

RESOLUTION NO. _____

SUPPORTING THE USE OF ECONOMIC DEVELOPMENT INVESTMENT (EDI) FUNDS FOR AFFORDABLE HOUSING

WHEREAS, housing is an important element of economic development, especially workforce housing that supports business recruitment and retention; and

WHEREAS, a lack of available and affordable housing for all economic segments of our community remains a significant challenge in Whatcom County; and

WHEREAS, the [City of Bellingham](#) estimates that less than 30% of Whatcom County housing is affordable to a household earning the median family income, and a more balanced proportion is around 50%; and

WHEREAS, the [Washington State Department of Commerce projects](#) Whatcom County will need to build 34,377 new homes by the year 2044, 18,053 of which need to be affordable to households earning less than 50% of Area Median Income; and

WHEREAS, Whatcom County needs to take a more holistic, system-wide approach to our community’s housing issues, addressing housing availability and affordability through both a health and human services approach as well as a land use and planning approach; and

WHEREAS, on January 10, 2023, the Whatcom County Business and Commerce Advisory Committee transmitted their proposal to increase access to housing for all income levels, which included recommendations to:

- Reduce the complexity and the cost of compliance of code,
- Prioritize density in existing city boundaries and urban growth areas while supporting limited annexations,
- Provide incentives for permanently affordable home ownership and rentals for occupants whose incomes range from 50% to 150% of area median income; and

WHEREAS, on August 8, 2023, the Whatcom County Council approved [Resolution 2023-020](#) affirming the housing affordability and homelessness are a public health crisis requiring systemwide actions; and

WHEREAS, the Economic Development Investment (EDI) Board was created to make recommendations to the Whatcom County Council to invest in economic development and public facilities consistent with [RCW 82.14.370](#); and

WHEREAS, [RCW 82.14.370](#) authorizes Whatcom County to retain a portion of sales and use tax to finance public facilities, including affordable housing infrastructure or facilities, with the goal of improving the economy by stimulating and creating ongoing private sector jobs; and

WHEREAS, [RCW 82.14.370](#) defines "Affordable workforce housing infrastructure or facilities" as housing infrastructure or facilities that a qualifying provider uses for housing for a single person, family, or unrelated persons living together whose income is no more than 120

1 percent of the median income, adjusted for housing size, for the county where the housing is
2 located; and

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4 **WHEREAS**, RCW 82.14.370 defines “Qualifying provider” as a nonprofit entity as defined
5 in RCW [84.36.560](#), a nonprofit entity or qualified cooperative association as defined in
6 RCW [84.36.049](#), a housing authority created under RCW [35.82.030](#) or [35.82.300](#), a public
7 corporation established under RCW [35.21.660](#) or [35.21.730](#), or a county or municipal
8 corporation; and

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10 **WHEREAS**, the Whatcom County Executive manages the EDI Program, which makes
11 grants and low interest loans to assist in financing public facilities required by businesses to
12 create or retain jobs; and

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14 **WHEREAS**, the Whatcom County Council makes the final loan and grant approval
15 decisions for all EDI projects; and

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17 **WHEREAS**, the EDI Board makes recommendations aligned with the following goals to:

- 18 1. Increase the number of family wage jobs available to the citizens of the county,
- 19 2. Retain existing businesses within the county,
- 20 3. Facilitate the expansion of existing businesses,
- 21 4. Attract new businesses to Whatcom County, and
- 22 5. Sustain the EDI Program through repayment of EDI loans; and

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24 **WHEREAS**, Whatcom County’s [2022-2026 Comprehensive Economic Development](#)
25 [Strategy \(CEDS\)](#) aims to strengthen and sustain the regional economy through the retention
26 and creation of living-wage jobs and to foster a stable and diversified regional economy; and

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28 **WHEREAS**, the [CEDS](#) identifies housing availability and affordability as high priority
29 issues affecting Whatcom County’s ability to grow economically; and

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31 **WHEREAS**, the [CEDS](#) identifies an objective to work with local jurisdictions and service
32 providers to inform and assist with the development of affordable and available housing choices
33 for all income levels in Whatcom County; and

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35 **WHEREAS**, the [CEDS](#) identifies a strategy to promote and support immediate solutions
36 to the housing crisis, including

- 37 1. Support and promote the urgent need for affordable housing for workers, in areas
38 near services, throughout Whatcom County.
- 39 2. Support efforts to address houselessness issues throughout Whatcom County.
- 40 3. Support and advocate for local businesses impacted by the housing crises.
- 41 4. Support and promote a diverse array of housing solutions, housing choice, and
42 affordable housing types that address the housing crisis.
- 43 5. Support housing development and modular construction companies that develop
44 innovative and environmentally sustainable housing solutions.
- 45 6. Support increased mixed-use zoning in order to encourage different housing choices
46 and creating different yet sustainable and innovative live-work spaces.
- 47 7. Support nonprofits that work on innovative housing solutions.
- 48 8. Participate on boards and committees working to address the housing crisis.
- 49 9. Collaborate with the Whatcom Housing Alliance to conduct a workforce housing
50 feasibility study; and

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1 **WHEREAS**, [Substitute House Bill 1267](#) amended [RCW 82.14.370](#) in May 2023, to extend
2 the authorization for the sales and use tax for public facilities in rural counties through
3 December 31, 2054; and
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5 **WHEREAS**, ~~According to the [Whatcom County 2023-2024 Budget](#) Whatcom County~~
6 ~~[Administrative Services](#) projects an estimated EDI program cash balance of \$20,371,669 by~~
7 ~~[December 31, 2023](#) with an additional \$9,058,926 in outstanding loan repayments; and, the EDI~~
8 ~~program has an estimated ending 2023 balance of \$36.14 million, with an anticipated \$5.89~~
9 ~~million in revenue in 2023 and \$6.1 million in 2024; and~~
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11 **WHEREAS**, ~~the EDI fund is expected to generate \$6,034,610 in revenue in 2024; and~~
12

13 **WHEREAS**, since the inception of Whatcom County’s Homes Affordable for the Workforce
14 (HAFTW) EDI loan program in 2011, the EDI program has assisted in the construction of 139
15 new homes through \$2.54million in low-interest loans; and
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17 **WHEREAS**, Whatcom County needs to commit additional local funds in order to keep
18 pace with the increasing community need.
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20 **NOW, THEREFORE, BE IT RESOLVED** that the Whatcom County Council supports
21 increasing the use of Economic Development Investment (EDI) funds for housing affordability
22 efforts as authorized in [RCW 82.14.370](#); and
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24 **BE IT FURTHER RESOLVED** that the Whatcom County Council supports making housing
25 affordability and homelessness a top legislative priority and working with State Legislators to
26 advocate for any technical fixes or clarification bills necessary to maximize the County’s ability
27 to use EDI funding for housing affordability efforts; and
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29 **BE IT FINALLY RESOLVED** that the Whatcom County Council recommends that the EDI
30 Board:

- 31 1. ~~Consider a proactive and planned investment strategy for fund balance and revolving~~
32 ~~loan repayments, inclusive of affordable and workforce housing.~~
- 33 2. ~~Updates its policy document to prioritize~~ Consider prioritizing affordable and workforce
34 housing projects, up to 120 percent of area median income, for economic development,
35 ~~1.3. Consult community and issue a recommendation to Council for dedicating a~~
36 ~~percentage of the EDI fund balance and a percentage of ongoing revenues to contribute~~
37 ~~toward housing affordability projects as allowed by state law,~~
- 38 2. ~~Supports investment at a minimum of 8% of the EDI fund balance every two years for~~
39 ~~housing affordability projects (approximately \$2.89 million), as allowed by State law.~~
- 40 3. ~~Supports investment at a minimum of 25% of the annual EDI revenues for each of the~~
41 ~~next five years to contribute toward housing affordability projects, and~~
- 42 4. ~~Updates guidelines and an application process to request the use of EDI funds for~~
43 ~~affordable and workforce housing projects.~~
- 44 4.5. ~~Propose updates to Board membership to promote more diverse representation~~
45 ~~amongst economic development sectors, including affordable and workforce housing,~~
- 46 5.6. ~~Reports to the County Council by December 31, 2024 on recent program changes,~~
47 ~~proposed program considerations, and recommendations related to the EDI program’s~~
48 ~~role in housing affordability investments.~~

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50 **APPROVED** this ____ day of _____, 2023.
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ATTEST:

Dana Brown-Davis, Clerk of the Council

APPROVED AS TO FORM:

Karen Frakes (by email 8/30/2023)

Civil Deputy Prosecutor

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Barry Buchanan, Council Chair