

Whatcom County Economic Development Investment (EDI) Program

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

PROJECT APPLICANT

Applicant Name: Housing Authority of the City of Bellingham

Applicant Address: 208 Unity Street, Bellingham, WA 98225

Applicant Contact Person: Jenny Weinstein

Applicant Email and Phone Number: jenny.weinstein@bellinghamhousing.org and 360-715-7325

PROJECT TITLE

Samish Way Redevelopment Phase 3 – Public Infrastructure

PROJECT AMOUNT REQUESTED

\$ 725,000 EDI TOTAL - (Loan \$ 725,000 ; Grant \$ See page 4)

\$ 7,000,000+ Local Match (10% of EDI request minimum)

PROJECT TYPE

Jobs In Hand

Build It And Jobs Will Come

Community Enhancement

PROJECT TERMS

Loan Only p. 4? Grant/Loan Grant Only
If a loan, term requested: 20 (years)

PROJECT LOCATION: 1331 E. Laurel Street, Bellingham WA

PROJECT DESCRIPTION

(one page limit)

The Housing Authority of the City of Bellingham (“BHA”) is continuing its multi-phase mixed-use development. Samish Way Redevelopment Phase 3 (“Samish Commons Family”) is at the north end of the Samish Way Urban Village, an area targeted by the City of Bellingham (“CoB”) for development. Since our first phase of construction was planned the urban village has seen an explosion of growth, demonstrating the market for development and need for new infrastructure to accommodate the market. In addition to 49 apartments affordable for the workforce, this phase of Samish Commons will add structured parking, commercial space for a new Early Learning Center (“ELC”) and build upon the previous road improvements to the urban village, particularly along Laurel Street. We will also continue the public powerline reconfiguration for this project. These vital improvements to the infrastructure of Samish Way will be a benefit to the whole urban village area.

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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 No

BHA is in the process of securing the remaining necessary funds. Attachment 1A provides a summary of our financial sources. In addition to EDI, we anticipate applying to the County's Homes Affordable for the Workforce (HAFTW) for approximately \$175,000 to pay some impact fees and utility connections, and we are working with the County Department of Health to secure HB1406 and HB1590 sales tax revenues to cover our remaining gap.

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

Phase 3 of Samish Commons is utilizing a complicated financing structure that leverages a combination of public funding, federal tax credits, tax-exempt bonds, and private conventional financing. RBC Capital Markets, Inc. has signed on to be BHA's private investor for the federal tax credits that we secured for the project. The tax credits provide over nine million dollars to fund the construction of this project. BHA is also putting in over \$7M using proceeds from the sale of our 24 scattered sites. Finally, BHA will be utilizing a conventional loan serviced by Banner Bank for approximately \$3.7M.

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

The City of Bellingham has required BHA to complete the reconstruction of Laurel Street, including curb, gutter, sidewalk, and drainage improvements. The high voltage and standard powerlines surrounding the site must be relocated and reconfigured. BHA will also be constructing a parking podium for residents and employees of BHA and the Early Learning Center space, which will alleviate the parking shortage in the growing urban village and allows us to maximize density for housing. The Early Learning Center commercial space will be part of our third residential building on the site, located at the corner of Samish and Abbott, facing Laurel street. This location was chosen due to the ease of access and heightened visibility from the street or sidewalk as people travel along Samish Way. The emphasis on visibility lends itself to the City's design standards for Urban Villages, which states street level spaces should be visually engaging. The Early Learning Center will help address a critical need for our workforce and meet the mixed-use requirement for the lot's zoning designation of Commercial Transition 2.

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

The improvements to public infrastructure at our project will benefit the entire urban village and surrounding environment. As one of the first large developments proposed in the urban village, Samish Commons is a catalyst for the transformation of Samish Way from an auto-oriented driving corridor to a walkable urban village with attractive residential development and commercial opportunities for the local community to spend time and money on. Additionally, the infusion of 171 new households will increase overall demand for nearby goods and services.

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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>12/31/19</u>
Environmental Review	_____	<u>10/24/19</u>
Design Engineering	_____	<u>1/08/21</u>
Right-of-Way	_____	<u>11/30/20?</u>
Construction Permits	<u>5/31/21</u>	_____
Environmental Permits	<u>5/31/21</u>	_____
Bid Documents	<u>4/15/21</u>	_____
Award Construction Contract	<u>5/01/21</u>	_____
Begin Construction	<u>08/01/21</u>	_____
Project Operational	<u>03/01/23</u>	_____

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

The Housing Authority of the City of Bellingham is committed to this important project and has invested a sizeable amount of funding into this project, not to mention staff time and resources. BHA has also solicited funds from the City of Bellingham, and we anticipate the City’s final funding commitment this summer. The Washington State Housing Finance Commission administers and oversees the Low-Income Housing Tax Credits and tax-exempt bond financing that is a major component of this project. The previous phases of Samish Commons also have funding from the State of Washington.

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

Puget Sound Energy Services will maintain the electrical distribution utilities. Utility rates will not be impacted. The City of Bellingham will maintain the road improvements.

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?

Our current financial model demonstrates cash flow and a debt coverage ratio that supports a limited revenue stream able to repay a loan from the EDI.

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 Councilmanic Bonds, Revenue Bonds, or other source(s).

As mentioned previously, this phase of Samish Commons does not have any state funding from the WA State Housing Trust Fund, whereas both previous phases do. This is largely because of the competitive nature of the state’s limited funding and the higher income (60% AMI) population that will be served in this phase of

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Samish Commons. BHA submitted applications to the state two years in a row but was not awarded funds. For several years, the state's Housing Trust Fund has been directed by the Legislature to serve individuals and families at the lowest income ranges, specifically those experiencing homelessness. Due to the density of Samish Commons our goal was to create a mixed-income setting, which makes this final phase of "workforce housing" less competitive for resources targeted at the lowest incomes.

BHA has considered multiple private and public funds and applied to all possible known sources for the residential portion of our project. Most public funders will not assist with non-residential construction. Due to zoning regulations the podium parking and Early Learning Center are critical to this project's success. In addition to EDI, we anticipate applying to the County's Homes Affordable for the Workforce (HAFTW) for approximately \$175,000 to pay partial impact fees and utility connections. We are working with the County Health Department to secure HB1406 and HB1590 sales tax revenue to cover our remaining gap.

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).

The site work, structured parking podium, and the commercial area will be supported by this public facility contract. BHA has been working with The Center for Retention & Expansion of Child Care – NW, operated by the Opportunity Council, and the WA Department of Children, Youth, and Families to plan the layout as we start to solicit potential Early Learning Center providers. We will also have a commercial real estate broker on retainer to assist with marketing and lease-up of the space if the need arises in the future. BHA will also be relocating our administrative offices to Samish Commons.

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

The road and right-of-way improvements are mandated by the City of Bellingham for the site to be developed. The high voltage and standard powerlines surrounding the site must be relocated and reconfigured in order to maximize the number of residential units.

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	_____	<u>10/24/2019</u>
Construction Permits	<u>5/31/21</u>	_____
Environmental Permits	<u>5/31/21</u>	_____

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?

BHA's multiphase development was designed to be a catalyst for redeveloping Samish Way into a vibrant urban village that attracts all types of commerce, including restaurants and entertainment. BHA successfully advocated for this urban village to be designated a federal Opportunity Zone, which provides federal tax incentives to investors. With all the development currently happening at Samish Way, including new

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residential buildings, BHA wanted to attract a business that could provide an essential service that is significantly lacking in our community. BHA and the Opportunity Council have partnered together to develop an Early Learning Center for our commercial space, providing a benefit to working families in the community in need of childcare.

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*					N/A
Technical/Prof					
Office/Clerical	3	4		\$18.00	\$37,000
Production	547			\$25.00	\$52,285
Sales					
Skilled Crafts					
Others	3		15	\$13.00	\$25,000
Totals	553	4	15	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.)

Construction workers on this project will be offered benefits or paid the cash equivalent of their fringe benefits based on their job classification.

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

Samish Commons will support Whatcom County's economy through catalyzing private redevelopment of this up-and-coming urban village and creating additional commercial space. This project will also provide affordable housing to working families who fall below the Area Median Income in Whatcom County, freeing up their income for spending in the local economy. The construction of the whole site will sustain many full-time construction jobs over a 4-5-year period, as well as supporting jobs in the A&E market. Urban Village infrastructure is a priority on the CEDS list, and the infrastructure planned for this stage will help develop the urban village.

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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?

This development will meet the WA State Evergreen Sustainable Development Standard, positively impacting the environment through energy and water conservation and the use of durable, environmentally friendly building materials. Construction waste will be minimized, and erosion controlled during construction. Structured parking eliminates the contaminated storm water including heavy metals created by surface parking. BHA completed a federal NEPA review that determined our project would not negatively affect the environment. Samish Commons will also positively impact public health and the quality of life by providing safe, affordable homes and reducing homelessness. It is well documented that substandard, unaffordable housing negatively impacts public health and significantly impairs individuals' abilities to participate in the workforce.

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 development consummates a long process and joint effort by the City of Bellingham and BHA to redevelop the condemned Aloha Motel site. Demolishing the meth contaminated building and building new affordable rental homes and commercial spaces will contribute to declining crime rates by creating an attractive, pedestrian-friendly neighborhood.

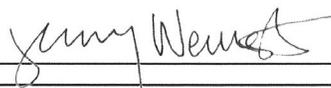
18. Describe specific quantifiable measures of the outcomes, other than purely jobs, that will demonstrate project success. Describe how you will measure this and explain what you expect to show as progress toward the outcome.

Quantifiable outcomes of our development include expanding the tax base by establishing new businesses on-site and catalyzing additional private redevelopment in the area, which can already be seen by the construction of the new residential buildings being constructed along Samish Way. Providing apartments that are affordable to a broad range of incomes and ages will help stabilize the workforce by reducing residents' rent burden, which frees up expendable income for other needs and discretionary spending in Whatcom County. These can be measured through sales, business & occupation tax receipts, and building permits issued in the urban village.

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 5/19/2021

Attachment 1A

Samish Commons Phase 3 - EDI			
<u>Funding Source:</u>	<u>Amount</u>	<u>Planned/ Applied for</u>	<u>Secured</u>
Private Equity (Federal Tax Credits)	\$ 9,240,054.00	Yes	Yes
Permanent Conventional Loan	\$ 3,700,000.00	Yes	Yes
Bellingham Home Fund (Acquisition)	\$ 552,750.00	Yes	Yes
Bellingham Home Fund (Construction)	\$ 3,275,000.00	Yes	Partially
Whatcom County EDI Program	\$ 725,000.00	Yes	No
Whatcom County HAFTW	\$ 175,000.00	Application in Process	No, Estimated Amount
BHA Funds	\$ 7,282,696.00	N/A	Yes
HB 1406	\$ 525,000.00	Planned	No
Total	\$ 25,475,500.00		

Bid Item	Phase	Description	Quantity	U/M	Line Subtotal	ALLW B/O NIC
					0	
		Demo Existing Driveways (Laue)	1,100.00	SF	15,400	
		Survey and Layout (ongoing with Trimble)	1.00		9,000	
					0	
	310000	Earthwork	1.00	LS	670,572	
		Laurel Street Rebuild for Paving	10,000.00	SF	Above	
		Laurel Street Prep for Sidewalk & Planters	5,000.00	SF	Above	
		Samish Way Prep for Sidewalk & Planters	3,525.00	SF	Above	
		Sawcut for Water	250.00	LF	Above	
		6" DI Water Pipe	125.00	LF	Above	
		Hydrant Assembly	2.00	EA	Above	
		Sawcut for Stormwater	400.00	LF	Above	
		8" PVC SD Pipe	95.00	LF	Above	
		Modular Wetland	1.00	EA	Above	
		Sawcut for Sanitary Sewer	80.00	EA	Above	
		8" PVC Sanitary Sewer	33.00	LF	Above	
		Demo Laurel Asphalt Pulverization Concrete	900.00	SF	Above	
		12" CPP	286.00	EA	Above	
		Type I Structures	7.00	EA	Above	
		Offsite Traffic Control	1,000.00	HRS	Above	
	320000	Barrier Curb	80.00	LF	1,600	
		Curb and Gutter	639.00	LF	14,058	
		Sidewalks	6,400.00	SF	44,800	
		Replace Existing Driveways (Laurel)	1,100.00	SF	11,000	
		Asphalt Paving	10,800.00	SF	54,000	
		Patch Road	710.00	SF	4,260	ALLW
		Striping	80.00	LF	160	
		Landscaping	1.00	LS	20,000	
		Site Improvements			0	
					0	
					0	
		TOTAL			844,850	

