

**A RESOLUTION RELATING TO THE MODIFICATION OF THE 2008 ACTION PLAN OF THE 2008-2012 CONSOLIDATED PLAN, THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS AND DIRECTING THE MAYOR TO SUBMIT THE MODIFICATION OF 2008 ACTION PLAN TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.**

**WHEREAS**, City of Bellingham Council approved the 2008-2012 Consolidated Plan by Resolution No. 2007-24 on October 22, 2007, and directed that the Plan be submitted to the U. S. Department of Housing and Urban Development (HUD), and

**WHEREAS**, substantial activity changes and levels of funding are now proposed for 2008 actions described in the Consolidated Plan, and

**WHEREAS**, HUD requires that Consolidated Plans be amended for substantial changes, and

**WHEREAS**, the notice of proposed changes to the Consolidated Plan and of a thirty day public comment period on the changes have been advertised in the Bellingham Herald, and

**WHEREAS**, the difference between budgeted amounts and the actual amounts of federal entitlement formula allocations received from HUD will result in a decrease in Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds available for allocation in 2008, and

**WHEREAS**, the difference between budgeted amounts and estimated 2008 Revolving Loan Funds amounts carried over from 2007 will result in an increase in CDBG funds available for allocation in 2008 and an increase in HOME funds available for allocation in 2008;

**NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BELLINGHAM:**

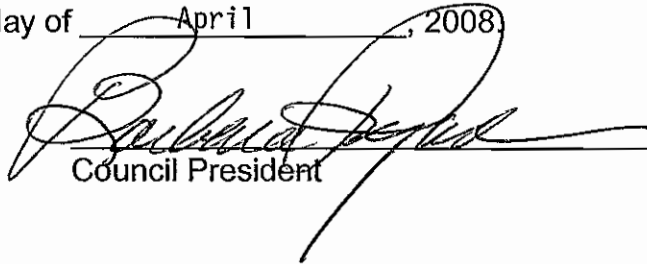
**THAT** the changes to the 2008 Action Plan of the 2008-2012 Consolidated Plan as described in an April 14, 2007 Memorandum to Council with exhibits, attached hereto, are hereby approved.

City of Bellingham  
City Attorney  
210 Lottie Street  
Bellingham, Washington 98225  
360-676-6903

**THAT** the Mayor is authorized to submit the Amended 2008 Action Plan to the U. S. Department of Housing and Urban Development (HUD) and to commit the City of Bellingham to all certifications and assurances contained therein; and

**BE IT FURTHER RESOLVED** that upon acceptance of this modification of the plan by the Department of Housing and Urban Development, the Mayor is hereby designated as the representative of the City who is authorized to perform all duties and execute the completion of all documents and do all other things required to be done in order to obtain payment of the grants authorized herein.

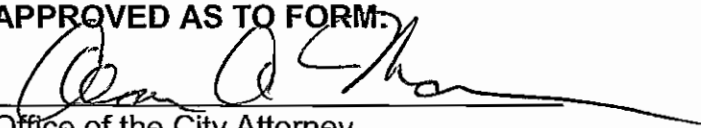
**PASSED** by the Council this 14<sup>th</sup> day of April, 2008.

  
Council President

**APPROVED** by me this 18<sup>th</sup> day of April, 2008.

  
Mayor

**ATTEST:**   
Finance Director

**APPROVED AS TO FORM:**  
  
Office of the City Attorney

City of Bellingham  
City Attorney  
210 Lottie Street  
Bellingham, Washington 98225  
360-676-6903



## PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT

Community Development Division

210 Lottie Street, Bellingham, WA 98225

Telephone: (360) 676-6880 Fax: (360) 738-7431 TTY: (360) 676-6883

### MEMORANDUM

Date: April 14, 2008

To: Council Members

From: Dave Cahill, Block Grant Programs Manager

Re: Proposed Amendment of 2008 Action Plan of the 2003-2007 Consolidated Plan

On April 14th, staff will present Council members with information on a proposed amendment to the 2008 Action Plan of the City's 2008-2012 Consolidated Plan (CPLAN). Several key things have happened since the CPLAN was adopted in November 2007. Proposed amendments include: a change in Year 2008 federal resources available to the City because HUD awards of CDBG and HOME funds are less than budgeted; changes in 2007 program income; adjustments from budgeted to actual letters of credit and revolving loan funds that were carried over from 2007 to 2008; and a reduction in the maximum funding amount available under the HUD Section 108 Guaranteed Loan Program.

Because the Action Plan must be completed and to HUD in November, we must estimate the year end amounts in the revolving loan funds and letters of credit that carry over to the next year. A number of the changes in this Amendment reflect changes from estimated carryover to actual carryover at years end. The carryover amounts can vary significantly from estimate to actual from depending on how many dollars were actually disbursed for housing rehabilitation, housing development, tenant based rental assistance and neighborhood improvement projects.

#### **Summary of Changes**

##### **Changes in Revenues:**

1. CDBG Award is reduced from \$870,000 to \$838,099 (-\$31,901)
2. HOME Award is reduced from \$635,000 to \$616,066 (-\$18,934)
3. 2007 Program Income is reduced from original estimate of \$232,204 to \$197,094 actual (-\$35,110) due to less Housing Rehabilitation Program loan payoffs than anticipated.
4. Carryover of CDBG Letter of Credit was \$184,297 more than expected and CDBG Revolving Loan funds carryover was \$213,763 more than expected primarily due delays in expenditures of housing and neighborhood initiative capital project funds.

5. Carryover of HOME Letter of Credit was \$779,348 more than expected primarily due to the delay in expenditures in housing projects. It was anticipated in November that a portion of \$665,000 in HOME CHDO funds would be disbursed on the Walton Housing Project however HUD requested that the CHDO organizational structure for this project be changed. First time homebuyer program closings were also slower than anticipated. An adjustment was made to the Housing Development Fund HOME Letter of Credit to account for expenditures budgeted from letter of credit but actually paid from HOME program income (not accounted for in the original Action Plan).

**Changes in Expenditures:**

1. Because HUD requires changes to the CHDO organization structure for the phased Walton Project, the HOME CHDO funds are moved from Walton Phase I to Walton Phase II and the Walton II non-CHDO HOME funds are moved to Walton Phase I.
2. The original Action Plan had CDBG funds allocated to Sash n Door in anticipation a potential acquisition by a non-profit after all clearance activities have been completed. HUD has informed us that this is not an eligible activity where the City owns the property. These funds have been assigned to the Walton II project.
3. The original Action Plan anticipated using CDBG to assist the Food Bank in the construction of a new increased capacity facility. Due nature of the project and the need to start construction before the federal environmental reviews could be completed, it was determined that general funds would be more appropriate. The assigned CDBG have been reallocated to the Neighborhood Initiatives Program to assist in the acquisition of park property in the Birchwood Neighborhood.
4. Carryover funds for the YWCA seismic changes and Domestic Violence and Sexual Assault services ADA and health and safety changes are included in the amendment. It was expected that these two projects would be fully disbursed in 2007.
5. Anticipated Public Works street improvements adjacent to the Sunset Pond Park project, now delayed, will impact the Sunset Pond improvements. The Sunset Pond project has been tabled and funds reassigned to the Whatcom Creek Trail Improvement Project.
6. HUD regulations restrict CDBG funding for human services awards to 15% of the current year Award plus an amount equal to 15% of the prior year program income. Both the Award and program income were less than anticipated requiring a reduction from the estimated budget of \$165,000 to \$155,000. See the attached spreadsheet for new award amounts.
7. Section 108 Loan maximum which is five times the award was reduced to \$4,190,495 from \$4,350,000.

The 2008-2012 Consolidated Plan (Citizen Consultation and Participation Plan section) sets forth that the CPLAN should be amended for all substantial changes which are described as:

- Changes in citizen participation process
- Changes in allocation priorities or method of distribution of funds
- Change in use of funds from one eligible activity to another

- Initiation of an activity not previously described in the action plan.

The amendment process requires that the Amendment be available to the public for a thirty day public comment period and that the period begins after a notice of availability has been posted in the Bellingham Herald. The “public notice” advertisement appeared in the Bellingham Herald on February 20, 2008. The public comment period ran from February 29, 2008 to April 1, 2008. The amended Plan has been reviewed by the Community Development Advisory Board and is recommended to City Council for approval.

In conjunction with the proposed Amendment, the following are provided:

- Comparison of Original and Amendment Expenditure Budgets  
(A larger version of this spreadsheet report will be provided under separate cover to Council for easier viewing.)
- Copies of the original Budget Summary and the amended Budget Summary
- Copy of the revised 2008 Human Service Grants

Although the attachments appear to have many changes in the line items amounts, many of the changes have been to adjust the budget revenue and expense *estimates* (made in October 2007 to the *actual* year end balances of December 31, 2007 and the resulting change the funds carried over to 2008. The original estimates were made prior to the time the Consolidated Plan was completed and sent to HUD in November 2007. These types of adjustments would not normally require an amendment of the Consolidated Plan but are being made now to reflect improved information for use in performance review and completion of the annual report to HUD.

The Council office was provided with copies of the Council approved 2008 Action Plan in November 2007. Please call me at 676-6880 if you have any questions. Thanks.

  
DMC



**PROPOSED 2008 CONSOLIDATED PLAN AMENDMENT  
Comparison of 2008 and 2008 Amended Consolidated Plan CDBG and HOME Expenditure Budgets**

Activity Section	AMENDMENT										Difference	Significant changes between 2008 and 2008 Amendment		
	ORIGINAL					AMENDMENT								
	2008 Award Budget	2008 (1) Prog./Income/RLF Letter of Credit	2008 (1) Revol Loan Funds Letter of Credit	2008 Amnd (2) Award Budget	2008 Amnd (2) Prog./Income/RLF Letter of Credit	2008 Amnd (2) Revol Loan Funds Letter of Credit	2008 CDBG/HOME CDBG/HOME	2008 Amnd CDBG/HOME CDBG/HOME	Total	Total				
<b>Planning/Management</b>														
Salaries/Benefits/Monitoring	\$176,081			\$53,750			\$176,003		\$52,856		\$228,859	\$228,859	(\$772)	
Monitoring Consultant	\$27,000						\$15,000				\$72,000	\$15,000	(\$12,000)	
Fair Housing	\$6,000						\$6,000				\$6,000	\$6,000	\$0	
CoC Consultant (STIP)	\$4,000						\$4,000				\$4,000	\$4,000	\$0	
<i>subtotal</i>	\$213,081	\$0	\$53,750	\$0	\$52,856	\$0	\$201,003	\$0	\$52,856	\$0	\$266,859	\$253,859	(\$12,972)	
<b>Human Services</b>														
Activity Delivery (Sal/Ben)	\$165,000						\$0				\$0	\$0	\$0	
Contracts	\$165,000						\$155,000	\$14,325			\$165,000	\$169,325	\$4,325	
<i>subtotal</i>	\$165,000	\$0			\$14,325		\$155,000	\$14,325			\$165,000	\$169,325	\$4,325	
<b>Affordable Housing</b>														
Activity Delivery (Sal/Ben)	\$40,281						\$40,281		\$2,000		\$42,281	\$42,281	\$0	
Housing Rehab Admin	\$45,003	\$141,918					\$0	\$137,879			\$141,918	\$137,879	(\$4,039)	
Housing Rehabilitation		\$239,997					\$52,751	\$232,249			\$285,000	\$285,000	\$0	
HRP-LBP Hazard Grants		\$55,864					\$55,864	\$54,013			\$55,864	\$54,013	(\$1,851)	
Housing Development Fund		\$209,767					\$100,272	\$420,566			\$687,289	\$1,094,679	\$407,390	
HOME - CHDO		\$95,250					\$302,659	\$92,410			\$397,889	\$855,299	\$457,410	
CHDO Operation Funds		\$31,750					\$16,000	\$16,968			\$47,750	\$47,771	\$21	
Rehr Assistance HOME		\$75,000					\$19,500	\$75,000			\$88,500	\$87,690	(\$810)	
First Time Homebuyer Assi		\$0					\$0	\$206,668			\$298,572	\$406,668	\$108,096	
Non-profit Facility Improvmt		\$248,139					\$163,677	\$405,470			\$429,387	\$569,147	\$139,760	
CDBG Neighbor Imprvmt	\$466,552	\$895,685	\$581,250				\$456,789	\$1,280,177	\$563,210	\$1,310,331	\$2,474,450	\$3,610,427	\$1,135,977	
<i>subtotal</i>														
<b>Special Projects</b>														
Activity Delivery (Sal/Ben)	\$25,387						\$25,387				\$25,387	\$25,387	\$0	
Stash n Door Clearance		\$52,000					\$0	\$51,243			\$52,000	\$51,243	(\$757)	
<i>subtotal</i>	\$25,387						\$25,387	\$51,243			\$77,387	\$76,630	(\$757)	
<b>Total</b>	\$870,000	\$947,685	\$635,000				\$530,983	\$1,345,745	\$616,066	\$1,310,331	\$2,983,668	\$4,110,241	\$1,126,573	
I Section 108 Loan Authority											\$4,350,000	\$4,190,495	(\$159,505)	
<b>Notes:</b>											\$7,333,668	\$8,300,736	\$967,068	

(1) Includes projects committed with 2006 Letter of Credit funds  
 (2) Includes projects committed with 2006 Letter of Credit funds  
 Significant changes between 2008 and 2008 Amendment:  
 1. CDBG Award reduced from \$870,000 budgeted to \$838,099 actual (\$31,901 less)  
 2. HOME Award reduced from \$635,000 budgeted to \$616,066 actual (\$18,934 less)  
 3. Monitoring Consultant reduced by \$12,000 to reflect current contract rate  
 4. 2008 Human Service amount reduced \$10,000 as result of HRP income and 2008 award reductions. 2007 year end carryover under contract but yet disbursed was \$14,325.  
 5. HDP increase due to projects carrying over to new year and changes  
 Food Bank now funded with general funds-CDBG moved to NIP  
 Excess CDBG RLF moved to HDP - Walton II  
 Walton I CHDO moved to Walton II  
 Walton II HOME moved to Walton I  
 DVSAS (\$30,000) and YWCA Sissmie (\$26,047) carried over to 2008  
 CHDO increase is due to Walton I CHDO not closing and the addition of 2008 award  
 6. Some homebuyer sales planned to receive 2007 assistance did not close in 2007.  
 7. NIP changes  
 Sunset Park tabbed until street improvements can be funded. Funds to Walton Creek  
 Food Bank now funded with general funds-CDBG moved to proposed Brethwood NIP  
 Revenue Changes  
 Original Amend Diff  
 CDBG Award: \$870,000 \$838,099 (\$31,901)  
 HOME Award: \$635,000 \$616,066 (\$18,934)  
 2007 CDBG PI: \$232,204 \$197,094 (\$35,110)  
 HOME LOCP/PI offset: \$0 \$131,152 (\$131,152)

# AMENDED 2008 BUDGET SUMMARY

## 2008 BUDGET SUMMARY

2/29/08

(Changes indicated in highlight text/numbers)

Amended	1/1/08 - 12/31/08		
	<u>CDBG</u>	<u>HOME</u>	
<b>RESOURCES</b>			
2008 Awards-HUD Entitlement Grant	\$838,099	\$616,066	
Program Income	\$233,459	\$44,378	
Revolving Loan Funds/Carryover PI	\$650,271		
Letter of Credit	\$562,015	\$1,265,953	
<b>Total Resources</b>	<b>\$2,183,844</b>	<b>\$1,926,397</b>	<b>\$4,110,241</b>
Section 108 loan guarantee authority	\$4,190,755		
<b>Total Available</b>	<b>\$6,374,599</b>	<b>\$1,926,397</b>	<b>\$8,300,996</b>
<b>USES</b>			
<b>Planning/Management</b>			
Salaries/monitoring	\$191,003	\$52,856	
Fair Housing/Public Information	\$6,000		
Cont of Care/SHP Consultant	\$4,000		
<b>Subtotal</b>	<b>\$201,003</b>	<b>\$52,856</b>	
<b>Human Services</b>			
Contracts (\$155,000)+2007 carryover	\$169,325		
<b>Subtotal</b>	<b>\$169,325</b>		
<b>Affordable Housing</b>			
Rental/Homeowner Program Admin	\$137,879		
Project Activity Delivery Costs	\$40,281	\$2,000	
Housing/Rental Rehab	\$285,000		
HPR Hazards Cleanup Grants	\$54,013		
Housing Development Program	\$420,566	\$674,113	
HOME-CHDO		\$855,299	
CHDO Operating Funds		\$47,771	
HOME Tenant Based Rental Assist.		\$87,690	
First Time Homebuyer	\$200,000	\$206,668	
Non-profit Facilities	\$30,000		
Neighborhood Initiative	\$569,147		
<b>Subtotal</b>	<b>\$1,736,886</b>	<b>\$1,873,541</b>	
<b>Special Projects</b>			
Project Activity Delivery Cost	\$25,387		
Sash n Door – clearance	\$51,243		
<b>Subtotal</b>	<b>\$76,630</b>		
<b>Total Planned Uses:</b>	<b>\$2,183,844</b>	<b>\$1,926,397</b>	<b>\$4,110,241</b>
Section 108 avail. to qualified projects	\$4,190,755		
<b>Total</b>	<b>\$6,374,599</b>	<b>\$1,926,397</b>	<b>\$8,300,996</b>

Program Income/Revolving Loan Fund ("RLF"): Repayments on loans made by the City with grant funds. RLF funds are funds for on-going programs that generate repayments used in carrying out those same activities.

Letter of Credit: Grant funds not used by end of the year that can be carried over for use in following calendar year.

Section 108: Funds the City may apply to HUD for, to fund qualified housing and economic development projects. The maximum available is five times Bellingham's CDBG grant.

# 2008 BUDGET SUMMARY

Amended	1/1/08 - 12/31/08		
	<u>CDBG</u>	<u>HOME</u>	
<b><u>RESOURCES</u></b>			
2008 Awards-HUD Entitlement Grant	\$870,000	\$635,000	
Program Income	\$233,459	\$44,378	
Revolving Loan Funds/Carryover PI	\$336,508		
Letter of Credit	\$377,718	\$486,605	
<b>Total Resources</b>	<b>\$1,817,685</b>	<b>\$1,165,983</b>	<b>\$2,983,668</b>
Section 108 loan guarantee authority	\$4,350,000		
<b>Total Available</b>	<b>\$6,167,685</b>	<b>\$1,165,983</b>	<b>\$7,333,668</b>
<b><u>USES</u></b>			
<b>Planning/Management</b>			
Salaries/monitoring	\$203,081	\$53,750	
Planning/CPlan	0		
Fair Housing/Public Information	\$6,000		
Cont of Care/SHP Consultant	\$4,000		
<b>Subtotal</b>	<b>\$213,081</b>	<b>\$53,750</b>	
<b>Human Services</b>			
Contracts	\$165,000		
<b>Subtotal</b>	<b>\$165,000</b>		
<b>Affordable Housing</b>			
Rental/Homeowner Program Admin	\$141,918		
Project Activity Delivery Costs	\$40,281	\$2,000	
Housing/Rental Rehab	\$285,000		
HPR Hazards Cleanup Grants	\$55,864		
Housing Development Program	\$209,767	\$477,522	
HOME-CHDO		\$397,889	
CHDO Operating Funds		\$47,750	
HOME Tenant Based Rental Assist.		\$88,500	
First Time Homebuyer	\$200,000	\$98,572	
Neighborhood Initiative	\$429,387		
<b>Subtotal</b>	<b>\$1,362,217</b>	<b>\$1,112,233</b>	
<b>Special Projects</b>			
Project Activity Delivery Cost	\$25,387		
Sash n Door – clearance	\$52,000		
<b>Subtotal</b>	<b>\$77,387</b>		
<b>Total Planned Uses:</b>	<b>\$1,817,685</b>	<b>\$1,165,983</b>	<b>\$2,983,668</b>
Section 108 avail. to qualified projects	\$4,350,000		
<b>Total</b>	<b>\$6,167,685</b>	<b>\$1,165,983</b>	<b>\$7,333,668</b>

Program Income/Revolving Loan Fund ("RLF"): Repayments on loans made by the City with grant funds.

RL funds are funds for on-going programs that generate repayments used in carrying out those same activities.

Letter of Credit: Grant funds not used by end of the year that can be carried over for use in following calendar year.

Section 108: Funds the City may apply to HUD for, to fund qualified housing and economic development projects. The maximum available is five times Bellingham's CDBG grant.



<b>2008 HUMAN SERVICE GRANTS</b>			<b>FINAL</b>	<b>3/18/08</b>
		<b>CDBG</b>	<b>Gen Fund</b>	<b>TOTAL</b>
<b>Housing</b>				
LAW Advocates	Disability Benefits Advocacy Project		\$11,270	\$11,270
Lydia Place	Transitional Housing Program		\$25,290	\$25,290
Northwest Youth Services	Safe Home		\$12,376	\$12,376
Northwest Youth Services	Transitional Living Program	\$17,283		\$17,283
Opportunity Council	Homeless Housing	\$27,842		\$27,842
Sun Community Service	Housing for Homeless w/ Mental Illness		\$18,999	\$18,999
Womencare Shelter	Emergency Domestic Violence Service	\$29,093	\$8,770	\$37,863
YWCA	Larrabee Residence Transitional Housing		\$20,230	\$20,230
<b>Physical Health Services</b>				
Bellingham Technical College	Dental Clinic	\$8,080		\$8,080
Evergreen AIDS Foundation	Barney Wood Memorial Fund		\$6,429	\$6,429
Interfaith Community Health Ctr	Medical and Dental Programs	\$10,031	\$30,857	\$40,888
Sea Mar Community Health Ctr	Homeless and Outreach Program		\$14,601	\$14,601
Whatcom County Health Dept	Adult Health		\$2,586	\$2,586
Whatcom Volunteer Center	Volunteer Chore Program		\$10,221	\$10,221
<b>Basic Needs</b>				
Assistance League of Bellingham	Operation School Bell		\$7,058	\$7,058
Bellingham Food Bank	Emergency Food Distribution		\$29,998	\$29,998
Community to Community Dev't	Small Potatoes Gleaning Project		\$4,527	\$4,527
Opportunity Council	Maple Alley Inn		\$26,396	\$26,396
Opportunity Council	Community Voice Mail		\$14,701	\$14,701
<b>Mental Health Services</b>				
Domestic Viol & Sexual Assault Svs	New Beginnings Support Groups		\$8,542	\$8,542
<b>Job Training</b>				
Northwest Youth Services	Northwest Training Institute	\$5,904		\$5,904
ReUse Works	Job Training Program		\$11,745	\$11,745
Whatcom Literacy Council	Obtaining Job Skills Through Literacy		\$12,180	\$12,180
<b>Child Care / Early Intervention for Children</b>				
B'ham Childcare & Learning Ctr	Affordable Childcare	\$27,998		\$27,998
Boys & Girls Clubs of Whatcom Co	After-School and Summer Programs		\$13,000	\$13,000
Opportunity Council	Early Childhood Opportunities NW	\$19,999		\$19,999
Big Brothers Big Sisters...	One-to-One Mentoring		\$15,000	\$15,000
<b>Support Services/Case Management, Crisis Services</b>				
Brigid Collins Family Support Ctr	...Child Abuse Treatment and Prevention	\$8,770		\$8,770
Domestic Viol & Sexual Assault Svs	24-Hour Crisis Intervention Services		\$10,000	\$10,000
<b>Emergency Shelter Program</b>	Allocations in Fall 2008		\$29,549	\$29,549
<b>Readiness to Learn</b>			\$10,000	\$10,000
<b>TOTAL</b>		<b>\$155,000</b>	<b>\$354,325</b>	<b>\$509,325</b>