

Meeting Minutes

Whatcom County Economic Development Investment Board

Date: October 9, 2024

Location: Virtual/Hybrid

Time: 1:03 PM - 2:30 PM



Members Present:

- Satpal Sidhu (Whatcom County Executive, Chair)
- Tyler Schroeder (Port of Bellingham Staff Representative)
- Scott Korthius (Mayor of Lynden)
- Ken Bell (Port of Bellingham Commissioner)
- Atul Deshamene (Public Utility District Commissioner, Board District 2)
- Guy Ochigrosso (President/CEO, Bellingham Chamber of Commerce)
- Kim Lund (Mayor of Bellingham)
- Kevin Hester (Mayor of Nooksack)
- Barry Bunchan (Whatcom County Council)
- Jori Burnnet (Mayor of Ferndale)

Facilitator: Jill Boudreau

Staff: Jake Logan (Board Clerk, Whatcom County Executive's Office)

Presenter: John Moon (Presenter, Habitat for Humanity).

Call to Order and Introductions

- **Chair:** Satpal Sidhu, Whatcom County Executive
- **Time:** 1:03 PM

Topic: Establishing quorum and introducing attendees. Attendance was confirmed with a complete list of attendees provided.

Approval of Previous Meeting Minutes

- **Date of Last Meeting:** August 27, 2024
- **Outcome:** Approved unanimously, with no changes or corrections.

Habitat for Humanity Project Presentation

- **Presenter:** John Moon, Habitat for Humanity

Project Overview

John Moon presented the Habitat for Humanity (HFH) project centered on the continued development of affordable housing on Telegraph Road in Bellingham, in collaboration with the Kulshan Community Land Trust.

- **Phase 1 Review:** 16 homes have been built, with an additional 8 to be completed by December 2024.
- **Phase 2 Proposal:** The goal is to expand with the potential to construct a number of homes (quantity depending on model/layout/type of homes). This transition involves HFH purchasing the land from the Kulshan Community Land Trust, moving from a leasing model to full ownership. The new ownership structure is expected to enhance the financial strength and operational capacity of HFH.
- **Funding Request:** HFH is seeking a \$469,000 loan and a \$231,000 grant.

Result: The board has received the funding request and discussed the strategic benefits of transitioning to land ownership.

Board Response and Discussion

- **Satpal Sidhu (County Executive):** Commended the success of Phase 1 and sought clarification on the use of remaining land.
- **Scott Korthius (Mayor of Lynden):** Raised questions about the financing model and equity for homeowners. He sought details on how the value of the house and land would work for homeowners.
- **Response from John Moon:** The land remains under Kulshan Community Land Trust on a 99-year lease, while homeowners own the building. This approach builds equity in the structure without granting ownership of the land, preserving long-term affordability. The lease model ensures that properties remain accessible to low-income residents without risking the speculative increase in land value.
- **Kim Lund (Mayor of Bellingham):** Expressed concerns regarding the eligibility of HFH for Economic Development Investment (EDI) funds, noting that current policies do not explicitly accommodate nonprofit housing developments. She also asked about the use of funds for job creation and whether this aligns with the intended use of EDI.
- **Response from Kayla Scott-Bresler (Deputy Executive):** Recent changes in state law have expanded the scope of EDI funds to include affordable housing projects run by nonprofits. However, the board's policies have yet to catch up with these legislative changes. The County Council had requested that the EDI board consider prioritizing such projects even though they are not directly stated in current guidelines.
- **John Moon (Habitat for Humanity):** Emphasized that the funding would primarily support the project, with job creation being a secondary benefit—a positive externality rather than the main focus of the funding.

Result: The board expressed support for the project but recognized the need for policy updates to align with state laws regarding nonprofit housing eligibility for EDI funds. The board moved to the next subject of board policy updates with the intention to return to the HFH application later in the meeting.

Policy and Application Updates

- **Outdated Application Form:** The Board discussed the need to overhaul the existing EDI application form, which is more than 25 years old and does not adequately address the contemporary needs of Whatcom County.
 - **Commentary from Satpal Sidhu:** Noted that the form was initially designed for conventional infrastructure projects, such as sewer or powerline improvements, and that adjustments are needed to reflect current priorities, including housing and community infrastructure.
 - **Board Consensus:** There was broad agreement among members that the form is cumbersome and outdated, failing to capture the nuance needed for projects like HFH's housing initiatives. Tyler Schroeder and other board members acknowledged the importance of updating the metrics, such as shifting the focus from "jobs in hand" to broader measures that include community well-being and housing outcomes.

Result: The board agreed to move forward with revising the application form, emphasizing the need to include broader metrics beyond immediate job creation.

- **Board Composition and Policy Adjustments:** The Board also discussed proposed adjustments to its membership. Sectors among those discussed were housing, finance, philanthropy, small business, and advanced manufacturing. One of the key considerations was whether to remove one of the small city mayors to make room for new representation.

Result: Proposed changes to board composition were discussed, with an emphasis on ensuring the board reflects the current economic landscape.

Return to Application - Approval of Habitat for Humanity Application

- **A motion to approve the application was made by Satpal Sidhu and seconded by Guy Ochigrosso. The application was unanimously approved.**
- The Board acknowledged the importance of leveraging EDI funds for affordable housing. The consensus was that the Habitat project aligns with both the County's priorities and recent legislative changes that expand the permissible use of EDI funds.

Result: Application was approved, marking a shift in funding focus towards projects with long-term socio-economic benefits. This issue went before County Council for the first time on 10/22/2024.

Return Board Composition and Policy Discussion

- **Proposed Changes:**
 - **Board Membership:** Proposed restructuring to include new representatives from the small business community, advanced manufacturing, and housing development sectors. Idea to remove one of the small city mayors to make room for other positions was generally unpopular among those who voiced opinions on it.
 - **Meeting Frequency:** More Meetings, set further in advance.

Topic: Modernizing board structure and meeting frequency to enhance efficiency and representation.

Result: Some changes to board composition and meeting schedule were generally supported some were generally opposed. No discernable result - further discussion required on specific roles and term limits.

These changes are intended to modernize the Board's structure to better represent the interests of Whatcom County.

Meeting Adjournment

- **Time:** 2:30 PM

The discussions during this meeting illustrate a shift in the Board's role—from focusing primarily on traditional infrastructure projects to taking a broader approach that includes affordable housing and community development. The alignment with new state laws suggests that this board is proactively seeking to address its housing shortage while balancing economic development needs.

Next Meeting Date: October 29th 2024

*Respectfully Submitted,
Jake Logan
EDI Board Clerk
Whatcom County Executive's Office*

(Last Changes 10/25/2024 9:14am)