

Resolution to use EDI funds to relieve the affordable housing crisis

WHEREAS, Rural counties in Washington may collect a 0.09 percent sales tax, as authorized by [RCW 82.14.370](#), and use the tax to finance public facilities serving economic development purposes. Public facilities include “affordable workforce housing infrastructure or facilities.” “Affordable workforce housing infrastructure or facilities” means 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 percent of the median income, adjusted for housing size, for the county where the housing is located.

WHEREAS, Whatcom County manages this tax revenue as the Economic Development Investment (EDI) Program, administered by the EDI Board, composed of 14 members, including the County Executive (Board Chair), Chair of the County Council, and Mayor of Bellingham.¹

WHEREAS, As of Dec. 31, 2022, the EDI program had a current balance of \$26.8 million. The EDI program will collect \$5.8 million in sales tax revenue in 2023 and \$6 million in 2024. The EDI program’s projected cash balances are \$20.3 million for 2023 and \$25.7 million for 2024.²

WHEREAS, Between 2018 and 2023, the EDI program used only \$3.08 million in support of affordable workforce housing – in the form of loans, not grants – to pay for impact fees, utility hookups, and street improvements.

WHEREAS, these loans, provided to small nonprofit housing developers, are burdensome to track over a period of 50 years in preparation to make a single lump sum payment.

WHEREAS, Funds received from the repayment of loans may not be bound to the original purpose of the EDI Program.

WHEREAS, Local businesses struggle to fill open positions when employees cannot afford to live in Whatcom County.

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 must be affordable to households earning less than 50% of Area Median Income. Under this medium growth scenario,

¹ EDI Board Composition. <https://www.whatcomcounty.us/398/Economic-Development-Investment-Board>

² Rural Sales Tax Fund (EDI / Public Utilities Improvement Fund) Cash Basis, retrieved 03.28.23 <https://docs.google.com/spreadsheets/d/1sb5WDwmwTAO4iiJg-KdjimrQVd0QMvcRxYHSJkezRB4/edit?usp=sharing>

Whatcom County should be building 1,700 homes every year, 900 of which are affordable for households earning less than 50% of Area Median Income.³

WHEREAS In a crisis, it makes sense to front-load funding in order to begin to lower housing costs and meet the needs of our community.

THEREFORE BE IT RESOLVED, that Whatcom Democrats urges the EDI Board to recommend, and Whatcom County Council to adopt, investing 8 percent of the balance plus 25 percent of annual revenue for each of the next 5 years, to address the housing crisis, as follows:

- Recognizing our affordable housing shortage, increase investments from the fund to a level that is proportionate to the scale of the crisis through a mix of grants and (forgivable) loans.
- Assist local nonprofit organizations with demonstrated experience providing permanently affordable housing for the workforce to significantly increase the number of homes in their development pipelines through:
 - Land acquisition loans for urban infill projects (forgivable upon completion of homes)
 - Pre-development loans (forgivable upon completion of homes)
 - Personnel support grants to hire project managers
- Support local cities with:
 - Personnel funding for planning departments to hire staff focused on growing the number of affordable homes in our community and simplifying the planning process.
- All homes must be designed for climate resiliency. A home is only permanently affordable and supportive of our community if it is permanently habitable. All homes must be:
 - Fully electric, with heat pumps for heating and cooling
 - Extremely well insulated, with minimal thermal bridges
 - Air-sealed, with heat recovery ventilation (HRV)
- All homes must be permanently affordable.
- All contractors and laborers should be local.

Adopted by a vote of 33-4-1 at the June 24, 2023 meeting of the Whatcom County Democratic Central Committee.

³ Washington State Department of Commerce, Housing for All Planning Tool (HAPT). <https://deptofcommerce.app.box.com/s/48o8fzedzxn63xth6aofi2jc2npcjoa>