185,000 | 140,000 | - | - | | | 325,000 | |
| 10 | 844,087 | 1,692,590 | - | - | 2,993,430 | 2,144,241 | 7,674,348 | |
| 14 | 60,000 | 650,000 | 355,000 | - | 5,277,046 | 9,538,217 | 15,880,263 | |
| 15 | Local HOUSING Funds - New Allocations: | | | | | | | |
| 16 | Production & Preservation | - | - | - | 1,470,000 | 2,200,000 | 3,670,000 | |
| 17 | Operations & Maintenance (AHST only) | - | - | - | 750,000 | - | 750,000 | |
| 18 | Rent Assist & Services | - | - | - | 1,100,000 | 1,900,000 | 3,000,000 | |
| 19 | Homebuyer (Levy only) | - | - | - | - | 550,000 | 550,000 | |
| 20 | Admin | - | - | - | 240,000 | 275,000 | 515,000 | |
| 21 | TOTAL: | \$ 1,884,603.00 | \$ 3,010,938.85 | \$ 640,000.00 | \$ 188,748.00 | \$ 11,830,476.00 | \$ 16,607,458.00 | \$ 34,162,223.85 |
| 22 | | | | | | | | |
| 24 | ACTIVITIES | | | | | | | |
| | CDBG | HOME & HOME-ARP | CITY GF | JUSTICE / OPIOID RESPONSE | AH SALES TAX | HOUSING LEVY | TOTAL | |
| 25 | Production Program | | | | | | | |
| 26 | Previous (Unspent) Commitments | | | | | | | |
| 27 | | - | - | | 807,506 | 704,123 | 1,511,629 | |
| 28 | | - | - | | 1,500,000 | - | 1,500,000 | |
| 29 | | - | - | | 2,969,540 | 2,030,460 | 5,000,000 | |
| 30 | | 200,000 | - | | - | 5,948,634 | 6,148,634 | |
| 31 | Requests: | | | | | | | |
| 32 | | 385,831 | - | | - | (750,000) | (364,169) | |
| 33 | | - | - | | 1,600,000 | - | 1,600,000 | |
| 34 | | - | - | | 2,000,000 | - | 2,000,000 | |
| 35 | 191,698 | - | - | | 2,500,000 | 2,500,000 | 5,191,698 | |
| 36 | CHDO Set Aside (min. 15% of HOME Grant) | | | | | | | |
| 37 | | 79,260 | - | | - | - | 79,260 | |
| 38 | Preservation Program | | | | | | | |
| 39 | Previous (Unspent) Commitments | | | | | | | |
| 40 | | - | - | | - | 105,000 | 105,000 | |
| 41 | 60,000 | - | - | | - | - | 60,000 | |
| 42 | Requests: | | | | | | | |
| 43 | | - | - | | - | 1,200,000 | 1,200,000 | |
| 44 | Program: | | | | | | | |
| 45 | 450,000 | - | - | | - | - | 450,000 | |
| 46 | | - | - | | - | 230,000 | 230,000 | |
| 47 | | - | - | | - | 50,000 | 50,000 | |
| 48 | AH Operation & Maintenance (Sales Tax only) | | | | | | | |
| 49 | Annual Commitment | | | | | | | |
| 50 | | - | - | | 75,460 | - | 75,460 | |
| 51 | | - | - | | 835,187 | - | 835,187 | |
| 52 | Rental Assistance and Supportive Services Program (see Exhibit for details) | | | | | | | |
| 53 | Program: | | | | | | | |
| 54 | | - | 355,000 | - | - | - | 355,000 | |
| 55 | | - | 82,755 | - | - | - | 82,755 | |
| 56 | | - | - | - | - | 380,261 | 380,261 | |
| 57 | | - | 58,350 | 188,748 | - | 330,355 | 577,453 | |
| 58 | | - | - | - | 100,000 | - | 100,000 | |
| 59 | | 207,300 | - | - | - | 16,500 | 223,800 | |
| 60 | | 1,486,379 | - | - | 55,000 | - | 1,541,379 | |
| 61 | | - | - | - | 477,245 | 1,255,639 | 1,732,884 | |
| 62 | 186,805 | - | 205,744 | - | - | - | 392,549 | |
| 64 | Public Facility Program | | | | | | | |
| 66 | Recommendations: | | | | | | | |
| 68 | 800,000 | - | - | | - | - | 800,000 | |
| 69 | Homebuyer Program | | | | | | | |
| 70 | Previous Commitments | | | | | | | |
| 71 | | - | - | | - | 550,000 | 550,000 | |
| 72 | | 430,000 | - | | - | 200,000 | 630,000 | |
| 73 | Recommendations: | | | | | | | |
| 74 | | - | - | | - | 1,575,000 | 1,575,000 | |
| 75 | | - | - | | - | 120,000 | 120,000 | |
| 76 | | 420,000 | - | | - | 80,000 | 500,000 | |
| 77 | Contingency Projects | | | | | | | |
| 78 | | - | - | | - | - | - | |
| 79 | | - | - | | - | - | - | |
| 80 | Administration | | | | | | | |
| 81 | 196,100 | 54,334 | - | | 185,000 | 275,000 | 710,434 | |
| 82 | | 12,500 | - | | - | - | 12,500 | |
| 83 | TOTAL: | \$1,884,603.00 | \$3,275,603.85 | \$701,849.00 | \$188,748.00 | \$13,104,938.00 | \$16,800,972.00 | \$35,956,713.85 |
| 84 | | | | | | | | |
| 85 | BALANCE | \$0.00 | -\$264,665.00 | -\$61,849.00 | \$0.00 | -\$1,274,462.00 | -\$193,514.00 | -\$1,794,490.00 |

DRAFT ACTION PLAN RENTAL ASSISTANCE & SUPPORTIVE SERVICES (RASS) BUDGET DETAIL
 [UNBALANCED]

| | CDBG | HOME & HOME-ARP | CITY GF | JUSTICE / OPIOID RESPONSE | AH SALES TAX | HOUSING LEVY | TOTAL |
|----|--------------------------|-----------------|----------------|---------------------------|-----------------|----------------|-----------------|
| 4 | | | | | | | |
| 5 | | 1,221,713 | 355,000 | | | | \$ 1,576,713 |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | 58,350 | 188,748 | 820,187 | 380,261 | \$ 380,261 |
| 9 | | 207,300 | | | | 330,355 | \$ 1,397,640 |
| 10 | | | | | | 16,500 | \$ 223,800 |
| 11 | 186,805 | | 226,650 | | 279,813 | 1,172,884 | \$ 1,452,697 |
| 12 | \$ 186,805 | \$ 1,429,013 | \$ 640,000 | \$ 188,748 | \$ 1,100,000 | \$ 1,900,000 | \$ 5,444,566 |
| 13 | | | | | | | |
| 14 | 2026 RASS PROGRAM | | | | | | |
| 15 | | | | | | | |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | \$355,000.00 | | | | \$355,000 |
| 19 | | | \$82,755.00 | | | | \$82,755 |
| 22 | | | | | | | |
| 23 | | | | | | \$150,000.00 | \$150,000 |
| 24 | | | | | | \$87,404.00 | \$87,404 |
| 25 | | | | | | \$142,857.00 | \$142,857 |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | \$46,350.00 | | | \$40,000.00 | \$86,350 |
| 29 | | | \$12,000.00 | | | \$73,000.00 | \$85,000 |
| 30 | | | | \$188,748.00 | | \$217,355.00 | \$406,103 |
| 31 | | | | | | | |
| 32 | | | | | \$100,000.00 | | \$100,000 |
| 33 | | | | | \$720,187.00 | | \$720,187 |
| 34 | | | | | | | |
| 35 | | | | | | | |
| 36 | | \$207,300.00 | | | | \$16,500.00 | \$223,800 |
| 37 | | | | | | | |
| 38 | | | | | | | |
| 39 | | \$175,075.00 | | | | | \$175,075 |
| 40 | | \$258,600.00 | | | | | \$258,600 |
| 41 | | \$136,419.00 | | | | | \$136,419 |
| 42 | | | | | \$55,000.00 | | \$55,000 |
| 43 | | \$916,284.75 | | | | | \$916,285 |
| 44 | | | | | | | |
| 45 | | | \$0.00 | | \$221,437.00 | \$250,188.00 | \$471,625 |
| 46 | | | | | | \$346,316.00 | \$346,316 |
| 47 | | | | | \$0.00 | \$558,935.00 | \$558,935 |
| 48 | | | | | \$85,000.00 | | \$85,000 |
| 49 | | | | | | \$50,000.00 | \$50,000 |
| 50 | | | | | \$49,995.00 | \$0.00 | \$49,995 |
| 51 | | | | | | \$35,200.00 | \$35,200 |
| 52 | | | | | \$83,413.00 | \$0.00 | \$83,413 |
| 53 | | | | | \$37,400.00 | | \$37,400 |
| 54 | | | | | | \$15,000.00 | \$15,000 |
| 55 | | | | | | | |
| 56 | | | | | | | |
| 57 | \$50,000.00 | | | | | | \$50,000 |
| 58 | \$27,705.00 | | | | | | \$27,705 |
| 59 | | | \$25,900.00 | | | | \$25,900 |
| 60 | \$29,100.00 | | \$500.00 | | | | \$29,600 |
| 61 | | | \$15,000.00 | | | | \$15,000 |
| 62 | \$30,000.00 | | \$0.00 | | | | \$30,000 |
| 63 | | | \$45,000.00 | | | | \$45,000 |
| 64 | | | \$30,000.00 | | | | \$30,000 |
| 65 | \$50,000.00 | | | | | | \$50,000 |
| 66 | | | \$89,344.00 | | | | \$89,344 |
| 68 | \$186,805 | \$1,693,679 | \$701,849 | \$188,748 | \$1,352,432 | \$1,982,755 | \$6,106,268 |
| 69 | | | | | | | |
| 70 | \$ - | \$ (264,665.75) | \$ (61,849.00) | \$ - | \$ (252,432.00) | \$ (82,755.00) | \$ (661,701.75) |

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Funds are distributed throughout the city. The City does not have any target areas nor areas of minority concentration. Many projects are delivered city-wide or are in scattered locations. The Central Business District and urban village areas include land that is compatible with multi-family development with access to services.

Geographic Distribution

| Target Area | Percentage of Funds |
|--------------------|----------------------------|
| City of Bellingham | 100% |

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City encourages fair distribution of affordable housing and services throughout all geographic areas. This includes diversifying urban village areas, investment of public facilities and improvements in low-income neighborhoods, adding new subsidized housing units in higher-income neighborhoods, and acquiring existing ‘naturally occurring’ rental units in higher poverty neighborhoods.

Discussion

Program activities are not strictly limited to serving any areas but are instead designed to promote geographic equity of housing and services throughout the City.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Affordable housing support includes rental assistance, new rental construction, and the homebuyer program.

| One Year Goals for the Number of Households to be Supported | |
|---|-----|
| Homeless | 90 |
| Non-Homeless | 55 |
| Special-Needs | 37 |
| Total | 182 |

Table 9 - One Year Goals for Affordable Housing by Support Requirement

| One Year Goals for the Number of Households Supported Through | |
|---|-----|
| Rental Assistance | 120 |
| The Production of New Units | 30 |
| Rehab of Existing Units | 28 |
| Acquisition of Existing Units | 4 |
| Total | 182 |

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Leveraging local funds and federal dollars has helped create more opportunities for housing locally, yet there is still a low vacancy rate hovering around 3.8%, high homeless population, more capacity needed in the local workforce, and severe need for additional affordable housing.

AP-60 Public Housing – 91.220(h)

Introduction

The Bellingham/Whatcom County Housing Authority (BHA) provides public housing and affordable housing in Bellingham. The BHA has been innovative in their pursuit of projects to meet the needs of the community. This has continued under BHA's new executive after a transition early in the last program year.

Actions planned during the next year to address the needs to public housing

The City will continue to work with the BHA to address their needs. The PHA has office hours at each high rise building, as well as educational trainings, social gatherings, planning meetings with staff and other opportunities for feedback and engagement.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The City will continue to share educational information about the City's homeownership downpayment assistance program, and about Kulshan CLT's and Habitat for Humanity's homeownership programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion

Bellingham is fortunate to have a well-managed public housing authority. The City will work to support their efforts to meet the needs of their residents, whether in their inventory of public housing or their multifamily (tax credit) projects.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The Whatcom Homeless Service Center (HSC), a program of the Opportunity Council, operates a centralized and coordinating homeless housing service center that serves the homeless population in the City of Bellingham. This Center serves as a hub for all homeless housing related activity in the community, including the coordination of homeless housing service providers and the management of the local HMIS by operating a single point of entry.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Bellingham has a variety of outreach services targeting the homeless population. Starting in 2015, the City funded a Homeless Outreach Team; the City contracted with the Opportunity Council for these services. The City will continue to support the Homeless Outreach Team as the primary team responsible for helping to engage those who are living unsheltered, make referrals and offer services. Northwest Youth Services also operates a drop-in day center which is supported by the City, and outreach team, both targeting young adults experiencing homelessness. Last year, our community opened a health and hygiene center that is specifically targeted for individuals experiencing homelessness to help meet their basic needs.

This coming year, the City of Bellingham intends to purchase property to operate as a day center for individuals experiencing homelessness to access community services & shelter from the elements. The City intends to release an RFP to qualified non-profits that would provide staff support and appropriate programming to operate the day center operations.

The City plans to continue funding outreach and case management activities in the 2026 Action Plan to the extent feasible based on available funding.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City's strategy on homelessness encourages rapid rehousing of those that are homeless and targeted prevention for those that are at risk of becoming homeless. The City supports existing emergency shelter and transitional housing in the community through the city's public (human) service grant program and permanent supportive housing and shelter services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were

recently homeless from becoming homeless again

The HSC administers rental subsidies (local funds) to homeless and at-risk households and matches the subsidy with case management support provided by one of several partnering, nonprofit housing agencies. Families with children, seniors, youth, and veteran households are among the populations that are supported by rental subsidies and case management. Additionally, the HSC administers Supportive Housing Program subsidies to people who are chronically homeless and coordinates the placement of vulnerable adults experiencing homelessness in the five permanent supportive housing facilities in Bellingham, when there are openings. HSC also works closely with the Opportunity Council's Community Resource Center to operate the Rapid Rehousing program for families with moderate housing barriers who are homeless, including survivors of domestic violence. The following are some of the employment and job training programs that serve people who are homeless in Bellingham: WorkSource One-Stop Center, Opportunity Council employment specialist, Lake Whatcom Treatment Center and Compass Health employment specialists, Northwest Youth Services employment program, and Department of Vocational Rehabilitation.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The HSC helps to coordinate housing placements for people re-entering the community from institutions and implements a housing program for people on State disability assistance. Pioneer Human Services operates a 37-unit apartment (City Gate) that includes units for offenders re-entering from jail, as well as units for veterans. The City's increased support for diversion services targeting families with children and seniors offers assistance for those at risk of homelessness, with referrals coming both through the HSC and through the school district homeless liaisons. Some recently funded activities to help low-income individuals and families avoid becoming homeless or increase resiliency include:

- Rapid Rehousing and Diversion Program (Opportunity Council)
- Carl Cozier Family Resource Center (Bellingham School District)
- Education and Employment Program (Northwest Youth Services)
- Housing Stability Program (Whatcom Dispute Resolution Program)
- Gaining Jobs and Self-Sufficiency through Literacy (Whatcom Literacy Council)

Discussion

Since 2020 we have seen a steady increase in families experiencing homelessness. In January 2026, Housing Pool data showed that 196 families with children of those households counted, 298 unique participants, were experiencing unsheltered homelessness at the time of their last check-in. This was a 53% increase from January 2023. The most significant barrier to accomplishing the goal of ending homelessness in the community is funding and the constraint in the supply of housing, rising rental

prices, exponentially rising cost of living, along with workforce shortages. With additional funding, the community has shown that it can have a significant effect on the number of homeless in our community, but that funding has not kept pace with increased costs and increased demand.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The City remains committed to removing or ameliorating the negative effects of public policies that serve as barriers to affordable housing. The major barriers to affordable housing in the jurisdiction are driven by market forces: demand for housing exceeds supply, rents and property values have risen much faster than incomes and are not going down, and wages are not increasing proportionate to housing costs. Recent state law changes are modifying the high percentage of zoning restricted to single-family housing, with results yet to be implemented on the ground. Historic policy decisions related to neighborhood covenants, discriminatory financing, and single-family zoning have resulted in a disproportionately low percentage of homeowners who are non-White and non-Hispanic. In addition, residents of Low-Income Tax Credit properties who are on a fixed income (such as seniors and those with disabilities) are still facing cost burden even though they reside in a rent-restricted unit. The city has taken and continues to take steps to address these barriers, which are described below.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Bellingham has taken many steps to attempt to update zoning and incentivize a greater variety of housing options for residents of all incomes. City staff are still taking actions reflecting the Mayor's Executive Order of December 2024, which directed City departments to increase housing opportunities in Bellingham. Some of these actions include increased density and expanded housing types, streamlining the city's permitting process for housing development, and incentivizing, funding or partnering to create housing opportunities that are more difficult to develop. Planning staff are also responding to changes in state law requiring the zoning code to allow increased density, expanded housing types, and increased predictability in permitting.

One key strategy to keeping public costs down while increasing housing options is to build infill and multi-family housing in areas of the City which already have services and infrastructure. Within our developed areas, these incremental density increases (related to accessory dwelling units and additional unit capacity) and through the ranged zoning system provide small-scale infill opportunities without requiring developers to purchase multiple adjacent properties. The project components aim not only to increase density, but to provide more opportunities for housing variety, affordability, and homeownership. Collectively, the project aims to support compact growth, a primary goal in both our Comprehensive Plan and Climate Action Plans. The City recently adopted a major update of its Comprehensive Plan, which incorporated many goals and policies reflecting planning for housing at all income levels.

Discussion:

The City remains committed to removing or ameliorating the negative effects of public policies that serve as barriers to affordable housing.

AP-85 Other Actions – 91.220(k)

Introduction:

The City will undertake, or support the efforts of other agencies, that meet the needs of low-income persons and households.

Actions planned to address obstacles to meeting underserved needs

The City is involved with many community work groups, including the Whatcom County Coalition to End Homelessness, Whatcom Housing Alliance, Healthy Whatcom, Child and Family Wellbeing Taskforce, Aging Well Whatcom, and the Families with Children Strategy group. The work of all these groups is in some way geared towards addressing obstacles to meeting underserved needs. The City will continue to engage and collaborate with our partners to identify and address obstacles as they arrive.

Actions planned to foster and maintain affordable housing

Our highest priority goal is to reduce cost burden, which includes many actions intended to foster and maintain affordable housing. These include:

- Support the acquisition, preservation, and development of housing units affordable for low-income residents.
- Maintain the City's proactive role in affordable housing development.
- Support homeownership for low to moderate income households, especially for minority households and households with young children.
- Foster creative solutions for alternative ownership models, including through shared equity, resident-owned communities, and cooperative housing.
- Offer rental assistance for vulnerable households, prioritizing homeless families with children and medically fragile seniors, as well as severely cost burdened families with young children.
- Offer home rehabilitation loans with favorable terms for low-income homeowners – especially for those who are elderly or disabled.

Actions planned to reduce lead-based paint hazards

- All housing rehabilitation efforts on homes that were built before 1978 will include lead-based paint hazard evaluations. All hazards will be addressed, either through abatement or interim controls to minimize the hazards.
- The City will continue to provide educational information about the hazards of lead-based paint. Information is available on the City's web site, and City staff provides information targeted to parents of young children through specific outreach to day care centers.

Actions planned to reduce the number of poverty-level families

- Funding for programs that reduce the number of poverty-level families include literacy and job training services provided through the Whatcom Literacy Council and Opportunity Council. Other activities attempt to prevent families from falling further into poverty by providing basic needs and other supports such as through programs such as the Free Grocery Program and

landlord/tenant mediation services through the Whatcom Dispute Resolution Center and Opportunity Council's Landlord Liaison program.

Actions planned to develop institutional structure

- The City will continue to work with public and nonprofit funding agencies to identify ways to coordinate and improve the effectiveness of the institutional system of funding housing and low-income community development needs in the community.
- The City will continue to work with all housing and human service agencies to coordinate and improve communications. The Community Development Advisory Board will be one mechanism for hearing other program and institutional issues and addressing ways to improve the system in Bellingham.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to support the efforts of the Whatcom County Coalition to End Homelessness Steering Committee and the full Coalition, which coordinates the actions of housing and social service agencies in the community; as well as participate in committees focused on addressing supportive services in all housing where it's needed. The City also continues to work with county-wide partners to establish priorities for a coordinated pipeline of affordable housing development and complete underwriting and loan documents for future projects, balancing the demand for affordable housing with the diminishing resources available to make these projects possible.

Discussion:

Voters in the City of Bellingham approved a Low-income Housing Levy in 2012, and again in 2018. This levy is providing \$4 million per year over ten years. The City began implementation of this levy in 2013, using the needs and priorities identified in the Consolidated Plan as a baseline for this program. Bellingham City Council approved a local sales tax in 2021, bringing in an additional \$3.6 million (estimated) per year to address housing development and services. As a result of these local funds, significant attention can be paid to addressing obstacles, affordable housing supply, institutional structure and coordination.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

The 2026 Action Plan continues to support proven programs that the City has implemented for many years, including rehabilitation of homeowner units, homebuyer assistance, public (human) services, tenant-based rental assistance and housing development. The entirety of the anticipated CDBG program income has already been reprogrammed through projects included in this action plan (and tied to this or previous years).

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

| | |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

| | |
|--|--------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. 2026, 2027, 2028 | 75.00% |

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

No other forms of investment are used beyond those identified in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City of Bellingham has selected the resale and recapture provisions that comply with HOME statutory and regulatory requirements. These policies are selected based on program, and not on a case-by-case basis. The City's Resale and Recapture policies are included by reference, and also in the unique appendices to this Action Plan.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City has a monitoring policy and procedure to ensure affordability of units acquired with HOME funds. Annual notices are provided to HOME-funded properties regarding new income determinations, HOME rents and utility allowances. Annual income certifications are received from the properties, a desk review is completed, and on-site inspection is completed based on a risk-assessment schedule and HOME rules for monitoring.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds are not proposed to assist in the refinancing of existing debt secured by multifamily housing that is rehabilitated with HOME funds.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

The City does not have a preference in the TBRA program for those with special needs or disabilities.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

N/A

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that

limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

N/A

The City continues to utilize locally-derived funding to leverage our HUD funds and contribute to the enormous needs for housing and services in our community.

City of Bellingham Unique Appendices

- UA-1 Home Value Market Analysis**
- UA-2 Rent Study to determine Rent Payment Standard**
- UA-3 Homebuyer Resale and Recapture Policies**

UA-1 Home Value Market Analysis

City of Bellingham

2025 Home Sales Market Analysis (performed in 2026)

All Single Family Sales

| Statistics 2025 (Jan - Dec) | |
|-----------------------------|---------------|
| Number of Sales | 864 |
| Total Value | \$619,273,273 |
| Minimum Value | \$ 200,000 |
| Maximum Value | \$ 4,225,000 |
| Mean Value | \$ 716,751 |
| Median Value | \$ 630,000 |
| 95% of Median Value | \$ 598,500 |

includes condos and SFRs with ADUs

Single Family Sales Only (No Condos)[†]

| Statistics 2025 (Jan - Dec) | |
|-----------------------------|---------------|
| Number of Sales | 612 |
| Total Value | \$488,632,793 |
| Minimum Value | \$ 265,000 |
| Maximum Value | \$ 4,225,000 |
| Mean Value | \$ 798,420 |
| Median Value | \$ 699,999 |
| 95% of Median Value | \$ 664,999 |

**includes SFRs with ADUs*

Condo Only Sales

| Statistics 2025 (Jan - Dec) | |
|-----------------------------|---------------|
| Number of Sales | 252 |
| Total Value | \$130,640,480 |
| Minimum Value | \$ 200,000 |
| Maximum Value | \$ 1,936,478 |
| Mean Value | \$ 518,415 |
| Median Value | \$ 430,000 |
| 95% of Median Value | \$ 408,500 |

All 2-Unit Sales

| Statistics 2025 (Jan - Dec) | |
|-----------------------------|--------------|
| Number of Sales | 27 |
| Total Value | \$22,008,000 |
| Minimum Value | \$ 385,000 |
| Maximum Value | \$ 1,800,000 |
| Mean Value | \$ 815,111 |
| Median Value | \$ 760,000 |
| 95% of Median Value | \$ 722,000 |

***Median value may not be reliable for statistics with low number of sales.*

All 3-Unit Sales

| Statistics 2025 (Jan - Dec) | |
|-----------------------------|--------------|
| Number of Sales | 5 |
| Total Value | \$5,506,000 |
| Minimum Value | \$ 490,000 |
| Maximum Value | \$ 2,145,000 |
| Mean Value | \$ 1,101,200 |
| Median Value** | \$ 1,021,000 |
| 95% of Median Value** | \$ 969,950 |

All 4-Unit Sales

| Statistics 2025 (Jan - Dec) | |
|-----------------------------|--------------|
| Number of Sales | 4 |
| Total Value | \$4,407,500 |
| Minimum Value | \$ 1,015,000 |
| Maximum Value | \$ 1,177,500 |
| Mean Value | \$ 1,101,875 |
| Median Value** | \$ 1,175,000 |
| 95% of Median Value** | \$ 1,116,250 |

Sales are within City of Bellingham City Limits from Jan 2025 through Dec 2025. Manufactured Homes are not included. Additional statistics for single family sales with known ADUs were included this year.

Data obtained from Whatcom County Assessor Sales Data. While efforts were made to validate these sales as accurately as possible, data may not be complete or free from errors.

Median value as determined by HUD/CFR Regulations (To determine the median, take the middle sale on the list if an odd number of sales, and if an even number, take the higher of the middle numbers and consider it the median. After identifying the median sales price, the amount should be multiplied by 0.95 to determine the 95 percent of the median area purchase price.)

Neither the City, nor any department, officer, or employee of the City warrants the accuracy, reliability, or timeliness of any information published by this system, nor endorses any content, viewpoints, products, or services linked from this system, and shall not be held liable for any losses caused by reliance on the accuracy, reliability or timeliness of such information. The City has collected this information for its own purposes from different agencies, businesses, and other sources throughout the City and region. Portions of such information may be incorrect or not current. Any person or entity that relies on any information obtained from this system does so at their own risk.

Single Family Sales By Bedroom Count (No Condos)*

| Statistics 2025 (Jan - Dec) | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|
| | 1-2 Bedroom | 3 Bedroom | 4+ Bedroom | Total |
| Number of Sales | 173 | 313 | 126 | 612 |
| Total Value | \$104,799,346 | \$251,122,822 | \$132,710,625 | \$488,632,793 |
| Minimum Value | \$ 265,000 | \$ 287,158 | \$ 365,000 | \$ 265,000 |
| Maximum Value | \$ 2,463,000 | \$ 2,400,000 | \$ 4,225,000 | \$ 4,225,000 |
| Mean Value | \$ 605,777 | \$ 802,309 | \$ 1,053,259 | \$ 798,420 |
| Median Value | \$ 539,000 | \$ 725,000 | \$ 880,000 | \$ 699,999 |
| 95% of Median Value | \$ 512,050 | \$ 688,750 | \$ 836,000 | \$ 664,999 |

**includes SFRs with ADUs*

UA-2 Rent Study to Determine Rent Payment Standard

| City of Bellingham - 2025 Rental Market Study & Rent Payment Standard for October 1, 2025 - September 30, 2026 | | | | |
|--|-------------------|--------------------|--------------------|----------------------|
| | <u>Efficiency</u> | <u>One-Bedroom</u> | <u>Two-Bedroom</u> | <u>Three-Bedroom</u> |
| Rent* | \$ 1,500 | \$ 1,631 | \$ 1,913 | \$ 2,600 |
| Utility allowance** | \$ 67 | \$ 77 | \$ 99 | \$ 114 |
| Est. Payment Standard | \$ 1,567 | \$ 1,708 | \$ 2,012 | \$ 2,714 |
| Adj. Payment Standard (rounded) | \$ 1,570 | \$ 1,710 | \$ 2,020 | \$ 2,720 |
| * based on median rent of all available units during 30 day period beginning 8/1/2025, with highest and lowest priced units (outliers) removed | | | | |
| ** based on Bellingham Housing Authority energy efficient, all electric unit in a complex of 4 units or more (see Utility Rates worksheet). NOTE: utilities are not included in calculations below | | | | |
| *** published here: https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2026_code/2026summary.odn | | | | |
| HUD Final FY 2025 FMRs By Unit Bedrooms*** | | | | |
| | <u>Efficiency</u> | <u>One-Bedroom</u> | <u>Two-Bedroom</u> | <u>Three-Bedroom</u> |
| | \$1,348 | \$1,381 | \$1,642 | \$2,301 |
| HUD Final FY 2026 FMRs By Unit Bedrooms*** | | | | |
| | <u>Efficiency</u> | <u>One-Bedroom</u> | <u>Two-Bedroom</u> | <u>Three-Bedroom</u> |
| | \$1,463 | \$1,493 | \$1,794 | \$2,495 |

UA-3 Homebuyer Resale and Recapture Policies

City of Bellingham Homebuyer Resale and Recapture Policies



HOMEBUYER RESALE AND RECAPTURE POLICIES

The City of Bellingham provides financial assistance to low-income homebuyers and homeowners. The source of the financial assistance is federal HOME and CDBG funds allocated to the City, as well as Housing Levy funds approved by voters. City financial assistance for homebuyer activities could include Levy, HOME and CDBG funding.

Participating Jurisdictions (PJs) undertaking HOME-assisted homebuyer activities, including any projects funded with HOME Program Income (PI), must establish written resale and/or recapture provisions that comply with HOME statutory and regulatory requirements, specifically the provisions in 24 CFR 92.254, and further articulated in CPD Notice 12-003. These provisions must also be set forth in the PJ's Consolidated Plan. The written resale and/or recapture provisions that a PJ submits in its annual Action Plan must clearly describe the terms of the resale and/or recapture provisions, the specific circumstances under which these provisions will be used (if more than one set of provisions is described), and how the PJ will enforce the provisions for HOME-funded ownership projects. HUD is required to determine whether the PJs resale or recapture requirements are appropriate and approve them in writing.

The City of Bellingham provides additional funding for homebuyer activities from the voter-approved Housing Levy. The Levy homebuyer program does not require restrictions on resale, but does provide additional financial assistance to homebuyer projects, which have resale restrictions for a period of at least 50 years.¹

The purpose of this section is to provide the "resale" and "recapture" policies of the City of Bellingham. The City has four programs to assist homeowners or homebuyers:

1. First Time Homebuyer Program - down payment or closing assistance to new homebuyers. The financial assistance is a direct benefit to the homebuyer.
2. Homebuyer Development - the city provides financial assistance to a developer who sells homes to qualified low-income homebuyers.
3. CLT Homebuyer Program – assistance paying for the cost of land owned by a nonprofit Community Land Trust (CLT) associated with homes sold to low-income homebuyers. The city investment would remain in the land as subsequent sales of the home on that land continue to benefit low-income homebuyers.
4. Homeowner Rehabilitation Program - the city provides financial assistance to owners of existing homes to repair and rehabilitate their home. HOME Rules do not require continued affordability requirements associated with rehabilitation assistance to owner-occupants.

¹ Non-resale restricted homes are currently eligible for assistance up to a maximum of \$40,000 per household, and resale restricted homes are eligible for assistance up to a maximum of \$50,000 per household, subject to exceptions and change.

3. Condition of Property. The homeowner must maintain the property in good repair in order to meet the minimum housing and property standards set forth in the Funding Agreement. These standards must be met at the time of resale to a qualified low-income homebuyer.
4. Subsequent Homebuyer Requirements and Reasonable Range of Low-Income Homebuyers. The home must remain affordable to a reasonable range of low-income households. The affordable price includes housing cost for mortgage principal, interest, taxes and insurance of not more than 35% of the gross monthly income for a household between 50 and 80% of the area median income for Bellingham, Washington. The initial homebuyer may not sell the home during the affordability period except to a purchaser who will occupy the home as their principal residence and whose household income is at or below eighty percent (80%) of area median income, adjusted for household size, in Bellingham, Washington. The City must be responsible for verification and qualification of the subsequent buyer's income.
5. Security. Any funds invested in housing that does not meet the affordability requirements must be repaid. The City will secure their financial interest in the affordability requirements through a Deed of Trust, Recoverable Grant Agreement and/or Promissory Note that will ensure repayment in the event that the affordability requirements are not met.

In the event of foreclosure, the City might be at risk of losing the City's financial interest in the home. If the financial investment includes HOME assistance, the City will be required to repay the funds to the HOME Investment Trust Fund Treasury account or the local account. In order to minimize the City's risk for repayment in the event of foreclosure, the City will adhere to the following policies:

- a. If the City's investment is a development subsidy, the City will require the developer to provide other suitable security or assurance that the funds will be repaid to the City.
- b. If the City's investment is to a homebuyer on property leased from a Community Land Trust, the City will require the Community Land Trust to also secure the loan with a Deed of Trust, Recoverable Grant Agreement and/or Promissory Note.

Fair Return on Investment. Homeowners which sell City-assisted housing are provided a fair return on their investment, while ensuring that the home is sold to another income qualified household.

The fair return is calculated as follows. The homeowner that sells their home may receive their original contribution (down payment plus principal paid down on their first mortgage) from sale proceeds, plus the value of any credit-eligible improvements paid by the homeowner minus the value of any significant deferred maintenance or damage. The calculation is further described below:

1. Cash downpayment. The amount of cash paid by the homebuyer to acquire the property in excess of closing costs. In the event the borrower borrows funds for closing cost, this may be a negative number.
2. Amount paid to principal. The amount of cash paid by the homebuyer that is credited to principal on the mortgage(s).
3. Capital improvements. The addition of livable space (bedroom, bathroom, finished basement, finished attic space, the addition of a garage (either attached or detached)) shall be considered a Qualified Capital Improvement. In order to receive credit for a Qualified Capital Improvement

prior to commencing construction, the homebuyer must submit to the City (or leaseholder if a community land trust) detailed plans, itemization of expected costs and permits for the proposed construction. The City (or leaseholder) must agree to the scope of the proposed construction and timeline for completion, in addition to the future affordability of the improvements for subsequent resale to qualified low-income homebuyers. 50% of the cost of the qualified Capital Improvements that were agreed to in advance by the City or community land trust shall qualify as Capital Improvement Credit.

4. **Capital Systems Replacement.** For the purpose of qualifying as a Capital Systems Replacement the roof, plumbing (excluding fixtures), foundation, electrical (excluding fixtures), heating, sewer line, insulation, or windows, shall be considered Capital Systems if at least fifty percent (50%) of the Capital System is replaced and the new Capital System has an expected life-span of at least 30 (thirty) years. The addition of alternative energy production system(s) shall qualify for credit under this passage. In order to receive a credit for Capital Systems Replacement, the homeowner must consult with the City or community land trust prior to replacing a Capital System and agreement must be reached between the homeowner and City/community land trust regarding the scope and cost of the proposed replacement. The intention of this credit is to encourage and create incentives for homeowners to maintain the functionality of these systems and to increase the quality of energy efficiency, durability and ease of maintenance over time while simultaneously maintaining affordability. Provided all conditions of this paragraph and the agreement between the City/community land trust and homeowner described herein are met, the following payment schedule shall apply:

| # of Years Between Capital System Replacement & Sale | | | |
|--|-----------|-----------------------|--------------------|
| | <10 Years | Between 10 – 20 Years | More than 20 Years |
| % of Cost to be Credited | 100% | 50% | 0% |

Replacement of less than fifty percent (50%) of any Capital System will be considered repair and the cost of such a repair will not be eligible for credit under this section.

5. **Fair Return Multiplier.** The City will apply a multiplier of 1.5% on the total of the homeowner’s cash payments outlined in items 1-4 of this subsection. This multiplier is based on an analysis of the adjusted Washington State Employment Security Department, median hourly wage data for all industries for Whatcom County. The City monitors this data annually and analyses the changes over time; the City also compares this data to the annual adjusted averages of the Quarterly Census of Employment and Wages for Whatcom County, the HUD-based median family incomes for the Bellingham MSA, and the American Community Survey median household income for the Bellingham MSA. All of these indices have adjusted rolling averages below 1.5% (and more typically below 1%). The Washington State median hourly wage data set represents a third-party objective index. The decision to use a fixed rate multiplier based on a round-up of the rolling average of this data over time reflects the City’s desire for the multiplier to be fair, objective, consistent, transparent, and easy to calculate for the homeowner.

An Example Calculating Fair Return on Investment. The following is an example of how fair return on investment would be calculated.

| Category | Description | Eligible Cost |
|---|--|------------------|
| Downpayment | The homeowner put \$2,500 towards downpayment in excess of closing costs. | \$ 2,500 |
| Principal | Over five years, the homeowner paid \$4,500 that was credited to principal on their mortgage on the property. | \$ 4,500 |
| Capital Improvements | The homeowner added a garage after receiving prior approval. The cost of the garage was \$15,000, and 50% of that cost was eligible as credit. | \$ 7,500 |
| Capital Systems Replacement | The homeowner replaced the roof with 30-year roofing in the past year. The cost of the roof was \$4,750. | \$ 4,750 |
| Multiplier | Index-based multiplier of 1.5% over the 5 years the property was owned by the initial homeowner. | \$ 1,444 |
| TOTAL FAIR RETURN ON INVESTMENT TO HOMEOWNER | | \$ 20,694 |

Example:

The homeowner purchased the home for \$300,000, which includes subsidies provided by the City and other affordable housing providers. The original homebuyer's primary mortgage was \$210,000, plus an additional deferred loan of \$35,000 from the City. It has been determined that the homeowner's fair return on investment is \$20,694.

In order to realize a fair return to the original homeowner, the sales prices must be at least \$230,694 (\$210,000 mortgage and \$20,694 fair return on investment). In order to ensure that the home is affordable to a reasonable range of low-income homebuyers, the City determined that the sales price would have to be between \$175,000 and \$270,000.

| | |
|-----------------------------|------------|
| Sale Price | \$ 245,000 |
| Mortgage | - 189,000 |
| Fair Return on Investment | - 20,694 |
| City Investment | - 35,000 |
| <hr/> | |
| Additional Equity Available | \$ 306 |

In most homebuyer projects in Bellingham, the home is on land leased by Kulshan Community Land Trust (KCLT). KCLT works to ensure that the home remains affordable in perpetuity and stays in the land trust. KCLT's groundlease is consistent with the City's Resale Policy. Community land trust homes are an important link in the housing chain, as they provide a middle ground between renting and traditional homeownership (via the private non resale-restricted market).

The City must ensure a fair return on investment, but the homebuyer must also understand that other restrictions (including market forces) might cap how much appreciation the owner might achieve in a

resale of their home. The City may assist another homebuyer in purchasing the housing by allowing the existing financial assistance to be assumed, or by providing additional financial assistance to purchase the home. If the City provides additional financial assistance, a new affordability period will begin for the new homebuyer.

Recapture

Under recapture provisions, financial assistance must be repaid if it is provided directly to the buyer or the homeowner. Upon resale the seller may sell to any willing buyer at any price. The written agreement and promissory note will disclose the net proceeds percentage if any that will be allotted to the homebuyer and what proceeds will return to the PJ. Once the funds are repaid to the PJ, the property is no longer subject to any low-income affordability restrictions. The funds returned to the PJ may then be used for other eligible activities. The Recapture method is used in the following cases:

1. **Homebuyer Loans:** Where HOME, CDBG or Levy funding is provided directly to a qualified low-income homebuyer to make the home affordable, where the home does not have additional resale restrictions through a community land trust (e.g. Kulshan Community Land Trust).
2. **Condominium Units:** Where HOME, CDBG or Levy funding is provided to a qualified low-income homebuyer purchasing a housing unit pursuant to the Condominium Act (RCW 64.34).

Recapture provision will be enforced by a written funding agreement signed by the homebuyer and the City and/or intermediary as well as a recorded Deed of Trust that is the security instrument for the subordinate loan promissory note.

The recapture model that applies is "Recapture entire amount". This model recaptures the entire amount of the City's investment into making the home affordable to the homebuyer. The amount recaptured cannot exceed the net proceeds of the sale, if any. The amount to be recaptured includes outstanding principal, plus any interest owed (if any), on the City's financial assistance. The principal amount subject to recapture is only the direct subsidy benefitting the homebuyer, which is the loan of HOME, CDBG or Levy funds to the homebuyer.

Net Proceeds Calculation. Net proceeds are the sales price minus superior loan payment (other than City funds) and any closing costs. The sale must be to a bona fide third party unless a value is determined by an appraisal satisfactory to the City, or the property was purchased through condemnation proceedings.

An Example Calculating Recapture. The following two examples compare the amount to be recaptured by the City based on Net Proceeds.

| | Scenario 1 | Scenario 2 |
|---------------------------------------|------------------|-----------------|
| Sale Price | \$ 225,000 | \$ 225,000 |
| less superior debt | - 144,500 | - 185,000 |
| less closing costs | - 7,000 | - 7,000 |
| <u>less City debt</u> | <u>- 35,000</u> | <u>- 35,000</u> |
| Net Proceeds to Owner | \$ 38,500 | -\$ 2,000 |
| Adjusted City funds to be recaptured | 0 | 33,000 |
| <u>Adjusted Net Proceeds to Owner</u> | <u>\$ 38,500</u> | <u>0</u> |

Grantee SF-424's and Certification(s)

[TO BE ADDED AFTER FINALIZATION OF ACTION PLAN]