



Whatcom County  
Executive's Office

# 2027 EDI Fund Allocation

BRIEFING TO COUNTY COUNCIL  
MAY 2026

MEMO · MAY 14, 2026

15 ~ MINUTES + DISCUSSION



Presenter:

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# The Economic Development Investment Program

~\$4M

## Annual allocable revenue in a normal year

Funded by the state-authorized 0.09% local sales-and-use tax for rural counties.

### 01 Public infrastructure for economic development

Water, sewer, transportation, energy, and stormwater capacity that make industrial land ready.

### 02 Income-restricted affordable housing

Added as an eligible use by State Legislature in 2024–2025. Direct subsidy to construction.

### 03 Recommended, administered, appropriated

EDI Board recommends · Executive administers the program · Council appropriates and approves each award.

## STRUCTURAL CONTEXT

# A Fund with Expanded Uses, Unchanged Revenue

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In 2024–2025, the State Legislature expanded EDI's eligible uses to include income-restricted affordable housing. **The eligible uses were expanded; the funding was not.** Whatcom County now allocates between affordable housing and infrastructure - within the same revenue envelope.

## CYCLE CONTEXT

# The 2025–2026 Cycle Was a One-Time Draw-Down

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### A deliberately large slate

2025–2026 was the first year under the modernized County code, and the first cycle in which both Economic Development / Infrastructure and Income-Restricted Affordable Housing were eligible.

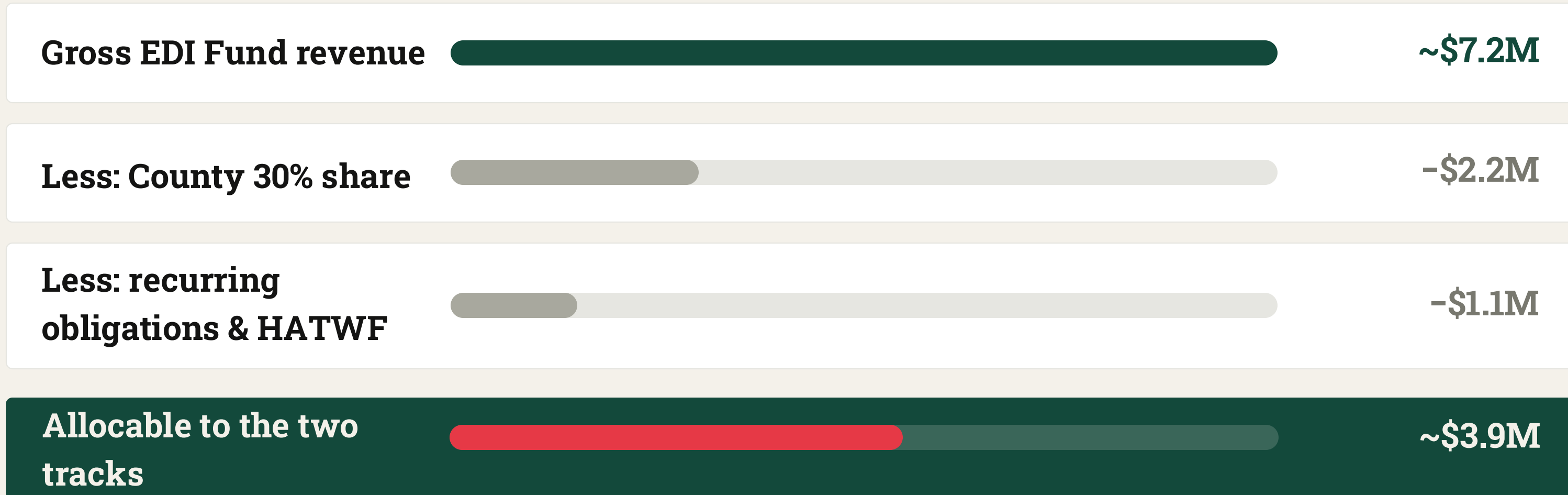
Council and the Board set a large slate of awards **to draw fund balance down to working levels.**

### The 30 / 30 / 40 motion was a cycle target

Council's 2025 motion setting the 30 / 30 / 40 allocation (County share / Housing / Government Infrastructure) was made in that draw-down context and was a target for that cycle. **It was not set as a permanent allocation convention.**

## 2027 OPERATING POSTURE

# 2027 Returns the Fund to a Normal Operating Posture



The County 30% share comes off the top of gross revenue. Recurring obligations and established programs — including the Housing Affordability and Terms Work Fund (HATWF) — are then taken from what remains. The allocation between Infrastructure and Housing is made from what is left: **the allocable amount**. First cycle in the Fund's history in which Income-Restricted Affordable Housing competes with Economic Development / Infrastructure in a non-drawdown year.

FROM THE MAY 6, 2026 BOARD MEETING

# The EDI Board's Recommendations

## RECOMMENDATION 01

### Two-track framework with carryforward

Unspent allocations in either track stay in that track rather than re-aggregating into a single balance.

**Adopted**

## RECOMMENDATION 02

### Application calendar

Open the 2027 cycle on June 1, 2026. Close no later than July 31, 2026.

**Adopted**

## RECOMMENDATION 03

### 2027 dollar split

\$2,300,000 to Infrastructure and \$1,700,000 to Housing – a 57.5% / 42.5% allocation.

**Decision differs ↓**

# The 2027 Allocation

75 / 25



■ Infrastructure - \$3M

■ Housing - \$1M

## Two tracks, with carryforward

### 75% Economic Development & Infrastructure

Approximately \$3,000,000 · includes housing-enabling infrastructure

### 25% Income-Restricted Affordable Housing

Approximately \$1,000,000 · direct subsidy to construction

# What Counts as Housing Under the 25% Allocation

## ELIGIBLE HOUSING ALLOCATIONS

Direct subsidy to construction or other costs related to the creation of **Income-Restricted Affordable Housing**, for either rental or ownership.

Municipal infrastructure prerequisite to general residential development, Urban Growth Area (UGA) expansion infrastructure, & infrastructure that enables housing supply all remain in the 75% Infrastructure track. *The two tracks work in tandem, with infrastructure investment supporting housing development in crucial and durable ways alongside the direct subsidy provided through the Housing track.*

# EDI Infrastructure Investments Run at \$2.5M–\$3M Per Project

## Old Town Urban Village

City of Bellingham · housing-enabling infrastructure

## West Lynden Infrastructure

Supporting Lineage & Lynden Door

## Bear Creek Wetland Mitigation

Site readiness

## Blaine Gateway Regional Stormwater

Regional stormwater facility

## All-American Marine

Industrial-site infrastructure

## CEDS pipeline · 2027–2031

Water, sewer, transportation, energy capacity

### BOARD RECOMMENDATION

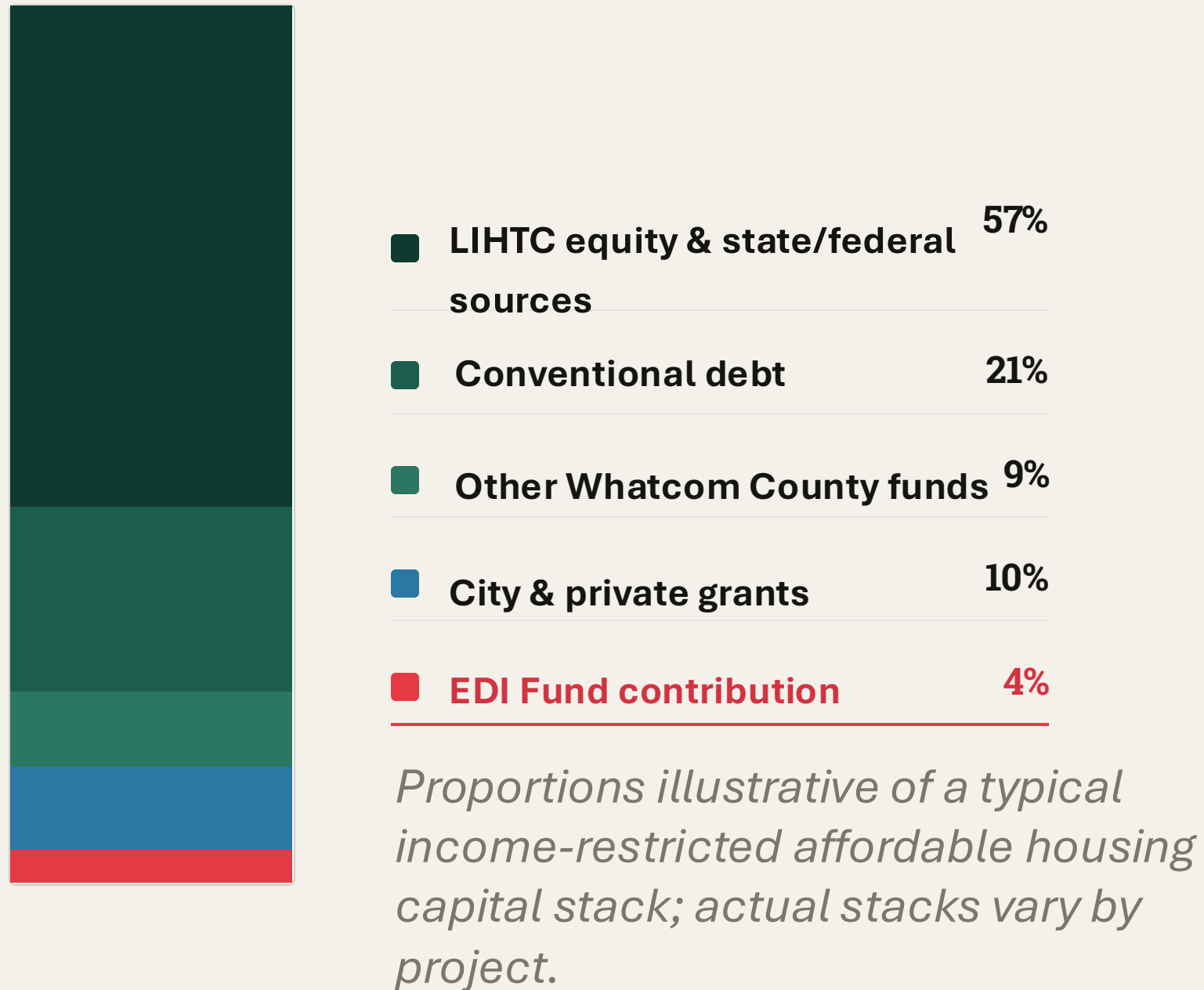
**\$2.3M / year**

### EXECUTIVE'S PROPOSAL

**\$3.0M / year**

Plus carryforward — runway for one high-leverage project per year, or banking toward a larger future investment.

# EDI's Role in the Housing Capital Stack



## One instrument among several

Regardless of what EDI allocates, **County funds are a minor part** of any given affordable-housing project's capital stack.

The County contributes alongside several other Whatcom County funding vehicles and other public and private sources.

EDI's most useful contribution is therefore **reliable and predictable** — not maximized in any one year.

Carryforward lets a \$1M annual Housing allocation bank toward larger contributions when the pipeline calls for them.

# Council Action

**JUNE 1, 2026**

**Application period opens**

Open to both Infrastructure and Housing applicants.

**BY JULY 31, 2026**

**Applications close**

Per the Board's recommended calendar, adopted by the Executive.

**AUGUST 2026**

**Board recommends individual awards**

EDI Board reviews applications and recommends specific projects.

**FALL 2026**

**Council approves**

Council appropriates the budget and approves each individual project award.

**Track allocation is administrative.** Per §4 of the EDI Program Guidelines, the Executive manages the program; Council's binding role operates through appropriation and approval of each award.

# 75 / 25 Is a Baseline, Not a Fixed Convention

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## Reviewed each cycle

Track percentages will be reviewed with the EDI Board and with Council each cycle. The need for explicit allocation percentages between two tracks is itself new — a function of the 2024–25 RCW changes re: housing eligibility.

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## Predictability is the product

Sharp annual swings undermine the planning capacity this program needs to support. The Executive will not seek them.

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## Modest year-to-year change

Year-to-year changes should remain on the order of  $\pm 5\%$  so applicants and partner agencies can forecast against this Fund with confidence.

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## Continuing conversation

Welcome continued conversation with Council and with the Board on the longer-term methodology — a Fund that can be planned against with confidence over multiple cycles is what all parties are served by.

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COUNCIL · MAY 2026 ·

# Discussion

Whatcom County Executive's Office