



Memorandum

TO: Satpal Sidhu, County Executive
FROM: Champ Thomaskutty, Director
RE: Kulshan Community Land Trust – LaFreniere Court Townhomes Contract
DATE: MAY 12, 2026

Attached is a contract between Whatcom County and Kulshan Community Land Trust (KCLT) for your review and signature.

- **Background and Purpose**

The LaFreniere Court Townhome project (the “Project”) is an 18-unit, permanently-affordable new construction project located in the Birchwood neighborhood of Bellingham. This project consists of six buildings; four of which house two 3-bedroom and two 2-bedroom townhomes, and two of which are single-story 2-bedroom ADA accessible homes. Also onsite is City Sprouts Farm, an organic educational garden and nursery providing food production training to Western Washington University students and the public.

Kulshan Community Land Trust (KCLT) operates under a community land trust model that ensures long-term affordability through 99-year ground leases and equity caps, preserving affordability for future generations. The project serves first-time homebuyers earning 80% or less of the Area Median Income (AMI) and provides permanently affordable homeownership opportunities in accordance with RCW 82.14.370.

On August 5, 2025, the Economic Development Investment (EDI) Board recommended \$350,000 in grant funding for this project based on KCLT’s application in response to RFP #25-43. On September 9, 2025, the Whatcom County Council approved the EDI Board’s funding recommendations. The County Executive issued a preliminary award letter on September 19, 2025. Subsequently, KCLT applied for an additional \$44,012.06 from the Housing Affordable for the Workforce (HAFTW) program to cover impact fees and system recovery charges. Given the administrative complexity of the HAFTW program and recent changes to RCW 82.14.370 that now authorizes affordable housing construction costs as eligible uses of EDI funds, staff recommended consolidating both funding streams into a single EDI grant of \$394,012.06.

Combining the awards significantly reduces the administrative burden of both the County and KCLT while maintaining equivalent financial support for the project.

▪ **Funding Amount and Source**

Funding for this project, in the amount of \$394,012.06 is provided from EDI funds. Funding was awarded through two separate procurements and combined in this agreement for mutual convenience of KCLT and the County:

- KCLT requested, and was awarded, \$350,000 in response to RFP #25-43;
- KLTC requested, and was awarded \$44,012.06 in response to an open Housing Affordable for the Work Force (HAFTW) Program.

Funding is provided through the Economic Development Investment Program (Public Utilities Improvement Fund 3242). Budget authority exists through the 2025-2026 biennial budget for the \$350,000 and will exist for the \$44,012.06 HAFTW portion on May 26, 2026.

Council authorization is required per WCC 3.08.100, as funding for this contract exceeds \$75,000. Council has already appropriated \$350,000 in funding for this agreement and an additional \$45,000 in funding will be considered by Council on May 26, 2026 in 32422440.7220 for this expenditure.

▪ **Differences from Previous Contracts**

This is a new contract. The simplified funding structure consolidates what would have been two separate agreements (EDI grant + HAFTW loan) into one streamlined grant agreement, improving administrative efficiency for both the County and KCLT while ensuring the same level of financial support for affordable housing development. While the County has contracted with Kulshan Community Land Trust for similar home-ownership projects in the past, this is new project.

Please contact Eric Chambers at x6199 or EKChambe@co.whatcom.wa.us if you have any questions.

Encl.