

# **HOUSING**

**HOUSING NEEDS  
PRIORITY HOUSING NEEDS  
HOUSING MARKET ANALYSIS  
SPECIFIC HOUSING OBJECTIVES  
NEEDS OF PUBLIC HOUSING  
PUBLIC HOUSING STRATEGY  
BARRIERS TO AFFORDABLE HOUSING**

# HOUSING NEEDS

## (91.205)

\*Please also refer to the Housing Needs Table in the Needs.xls workbook

1. Describe the estimated housing needs projected for the next five year period for the following categories of persons: extremely low-income, low-income, moderate-income, and middle-income families, renters and owners, elderly persons, persons with disabilities, including persons with HIV/AIDS and their families, single persons, large families, public housing residents, victims of domestic violence, families on the public housing and section 8 tenant-based waiting list, and discuss specific housing problems, including: cost-burden, severe cost-burden, substandard housing, and overcrowding (especially large families).

Response to question:

### HOUSING AFFORDABILITY

The cost of housing is generally considered to be affordable when it equals no more than 30% of household income, including expenditures for utilities. Escalating housing and utilities costs have forced many households to pay considerably more for housing than is affordable or even feasible. While housing costs are increasing, income is not increasing at the same rate. The following cost comparison was prepared by HUD using the 2000 census. (All costs are adjusted to 1999 dollars.) The table reflects a major drop in values in the 1980s and early 1990s – caused in part by the impact of federal environmental policies on the logging industry. It also demonstrates the significant increases in housing values that most communities in Washington experienced in the late 1990s.

**Table 15 – Median Income and Housing Costs, Bellingham (1999 Dollars)**

Year	Median Income		Median Housing Measures	
	Household	Family	Gross Rent	Owner's Value
1970	\$18,939	\$42,780	\$468	\$69,221
1980	\$31,044	\$43,959	\$495	\$111,404
1990	\$33,204	\$45,284	\$543	\$112,426
2000	\$32,530	\$47,196	\$593	\$151,024
Change 1970-2000	72%	10%	27%	118%

Source: US Census, HUD.

The increase in Bellingham's median cost of housing between 1970 and 2000 substantially exceeded median family and median household income during the

same period. Median household income grew by 72%, median family income grew by 10%, median gross rent grew by 27% but the median owner’s value (with considerable fluctuation) grew by 118%. This disparity clearly demonstrates that income did not keep pace with either gross rent or the value of housing.

The Housing Affordability Index for the county, which measures the ability of a typical family to make payments on a median price resale home and assumes a 20% down payment and 30 year amortized mortgage was just 84.4% in March 2007, ranking it the 5<sup>th</sup> least affordable county in the state. The affordability index has been dropping since 2003 when it reached a high point for the past 10 years of 140.9. Further, the First Time Homebuyer Index based on the ability of a first time homebuyer to make payments which assumes a less expensive home, a smaller down payment and a lower income, was only 47.2% and again ranked 5<sup>th</sup> lowest in the state in terms of affordability.<sup>26</sup> Again, the First Time Homeowner Index has fallen considerably since 2003 when it was 78.2.

The following table shows the relationship between modest housing costs (Fair Market Rents set by HUD based on actual area housing costs) and the income required to afford that housing in the Bellingham area (all of Whatcom County). These estimates are prepared annually by the National Low Income Housing Coalition (NLIHC).

**Table 16 – Housing Costs and Income, Bellingham MSA\*, 2006**

<b>Housing/Income Factor</b>	<b>Number of Bedrooms</b>				
	<b>Zero</b>	<b>One</b>	<b>Two</b>	<b>Three</b>	<b>Four</b>
Fair Market Rent (FMR)**	\$535	\$591	\$741	\$1,081	\$1,218
Income needed to afford	\$21,400	\$23,640	\$29,640	\$43,240	\$48,720
Hourly wage required to afford (working 40 hours/week)	\$10.29	\$11.37	\$14.25	\$20.79	\$23.42
Hours per week at minimum wage (\$7.63) in Washington)	54	60	75	109	123

\*Includes all of Whatcom County.

\*\*HUD 2007 FMR.

Source: National Low Income Housing Coalition. (2006). *Out of Reach 2006: America’s Housing Wage Climbs*.

The estimated annual median income of households in Whatcom County in 2006 was \$28,952. If a household did earn that amount, it would have been able to afford a modest two-bedroom unit (at 30% of their income) at a cost of \$724 – \$17 less than the Fair Market Rent for that two-bedroom unit. Over one-half of all renter households (52%) would not be able to afford this unit. A person earning minimum wage in Washington would have to work 75 hours a week for the unit to

<sup>26</sup> Washington Center for Real Estate Research, Washington State University, 2007

be affordable. Even two members in the household working full-time at minimum wage would barely be able to afford the cost of the two-bedroom unit.<sup>27</sup>

The National Low Income Housing Coalition determined the “housing wage” in Whatcom County to be \$14.25 an hour – almost double the minimum wage in Washington. This is the amount a full-time (40-hour per week) worker would have to earn to afford a two-bedroom apartment at the area’s fair market rent.

The Area Median Income in the county in 2006 was \$57,500. Clearly, housing becomes less affordable as income falls. The following are designated low-income levels and the corresponding income for a family of four in relation to the 2006 AMI.

**Table 17 – Low Income Ranges and Affordable Housing Costs, Bellingham MSA\*, 2006**

Definition	Percent of AMI	Income Limit	Maximum Monthly Housing Costs
Extremely low income	to 30% of AMI	\$17,250	\$431
Very low income	to 50% of AMI	\$28,750	\$719
Other low income	to 80% of AMI	\$46,000	\$1,150

\*Includes all of Whatcom County.

Notes: NLIHC estimated AMI (Area Median Income) for the Bellingham MSA was \$57,500 in 2006.

Source: National Low Income Housing Coalition. (2006). *Out of Reach 2006*.

Extremely low-income households (those with incomes at or below 30% of area median income) are hard-pressed to find housing they can afford, are more likely to live in unsuitable housing or in overcrowded conditions, and are at risk of homelessness. Meeting the cost of housing leaves little for child care, medical insurance or basic health care, adequate food, and other necessities.

Table 18 demonstrates how difficult it is for the lowest income households (those living in poverty) to budget for daily expenses. This was taken from an analysis of national costs and expenditures prepared by the Catholic Campaign for Human Development.<sup>28</sup> The budget starts with an annual income of \$18,810 per year – a national figure for a household of four living in poverty in 2004. As the table shows, families living in poverty have insufficient income to meet their daily living expenses.

<sup>27</sup> National Low Income Housing Coalition, *Out of Reach, 2006*.

<sup>28</sup> www.usccb.org/cchd, 2005.

**Table 18 – Budgeting for Poverty in the United States, 2004**

<b>Item</b>	<b>Source</b>	<b>Amount</b>
<b>Annual Income</b> (for a family of 4 living in poverty)	US Census, <i>Current Population Survey, Annual Social and Economic Supplement</i> , 2004.	\$18,810
<b>Rent</b>	DOL, Bureau of Labor Statistics, <i>Consumer Expenditures Survey</i> , February 2004	<u>-5,274</u> \$13,536
<b>Utilities</b>	DOL, Bureau of Labor Statistics, <i>Consumer Expenditures Survey</i> , February 2004	<u>-2,350</u> \$11,186
<b>Transportation</b>	DOL, Bureau of Labor Statistics, <i>Consumer Expenditures Survey</i> , February 2004	<u>-4,852</u> \$6,334
<b>Food</b>	DOL, Bureau of Labor Statistics, <i>Consumer Expenditures Survey</i> , February 2004 (assuming food stamps for the majority)	<u>-4,815</u> \$1,519
<b>Health Care</b>	DOL, Bureau of Labor Statistics, <i>Consumer Expenditures Survey</i> , February 2004 (assumes health insurance through employer)	<u>-793</u> \$726
<b>Child Care</b>	US Dept. of Agriculture, Center for Nutrition Policy and Promotion, <i>Expenditures on Children by Families</i> , April 2004 (assumes subsidy of ¾ of real cost)	<u>-2,030</u> <b>\$-1,304</b>

Source: Catholic Campaign for Human Development, *Poverty USA*, 2004.

The expenditures noted above assume a substantial subsidy in the form of food stamps and child care as well as employer-paid health insurance. The list leaves out toiletries, school supplies, shoes, clothes, holiday gifts, education, life insurance, furnishings, recreation, cleaning supplies, entertainment, birthdays, and similar expenses.

**AFFORDABILITY MISMATCH**

Comparing the cost of housing and the ability of households to meet the cost is one measure of mismatch in supply and demand. Another is the actual allocation of those units. Units are not generally allocated on the basis of need – thus, even if units are rented or sold at a price affordable to low-income households, households with low incomes are not necessarily occupying the units.

Using the 2000 census, HUD provided an analysis of the availability of units priced within range of low-income households, and compared that with the income of the occupants. Ninety-six percent of the rental units within the appropriate affordability range for extremely low-income households were actually occupied by households with incomes in that range in 2000: there were 1,435 rental units with rents affordable to households with incomes at or below 30% of Area Median Income. Of those units, only 50% were occupied by households with higher incomes. Within the low- to moderate-income range, 61% of the units were occupied by households with the appropriate affordability range. Clearly, lower income renter households are essentially blocked from affordable units by households with higher incomes.

Far fewer owner-occupied units were actually available and occupied by households within the appropriate income ranges. There were no owner-occupied units valued within range of households with incomes at or below 30% of Area Median Income reflecting why low income households are rarely able to own their own homes. There were just 823 units with values within range of households with earnings below 50% of AMI, and just 44% of those were actually occupied by households with incomes below 50% of AMI. The others were occupied by households with higher incomes.

**Table 19 – Affordability Mismatch, Bellingham 2000**

<b>Housing Units by Affordability</b>	<b>Rentals</b>	<b>Owned*</b>
Rent/price affordable at <30% AMI		
Units in price range	1,435	N/A
Occupants at <30% AMI	50%	N/A
Vacant units for rent/sale	55	N/A
Rent/price affordable at 31%-50% AMI		
Units in price range	2,865	823
Occupants at <50% AMI	61%	44%
Vacant units for rent/sale	330	49
Rent/price affordable at 51%-80% AMI		
Units in price range	8,510	2,445
Occupants at <80% AMI	65%	40%
Vacant units for rent/sale	300	79

\*Includes units for sale.  
Source: HUD 2000 CHAS data.

**AFFORDABILITY AND PERSONS WITH DISABILITIES**

Among people at the lowest levels of household income are persons with disabilities who have only federal SSI income for support. In 2002, “people with

disabilities were priced out of every housing market area in the United States.”<sup>29</sup> In 2006, the SSI program provided just \$603 per month. The fair-market rate for a one-bedroom unit in the Bellingham Metropolitan Statistical Area was \$591. It would take 98% of the SSI income to rent a one-bedroom apartment in the area.

A significant proportion of the city’s population is living with disabilities. The 2000 census found a total of 9,462 people aged 16 or older in Bellingham with disabilities.

**Table 20 – Persons with Disabilities,  
Bellingham, 2000**

<b>Age</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
16-20	289	370	659
21-64	2,844	2,594	5,438
65-74	528	579	1,107
75+	825	1,433	2,258
<b>Total</b>	<b>4,486</b>	<b>4,976</b>	<b>9,462</b>

Source: US Census.

## **NEED FOR HOUSING ASSISTANCE**

### **Renter Households with Problems**

The following table shows renter households in Bellingham by size and composition, by household income as a percent of median family income, and the percent of households in each category with housing problems. Housing problems are defined as a cost burden (paying over 30% of income for rent and utilities), overcrowding, and/or lack of complete kitchen and plumbing facilities. RVs and other impermanent quarters were excluded. Also shown is the percent of households paying 50% or more of family income for housing costs in 2000.

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<sup>29</sup>O’Hara. A. et al. *Priced Out in 2002*. Technical Assistance Collaborative, Inc. Boston, MA, 2003.

**Table 21 – Bellingham Renter Households and Percent with Housing Problems, 2000**

Household (HH) Income Level	Household Size and Composition				
	Elderly (1-2 people)	Small Related (2-4 people)	Large Related (5+ people)	All Others	Total Rent ers
<b>HHs at 0% to 30% MFI</b>	<b>435</b>	<b>700</b>	<b>94</b>	<b>2,660</b>	<b>3,889</b>
% with housing problems	59.8	77.1	100	88.9	83.8
% cost burden >30%	59.8	77.1	89.4	88.2	83
% cost burden >50%	39.1	67	69.1	79	72
<b>HHs at 31% to 50% MFI</b>	<b>457</b>	<b>610</b>	<b>124</b>	<b>1,639</b>	<b>2,830</b>
% with housing problems	77.2	88.5	96.8	84.4	84.7
% cost burden >30%	77.2	84.4	76.6	82	81.5
% cost burden >50%	45.7	26	24.2	34	34
<b>HHs at 51% to 80% MFI</b>	<b>360</b>	<b>1,034</b>	<b>55</b>	<b>1,850</b>	<b>3,299</b>
% with housing problems	66.7	49.2	100	50.5	52.7
% cost burden >30%	63.9	41.5	72.7	45.1	46.5
% cost burden >50%	27.8	2	0	5	7
<b>HHs at 81% of more MFI</b>	<b>560</b>	<b>1,495</b>	<b>190</b>	<b>2,309</b>	<b>4,554</b>
% with housing problems	39.3	10	36.8	7.8	13.6
% cost burden >30%	39.3	2.7	0	4.9	8.2
% cost burden >50%	23	0	0	0	3
<b>Total Renter Households</b>	<b>1,812</b>	<b>3,839</b>	<b>463</b>	<b>8,458</b>	<b>14,572</b>
% with housing problems	59.2	45.3	73.2	57.5	55
% cost burden >30%	58.7	39.7	47.3	54.8	51.1
% cost burden >50%	33.6	16.9	20.5	32.7	28.3

Notes: MFI is median family income. Housing problems include cost greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Cost includes rent and utilities. Totals may vary slightly from census data.

Source: HUD 2000 CHAS tables.

Over half of all renter households in Bellingham had housing problems, most because they were paying more than 30% of their income toward rent and utilities. The extent of households with housing problems increased markedly as family income decreased to less than 50% MFI – 85% of renter households with income levels below 50% MFI had housing problems. Eighty-three percent of households in the lowest income level were paying more than 30% of their income for housing, and 72% were spending more than half of their income for rent and utilities.

Most severely burdened were large households (five or more related individuals), who were also most likely to be overcrowded. While a factor for all households, the problem of overcrowding naturally increased with household size. Overcrowding persisted with larger households, even when the cost burden was alleviated. For example, none of the large renter households with incomes at or greater than 81% of MFI had a 30% cost burden and yet 37% are shown with housing problems, which is mostly attributable to overcrowding.

Households in the “Others” category were also severely burdened. Eighty-nine percent of other households with income levels below 30% MFI had housing problems. Bellingham has a large number of single individuals living alone, which this high “Others” category reflects.

Elderly renters were most burdened at 31% to 50% MFI, and even at higher income levels, were still burdened by the cost of housing. Overall 59% of elderly renter households are paying 30% or more of their income for housing costs. Housing costs that outpace incomes, especially fixed-incomes for the elderly, will result in an increased burden, which could jeopardize access to needed services and requirements of daily living.

There is shifting from home ownership to rental status as people age. Many seniors who rent are forced to spend a disproportionate share of their income for housing-related services (on top of considerable medical expenses). Among seniors who rent their housing in facilities which do not provide any meals, the average proportion of income devoted to rent is above 30% in each geographic area studied and for the state.<sup>30</sup> The Joint Center for Housing at Harvard University projects a 53% increase in the number of senior households by 2020 compared to 2000 in the United States.

In the next 20 years a new wave of construction of nursing homes will be necessary. An increase in the number of “frail elderly” is expected due to the combination of an aging baby boom and increasing longevity due to improved medical technology.<sup>31</sup> A person born in 1905 had the life expectancy of 48.7

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<sup>30</sup> Washington Center for Real Estate Research, Washington State University, *Housing Washington's Seniors*, Fall 2006.

<sup>31</sup> Washington Center for Real Estate Research, Washington State University, *Housing Washington's Seniors*, Fall 2006.

years, whereas a person born in 2003 has a life expectancy of 77.5 (74.5 for males, 80.1 for females).<sup>32</sup> As the life expectancy continues to rise, a number of senior services will be increasingly burdened.

### **Owner Households with Problems**

Fewer owner households in 2000 had housing problems as defined by HUD in the CHAS tables, than did renter households (24% overall compared to 55% of renter households). As with renter households, the percent of owner households with problems increased consistently as median family income decreased. The lowest-income households were most burdened by cost, particularly large family households, where 100% of households had housing problems.

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<sup>32</sup> Centers for Disease Control, 2003.

**Table 22 – Bellingham Owner Households and Percent with Housing Problems, 2000**

Household (HH) Income Level	Household Size and Composition				
	Elderly (1-2 people)	Small Related (2-4 people)	Large Related (5+ people)	All Othe rs	Total Owner s
<b>HHs at 0% to 30% MFI</b>	<b>425</b>	<b>143</b>	<b>19</b>	<b>200</b>	<b>787</b>
% with housing problems	75.3	79.7	100	70	75.3
% cost burden >30%	75.3	79.7	100	70	75.3
% cost burden >50%	51.8	72.7	100	52.5	56.9
<b>HHs at 31% to 50% MFI</b>	<b>564</b>	<b>169</b>	<b>10</b>	<b>225</b>	<b>968</b>
% with housing problems	31	73.4	100	62.2	46.4
% cost burden >30%	31	71	100	62.2	46
% cost burden >50%	9.8	56.2	100	55.6	29.4
<b>HHs at 51% to 80% MFI</b>	<b>825</b>	<b>514</b>	<b>125</b>	<b>294</b>	<b>1,758</b>
% with housing problems	20.6	66	72	38.8	40.6
% cost burden >30%	20.6	64	64	38.8	39.4
% cost burden >50%	4.2	15.6	20	11.9	10
<b>HHs at 81% of more MFI</b>	<b>2,325</b>	<b>5,304</b>	<b>655</b>	<b>1,585</b>	<b>9,869</b>
% with housing problems	9	15.3	22.9	19.6	15
% cost burden >30%	8.6	14.1	11.5	17.7	13.2
% cost burden >50%	1.1	2.1	2.3	1.9	1.8
<b>Total Owner Households</b>	<b>4,139</b>	<b>6,130</b>	<b>809</b>	<b>2,304</b>	<b>13,382</b>
% with housing problems	21.1	22.7	33.3	30.6	24.2
% cost burden >30%	20.9	21.4	22.7	29.3	22.7
% cost burden >50%	8.1	6.3	8.5	12.8	8.1

Notes: MFI is median family income. Housing problems include cost greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Cost includes mortgage payment, taxes, insurance and utilities. Totals may vary slightly from census data.  
Source: HUD 2000 CHAS tables.

**Overcrowding**

**Table 23 – Overcrowded Conditions, 2000**

Persons per Room	Bellingham		County	State
	Number	%		
1.00 or less	26,978	97%	96%	95%
1.01 – 1.50	431	2%	2%	3%
More than 1.50	540	2%	2%	2%

Source: US Census.

Another indication of housing problems is the extent of overcrowding. The 2000 census found 4% of the units in Bellingham overcrowded as defined by the presence of more than one person per room. The indicators of overcrowding in the city were similar to the county but slightly lower than the state.

2. **To the extent that any racial or ethnic group has a disproportionately greater need for any income category in comparison to the needs of that category as a whole, the jurisdiction must complete an assessment of that specific need. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.**

**Response to question:**

**DISPROPORTIONATE HOUSING PROBLEMS BY RACE/ETHNICITY – RENTER HOUSEHOLDS**

Racial and ethnic minorities do experience greater housing needs in Bellingham. They are often more cost-burdened or more likely to experience other housing problems, including over-crowding or substandard conditions. For example, in Bellingham, 100% of African-American/Black (non-Hispanic) renter households with incomes below 50% of area median income experienced housing problems, according to the HUD analysis (CHAS tables). Of 200 total African-American renters, 50% had housing problems. Of 474 total Asian-American renter households, 58% had housing problems. And of 234 Native American renter households, 66% had housing problems: 96% with incomes below 30% of area median income experienced housing problems, where 100% below 50% had housing problems.

Of 738 total Hispanic family renter households surveyed, 93% of families below 30% MFI and 95% of families from 30% to 50% MFI had housing problems. Four hundred fifteen Hispanic renter households (56%) had housing problems.

**DISPROPORTIONATE HOUSING PROBLEMS BY RACE/ETHNICITY –  
OWNER HOUSEHOLDS**

As with renter households, a greater percentage of racial and ethnic minority households are likely to experience housing problems. The number of low-income racial minority owner households was small in 2000. There were only 34 African-American owner households surveyed – 29% had housing problems. Of 277 Asian-American owner households, 45% had housing problems. Of the 94 Native American owner households, 27% had housing problems. Thirty-six percent of Bellingham’s 234 Hispanic owners had housing problems.

## **PRIORITY HOUSING NEEDS**

### **(91.215 (b))**

1. Identify the priority housing needs and activities in accordance with the categories specified in the Housing Needs Table (formerly Table 2A). These categories correspond with special tabulations of U.S. census data provided by HUD for the preparation of the Consolidated Plan.
2. Provide an analysis of how the characteristics of the housing market and the severity of housing problems and needs of each category of residents provided the basis for determining the relative priority of each priority housing need category.

**Note:** Family and income types may be grouped in the case of closely related categories of residents where the analysis would apply to more than one family or income type.

3. Describe the basis for assigning the priority given to each category of priority needs.
4. Identify any obstacles to meeting underserved needs.

#### **Response to questions:**

As Tables 21 and 22 above and the Housing Needs Table indicate, renter households with incomes at or below 30% of area median are the largest group of those who the most likely to be cost burdened or with housing problems. The next group most likely to be cost burdened or with housing problems is renter households with incomes between 31% and 50% of area median. Renter households with incomes between 51% and 80% of area median were the third largest group most likely to be cost burdened or with housing problems. In targeting CDBG and HOME funds to identified housing and income groups, the renter households with income at or below 30% of area median was given the highest relative priority, the renter households at 51% to 80% AMI the next priority and renter households with incomes between 31% and 50% of AMI the third priority.

All owner households have smaller numbers of those most likely to be impacted by cost burden or with housing problems than the renter households. Of owner households, the largest number of households most likely to be impacted by cost burden or housing problems is the group with incomes between 51% and 80% of AMI. The owner households with incomes between 31% to 50% AMI is the next group and the owner households with incomes at or below 30% of AMI is the third group most likely to be impacted by cost burden or housing problems. The numbers of in owner households impacted drop as income levels drop because, given Bellingham's high cost real estate market, it is less likely that households at the lower income ranges can own homes. In targeting CDBG and HOME funds to identified housing and income groups, owner households are at a lower relative

priority than renter households. While the tables indicate a need for assistance at all levels of income, the owner households with income between 51% and 80% of AMI were given the highest relative priority, the owner households at 50% to 31% AMI the next priority and owner households with incomes at 30% or less of AMI are the third priority.

There are two basic obstacles to meeting underserved needs: 1) cost of housing relative to community wage levels makes it hard to supply safe, decent and affordable housing to lower income groups, and 2) the subsidies required to provide affordable housing for all those in needs is far above the amount of resources that are available. The City of Bellingham and Whatcom County have convened a group of citizens, known as the Countywide Housing Affordability Taskforce, and charged members with the task of researching current and future affordable housing needs for those with incomes at or below 80% of area median and preparing a list of tools that can be adopted to address these needs. It is anticipated that the CHAT will present their findings and recommendations to City and County Councils in the Spring of 2008.

# HOUSING MARKET ANALYSIS

## (91.210)

\*Please also refer to the Housing Market Analysis Table in the Needs.xls workbook

1. Based on information available to the jurisdiction, describe the significant characteristics of the housing market in terms of supply, demand, condition, and the cost of housing; the housing stock available to serve persons with disabilities; and to serve persons with HIV/AIDS and their families. Data on the housing market should include, to the extent information is available, an estimate of the number of vacant or abandoned buildings and whether units in these buildings are suitable for rehabilitation.

Response to question:

### HOUSING TRENDS

#### Types of Housing and Number of Units

The number of housing units in Bellingham grew by 32% between 1990 and 2000, slightly higher than the overall population increase of 29%. Several changes in the mix of housing types occurred over that ten-year period. The greatest net gain in number of units was in multifamily units – in particular 5 to 19 units – multifamily complexes grew by 56%. While small in number, single family attached units grew by 249% between 1990 and 2000.

**Table 24 – Bellingham Housing Units, 1990 and 2000**

Type of Unit	1990		2000		Change 1990-2000
	Number	%	Number	%	
Single family	13,176	60%	16,072	55%	22%
Detached	12,808	58%	14,786	50%	15%
Attached	368	2%	1286	4%	249%
Multifamily	8,011	36%	12,524	43%	56%
2 to 4 units	2,306	10%	3,474	12%	51%
5 to 19 units	2,987	14%	4,946	17%	66%
20+ units	2,718	12%	4,104	14%	51%
Mobile homes	732	3%	814	3%	11%
Other*	195	1%	15	<1%	-92%
<b>Total</b>	<b>22,114</b>	<b>100%</b>	<b>29,425</b>	<b>100%</b>	<b>33%</b>

\*These units include boats, RVs, vans and other more temporary housing types.

Source: US Census.

Note: Totals may not add due to rounding>

Overall, multifamily units grew by 56%, to total nearly 43% of all Bellingham housing. This is more than double the percentage in the county as a whole, where just 23% of housing was composed of multifamily units. At the same time, there was a substantially lower percentage of single family units and mobile homes in the city in 2000.

**Table 25 – Housing Type by Location, 2000**

<b>Type of Unit</b>	<b>Bellingham</b>	<b>County</b>	<b>State</b>
Single family	55%	64%	65%
MF (2 to 19 units)	29%	16%	16%
MF (20+ units)	14%	7%	9%
Mobile homes/other	3%	13%	9%

Source: US Census.

**Planned Development**

From 2000 and 2003, a total of 192 lots were sold in Bellingham.<sup>33</sup> Seven proposed annexation areas are currently being considered by the City.

In the Third Quarter of 2006, 310 building permits were granted in Whatcom County. This was down 23% from the year before.<sup>34</sup>

**Mobile Homes**

Mobile homes represented 3% of the total housing units in Bellingham in both 1990 and 2000. Mobile homes can be one of the most affordable ownership options. At the same time, occupants in mobile home parks are not guaranteed a space and are vulnerable to redevelopment and rezoning. The status of mobile home parks in urbanizing areas is particularly tenuous when higher economic uses of the land outweigh the less reliable income of temporary housing. Furthermore, it is not easy to obtain funding for renovation or purchase of mobile homes, which means mobile homes are increasingly threatened and sometimes in deteriorated and unsafe condition.

**HOUSING CONDITION**

**Age of Units**

Units in Bellingham are older than in Whatcom County or Washington in general. One-third of the housing in the city was built prior to 1960, and 22% before 1940. The age of housing units is sometimes an indication of condition, depending on how well the units are maintained. There are a number of neighborhoods in

<sup>33</sup> Whatcom Regional Planning Council Profile, 2004.

<sup>34</sup> Washington Center for Real Estate Research, Washington State University, 2006.

which strategies to rehabilitate older housing could be implemented affectively. Preservation of older units is one of the best strategies for preserving affordable housing. On the other hand, well-maintained housing in older neighborhoods can be highly valued. Often centrally located, it can become prime property for redevelopment.

**Table 26 – Age of Housing Units, 2000**

Year Built	Bellingham		County	State
	Number	%	%	%
Before 1940	6,551	22%	15%	13%
1940 to 1959	3,608	12%	11%	17%
1960 to 1979	7,959	27%	31%	33%
1980 to 2000*	11,307	38%	43%	38%
Total	29,425			

*\*March 2000.*

*Source: US Census.*

**Housing Condition Survey**

In July 2002, a 25% sample "windshield" survey of four residential neighborhoods was conducted to determine the overall condition of single family housing in the areas. The survey covered the exterior physical condition of structures using a five-point scale rating system (ranging from a "1", categorized as a home in "excellent and sound condition" and "5" rated in "dilapidated condition"). See the Housing Condition Survey in Exhibit B of this document.

<b>Neighborhood</b>	<b>1 Rating</b>	<b>2 Rating</b>	<b>3 Rating</b>	<b>4 Rating</b>	<b>5 Rating</b>	<b>Total</b>
Lettered Streets	62 (36.0%)	59 (34.3%)	42 (24.4%)	8 (4.7%)	1 (0.6%)	172 (100%)
Northeast Lettered Streets*	45 (50.6%)	28 (31.5%)	13 (14.6%)	2 (2.2%)	1 (1.1%)	89 (100%)
Southwest Lettered Streets*	17 (20.5%)	31 (37.4%)	29 (34.9%)	6 (7.2%)	0 (0%)	83 (100%)
Happy Valley	53 (32.6%)	62 (38.0%)	33 (20.4%)	12 (7.5%)	2 (1.2%)	163 (100%)
Birchwood	86 (33.1%)	114 (43.9%)	54 (20.8%)	6 (2.3%)	0 (0%)	260 (100%)
Roosevelt	89 (34.5%)	118 (45.7%)	41 (15.9%)	8 (3.1%)	2 (0.8%)	258 (100%)
West Roosevelt**	45 (25.9%)	81 (46.6%)	38 (21.8%)	8 (4.6%)	2 (1.1%)	174 (100%)
East Roosevelt**	44 (52.4%)	37 (44.0%)	3 (3.6%)	0 (0%)	0 (0%)	84 (100%)
<b>Total</b>	<b>290 (34.0%)</b>	<b>353 (41.4%)</b>	<b>170 (19.9%)</b>	<b>34 (4.0%)</b>	<b>5 (0.6%)</b>	<b>853 (100%)</b>

\* Northeast Lettered Streets includes the area to the northeast of Irving Street. Southwest Lettered Streets includes the remaining area of the neighborhood.

\*\* West Roosevelt includes the area west of Yew Street. East Roosevelt includes the area east of Yew Street extending to the overall neighborhood boundary.

NOTE: Excluded from the survey were all multi-family structures and manufactured or mobile homes.

## **Overall Comments**

The overall condition of single family housing in the four neighborhoods was sound, in part reflecting the fact that City CDBG housing repair funds have been invested in the neighborhoods since the 1970's, thereby stimulating additional, private rehabilitation. (Of the slightly more than 3,400 single family dwellings in the four neighborhoods, City funds assisted in the rehabilitation of 191; 26 of these in the last five years.) Currently, a scattering of active rehabilitation is being undertaken in the neighborhoods, indicating on-going investment, particularly in Roosevelt (West) and the Lettered Streets neighborhoods. The condition of over 75% of the housing units surveyed was determined as "basically sound" or "sound," requiring minimal or no apparent work.

On the other hand, 39 structures, or about five percent were found in very poor condition ("4" and "5" ratings) and an additional 20% showed significant deferred maintenance and were currently in need of repairs ("3" ratings). Substantial variations existed between and within neighborhoods (in two cases). In general, few homes exhibited roof or foundation failures; however, those houses rated "4" generally demonstrated a roof problem and one other significant problem. Houses rated as a "5" exhibited multiple major issues including roof replacement, foundation repair needs, and siding problems.

According to this housing condition survey, housing considered in sound condition received ratings of one or two, indicating that the house required few or no repairs. Those in sound condition, but suitable for minor rehabilitation, received a rating of three, requiring minor repairs. Housing deemed as substandard condition, but suitable for rehabilitation, received a rating of four, indicating that significant repair work was needed. Lastly, a rating of five was given to housing in substandard condition that is not suitable for rehabilitation, meaning that many major repairs and/or hazardous conditions were apparent.

## **Neighborhoods**

### *Lettered Streets Neighborhood*

The neighborhood benefited from the City's CDBG Home Repair Program more than any of the four neighborhoods, with 107 homes (or more than 15% of all homes) receiving assistance. Perhaps reflecting this work, the overall neighborhood contained the largest rate of homes in "excellent" condition; yet many homes are still in need of rehabilitation. In particular, the southeastern area (south of Irving) contains the highest percentage of structures in need of significant rehabilitation and more than one-third exhibit deferred maintenance.

### *Happy Valley Neighborhood*

The area contains a larger concentration of "4" ratings than the other three neighborhoods surveyed. In general, the condition of the homes along Larrabee, Donovan, and Wilson Avenues (toward the base of the hill) are in slightly worse condition than those toward the north (perched on the hill).

### *Birchwood Neighborhood*

In many respects this neighborhood is in the best condition. As this is a heavily treed neighborhood, many of the roofs in the area show evidence of moss growth. This, combined with a large number of homes in need of minor gutter and fascia repairs, brings the percentage of "2" rated residences to nearly 44%.

### *Roosevelt Neighborhood*

This older neighborhood is currently experiencing a transition—the replacement of single-family residences with duplexes and townhouses, mostly along the northern and southern edges of the community. Housing condition varies significantly within this neighborhood. Homes located to the west of Yew Street showed considerable evidence of deferred maintenance and deterioration, with significant numbers needing roof replacement, siding repair, or structural repair. Only 26% of the homes in this zone were rated "1", or excellent condition. This is well below the overall average of 34% for the four neighborhoods.

**HOUSING TENURE**

Homeownership rates have reached new highs in the United States in recent years, as state and federal financing programs and decreasing interest rates have made housing more affordable in general. In 2001 over two-thirds (68%) of households in the U.S. owned their homes. Homeownership contributes to stability in neighborhoods. It is one of the most significant investments possible for households, and is a source of savings for important events in life, such as educating children or planning for retirement.<sup>35</sup>

The ratio of home ownership to home rental has been declining in Bellingham since the 1970 census, when 39% of county households rented their homes. By 2000 that number had grown to 52%. Bellingham had a greater percentage of renter-occupied units in 2000 than Whatcom County (37% renter-occupied units) and the whole of Washington (35% percent renter-occupied units).

**Table 27 – Bellingham Housing Tenure, 1980 - 2000**

Year	Renter-Occupied		Owner-Occupied		Total
	Number	%	Number	%	
1980	8,415	46%	10,025	54%	18,440
1990	10,434	49%	10,794	51%	21,228
2000	14,512	52%	13,487	48%	27,999

Source: 2000 Census Data,

Tenure varies in Bellingham by type of unit, type of household, household income, and other factors. Seventy-five percent of occupied family households in Bellingham in 2000 were owner-occupied and 25% were renter-occupied. More single individuals rent, except for the elderly, as is shown below. Household income is certainly a factor in ability to own a home. The median household income for owner-occupied units was \$51,975, and that for renter-occupied units was less than half that amount at \$22,810. In block groups CT6BG1, CT7BG2, CT10BG2, and CT12BG6, more than 80% of residents lived in renter-occupied housing in 2000.

<sup>35</sup> Joint Center for Housing Studies of Harvard University. *The State of the Nation's Housing 2002*.

**Table 28 – Tenure by Household Type, Bellingham 2000**

Type Household	Living in units they:	
	Owned	Rented
All households	48%	52%
Family households	66%	34%
Non-family households	30%	70%
Single individuals	38%	62%
Elderly (65+) singles	55%	45%
Average household size	2.36	2.12

Source: US Census.

**Tenure by Race and Ethnicity of Householder**

Tenure also varied in 2000 by race and ethnicity of the householder. As seen in Table 28, 48% of all households owned the house in which they were living at the time of the 2000 census. Owner-occupancy was 53% for white (alone) householders. Yet just 20% of African-American (alone) householders were living in housing they owned or were buying. Owner-occupancy also varied by ethnicity – 24% of Hispanic householders owned the home in which they were living.

There was also quite a disparity in income, which contributes substantially to the ability to purchase a home. The median household income of households headed by a white (alone) householder in 1999 was \$33,285, compared to around \$28,558 for a household headed by an African-American (alone) householder, \$24,276 for an Asian-American householder, \$20,885 for a household headed by an American Indian/Alaska Native (alone) householder, \$3,636 for a household headed by a Hawaiian/Pacific Islander (alone) householder, and \$27,485 for a household headed by an Hispanic householder (could be of any race).

**MARKET ANALYSIS**

**Housing Costs**

As of the 2000 census, the median value of all owner-occupied housing in Bellingham was \$156,100 – slightly lower than the median value in Whatcom County and much lower than that of Washington State. Monthly owner costs, with and without a mortgage, are shown below along with median household gross rent as of the census.

**Table 29 – Housing Costs, 2000**

Type of Cost	Bellingham	County	State
Median value owner-occupied	\$156,100	\$156,700	\$168,300
Median monthly owner costs			
With mortgage	\$1,133	\$1,165	\$1,268
Without mortgage	\$323	\$327	\$338
Median gross rent	\$613	\$622	\$663

Source: US Census.

Housing costs have been escalating steadily in Bellingham and in Whatcom County. The median owner value of houses in Whatcom County in 1970 was just \$69,221, increasing by 118% by 2000.<sup>36</sup> By the first quarter of 2007, the median value of homes sold in the county had risen to \$289,900, an increase of 9.4% over the previous 12 months.<sup>37</sup>

### Rental Costs and Vacancies

The median gross rent in 2000 was \$593, up 9% from the 1990 census and 27% from the 1970 census. Recent low interest rates have made it possible for people who were paying high rents to buy – sometimes with the assistance of first-time homebuyer programs. However, median monthly costs for owners with a mortgage in Bellingham were almost double that for renters in 2000 (\$1,133 owner costs with mortgage, and \$613 median gross rent). The average rent in the county in March 2007 had risen to \$709, an increase of 4.4% over the prior year.

The vacancy rate of Whatcom County was 2.3% in March 2007, compared to 2.5% the year before demonstrating a tightening of an already tight market. The Whatcom County vacancy rate was the second lowest of the 16 counties with metropolitan cities and ½ of the statewide metropolitan vacancy rate of 4.3% in March 2007. Vacancies for one bedroom units in March 2007 were even more limited at 1.2%.<sup>38</sup> Apartment markets nationwide have retreated from record vacancies despite the continued strengths of the home purchase market. The national apartment vacancy rate for the third quarter of 2006 was 10.4 percent, still representing a relatively high vacancy by historical standards, but below the cyclical high of just under 12% from late 2003 through mid-2004.<sup>39</sup> Rates below 5% tend to drive prices up while rates above 8% tend to drive rents down, causing investors to move away from housing investments.

<sup>36</sup> HUD SOCDs, based on US Census data adjusted for 1999 dollars.

<sup>37</sup> Washington Center for Real Estate Research, Washington State University, 2007

<sup>38</sup> Washington Center for Real Estate Research, Washington State University, 2007

<sup>39</sup> Washington Center for Real Estate Research, Washington State University, 2006.

2. Describe the number and targeting (income level and type of household served) of units currently assisted by local, state, or federally funded programs, and an assessment of whether any such units are expected to be lost from the assisted housing inventory for any reason, (i.e. expiration of Section 8 contracts).

**Response to question:**

Local resources, including general funds used for housing or human services, and state and federal resources that are available to the City of Bellingham and the Bellingham Housing Authority are targeted to households with incomes at or below 80% of area median. Additional targeting to low income, very low or extremely low income or special needs populations are made depending on the requirements of the various programs that are operated by the two agencies.

In 2007, there were 1,932 subsidized rental apartment units in the County, representing 4,019 legal bedrooms targeted to incomes of 80% or less of area median income. Eighty-five percent (1,660) of these units were located in Bellingham. These subsidized rental assistance units apartments developed by non-profit organizations or constructed with tax credit assistance. County households under 60% of the area median income were the targeted population of 79% (1,519) of these units, whereas only 5% (103) of the units were targeted to families below 30% of area median income.<sup>40</sup>

Permanent rental assistance, which is made up of Section 8 tenant-based voucher assistance and project-based housing assistance, provide an additional 1,648 units county-wide. Units located in Bellingham represent 81% (1,336) of the total and includes 2,590 bedrooms.

A limited number of subsidized homeownership units have been developed throughout the county. Contrary to the pattern of rental units primarily located in Bellingham, only 38% (103) of the county's 165 assisted homeownership units are found in the city.

The final source of permanent affordable housing is housing which also provides supportive services to assist the tenants to live independently within the rental housing. A total of 819 units, almost all for singles, provide housing with services for the disabled and elderly of the county. The Bellingham/Whatcom County Housing Authorities and local non-profit agencies operate these public housing and shelter plus care rental subsidies. A rapidly increasing elderly population is increasingly becoming the recipient of this assistance.

Only a small number of units relative to the total number of housing units are expected to be lost because their substandard condition is not suitable for rehabilitation. The City has a active housing rehabilitation program for households with incomes at or below 80% of area median. Additionally, the

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<sup>40</sup> Draft Whatcom County Affordable Housing Resource Inventory, 2007

Opportunity Council also operates programs to rehabilitate or weatherize housing units. At the current time, the Bellingham Housing Authority does not expect

- 3. Indicate how the characteristics of the housing market will influence the use of funds made available for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units. Please note, the goal of affordable housing is not met by beds in nursing homes.**

**Response to question:**

It is projected that between 2007 and 2012, service providing employment will expand at the rate of 1.7% per year. Unfortunately, as the service industry expands, incomes decline because services tend to pay lower wages than manufacturing and other industries. The ratio of home ownership to home rental has been declining in Bellingham since the 1970 Census when 39% of county households rented their homes. According to 2000 Census data, 52% of Bellingham homes are renter-occupied and 48% are owner-occupied. Units in Bellingham are older than in Whatcom County or Washington in general. One-third of the housing in the city was built prior to 1960 and 22% before 1940. Escalating housing and utility costs have forced many households to pay considerable more than is affordable. The lower their income, the more cost-burdened and overcrowded households tend to be. Based on 2000 Census information, in Bellingham, 51% of renters were paying in excess of 30% of their households' income for rent. The Housing Affordability Index which measures the ability of a typical family to make payments on a median priced resale home, assuming 20% down payment and 30 year amortized loan, was just 84.4% in March 2007 making Whatcom County the fifth least affordable county in the State. All of these factors indicate that Bellingham housing issues are varied and impact both renters and owners in a wide range of income groups.

Because the housing needs cover a wide spectrum and are greater than the resources available, available public resources to serve low- and moderate-income households will need to be distributed across the spectrum of needs and heavily leveraged when possible. This means providing funds for rental assistance, homebuyer assistance, housing rehabilitation and the creation or development of new housing serving the target groups.

## SPECIFIC HOUSING OBJECTIVES (91.215)

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve over a specified time period.

**Response to question:**

The City of Bellingham will support and encourage affordable housing and supportive housing services for the following priority populations.

**Priority 1. Homeless and those at risk of becoming homeless:**

- Families
- Domestic violence victims
- Youth
- Chronically mentally ill
- Persons with co-occurring disorders
- Persons with alcohol or drug addictions

**Priority 2. Low-income families and individuals:**

- Extremely low-income (30% of median and below)
- Very low-income (50% of median and below)
- Low-income (80% of median and below)

**Priority 3. Low-income families and individuals with special needs:**

- Frail elderly
- Pregnant and parenting women
- Chronically mentally ill
- Persons with co-occurring disorders
- Persons with alcohol or drug addictions

The following goals, strategies, and objectives are based on the above priorities and are consistent with the statutory goals outlined in the introduction statement in this section.

## HOUSING FOR THE HOMELESS

### *Housing for Homeless*

**Goal 1: Assist in the creation of five housing projects that serve the homeless.**

**Strategy 1:** *Where appropriate, provide direct funding for projects that serve priority homeless populations.*

Objectives:

- \* Use local CDBG and HOME grant dollars to subsidize approved emergency, transitional, and permanent supportive housing projects that serve priority homeless populations.

**Strategy 2:** *Provide technical assistance to facilitate the development of projects that provide housing to priority homeless populations. Examples of assistance include identification of funding sources and assistance with grant and loan applications, financial analysis, project management, and fostering collaborations among housing and service providers.*

Objectives:

- \* Supplement the time and capacity of housing providers in project planning and implementation, thereby improving the chances of success.
- \* Improve the potential for establishing formal links that will connect supportive services, especially case management, with the proposed housing project.

**Strategy 3:** *Prioritize local CDBG and HOME funds for projects that provide or coordinate case management for homeless special needs populations.*

Objectives:

- \* Return more homeless individuals and families to self-sufficiency by targeting local funding to housing that addresses the causes of homelessness through combinations of housing and services.

### *Housing for Homeless*

**Goal 2: Over a five year period, develop baseline data on local homelessness and formulate coordinated plans to address the causes of chronic homelessness.**

**Strategy 1:** *In collaboration with homeless housing providers, identify the needs and resources to address homelessness.*

Objectives:

- \* Identify the number of homeless families and individuals and the primary causes of homelessness in Bellingham and Whatcom County.
- \* Assess the ability of current programs to address the needs of homelessness.
- \* Identify community resources needed to address homelessness.
- \* Formulate long range plans to secure resources to address homelessness in Bellingham and Whatcom County.

## HOUSING FOR LOW-INCOME

*Housing for Low-Income*

**Goal 1:** *Over five years, enable 100 low-income households to afford market-rate housing.*

**Strategy 1:** *Provide a subsidy mechanism to allow low-income households to obtain and maintain occupancy in market-rate rental housing.*

Objectives:

- \* Fund a rental assistance program to allow 15 low-income families, per year, to afford market-rate rents over five years.

**Strategy 2:** *Provide a subsidy mechanism to allow low-income households to obtain and maintain occupancy in market-rate, owner-occupied housing.*

Objectives:

- \* Fund a homebuyer assistance program to allow 10 low- or moderate-income families, per year, to purchase homes.

**Strategy 3:** *Generate additional housing resources, consistent with those identified as appropriate by the Countywide Housing Affordability Taskforce (CHAT), for low-income households in Bellingham.*

Objectives:

- \* Work with local housing providers and stakeholders to research the feasibility and appropriateness of producing additional funding resources within the community for housing. Utilize a portion of such resources for rental assistance.

*Housing for Low-Income*

**Goal 2: Over five years, provide funding for 200 units of affordable permanent housing for low-income households.**

**Strategy 1:** *Develop permanent housing that is affordable to those who are unable to participate in market-rate housing without paying more than 30% of their income for housing.*

Objectives:

- \* Provide direct loans to public or private non-profit or for-profit organizations to develop 200 units of low-income permanent housing in conjunction with tax credits or other leveraged funding.

**Strategy 2:** *Collaborate with local non-profit housing providers and local non-profits providing services for special needs households to provide appropriate permanent housing serving special needs populations, especially those that are currently housed in facilities primarily developed for the elderly.*

Objectives:

- \* Assist in eliminating the conflict of housing elderly and the chronically mentally ill in the same residential facilities.
- \* Assist providers of mental health in securing clustered, small-sized residential units or appropriate facilities that enhance the delivery of services to non-homeless mentally ill or special needs populations.

*Housing for Low-Income*

**Goal 3: Over five years, rehabilitate 125 units of housing to improve the living conditions of low-income households residing in the City of Bellingham.**

**Strategy 1:** *Enable low-income residents, especially those in CDBG target block group areas, to live in safe and decent housing by maintaining the physical structures.*

Objectives:

- \* Fund 100 rehabilitation loans through the City Home Rehabilitation Program to bring units rented or owned by low-income households up to local housing standards or energy codes.
- \* Provide financial assistance to a Community Housing Development Organization (CHDO) to fund loans and grants for rehabilitation and weatherization of 25 units of low-income tenant-occupied housing.
- \* Provide assistance to non-profit owners of low-income rental housing (emergency, transitional, permanent) to finance the rehabilitation of properties that are being brought up to local housing standards and codes.
- \* If grant sources can be identified and obtained, provide funding for the repair of mobile homes owned or occupied by low-income households.
- \* Assist developers through coordination with City departments to improve and develop new incentives to rehabilitate and adaptively reuse older buildings for housing.

## **FAIR HOUSING**

The City is committed to furthering fair housing practices by addressing the impediments outlined in the *Analysis of Impediments to Fair Housing Choice in the City of Bellingham*. This publication was completed in 2007 and describes fair housing laws, demographics of the area, the process to file a fair housing complaint, impediments to fair housing choice, an assessment of past fair housing activities and an identification of impediments and recommended actions. The document is available at the Community Development Division (CD).

### *Fair Housing*

**Goal 1: Work to eliminate housing discrimination which primarily affects persons of color, the disabled, and families with children.**

***Strategy 1: Develop fair housing educational programs for housing and human services agencies and staff who serve protected classes, especially families, people of color and persons with disabilities.***

Objectives:

- \* Provide landlords and property management companies with information on Fair Housing and reasonable accommodations.
- \* Provide education to local agencies and staff that work with protected classes on what constitutes a violation of fair housing laws, and where to file a complaint
- \* Hold a local fair housing workshop; invite people who provide housing and human service agencies.
- \* Provide a speaker from the Fair Housing Center of Washington.
- \* Promote self-testing in the rental and sales markets.
- \* Contract with the Fair Housing Center of Washington to initiate testing of housing providers to measure their willingness to make reasonable accommodations for prospective disabled residents.

*Fair Housing*

**Goal 2: Raise the lending community's awareness about the application of fair housing law to homeownership.**

***Strategy 1: Encourage the involvement of banks and mortgage lending companies in furthering fair housing practices.***

Objectives:

- \* Ensure that educational opportunities exist so that local lenders and their employees can receive training to improve their understanding of their obligations under fair housing.
- \* Work with lenders and agencies that provide homebuyer assistance to market programs to people of color.
- \* Encourage banks, mortgage lending companies, and real estate organizations to engage in Best Practices Agreements, Voluntary Affirmative Marketing Agreements, and to utilize Community Reinvestment Act funds to further fair housing practices.

*Fair Housing*

**Goal 3: Work to educate the public at large of protected classes, fair housing laws and the resources available to them.**

**Strategy 1:** *Provide more fair housing education and outreach to increase knowledge of fair housing topics and rights.*

Objectives:

- \* Provide fair housing training for property owners, managers, and staff to ensure equal treatment of potential tenants.
- \* Extend outreach programs to serve protected classes and their service providers.
- \* Distribute information directly to agencies (landlords, owners, lenders, realty companies, and service agencies) that assist protected classes with housing services.
- \* Provide training on filing complaints with HUD and the Washington State Human Right Commission to change the seeming conflict between community input indicating discrimination against families with Children and the lack of familial status complaints filed.

**Strategy 2:** *Educate the general public about fair housing through a variety of media channels.*

Objectives:

- \* Publish one article or notice per year about fair housing in the *Bellingham Herald*.
- \* Collaborate to provide educational information within a fair housing event.
- \* Distribute posters and hand-outs translated into other languages common to the area that educates the public about fair housing.
- \* Maintain a list of volunteer interpreters willing to present to a non-English-speaking groups to increase awareness of fair housing laws, what constitutes a violation, and where to file a complaint

- \* Maintain an Internet website that provides current information for citizens about fair housing practices.

**2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the strategic plan.**

**Response to question:**

As mentioned before, the City of Bellingham, the Bellingham Housing Authority (BHA), and a variety of human service and housing agencies pursue a diverse list of private, local, state, and federal resources to fund housing and the delivery of housing services to low-income households in need. Among others, the City of Bellingham is particularly supportive of applications to these programs:

- Public Housing Comprehensive Grant
- HUD Grants for Public Housing
- Tax Exempt Bonds
- Taxable Bonds
- Low-Income Housing Tax Credits
- FHLB Affordable Housing Program
- WA State Housing Finance Commission Programs
- WA State Housing Trust Fund Programs
- WA State Housing Assistance Program
- Continuum of Care Homeless Assistance Programs/Supportive Housing Program
- Washington Comm. Reinvestment Assoc.
- Washington Community Dev. Fund
- St. Luke's Foundation
- United Way
- Whatcom Community Foundation
- Emergency Shelter Grant
- Public Housing Comprehensive Grant
- HOPWA
- Funding provided under SHB 2060/2163
- Safe Havens
- Section 202 Elderly
- Section 811 Handicapped
- Historic Preservation Tax Credits
- Moderate Rehabilitation SRO
- Rental Vouchers
- Rental Certificates
- Public Housing MROP
- Public Housing CIAP
- New Markets Tax Credits Program
- EPA Brownfield Demonstration Grant
- Washington State Dept. of Ecology, Remedial Action Matching Grant
- HUD Brownfield Economic Development Initiative Grant

The Bellingham Housing Authority will have approximately \$9,569,182 in Section 8 Assistance available in 2007 to serve low-income households. Amounts for 2008 and future years, depend on federal allocations. Developers of housing projects serving low-income households, such as the Bellingham Housing Authority and Catholic Community Services, will also apply for Low-Income Housing Tax Credits. Agencies serving homeless individuals and families will apply for approximately \$1.5 million in funding assistance under the McKinney-Vento Homeless Assistance Programs. Discretionary grants from the federal and state governments for housing, community development, and social services are pursued when and if they become available. Public/private partnerships, where additional funding resources are brought to bear, are sought out and encouraged. These relationships and funding arrangements are difficult, if not impossible, to predict in advance. Fair Housing activities will be funded using Community Development Block Grant funds.

## NEEDS OF PUBLIC HOUSING (91.210)

In cooperation with the public housing agency or agencies located within its boundaries, describe the needs of public housing, including the number of public housing units in the jurisdiction, the physical condition of such units, the restoration and revitalization needs of public housing projects within the jurisdiction, and other factors, including the number of families on public housing and tenant-based waiting lists and results from the Section 504 needs assessment of public housing projects located within its boundaries (i.e. assessment of needs of tenants and applicants on waiting list for accessible units as required by 24 CFR 8.25). The public housing agency and jurisdiction can use the optional Priority Public Housing Needs Table (formerly Table 4) of the Consolidated Plan to identify priority public housing needs to assist in this process.

Response to question:

### HOUSING ASSISTANCE

The vast majority of subsidized affordable housing is located in the city of Bellingham. The *Draft Whatcom County Affordable Housing Resource Inventory of 2007* provides basic data on resources in the county and the city.

In 2007, there were 1,932 subsidized rental apartment units in the County, representing 4,019 legal bedrooms targeted to incomes of 80% or less of area median income. Eighty-five percent (1,660) of these units were located in Bellingham. These subsidized rental assistance units apartments developed by non-profit organizations or constructed with tax credit assistance. County households under 60% of the area median income were the targeted population of 79% (1,519) of these units, whereas only 5% (103) of the units were targeted to families below 30% of area median income.<sup>41</sup>

Permanent rental assistance, which is made up of Section 8 tenant-based voucher assistance and project-based housing assistance, provide an additional 1,648 units county-wide. Units located in Bellingham represent 81% (1,336) of the total and includes 2,590 bedrooms.

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The final source of permanent affordable housing is housing which also provides supportive services to assist the tenants to live independently within the rental

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<sup>41</sup> Draft Whatcom County Affordable Housing Resource Inventory, 2007.

housing. A total of 819 units, almost all for singles, provide housing with services for the disabled and elderly of the county. The Bellingham/Whatcom County Housing Authorities and local non-profit agencies operate these public housing and shelter plus care rental subsidies. A rapidly increasing elderly population is increasingly becoming the recipient of this assistance.

Additional temporary housing, in the form of transitional and emergency shelter dedicated to the homeless is discussed in the following section.

## **AVAILABLE HOUSING ASSISTANCE**

Housing assistance—for renters, owners, and people with special needs—is provided by many partners in Bellingham. The goal of the BHA is to provide 100 new units annually to meet demand.

### **Section 8 Housing Assistance**

The BHA is currently authorized to issue a total of 1,693 HUD Housing Choice Vouchers (Section 8). The majority of these vouchers (1,556) are tenant-based, which means that the tenant locates suitable housing in the community and the BHA assists with rent payment. The amount is set by income and rent guidelines established by HUD.

**Table 30  
Assisted Housing  
Bellingham Housing Authority**

Type of Program	Number of Bedrooms					Total
	0	1	2	3	4+	
<b>Public Housing</b>						
Elderly/Disabled (high rises) <sup>1</sup>	202	184	10			396
Elderly/Disabled (Council on Aging) <sup>2</sup>		76				76
Scattered Site (complexes)			83	81	7	171
Scattered Site (single family) <sup>3</sup>				21	3	24
<b>Section 8 Vouchers<sup>4</sup></b>	36	426	650	307	90	1,509
<b>Section 8 Project-Based<sup>5</sup></b>		64	47	26		137
<b>Other Subsidized Housing</b>	16	126	353	117		612
<b>Shelter Plus Care</b>						194

<sup>1</sup>Units located in 3 buildings (Lincoln Square, Washington Square & Chuckanut Square.

<sup>2</sup>Buildings (Catherine May and Birchwood Manor) owned by the Council on Aging.

<sup>3</sup>Two units located outside the City of Bellingham.

<sup>4</sup>A total of 1,556 tenant based vouchers were available, and 1,509 were in use *in the Housing Authority's jurisdiction* (as of July 2007). A total of 39 families were using BHA vouchers in other jurisdictions under portability.

<sup>5</sup>Bonds financed 33 of these units, which are reserved for low-income.

Units must meet the housing quality standards (HQS) set by HUD. The BHA pays the difference between the client contribution and the market rent or the Payment Standard (based upon a Fair Market Rent established by HUD), whichever is lower.

The BHA administers the Section 8 program for the entire county. As of July 2007, about 79% of 1,646 vouchers were located in Bellingham. The remaining voucher were all used in Whatcom County except for 38 families who elected to “port out” of the BHA’s jurisdiction. Vouchers are portable, so people may take them outside of Whatcom County and they may also bring them in from other jurisdictions.

Disabled clients used 714 vouchers or 43 percent of all vouchers issued as of July 2007. Elderly clients used 181 vouchers or 11% of all vouchers issued as of July 2007. Clients who are both elderly and disabled accounted for 178 vouchers or 11 percent of all vouchers in use as of July 2007.

In addition to tenant-based vouchers, 101 units of project-based Section 8 housing are located in Varsity Village. The units were financed with bonds and are available to low-income tenants.

As of July 2007, the waiting list for Housing Choice Voucher tenant-based housing was open with 1,685 households on the list. Note that qualifications for voucher rental assistance are not verified until the formal application is completed. Families currently remain on the waiting list for about 15 months.

People are generally assigned housing on a first-come, first-served basis, subject to appropriate unit size and type availability. Preferences include the following:

- Ten individuals or families displaced by government action or whose dwelling has been extensively damaged or deemed uninhabitable or destroyed as a result of a disaster declared by the County Executive or otherwise formally recognized pursuant to Federal disaster relief laws.
- Twenty families who are either current residents of the BHA Public Housing Program or other approved subsidized housing who are inappropriately housed or who are on the Public Housing waiting list and for whom the BHA has no appropriate housing.
- Twenty-five families who have either completed, or who are participants in good standing of, a transitional housing program. This facilitates the movement of homeless individuals and families into permanent housing.
- Twenty-five families who have been displaced by domestic violence.

## **PUBLIC HOUSING**

In 2007, the BHA owned and/or managed 643 units of public housing. The majority (397) are designated primarily for the elderly. Currently, these units are occupied by both elderly and people with disabilities.

Public housing includes 24 units of single family housing in Bellingham. The remainder is in multi-family complexes. The BHA maintains the units to a high standard, both interior and exterior, including yards and landscaping.

The wait list for public housing is open. Elderly applicants generally have to wait about four months and those waiting for family housing generally receive a unit within six to 12 months. In August 2007, the Bellingham Housing Authority indicated that the number of households on their waiting list for public housing was 1,002 and the number of households on their waiting list for Section 8 voucher rental assistance was 804.

### **OTHER BELLINGHAM HOUSING AUTHORITY UNITS**

The BHA has a housing production goal of at least 100 units each year. In May 2007, it owned or had a substantial interest in 641 housing units in addition to public housing and Section 8 units. These are all available to low-income tenants, some at 30% of median income and some at higher percentages.

These units were built or acquired using Low-Income Housing Tax Credits, the sale of taxable bonds, low-interest loans through the State of Washington's Trust Fund, the HOME program, low-interest loans from the Federal Home Loan Bank, low-interest loans from the City of Bellingham's HOME, and CDBG programs to purchase land, and in some cases, the sale of tax-exempt bonds. Since most of these financing mechanisms are limited, allocation is based competitively.

Most of these units are managed by private management firms. Applications and wait lists are maintained by that firm. Wait times for these units are generally brief.

All housing owned or substantially owned by the BHA (including bond and tax credit housing) is designated, or will be designated, as Multi-Family Crime Free Housing. A recent study by the Police Department found a 45% decrease in calls from apartments or areas that were certified by this program. In addition, most have Block Watch programs.

### **SHELTER PLUS CARE**

The Shelter Plus Care grant was first implemented in Bellingham in 1995, with the implementation of three grants. The three grants were combined into two grants in 2005. While both current grants serve homeless persons with mental illness, some differences are apparent in the populations served and mechanisms for securing housing:

- The first grant is the Tenant Based Grant. Under this grant, the individual secures housing, sometimes with the assistance of a partner agency. That agency also provides or secures needed mental health and case management services. As of August 1<sup>st</sup>, 2007 there were 31 families housed on this grant.

- The third and largest grant is sponsor-based. Three partner sponsor agencies (Lake Whatcom Center, Whatcom Counseling and Psychiatric Clinic and the Archdiocesan Housing Authority) provide units in buildings they own, or find housing on the market for these tenants. The clients served under this grant tend to be more reliant on the assistance of a case manager. As of August, 2007 119 families were served.

Since many of the units are secured by the clients themselves, or by the sponsor agency, they may be anywhere in Bellingham or Whatcom County. As of August 2007, all but two units were located in Bellingham.

Shelter Plus Care units are considered permanent housing rather than transitional, even though the length of stay varies with the needs of the client. Stays can be as short as a month, whereas some clients have been continuous residents for six years. There is no active waiting list for the Sponsor Based Shelter Plus Care grants, however a small waiting list does exist for the tenant based list.

Most of the clients are single individuals – Of the 194 families housed as of August 1<sup>st</sup>, 2007 there were 15 children in assisted households.

## **HOUSING ASSISTANCE THROUGH THE CITY OF BELLINGHAM**

### **Housing Development Program**

This program assists in the production of additional affordable housing through partnerships with firms or agencies. The intent is to leverage funding or provide gap financing necessary to allow for the development of a project. Activities include land and building acquisition, renovation of existing structures, infrastructure improvements in support of housing, and the provision of pre-development expenses.

Program services in support of projects include providing low-interest loans at rates and terms appropriate for the type of benefits to be provided. The program also provides agencies with technical assistance in project development, financial feasibility analysis, and project management.

### **Home Rehabilitation Program**

The Home Rehabilitation Program provides zero and low-interest loans to rehabilitate single family and small multi-family (up to four units) housing for low-income people. The program offers credit and financial counseling, technical assistance including health and safety inspections, assistance with definition of

scope of work and contractor bid solicitation, assistance in construction oversight, and other monitoring and advice during renovation.

As of June 30, 2007, 914 units have undergone improvements through this program. Elderly households served comprise 29.4% and 43.7% of the households are low-income (below 50% of median).

### **Tenant Based Rental Assistance**

Tenant Based Rental Assistance (TBRA) is a rental subsidy program to allow individual low-income households to rent market rate housing units. TBRA subsidies payments make up the difference between what a household can afford to pay and the local rent standard. The subsidy payment is not tied to a particular project but to the family and may follow the family to a different rental unit. The level of subsidy will vary from household to household because the subsidy is based upon income of the individual household. The City of Bellingham provides HOME funds to the Opportunity Council to operate a TBRA program in conjunction with their assistance to homeless households.

### **Homebuyer Assistance Programs**

The City of Bellingham provides HOME funds to the Kulshan Community Land Trust to assist low- and moderate-income households in the purchase of owner occupied homes. The funds are used to provide down payment and closing costs assistance for households purchasing homes through the Kulshan Community Land Trusts purchase programs.

## PUBLIC HOUSING STRATEGY (91.210)

1. Describe the public housing agency's strategy to serve the needs of extremely low-income, low-income, and moderate-income families residing in the jurisdiction served by the public housing agency (including families on the public housing and section 8 tenant-based waiting list), the public housing agency's strategy for addressing the revitalization and restoration needs of public housing projects within the jurisdiction and improving the management and operation of such public housing, and the public housing agency's strategy for improving the living environment of extremely low-income, low-income, and moderate families residing in public housing.

### Response to question:

The BHA plays an integral part in meeting the *Consolidated Plan* objectives. Funding for the BHA activities within this section are obtained through the Capital Fund Grant under a separate public process, and from other grants and local funds. The Capital Fund Grant is a separate HUD program that the City of Bellingham does not oversee. The City of Bellingham has no troubled public housing agencies. The Bellingham/Whatcom County Housing Authorities are very well run agencies excelling in providing housing for low-income and special needs households.

The BHA includes annual budgets in their *Annual Agency Plan* for management and operational improvements. These monies are used to fund a Preventive Maintenance Inspection Support Program, capital improvements, community policing, computer software purchase, and other management improvements that support public housing, including staff training.

For complete information on planned physical improvements to the living environment of public housing units and sites contact the Bellingham Housing Authority at [www.bellinghamhousing.org](http://www.bellinghamhousing.org) for their *Agency Plan*.

### PUBLIC HOUSING

#### *Public Housing*

**Goal 1: Preserve Public Housing as a viable and attractive housing resource for the low-income citizens of the community.**

***Strategy 1: Strive to reduce and prevent drug and criminal activity in public housing neighborhoods and projects.***

**Objectives:**

- \* Offer drug prevention programs that include additional law enforcement services provided by the Bellingham Police Department. Apply annually for grants to fully fund these programs.
- \* Hold Neighborhood Block Watches on-site at all the Public Housing complexes and initiate discussion on security and alternatives for empowerment.

**Strategy 2:** *Assist public housing residents, particularly older residents and residents with disabilities, maintain an independent lifestyle.*

**Objectives:**

- \* Renew the BHA's contract with the Northwest Regional Council in order to staff the Resident Services Coordinator position, which provides referrals to services and helps residents obtain assistance.
- \* Offer regularly scheduled, affordable, and specialized transportation for shopping, medical appointments, and other needs to residents of BHA Public Housing through the Whatcom Transportation Authority, in an effort to help them maintain their independence.
- \* Provide memberships and transportation to the Boys and Girls Club of Bellingham for all children in public housing between the ages of 5 and 18.

**Strategy 3:** *Preserve the BHA high-rise buildings primarily as public housing for senior citizens.*

**Objectives:**

- \* Amend the BHA's admission preferences to give disabled people a better opportunity for Section 8 assistance and elderly people a more direct access to the public housing high-rises. This will be done by making an application to HUD to designate the high-rise buildings for the occupancy by the elderly only.
- \* Develop alternative housing for the disabled.

Public Housing

**Goal 2: Facilitate greater resident self-determination and self-sufficiency.**

**Strategy 1:** *Encourage participation of public housing residents in the management of their public housing through the Public Housing Resident Initiatives Program.*

**Objectives:**

- \* Assure that residents representing the Bellingham/Whatcom County public housing developments participate in Resident Council meetings.
- \* Invite residents of all Bellingham public housing units to attend Board of Commissioners' meetings to give input and to provide suggestions regarding the operation, policies, and other matters relating to BHA business.
- \* Hold monthly meetings between a BHA Operations staff representative and the Resident Council in order to address any mutual issues or concerns.
- \* Post all regular staff openings in public housing family complexes to encourage application by residents.

**Strategy 2:** *Encourage public housing residents to achieve self-sufficiency.*

**Objectives:**

- \* Through the Family Self-Sufficiency Program, offer housing assistance to leverage public and private sector resources that can help public and assisted housing residents achieve economic independence.

**Strategy 3:** *Increase the availability of affordable housing to residents of Bellingham.*

**Objectives:**

- \* To help meet the demand for affordable housing, develop 150 family housing units and 75 elderly/disabled housing units over five years using Low-Income Housing Tax Credits, Historic Preservation Tax Credits, taxable bonds, and other

innovative housing development techniques that increase the supply of affordable housing.

*Public Housing*

**Goal 3: Provide housing stability within an overall context of supportive services for homeless persons with mental illness.**

**Strategy 1:** *Reassess the community's ability to respond to the needs of its homeless mentally ill population, focusing on housing stability as a component of overall care.*

**Objectives:**

- \* Construct a multifamily housing facility that will serve homeless mentally people.
- \* Work with area mental health providers and other potential service sponsors to provide supportive services to the residents of planned housing developments.
- \* Collaborate with service providers, assess current programs to determine gaps, and the ability of these programs to address the needs of target populations.

**Strategy 2:** *Secure additional funding for housing assistance for the homeless and mentally ill.*

**Objectives:**

- \* Collaborate with providers and agencies to determine who can provide needed assistance to the target populations and assist in their application for and receipt of funding. Offer the outreach resources, and provide on-going services to mental health providers or service agencies who are best equipped to reach the target populations.
- \* Through collaboration, prepare and submit an application for additional Shelter Plus Care funding through HUD

2. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake to encourage public housing residents to become more involved in management and participate in homeownership. (NAHA Sec. 105 (b)(11) and (91.215 (k))

**Response to question:**

As described above under Public Housing Goal 2, the Bellingham Housing Authority has established the following strategy to encourage public housing residents to become involve:

**Strategy 1:** *Encourage participation of public housing residents in the management of their public housing through the Public Housing Resident Initiatives Program.*

**Objectives:**

- \* Assure that residents representing the Bellingham/Whatcom County public housing developments participate in Resident Council meetings.
- \* Invite residents of all Bellingham public housing units to attend Board of Commissioners' meetings to give input and to provide suggestions regarding the operation, policies, and other matters relating to BHA business.
- \* Hold monthly meetings between a BHA Operations staff representative and the Resident Council in order to address any mutual issues or concerns.
- \* Post all regular staff openings in public housing family complexes to encourage application by residents.

The City of Bellingham supports the Bellingham Housing Authority's strategies and actions to include the residents in the management process of BHA.

- 3. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation. (NAHA Sec. 105 (g))**

**Response to question:**

There are no troubled public housing agencies in the City of Bellingham.

## **BARRIERS TO AFFORDABLE HOUSING** **(91.210 (e) and 91.215 (f))**

1. Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, particularly those of the local jurisdiction. Such policies include tax policy affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

### **Response to question:**

Bellingham is monitoring available land, zoning, and land use to accommodate projected population increases and housing requirements of all income groups. Development costs, fees, and rising housing prices are all barriers to affordable housing.

Over the past ten years, Bellingham has received increased attention at the state and national levels as an ideal place to live, work, run a business, or retire. Bellingham and Whatcom County have been heavily marketed and noted in a number of state and national publications as possessing those attributes that people desire for the place in which they live. This has led to a large increase in population, with a corresponding increase in housing prices.

Housing in Bellingham is influenced by a variety of public policies and actions that can either have short-term impacts or long-term implications for affordable housing.

The Bellingham *Comprehensive Plan* is the primary policy guiding housing development in Bellingham. It establishes types of housing, densities, and special conditions for housing.

The Housing Element of the *2006 Comprehensive Plan* includes:

- An inventory and analysis of existing and projected housing needs.
- Goal and policy language reflecting the City's commitment to encourage production of housing that meets the needs of residents at all income levels.
- An analysis of available land, including land for government assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes, and foster care facilities.

2. Describe the strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing, except that, if a State requires a unit of general local government to submit a regulatory barrier assessment that is substantially equivalent to the information required under this part, as determined by HUD, the unit of general local government may submit that assessment to HUD and it shall be considered to have complied with this requirement.

Response to question:

## **STRATEGIES TO ADDRESS AFFORDABLE HOUSING BARRIERS**

### **Land Use Comprehensive Planning**

An analysis of the City's *Land Use Development Ordinance* was conducted, in conjunction with updating the *Comprehensive Plan*, to identify barriers to affordable housing. Changes to zoning and land use ordinances are made based upon Bellingham's projected population growth and the results of staff analysis.

Instances in which the current *Comprehensive Plan* affects affordable housing include the following:

#### *Zoning*

The 2006 update of the Plan directs the City to encourage infill development and increased housing densities in areas where adequate public facilities and services (police and fire protection, schools, water, sewer, and drainage) are in place or can easily be provided. The on-going neighborhood planning process will attempt to identify areas where increased housing density is appropriate.

#### *Land Use*

Regulations should provide for adequate land for all types of development including single family, multi-family, commercial, industrial, and open space. When sufficient land is neither available nor allocated for appropriate residential development, speculation enters the market, drives up prices, and ultimately increases the price of housing, making housing less affordable to low- and moderate-income households.

A land supply-monitoring program is identified in the 2006 update to the *Comprehensive Plan*. This program is designed to allow City officials to monitor the supply of land available for housing and to make adjustments in housing densities or the urban growth boundary as necessary to ensure an adequate supply of land is available for housing.

The City has created a multi-family property tax exemption program to encourage and assist property owners in building affordable housing in and around the city's downtown.

### *Impact Fees*

Currently, new development is subject to impact fees for schools, storm water, parks and transportation facilities. The creation of new housing in single-family subdivisions and multi-family developments responds in part to increase in population and changes in household size and type. This creates increased demands on schools, utilities, parks and transportation systems to varying degrees. Costs associated with increasing demands for facilities and services (such as roads, schools, parks, police, and fire fighters) can be addressed through fees tied to new development. Even though the level of impact fees connected to new residential construction does not reflect the full cost of service and facility impacts, they nevertheless add to the cost of providing that housing. For low- and moderate-income households, unsubsidized, new residential construction may be prohibitive or require too large a share of their income to buy or rent.

State law allows local jurisdictions to provide relief from imposition of impact fees for affordable housing projects. The City of Bellingham has done so in several instances, by using other non-project based city funding sources. An exception to Bellingham's impact fee program does allow the City to waive school impact fees, provided can be shown that a housing project will have no impact on schools, such as a senior living project.

### *Licensing Permits*

Bellingham is sensitive to the issue of processing time. The permitting process is continuously reviewed and changes are made, where appropriate. Bellingham recently implemented a procedure to waive certain permit fees for qualified housing projects that provide housing for low-income residents.

### *Extension of Transportation and Utility Service*

The City's plans to extend major utility service lines will have a direct bearing on when and where homes are built. How those extension costs are allocated can have an impact on the price of homes built in areas where the services are extended. Historically in Bellingham, each project paid for the extension of needed services. The 2006 *Comprehensive Plan* encourages the City to be proactive in fully or partially funding utility extension projects in appropriate areas to encourage affordable housing.

### *Other Actions to Identify Barriers to Affordable Housing*

Whatcom County and the City of Bellingham have recognized the need for adequate housing affordable to households at or below 80% of area median income. In recognizing the need, the two governmental units have joined forces and established a citizen based Countywide Housing Affordability Taskforce

(CHAT). The mission of the Affordable Housing Task Force is to develop and recommend action strategies and programs that, when implemented by the City and County, will address the anticipated county-wide need for the additional housing units that are affordable to families earning 80% or less of the county median income by the year 2022.

The CHAT is to prepare for the County and City executives and councils:

1. A list of recommended strategies and programs that have been successful in other U.S. communities, and
2. Recommended strategies and programs which the Task Force believes to be realistic and effective responses to the economic, geographic, and demographic circumstances faced by the community, and
3. A list of recommended changes in specific strategies and actions that could be used in the City and County to best address the need for at least 5,000 new housing units in Whatcom County and 6,000 new housing units in Bellingham, all affordable to households at or below 80% of the area median income.

It is anticipated that in late 2007 or early 2008, the CHAT will produce an outcome that will identify affordable housing barriers, recommend actions to address those barriers, including policy changes, additional resources and funding programs. The CHAT will also create an implementation plan to see that the recommendations are carried out.

### **Fair Housing**

HUD requires each local jurisdiction to conduct an analysis of impediments to fair housing choice. In 1996, Community Development Division (CD) developed and submitted the first *Analysis of Impediments to Fair Housing*.

In 2002, CD contracted the Fair Housing Center of South Puget Sound, now known as the Fair Housing Center of Washington, to update the *Analysis of Impediments* as required by HUD.

In 2007, the CD contracted again with the Fair Housing Center of Washington to do a new *Analysis of Impediments to Fair Housing*. Using 2000 Census and other local, state, and federal data sources, the Fair Housing Center of Washington prepared an analysis of demographic, income, housing, and employment data. They also evaluated the fair housing complaints originating in Whatcom County and testing for discrimination in housing that they have undertaken in Bellingham. The completed *2007 Analysis of Impediments* targets five key areas:

- 1) Demographic information and resources,
- 2) Complaints and allegations of discrimination in housing,
- 3) Impediments to fair housing,
- 4) A review of current public and private actions to address housing discrimination, and
- 5) A listing of impediments and recommendations for action.

The completed *2007 Analysis of Impediments* identifies the following impediments to fair housing choice in the City of Bellingham:

- 1) Housing discrimination primarily affects persons of color, the disabled, and families with children,
- 2) Home Mortgage Lending data shows Native Americans, African Americans and Hispanics are more likely to be denied financing or obtain sub-prime mortgages, and
- 3) The public at large has limited knowledge of protected classes, fair housing laws and the resources available to them.

The *2007 Analysis of Impediments* recommends that the City of Bellingham maintain its commitment to affirmatively further fair housing. Implementation of the following recommendations will strengthen Bellingham's interest in fair housing activities and alleviate remaining impediments to fair housing choice:

- 1) Expand current education and outreach efforts,
- 2) Continue on-going enforcement activities,
- 3) Target homeownership and lending marketing to African American, Native American and Hispanic households, and
- 4) Ensure implementation of current housing and human services strategies.

### **Affordable Housing Development**

Continued emphasis on housing preservation and creation of new housing will be pursued to alleviate the tremendous shortage of units affordable to low-income residents in our community.

Through assistance provided by the City's housing development, housing rehabilitation and rent and homebuyer assistance programs, households can

reduce a portion of their income spent on housing. By reducing the housing cost burden, remaining income can be directed towards other life necessities, such as food, clothing, healthcare, and utilities. Affordable housing development programs include:

- **Home Rehabilitation Program/Rental:** Provides zero- and low -interest loans to rehabilitate housing units rented to low-income households, thereby improving housing conditions and stabilizing rents during the loan repayment term.
- **Home Rehabilitation Program/Owner-Occupied:** Provides zero- and low-interest and deferred loans to rehabilitate single-family homes owned by low-income households, allowing them to maintain their homes at a reduced cost.
- **Housing Development Fund:** Using CDBG and HOME awards, the City funds projects that preserve, rehabilitate, or develop multi-family housing affordable to low-income households, in order to reduce the cost of housing for low-income households.
- **HOME Program—Set-aside:** Designates 15% of the City’s annual HOME allocation to non-profit CHDOs for use in housing projects that assist the poor and/or homeless.
- **HOME Program—Tenant-Based Rental Assistance:** A portion of the City’s annual HOME award is allocated to a local non-profit agency to provide tenant-based rental assistance for transitional housing for the homeless and for those who do not qualify for Section 8 Rental Assistance.
- **HOME Program—Homebuyer Assistance Program:** A portion of the City’s annual HOME award is allocated to a non-profit agency to provide down payment assistance to low-income, first-time homebuyers.

In an effort to reduce barriers to affordable housing, the City has reviewed policies and practices in the *2005 Bellingham Comprehensive Plan* to determine impacts on affordable housing. Higher densities and mixed-use designations have already been incorporated into some neighborhoods. The City will continue to review its Neighborhood Plans and Zoning Ordinance to identify and modify policies that increase the cost of living for those in poverty. Additionally, the City monitors the supply of developable residentially-zoned land every five years to ensure that enough land is available to accommodate the projected 20-year population growth.