1	PROPOSED BY: GALLOWAY, BUCHANAN
2	INTRODUCTION DATE: <u>SEPTEMBER 12, 2023</u>
3 4	RESOLUTION NO.
5	CURRORTING THE HEE OF FOONOMIC REVELORMENT INVESTMENT (FRI) FUNDS FOR
6 7	SUPPORTING THE USE OF ECONOMIC DEVELOPMENT INVESTMENT (EDI) FUNDS FOR AFFORDABLE HOUSING
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9	WHEREAS, housing is an important element of economic development, especially
10 11	workforce housing that supports business recruitment and retention; and
12	WHEREAS, a lack of available and affordable housing for all economic segments of our
13	community remains a significant challenge in Whatcom County; and
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15	WHEREAS, the City of Bellingham estimates that less than 30% of Whatcom County
16	housing is affordable to a household earning the median family income, and a more balanced
17	proportion is around 50%; and
18	
19	WHEREAS, the Washington State Department of Commerce projects Whatcom County
20 21	will need to build 34,377 new homes by the year 2044, 18,053 of which need to be affordable to households earning less than 50% of Area Median Income; and
22	Tiouseriolus earning less than 50% of Area Median Income, and
23	WHEREAS, Whatcom County needs to take a more holistic, system-wide approach to
24	our community's housing issues, addressing housing availability and affordability through both
25	a health and human services approach as well as a land use and planning approach; and
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27	WHEREAS, on January 10, 2023, the Whatcom County Business and Commerce
28	Advisory Committee transmitted their proposal to increase access to housing for all income
29	levels, which included recommendations to:
30	- Reduce the complexity and the cost of compliance of code,
31	- Prioritize density in existing city boundaries and urban growth areas while supporting
32 33	limited annexations, - Provide incentives for permanently affordable home ownership and rentals for occupants
34	whose incomes range from 50% to 150% of area median income; and
35	whose incomes range from 50% to 150% of area median income, and
36	WHEREAS, on August 8, 2023, the Whatcom County Council approved Resolution 2023-020
37	affirming the housing affordability and homelessness are a public health crisis requiring
38	systemwide actions; and
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40	WHEREAS, the Economic Development Investment (EDI) Board was created to make
41	recommendations to the Whatcom County Council to invest in economic development and public
42	facilities consistent with RCW 82.14.370; and
43	WILLDEAC DOWN 02 14 270 authorized Whatsom County to matrix a monthly of sales and
44 45	WHEREAS, <u>RCW 82.14.370</u> authorizes Whatcom County to retain a portion of sales and use tax to finance public facilities, including affordable housing infrastructure or facilities, with
46	the goal of improving the economy by stimulating and creating ongoing private sector jobs; and
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the goal of improving the economy by stimulating and creating ongoing private sector jobs; and

WHEREAS, RCW 82.14.370 defines "Affordable workforce housing infrastructure or facilities" as housing infrastructure or facilities that a qualifying provider uses for housing for a single person, family, or unrelated persons living together whose income is no more than 120 percent of the median income, adjusted for housing size, for the county where the housing is located; and

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WHEREAS, RCW 82.14.370 defines "Qualifying provider" as a nonprofit entity as defined in RCW 84.36.560, a nonprofit entity or qualified cooperative association as defined in RCW 84.36.049, a housing authority created under RCW 35.82.030 or 35.82.300, a public corporation established under RCW 35.21.660 or 35.21.730, or a county or municipal corporation; and

WHEREAS, the Whatcom County Executive manages the EDI Program, which makes grants and low interest loans to assist in financing public facilities required by businesses to create or retain jobs; and

WHEREAS, the Whatcom County Council makes the final loan and grant approval decisions for all EDI projects; and

WHEREAS, the EDI Board makes recommendations aligned with the following goals to:

- 1. Increase the number of family wage jobs available to the citizens of the county,
- 2. Retain existing businesses within the county,
- 3. Facilitate the expansion of existing businesses,
- 4. Attract new businesses to Whatcom County, and
- 5. Sustain the EDI Program through repayment of EDI loans; and

WHEREAS, Whatcom County's 2022-2026 Comprehensive Economic Development Strategy (CEDS) aims to strengthen and sustain the regional economy through the retention and creation of living-wage jobs and to foster a stable and diversified regional economy; and

WHEREAS, the CEDS identifies housing availability and affordability as high priority issues affecting Whatcom County's ability to grow economically; and

WHEREAS, the CEDS identifies an objective to work with local jurisdictions and service providers to inform and assist with the development of affordable and available housing choices for all income levels in Whatcom County; and

WHEREAS, the CEDS identifies a strategy to promote and support immediate solutions to the housing crisis, including

- 1. Support and promote the urgent need for affordable housing for workers, in areas near services, throughout Whatcom County.
- 2. Support efforts to address houselessness issues throughout Whatcom County.
- 3. Support and advocate for local businesses impacted by the housing crises.
- 4. Support and promote a diverse array of housing solutions, housing choice, and affordable housing types that address the housing crisis.
- 5. Support housing development and modular construction companies that develop innovative and environmentally sustainable housing solutions.
- 6. Support increased mixed-use zoning in order to encourage different housing choices and creating different yet sustainable and innovative live-work spaces.
- 7. Support nonprofits that work on innovative housing solutions.
- 8. Participate on boards and committees working to address the housing crisis.
- 9. Collaborate with the Whatcom Housing Alliance to conduct a workforce housing feasibility study; and

WHEREAS, Substitute House Bill 1267 amended RCW 82.14.370 in May 2023, to extend the authorization for the sales and use tax for public facilities in rural counties through December 31, 2054; and

1 2	WHEREAS, According to the Whatcom County 2023-2024 Budget, the EDI program has an estimated ending 2023 balance of \$36.14 million, with an anticipated \$5.89 million in
3 4	revenue in 2023 and \$6.1 million in 2024; and
5 6	WHEREAS, since the inception of Whatcom County's Homes Affordable for the Workforce (HAFTW) EDI loan program in 2011, the EDI program has assisted in the construction of 139
7 8	new homes through \$2.54million in low-interest loans; and
9	WHEREAS, Whatcom County needs to commit additional local funds in order to keep
10 11	pace with the increasing community need.
12	NOW, THEREFORE, BE IT RESOLVED that the Whatcom County Council supports
13	increasing the use of Economic Development Investment (EDI) funds for housing affordability
14 15	efforts as authorized in RCW 82.14.370; and
16	BE IT FURTHER RESOLVED that the Whatcom County Council supports making housing
17	affordability and homelessness a top legislative priority and working with State Legislators to
18	advocate for any technical fixes or clarification bills necessary to maximize the County's ability
19	to use EDI funding for housing affordability efforts; and
20	DE LE FINALLY DECOLVED that the Whateom County Council recommends that the FDI
21 22	BE IT FINALLY RESOLVED that the Whatcom County Council recommends that the EDI Board:
23	1. Updates its policy document to prioritize affordable and workforce housing projects, up to
24	120 percent of area median income, for economic development,
25	2. Supports investment at a minimum of 8% of the EDI fund balance every two years for
26	housing affordability projects (approximately \$2.89 million), as allowed by State law.
27	3. Supports investment at a minimum of 25% of the annual EDI revenues for each of the
28	next five years to contribute toward housing affordability projects, and
29	4. Updates guidelines and an application process to request the use of EDI funds for
30	affordable and workforce housing projects.
31	5. Reports to the County Council by December 31, 2024 on recent program changes,
32 33 34	proposed program considerations, and recommendations related to the EDI program's role in housing affordability investments.
35 36	APPROVED this day of, 2023.
37	WHATCOM COUNTY COUNCIL
38	ATTEST: WHATCOM COUNTY, WASHINGTON
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40 41	Dana Brown-Davis, Clerk of the Council Barry Buchanan, Council Chair
42 43 44	APPROVED AS TO FORM:
45 46	Karen Frakes (by email 8/30/2023)
47	Civil Deputy Prosecutor