

**RESOLUTION NO. \_\_\_\_\_**

**SUPPORTING MODERNIZATION OF THE ECONOMIC DEVELOPMENT INVESTMENT (EDI) BOARD**

**WHEREAS**, RCW 82.14.370 grants the Whatcom County Council the legislative authority to adopt a sales and use tax to finance public facilities serving economic development purposes and to finance personnel in economic development offices; and

**WHEREAS**, the Whatcom County Council has adopted this tax for the broad purpose of economic development investments (EDI); and

**WHEREAS**, this tax is a credit against the state sales tax and does not create additional burden on local taxpayers; and

**WHEREAS**, RCW 82.14.370 (3)(a) and RCW 82.14.370 (3)(c)(i) define that these revenues may be used for public facilities serving economic development purposes, including affordable workforce housing infrastructure or facilities; and

**WHEREAS**, RCW 82.14.370 (3)(b) requires that the county must consult with cities, towns, and port districts and the associate development organization serving the county to ensure that the expenditure of EDI money meets the goals of creating, attracting, expanding, and retaining businesses, providing family-wage jobs, and providing affordable workforce housing infrastructure or facilities; and

**WHEREAS**, in 2022 the Washington State Legislature amended RCW 82.14.to add affordable workforce housing infrastructure or facilities as an allowed use of funds; and

**WHEREAS**, in 2024, the Washington State Legislature passed HB 1987,clarifying that these funds may be used for housing that is nonprofit owned and make it clear that land is an eligible project cost; and

**WHEREAS**, in 2023, the Whatcom County Council unanimously approved resolution 2023-043, supporting the use of EDI funds for affordable housing and resolved that the EDI Board prioritize affordable housing and workforce housing projects; and

**WHEREAS**, Whatcom County's economy, the county's key economic sectors, the county's needs for economic development, and the State Legislature's definitions of eligible uses of the EDI tax revenues has changed greatly since the year 2000, including escalating community needs for workforce housing; and

**WHEREAS**, the scope of purpose, functions, and membership of the EDI Board was first defined in Whatcom County Code (WCC) Chapter 2.130 twenty-four years ago in 2000 (Ord. 2000-022); and

**WHEREAS**, the purpose, function, and membership of the EDI board has not been reconsidered or redefined since 2003 (Ord. 2003-046); and

**WHEREAS**, since 2003, the Washington State Legislature and the Whatcom County Council have identified housing as a priority for investing EDI funds, yet the Whatcom County Code 2.130.020 (Purposes of investments) does not list housing as a purpose or priority for the use of EDI revenues; and

**WHEREAS**, WCC 2.130.040 (Membership & terms of office for the EDI Board) includes no representative defined as associated with developing housing; and

**WHEREAS**, WCC 2.130.040 (Membership & terms of office for the EDI Board) list no limits to the terms of members of the EDI Board as defined in 2000 (Ord. 2000-022) and 2003 (Ord. 2003-046); and

**WHEREAS**, WCC 2.130.040 (c) violates the Whatcom County Charter Section 3.23 by inappropriately exempting Executive appointments to the EDI Board from Council approval; and

**WHEREAS**, WCC Chapter 2.130.050 provides no requirements for regularly scheduled meetings, which may be a burden for applicants needing information about projects other applicants may have pending; and

**WHEREAS**, WCC Chapter 2.130.050 (Organization – Meetings) states that no investment shall be made in support of residential development, which is inconsistent with contemporary goals of for EDI funds set by the State Legislature and the Whatcom County Council; and

**WHEREAS**, WCC Chapter 2.130 provides Whatcom County Council with inadequate opportunities for engaging with policy decisions related to EDI investments; and

**THEREFORE, BE IT RESOLVED** that the Whatcom County Council requests that the County Executive work with the Council and stakeholders to develop a new ordinance to replace the current WCC Chapter 2.130; and

**BE IT FURTHER RESOLVED** that a draft of the new ordinance be completed in time for Council consideration to be introduced early enough for adoption before the end of 2024;

**BE IT FURTHER RESOLVED** that a proposed draft ordinance consider the following Council priorities:

- Define the purpose and priorities of the EDI Board to include workforce housing and affordable housing.
- Restructure the size and composition of the EDI Board, and reconsider how various sectors of the economy are included on the Board.

- Consider eliminating some of the current Board positions now defined in WCC 2.130.040 and consider adding new positions.
- Implement term limits for EDI Board members.
- Require that the County Council approve all Executive appointments to the Board.
- Provide opportunities for Council appointments to some Board positions.
- Have regularly scheduled meetings of the Board, no less than two per year.
- Eliminate language from WCC 2.130.050 prohibiting investments in residential development.
- Develop procedures and / or code language that encourages applications for investments in projects that leverage the construction of new housing.
- Develop procedures and / or code language that discourage applications for investments that fund investments in public facilities where existing utility rate-payers may fund such investments.

**BE IT FURTHER RESOLVED** that that the Whatcom County Council requests the Executive concurrently update EDI program policies, procedures, and applications to reflect new allowed uses of EDI funds and Council priorities articulated herein and in Resolution 2023-043.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

WHATCOM COUNTY COUNCIL  
WHATCOM COUNTY, WASHINGTON

\_\_\_\_\_  
Dana Brown-Davis, Clerk of the Council

\_\_\_\_\_  
Barry Buchanan, Council Chair

APPROVED AS TO FORM:



\_\_\_\_\_  
Civil Deputy Prosecutor