



MEMORANDUM

TO: Satpal Sidhu, County Executive

FROM: Erika Lautenbach, Director

RE: Sean Humphrey House Acquisition/Rehab of 1210 32nd Street Bellingham Funding Agreement

DATE: January 30, 2023

Attached is a funding agreement between Whatcom County and Sean Humphrey House for your review and signature.

▪ **Background and Purpose**

The need for long-term, affordable housing far outweighs supply in Whatcom County, particularly for persons with disabilities and long-term health conditions. Sean Humphrey House (SHH) is the prospective purchaser of an eight-unit facility in Bellingham, to be developed for affordable assisted housing for persons living with HIV and/or AIDS. The home will provide permanent low-income housing with onsite Medicaid funded support services. This project aligns with the County's efforts, along with the City of Bellingham, to expand affordable housing opportunities to low-income households experiencing homelessness and living with disabilities. The City of Bellingham supports this project (see attachment).

This funding agreement provides support in the form of a forgivable grant as well as a recoverable loan contingent by SHH's performance of milestone achievements. In addition, to ensure the public's interest, funding would be secured on the execution of a long-term affordability covenant (20 years) and a deed of trust, securing the County's interest in the property.

▪ **Funding Amount and Source**

Funding for this agreement may not exceed \$200,000 and is provided by the 1406 and 1590 Affordable and Supportive Use and Sales tax as identified in RCW 82.14.530 and RCW 82.14.540. With the adoption of the Budget Ordinance (ORD 2022-053) on June 21, 2022 (AB2022-329), these funds are included in the 2023 budget. An interfund transfer is necessary to fund the purchase.

In total, the 1406 and 1590 tax revenue has generated \$2.1M for the expansion of affordable housing and supportive services. The County has not yet made any distribution of these funds to advance affordable housing capital projects. This funding agreement proposes the use of \$100,000 of 1406 funds as a grant to SHH for the acquisition of real property and \$100,000 of 1590 funds in the form of a recoverable loan.



Funds	Award	Balance
1406 – Affordable and Supportive Housing Use and Sales Tax	\$100,000	\$0
1590 – Housing and Services Sales and Use Tax	\$100,000	\$0
Total	\$200,000	\$0
	Total	\$0

SHH plans to leverage County funding with financial support from the City of Bellingham and financing from the Washington State Housing Finance Commission. Permanent rental subsidy as well as operations and supportive services will be funded through Medicaid.

Please contact Ann Beck, Community Services Manager at 360-778-6055 (ABeck@co.whatcom.wa.us) or Christopher D’Onofrio, Human Services Supervisor at 360-778-6049 (CDonofri@co.whatcom.wa.us), if you have any questions or concerns regarding this request.