



MEMORANDUM

TO: Whatcom County Council

FROM: Jill Boudreau, Special Projects Manager

THROUGH: Satpal S. Sidhu, County Executive
Kayla Schott-Bresler, Deputy Executive

RE: Economic Development Investment Board – Funding Recommendation
for Infrastructure and Housing Projects.

DATE: August 26, 2025

In January 2025, the Whatcom County Council adopted Ordinance 2025-003, to amend the Whatcom County Code Chapter 2.130 to modernize the Economic Development Investment (EDI) Board. Many of these changes resulted from Council Resolutions 2023-043 and 2024-018, which called for the EDI Board to modernize its approach and consider affordable and workforce housing as priorities. These new efforts align with state legislation that expanded the use of rural county sales tax funds to include affordable workforce housing.

Those changes influenced changes in the process for initiating a call for applications. An annual schedule was developed to align with the County's biennial budget process and to provide more consistency in the application and funding process. Additionally, the expanded use of the Fund for Workforce Housing required the housing applicants to respond to a Request for Proposal to adhere to County purchasing protocols.

In April 2025, the Whatcom County Council discussed proactive and planned investment target allocations for fund balance and annual revenues, inclusive of affordable and workforce housing. At that time, Council chose to:

- reserve 15% of the fund balance then,
- allocate 30% to the County,
- and target allocate 40% to infrastructure/ other governments
- and target allocate 30% to housing projects

The call for project applications included two processes, one for infrastructure applications and due to County purchasing code, a formal request for proposals (RFP) for housing project applications. The process ran from May 28 to June 30, 2025. Ten (10) applications/RFP responses were submitted totaling \$ 15,499,625. Staff reviewed applications and prepared meeting materials for the Board to review in advance of the August 5th meeting.

On August 5, 2025 the EDI Board met to review received applications and discuss recommended awards based on the finalized EDI financial projection. The Board met again on August 26, 2025. The following table was presented.

2026 EDI FUND ALLOCATION

Projected Fund Balance (end of 2026)	\$ 15,086,235
Less Port of Bellingham WA Ag Research Station project	\$ 2,899,813
	\$ 12,186,422
Less 15 reserve amount	\$ 1,827,963
	\$ 10,358,459
Less 2026 administrative charge	\$ 15,000
TOTAL TO ALLOCATE	\$ 10,343,459
County (30%)	\$ 3,103,038
Other govts (Suggested 40% per County Council)	\$ 4,137,383
Housing (Suggested 30% per County Council)	\$ 3,103,038

Working with the targeted allocations for infrastructure and workforce housing projects, the Board deliberated for three hours and voted on recommendations for the infrastructure allocation and discussed workforce housing applications.

On August 26, 2025 the EDI Board met to conclude their business and voted to recommend an additional workforce housing project. The Board made two recommendations to County Council.

BOARD RECOMMENDATION #1: FUNDING FOR 2026

	TOTAL TO ALLOCATE	EDI BOARD recommended	EDI BOARD recommended LOAN	EDI BOARD recommended GRANT
	\$ 7,240,421			
Other govts (40%)	\$ 4,137,383	\$3,555,300	\$2,000,000	\$1,555,300
Unallocated		\$ 600,000		
Housing (30%)	\$ 3,103,038	\$1,750,000	\$1,000,000	\$750,000
Unallocated		\$1,335,121		
		The Board voted to reserve \$600,000 for future infrastructure projects		

RECOMMENDATION DETAIL:

Infrastructure Project	Maple Falls Water Co-op <i>Tank replacement</i>
Funding Request	\$555,300 grant
Board Recommendation (Aug. 5 th)	\$555,300 grant
Vote	13-0

Infrastructure Project	Port of Bellingham <i>Fairhaven Marine Industrial Park</i>
Funding Request	\$2,000,000 loan, \$1,000,000 grant
Board Recommendation (Aug. 5 th)	\$2,000,000 loan, \$1,000,000 grant
Vote	12-0-1

Workforce Housing Project	Kulshan Community Land Trust <i>LaFreniere Court Townhomes</i>
Funding Request	\$350,000 grant
Board Recommendation (Aug. 5 th)	\$350,000 grant
Vote	13-0

Workforce Housing Project	Kulshan Community Land Trust <i>Telegraph Townhomes</i>
Funding Request	\$400,000 grant
Board Recommendation (Aug. 5 th)	\$400,000 grant
Vote	13-0

Workforce Housing Project	Bellingham Housing Authority - Unity Street Project
Funding Request	\$1,000,000 loan
Board Recommendation (Aug 26 th)	\$1,000,000 loan
Vote	6-4-1 (2 absent)

If this recommendation of the Board is adopted by the Council, the Administration will include these allocations in the biennial budget process as well as the prepare for the loan and grant agreements. as a supplemental budget request for County Council review and approval.

The Administration has confirmed that sufficient fund balances are available for Council approval of this request, and that the recommended projects are eligible for funding under RCW 82.14.370.

APPLICATIONS NOT FUNDED:

City of Bellingham: Pine/Wharf Waterfront Connection	\$ 4,500,000
Opportunity Council: Bellis Fair Senior Housing	\$ 1,386,485
Mercy Housing NW: Old Town Senior Housing	\$ 3,000,000
Catholic Community Services: Lynden Station Workforce Housing	\$ 1,115,000
Kulshan Community Land Trust: Ferndale Thornton Road	\$ 192,840

The Board spent significant time deliberating regarding the Bellis Fair Senior Housing project request of \$1,386,485 and there were two attempted motions to fund the project. The project is shovel ready with all other funding assemble. Proponents argued the project created economic development value in the form of a \$33.05million construction project and the leverage of \$25.3 million in state/federal funding. Others expressed concern regarding whether the project served a “workforce” population.

BOARD RECOMMENDATION #2: Request for County Council to clarify policy

“Request County council to further clarify the definition of workforce housing and, recommend that if they intend to use EDI funds for workforce housing that they prioritize for home ownership and for housing project utilizing the 4% Low Income Tax Credit.”

The EDI funding applications are attached for your review, along with EDI Board meeting minutes, as you consider this recommendation at your September 9, 2025 Council meeting.

Please contact Kayla Schott-Bresler at (360) 778-5200 with any questions.

Attachments: Rural Sales Tax Fund Project Cash Balances

Draft Meeting Notes of the EDI Board meeting of 8/5/25 (8/26/25 forthcoming)

Maple Falls Water Co-op EDI Program Application

Port of Bellingham EDI Program Application

Kulshan Community Land Trust EDI Program Applications (2)

Bellingham Housing Authority EDI Program Application

Opportunity Council EDI Program Application

Summary of Housing Project Requests Unfunded as of 8/25/25