

Whatcom County
Economic Development
Investments Program

Application for Funding



Satpal Sidhu, Whatcom County Executive

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

Preliminary Information and Application

Note: The intent of this Program is to be consistent with State law, RCW 82.14.370

- 1. Who is eligible to apply:** Local general or special-purpose governments and higher education.
- 2. What projects are covered:** Construction of publically-owned infrastructure, facilities, and related improvements, which enable or encourage the creation or retention of private sector businesses and jobs in Whatcom County consistent with EDI Program Policy Objectives.
- 3. What activities are fundable:** New construction, refurbishment, replacement, rehabilitation, renovation or repair. Demolition is allowable if tied to construction. Soft costs allowed within scope of construction budget. No land acquisition except right-of-way included in a construction project.
- 4. What can you use the funds for:** Transportation (roads, bridges, rail), utility services (water, sewer, storm, energy, telecom) and public buildings or structures.
- 5. Other Limitations:** Planning/feasibility only projects are not eligible. Minimum local match is 10% of EDI request. EDI Board will make recommendations to the County Council which makes the final decision.

Preferential Project Types

First Preference – “JOBS IN HAND PROJECTS” – These types of projects will allow for the immediate creation and/or retention of jobs by providing public infrastructure that directly supports jobs. A perfect example would be a private business that will build or move into a facility and hire employees if a road is built or if water/sewer lines are extended to the site. These types of proposals would include a commitment by the private sector employer to create jobs and provide private investment.

Second Preference – “BUILD IT AND JOBS WILL COME PROJECTS” – These types of projects will construct public infrastructure but are not associated with a specific commitment from a private business to locate and/or create jobs. A perfect example would be the construction of roads and utility infrastructure to serve a new business park that would benefit multiple businesses.

Third Preference – COMMUNITY ENHANCEMENT PROJECTS” – These types of projects generally improve the physical appearance or create community assets to enhance the business climate. Examples would be boardwalk, streetscaping, downtown structures, and other publicly-owned facilities that make a community or region more attractive to existing or future businesses.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

Preferential Project Terms

First Preference – EDI LOAN – Due to the preferred revolving nature of EDI funds, proposals that are loan only will receive higher scoring. Loan terms and interest rate structure matches the Public Works Trust Fund program. The county will maintain discretion to modify such as including a deferral period.

Second Preference – LOAN/GRANT COMBINATION – The preferred combination of grant funds and loan funds is 1/3 grant, 2/3 loan.

Third Preference – EDI GRANT – Due to the “one-shot” nature of grants, projects of equal scoring requesting a grant only will be scored lower than another similar project requesting a loan/grant mix.

Preferential* Project Amounts (Guidelines)

JOBS IN HAND PROJECTS - \$1,000,000 limit if grant only. \$2,000,000 limit if combination of grant and loan. \$3,000,000 limit if loan only.

BUILD IT AND JOBS WILL COME PROJECTS - \$500,000 limit if grant only. \$1,000,000 limit if combination of grant and loan. \$1,500,000 limit if loan only.

COMMUNITY ENHANCEMENT PROJECTS - \$250,000 limit if grant only. \$500,000 limit if combination of grant and loan. \$750,000 limit if loan only.

*Based on compelling reasons, the EDI Board and County Council may consider exceptions.

Whatcom County Economic Development Investment (EDI) Program

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FILLABLE FORM BEGINS HERE

Past Performance

Have you received EDI Program funding in the past? Yes; Yes _____ No

If yes, provide project name and EDI grant/loan awarded: Funding through the Housing Affordable through the Workforce.

If yes, EDI Program staff and/or the EDI Board may conduct an audit to review performance measures against projected outcomes, such as job creation projections.

Has your jurisdiction received any audit findings from the Washington State Auditor in the past 10 years? _____ Yes _____ NO No. If yes, provide details:

This funding request will allow Habitat for Humanity to purchase a 2.5+/- acre tract of land located at 1050 Telegraph Road in the city of Bellingham. This land will be purchased from Kulshan Community Land Trust for the purpose of building forty or more homes which will be permanently affordable to Whatcom County residents earning between 30% and 80% of the Area Median Income (AMI). The funding request is for a \$469,000 loan and a \$231,000 grant.

The purchase price equals the appraisal price of \$1,235,000 with Habitat for Humanity providing the balance of the purchase funds. No other source of funds or financing will be required for the acquisition.

The property will be developed for affordable housing. The grant/loan funding will expand Habitat for Humanity's capacity to build 40 or more homes on this property in the City of Bellingham . This is a rare opportunity to secure affordable housing in the City of Bellingham. The land underneath the homes will be held in trust to assure long-term if not permanent affordability.

The most important outcome of the grant will be homes that help Whatcom County business grow. The need for safe, decent shelter is no longer just a problem for the poor. It's a problem for every business struggling to attract and retain front line workers and professionals alike.

This request is consistent with the recent changes in RCW 82.14.370 (4)(d) "Affordable workforce housing infrastructure or facilities" means housing infrastructure, facilities, or land that a qualifying provider owns or uses for housing for single persons, families, or unrelated persons living together whose income is not more than 120 percent of the median income, adjusted for housing size, for the county where the housing is located.

Whatcom County Economic Development Investment (EDI) Program
Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

THRESHOLD PROJECT CRITERIA

Evidence of Planning

YES NO

 X

Project included on an adopted regional economic strategy (“CEDS” list).
Project included in the applicant’s Comprehensive Plan.
Project included in the applicant’s Capital Expenditure Plan or adopted budget.

COMMENTS:

PROJECT APPLICANT

Applicant Name: Habitat for Humanity in Whatcom County

Applicant Address: 1825 Cornwall Avenue, Bellingham, WA 98225

Applicant Contact Person: John Moon

Applicant Email and Phone Number: john.moon@hfhwhatcom.org 360-715-9170

PROJECT TITLE

Telegraph Townhomes Project – Phase 2

PROJECT AMOUNT REQUESTED

\$ 700,000 EDI TOTAL - (Loan \$ 469,000 ; Grant \$ 231,000.)

\$ _____ Local Match (10% of EDI request minimum)

PROJECT TYPE

Jobs In Hand Build It And Jobs Will Come Community Enhancement

PROJECT TERMS

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

Loan Only Grant/Loan Grant Only If a loan, term requested: _____ (years)

PROJECT LOCATION: 1050 Telegraph Road, City of Bellingham

PROJECT DESCRIPTION

(one page limit)

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(one page limit)

Whatcom County Economic Development Investment (EDI) Program
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BASIC PROJECT INFORMATION

1. Complete the public project budget and status of funds below. If EDI funds are approved is funding 100% complete? ___ Yes X No

Please explain: The majority of the funding for the entire project comes from the sale of permanently affordable homes to Whatcom County residents earning 80% AMI or less. This funding comes in at the end of the project, necessitating other sources of funds such as a construction loan guarantee from the Whatcom Community Foundation,

<u>Funding Source</u>	<u>Amount</u>	<u>Planned/Applied For</u>		<u>Secured</u>	
Federal Dollars	\$ 800,000	Yes <u>X</u>	No ___	Yes ___	No <u>X</u>
State Dollars	\$4,000,000	Yes <u>X</u>	No ___	Yes ___	No <u>X</u>
Local Dollars	\$ 800,000	Yes <u>X</u>	No ___	Yes <u>X</u>	No ___
EDI Funding	\$ 700,000	Yes <u>X</u>	No ___	Yes ___	No <u>X</u>
TOTAL	\$6,300,000				

2. Describe the amount of outside (private) funding committed to the project (eg. Plant and equipment).

The Community Foundation is committing \$1,800,000 in the form of a loan guarantee until all the homes are sold Volunteer labor and in-kind gifts are valued at \$3,000,000.

3. Describe the public infrastructure being proposed. Include engineering estimates and a site map detailing the proposed improvements as Attachments A and B.

Habitat has already built the public infrastructure by widening the road, building a storm water pond and stubbing out water and sewer.

4. Describe how these improvements will enhance or encourage community vitality and stimulate other private development in the area.

The finished product will consist of 50+ homes for over 200 residents who will support local business when combined with the first phase of the project.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

5. List all permits and environmental reviews required for the public project and detail their status (completed, in-process, etc.)

	In Process	Date Completed
Preliminary Engineering	<u> x </u>	_____
Environmental Review	_____	_____
Design Engineering	<u> x </u>	_____
Right-of-Way	_____	_____
Construction Permits	<u> x </u>	_____
Environmental Permits	<u> x </u>	_____
Bid Documents	<u> x </u>	_____
Award Construction Contract	<u> x </u>	_____
Begin Construction	<u> x </u>	_____
Project Operational	<u> x </u>	_____
_____	_____	_____

6. Are any other public jurisdictions involved in this project? If so, in what way?

No

7. Who will maintain the public facility/infrastructure to be completed with EDI funds? Will this project impact utility rates within the jurisdiction?

The City of Bellingham. The project is not expected to impact utility rates.

8. Will this project directly generate a revenue stream that could be used to repay an EDI loan? Will this project spur indirect revenues that could be used to repay an EDI loan? If no to either question – why?

Yes, from the sale of homes.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

9. What other revenue sources are available for this project and have they been considered. This includes forming a Local Improvement District (LID or ULID), issuing Councilmatic Bonds, Revenue Bonds, or other source(s).

CHIP from WA

10. Describe the private development project that will be supported by this public facility project. If there is a committed private sector partner include Contingency Agreement (Attachment C).

N/A

11. Explain why the private development requires the proposed public improvement(s).

N/A

12. What is the status of the associated private development review and permits. List all permits required and give the current status (applied for, being reviewed, issued).

	In Process	Date Completed
Environmental Review	_____	_____
Construction Permits	<u> X </u>	_____
Environmental Permits	<u> X </u>	_____
_____	_____	_____

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

13. Describe the type of industry or economic activity the public development will attract. What is the strategy to attract industry to the project site?

The project will primarily impact the Construction Trades through job creation. Due to the target client for permanently affordable housing, the retail and service sector will see a significant increase in the supply of home ownership opportunities their employees can afford. Lastly, the health and educational outcomes associated with decent and long-term occupancy shelter provide a higher quality of life and general sense of satisfaction that is critical to economic development and business success.

The strategy is to use the tried and true Habitat for Humanity model of Building Community through service to others in a way that empowers the impoverished through productive work and preserves dignity and self-worth with a hand up and not a hand out.

14. List the number of projected jobs, by type, to be retained and/or created by the private entity.

Occupation	Current Jobs Retained** (In FTEs)	# Of Jobs Created Year 1 (In FTEs)	# Of Jobs Created by Year 5 (In FTEs)	Hourly Wage of current or new position	Local Occupational Hourly Wages***
Mgmt./Admin*	1	1	1	\$95,000/yr	N/A
Technical/Prof					
Office/Clerical	1	1	1	\$31.50/hr.	
Production		2	3	\$31.50/hr.	
Sales					
Skilled Crafts	3	2	5	\$37.00/hr.	
Others					
Totals	6	6	11	N/A	N/A

* Indicate Management positions in annual salary.

** Retained jobs are defined as jobs that would otherwise be lost from the county without this project.

*** This column will be populated with data from the state before application is distributed and revised annually.

- a. Projected annual gross payroll for all job classifications \$ _____
- b. Describe fringe benefits the company offers to regular full time employees?
(health insurance, retirement plans, etc.)

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

15. How does this project support the economy of Whatcom County and how does it fit into a county-wide economic development strategy?

Affordable homeownership provides economic stability which enables businesses to attract and retain the employees they need to grow.

16. What will the effect of this project be on the natural environment – does the project address any issues related to public health, pollution, or quality of life?

The project does not create or address any environmental issues but does provide an exceptionally pleasant place to live which honors the environment.

17. Does this project address any existing issues related to public safety and/or does it increase public safety in the future or address a potential future public safety issue?

This project does not create any public safety issues now or in the future.

18. Describe specific quantifiable measures of the outcomes, other than purely jobs, that will demonstrate project success. Describe how you will measure this and explain what you expect to show as progress toward the outcome.

40 or more AMI (30-80%) families will have the opportunity to purchase a home to call their own.

Application for Funding – Certification

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IN THIS APPLICATION TO WHATCOM COUNTY FOR INVESTMENTS IN ECONOMIC DEVELOPMENT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature of Responsible Public Official: _____ Date