



MEMORANDUM

TO: Whatcom County Council

FROM: Kayla Schott-Bresler, Deputy Executive

RE: Economic Development Investment Board – Funding Recommendation for Habitat for Humanity property acquisition for affordable housing.

DATE: October 15, 2024

Habitat for Humanity Executive Director, John Moon reached out to our office with a request for EDI Funding. The funding request is for land acquisition dedicated to affordable housing totaled \$700,000 (\$469,000 in loan funding and \$231,000 in grant funding). The Executive is advancing this project to Council with a funding recommendation, supported by the EDI Board. We anticipate bringing forward a formal recommendation, budget supplemental, and contract in short order.

The funding proposal is very time sensitive and would allow Habitat to purchase property from Kulshan Community Land Trust (KCLT). The urgency of the situation is directly tied to KCLT's available option to sell the 2.5-acre improved lot to another buyer. With this being time sensitive, we have provided this discussion memo for Council to provide direction to the Executive – and reasonable assurance to Habitat and KCLT – that the Council anticipates funding this project.

The County's EDI funding has never before provided a direct investment in a nonprofit affordable housing project. With the 2024 state law change to allow the use of EDI funding for nonprofit affordable housing, the County has an opportunity to support the creation of a 40+ home community through Habitat for Humanity. The land acquisition proposed here is the first piece in a funding puzzle that will leverage an additional \$5.6M in outside funding (State, federal, local).

The Economic Development Investment Board met on October 9, 2024 to, among other things, review the Habitat application. After review of the Habitat application, and many questions of the applicant, the Board unanimously adopted a recommendation to present the proposed project to council for funding. With a projected fund balance of just over \$11M the Administration has confirmed there is sufficient funding to support the EDI recommended project in the amount of \$700,000. The Administration has confirmed that the recommended project is eligible for funding under RCW 82.14.370. With the approval of this EDI Board recommendation the 2024 EDI projected fund balance will be just over \$10M.

The Board also recognized that their approval precedes the Board's formal policy revisions to incorporate affordable housing and updated application form. The Board is actively drafting policy updates as requested by council that are consistent with recent legislative changes allowing EDI funds to be used for affordable housing projects. We anticipate the Board to have finalized the policy updates at their October 29th meeting. It is also anticipated the recommended policy changes will be in front of Council on November 6 or November 19.. The proposed formal funding ask, budget supplemental and contract would be forthcoming after that.