



**WHATCOM COUNTY ECONOMIC DEVELOPMENT INVESTMENT (EDI) BOARD
SPECIAL MEETING MINUTES**

Date: Tuesday, August 26, 2025

Time: Approximately 10:04 a.m. – 11:10 a.m.

Location: Garden Level Conference Room, 322 N. Commercial Street, Bellingham (Hybrid Meeting)

Chair: County Executive Satpal Singh Sidhu

MEMBERS' PRESENT:

	Name	Title/Seat	Attendance
1	Satpal Singh Sidhu	Whatcom County Executive (Chair)	Present
2	Mark Stremler	Whatcom County Council	Present
3	Andrew Calkins	Bellingham/Whatcom Housing Authority (Housing Representative)	Present
4	Dan Dunne	Whatcom County Business and Commerce Committee Designee	Present
5	Drew Smith	Peoples Bank (Commercial Finance Representative)	Present
6	Guy Occhiogrosso	Bellingham Whatcom Chamber of Commerce	Present
7	Kayla Schott-Bresler	Whatcom County Deputy Executive (<i>Non-voting</i>)	Present
8	Ken Bell	Port of Bellingham Commissioner	Present
9	Kevin Hester	Small Cities Caucus Representative (Mayor of Nooksack)	Present
10	Kim Lund	Mayor of Bellingham	Present
11	Scott Korthius	Small Cities Caucus Representative (Mayor of Lynden)	Present
12	Tyler Schroeder	Associate Development Organization Representative	Present
13	Atul Deshmane	PUD Representative	Absent
14	Marcus Warolin	Comptroller at Whatcom Community Foundation, Philanthropy Representative	Absent

Members Marcus Warolin (Comptroller at Whatcom Community Foundation, Philanthropy Representative) and Atul Deshmane (PUD Representative) had scheduling conflicts and were unable to attend this meeting.

STAFF PRESENT:

Tawni Helms, Whatcom County Administration

Jill Boudreau, Whatcom County Executive's Office

OTHERS PRESENT:

Avery Hallsted – Opportunity Council Housing Development Team

Turn Campbell - Opportunity Council Housing Development Team

Tony Casale – Director of Asset Development, Bellingham Whatcom County Housing Authority

Tara Sundin – City of Bellingham, Planning and Community Development, Economic Development Division Manager

Samya Lutz – City of Bellingham, Planning and Community Development, Housing and Services Program Manager

Projects Under Consideration

- **Bellingham Housing Authority (BHA) – Unity Street Redevelopment: Requesting a \$1,000,000 loan.** The BHA representative clarified that they were seeking EDI funds or a commitment from the County to support the project so they could apply for state funding later in the fall.
- **Opportunity Council (OC) – Bellis Fair Senior Housing Phase 2: Requesting a \$1,386,485 loan**

1. WELCOME AND INTRODUCTIONS

Chair Sidhu called the meeting to order, emphasizing the EDI Board’s deadline to finalize recommendations by the end of August so they could be presented to the County Council at the first meeting in September.

2. PUBLIC COMMENT

Paul Schissler, local community development planner, spoke to the importance of housing for strong local economies, and the agreement there has been among local groups on that issue.

- He spoke about efforts in the state legislature to make Economic Development Investment (EDI) funding able to be used for housing.
- He acknowledged that now that EDI funds are eligible for housing, they are competing with more traditional EDI applications for funding.
- He referenced the County Council’s target allocations to the EDI Board ([AB2025-303](#)) wherein the council set target allocation for the board to consider in their deliberations on how to allocate EDI funds between Reserve/Housing/Infrastructure.
- He and others would be looking to secure more funding from the state for housing/affordable housing priorities, and that doing so would take pressure off the EDI Fund.

3. MINUTES REVIEW AND APPROVAL

Scott Korthius made a **motion** to approve the minutes from the August 5, 2025, meeting, a second was made. There were no comments or corrections.

Outcome: The motion passed unanimously.

4. DISCUSSION – OUTSTANDING 2026 HOUSING PROJECT APPLICATIONS (AB2025-612)

Jill Boudreau, Senior Policy Project Manager in the Executive’s Office, provided early meeting remarks that helped clarify both procedural requirements and substantive background for the EDI Board’s funding decisions. She began by reminding the group of the procedural obligation, established by county code, to make final recommendations in August for County Council’s September consideration. Boudreau then reviewed the Council’s adopted EDI priorities, which serve as a guideline for board decision-making. Jill led a continuation of the discussion regarding remaining housing project applications that were not allocated funds during the August 5 meeting. She reminded the Board that the County Council had previously set target allocations for the 2026 EDI funding cycle, including reserving 15% of the fund balance, and allocating the remainder as follows: 30% to County projects, 40% to infrastructure/other governments, and 30% to housing projects.

Mayor of Bellingham Kim Lund recognized the importance of setting strategic goals for the EDI Board and spoke to the need for a more precise workforce housing definition in future board cycles, noting that there was ambiguity. Lund’s remarks highlighted that her support for moving both the Unity Street and Bellis Fair projects forward was informed by substantial internal and external discussions, data review, and thoughtful reflection by her and City of Bellingham (CoB) staff. She signaled that the City of Bellingham had invested considerable professional time thinking about the housing pipeline and evaluating how these projects, were time sensitive, and would help meet urgent community needs. Mayor Lund then made the following Motion.

MOTION:

Mayor Kim Lund made that motion to recommend funding for the Bellingham Housing Authority's Unity Street Project in the amount of \$1,000,000 and the Opportunity Council's Bellis Fair Phase II project in the amount of \$1,384,000. Tyler Schroeder **seconded** the motion.

Discussion of the motion:

Tyler Schroeder reflected on the housing applications before the Board and emphasized his support for advancing both the Bellingham Housing Authority Unity Street project and the Opportunity Council Bellis Fair project. Schroeder noted that, like other members, he and staff had engaged in significant discussions with applicants and stakeholders to understand the broader housing pipeline and strategic goals behind these proposals. He stated that these efforts, including substantial outreach and budget assessment with applicants—had demonstrated both projects were well-prepared with plans for construction moving forward as soon as 2026.

Mayor Scott Korthius of Lynden the Board to describe how well these projects meet the definition of "workforce housing". **Mayor Kim Lund of Bellingham** responded explaining that among the two, the Unity Street project came closer to the concept of workforce housing. Lund acknowledged the complexity of the decision, noting, that she represented advisory to the county but that the county council will ultimately decide. She emphasized the need for practical action rather than seeking a perfect solution.

The board discussed the high unit cost of the proposed developments, noted they come at a price per unit which is generally substantially higher than private developments. The board discussed what factors drive the prices of publicly funded affordable housing developments higher than market-rate construction. **Tara Sundin** (City of Bellingham) clarified several key points for the Board. She explained that, based on conversations she has had with Dawson Construction and Mercy Housing, many of the factors driving up costs in local affordable housing projects stem from a complex mix of regulatory requirements, public funding conditions, and market pressures. Sundin emphasized that participation in state and federal programs often means housing developments are subject to stricter building codes, higher durability standards, and prevailing wage requirements, all of which contribute to the overall project expense. **Andrew Calkins** explained that local affordable housing is impacted by both material realities (such as rising construction costs, supply chain disruption, and labor shortages) and policy-based requirements (like prevailing wage, energy efficiency, and state/federal specifications for long-term durability). He noted that when they built Samish Commons a few years ago they tried to use high-quality long-lasting components. Based on Mr. Calkins' experience with that project, he suggested it may be prudent to go even further (use even longer lasting materials) in the future. **Ken Bell** (Port of Bellingham Commissioner) why more was needed, and **Calkins** responded that some of their units take more wear and tear, and they don't have the same kind of cash flow as market rate developments to constantly update.

Tyler Schroeder emphasized that the affordable housing projects before the Board were only viable because of capital stacking, a financial process that combines resources from local, state, federal, and private sources to make high-cost development possible. Schroeder explained that for these projects, no single stream of funding would be sufficient; only careful assembly of multiple grants, loans, and subsidies allowed the developers to reach budget targets and move construction forward. He underscored that this capital stack approach is now a fundamental reality of public housing production, noting that such type of capital stack is not possible for developments targeting 80-120% Area Median Income (AMI) per federal and state policy. Schroeder noted that this necessity for layered funding has shaped the application pipelines and the kinds of projects that are able to compete for EDI dollars. He explained that effective capital stacking is what enables applicants to leverage EDI funds into much larger investment packages, turning the Board's recommendations into catalysts for tens of millions in additional outside funding. Schroeder used this point to urge his colleagues to consider the broader economic impact of EDI allocations, and to recognize the fundamental importance of multi-source capital structuring in successful affordable housing initiatives. He said there may be ways to accomplish the board's goals of supporting higher AMI developments, but that it would take some time to develop a strategy and policy to those ends.

Board members shared what AMI percentages they would consider as workforce housing and discussed how those numbers correspond to incomes. **Guy Occhiogrosso** shared that he would consider workforce housing to be housing which supports earners of 80%-150%. The board discussed the idea that infrastructure improvements could open building opportunities for developments that would serve residents that would fit the workforce housing definition, and as would be a more traditional use of the EDI fund.

Dan Dunne opined 80-120% AMI for workforce housing and noted that Kulshan Community Land Trust comes closest. He agreed with the assessment that there were currently no viable mechanisms for the EDI Board to receive applications that would lead to the direct creation of more workforce housing. He noted that if they waited for applications that served 120% AMI or below (instead of 60% AMI or below), the money would remain unused perpetually. He concluded that applications in front of the board that represent more housing supply are worth supporting.

Commissioner Ken Bell expressed significant skepticism about the growing practice of allocating EDI funds for affordable/income restricted housing as opposed to investments directly tied to economic development and job creation. Bell questioned whether housing projects such as those under review—costing around \$500,000 per unit—represent the most strategic use of limited economic development resources and expressed support for private alternatives. Bell further questioned whether subsidizing housing at this scale truly aligns with the original EDI mission, which emphasizes infrastructure and projects that directly grow the regional economy and workforce. He advocated for prioritization of infrastructure investments, such as transportation improvements or industrial lands development, that could unlock private sector job creation and broaden the local tax base. Bell continued that the Port has projects early in the pipeline that will eventually come before the board.

The board considered the allocations and guidelines given to them by the County Council, and to what degree they should consider recommending them. The board reviewed the origin of the allocations and the reasoning for the county setting allocations in the first place. **Executive Sidhu** explained that at the time the EDI fund became eligible to pay for workforce/affordable housing there was concern that affordable/income restricted housing projects would consume the entire fund, so the issue was brought before council to determine a reasonable allocation among priority areas. Executive Sidhu went on to frame the considerations in terms of what the policy is at present, and what the policy will be/could be in the future – alluding to the fact that the 2027 Council target allocations could differ from what the 2026 target allocations being presently used in the board’s considerations.

Executive Sidhu addressed the board about the State Legislature’s role in expanding EDI funds’ eligibility for affordable housing. He explained that, rather than providing new resources, the Legislature simply broadened who qualifies to draw from the EDI pool. Sidhu noted how this change increased competition among local entities for the same limited funds and referenced Paul Schissler’s previous remarks that the real need was for additional funding from Olympia. Sidhu cautioned that funding the scale of housing that is requisite is not truly possible using only local dollars or taxes.

Mayor Lund built on these points, observing that while some communities are attempting to solve housing shortages via public-private partnerships, there are no easy solutions. She reinforced the idea that affordable housing projects require substantial private and public investment and new models, but face barriers of scale, complexity, and market limitations.

Ken Bell added his perspective on infrastructure and the coming pressures on EDI as a fund. He pointed to needed major local investments—a possible \$30 million parking structure for downtown Bellingham’s waterfront development, and gave several other examples of projects on the horizon.

Scott Korthius then highlighted concern that the loan terms requested for the housing projects under review did not match traditional EDI lending practices. He noted that these applications requested especially generous, deferred repayment structures. **Andrew Calkins** spoke from the housing authority perspective regarding loan terms requested by affordable housing applicants and explained that the long-term, deferred repayment structures being proposed for these projects are industry standard for the sector. Housing authorities and mission-driven developers are typically structured to work with these terms, which are designed to maximize project viability and

affordability for residents. Calkins noted that while these differed from traditional EDI loan terms, local providers do not typically have flexibility to switch to shorter-term or higher-rate structures without threatening overall project feasibility – but nonetheless atypical terms could be considered on a case-by-case basis.

The conversation shifted toward discussion of the [Council Target Allocations](#) - **Mayor Kim Lund** clarified for the group that the EDI Board's decisions are recommendations only, pointing out that County Council will ultimately make its own calculations and judgments after receiving this board's recommendations; Councilmembers may weigh policy goals, trade-offs, and allocations differently based on broader county objectives. Councilmember representative on the EDI board, **Mark Stremler**, reflected on the background of the Council's target allocations, sharing that the process was not especially rigorous.

Kayla Schott-Bresler, Deputy Executive, agreed with Stremler and provided additional historical context. She recalled that during 2023 and 2024, County Council had engaged in extended policy discussion about the EDI program's future and ultimately passed [Resolutions 2023-043](#) and [2024-018](#) to the Executive's office urging significant portions of the EDI fund balance to support housing investments. Schott-Bresler said the resolutions included recitals urging a substantial focus on affordable housing projects. She confirmed that the intent relayed to the Executive's office was clearly to direct more EDI funding toward housing, even if the details of the target as a proportion of the fund were not firmly established.

Guy Occhiogrosso expressed his reservations about the trajectory of EDI fund use for housing. He emphasized that traditional EDI purposes centered on direct economic development and cautioned that while current projects do not fundamentally advance economic development objectives. His comments reinforced a need for long-term, coordinated planning and a more collaborative, multi-sector approach to regional housing challenges, rather than using EDI funds reactively for immediate needs.

RETURN TO THE MOTION:

Mayor Kim Lund moved to recommend funding for the Bellingham Housing Authority's Unity Street Project in the amount of \$1,000,000 and the Opportunity Council's Bellis Fair Phase II project in the amount of \$1,384,000. Tyler Schroeder seconded the motion. Ken Bell called the question. Jill Boudreau conducted the roll call:

- Andrew Calkins – Abstain
- Dan Dunne – Yes
- Drew Smith – Yes
- Guy Occhiogrosso – Abstain
- Ken Bell – No
- Kevin Hester – No
- Mayor Kim Lund – No
- Mark Stremler – No
- Executive Satpal Sidhu – Yes
- Scott Korthius – No
- Tyler Schroeder – Yes

Result: Yes: 4; No: 6; Abstain: 2

Outcome: Motion FAILED.

One member voiced strong support for approving EDI funds for the Housing Authority's Unity Street project and the Opportunity Council's Bellis Fair proposal. The speaker acknowledged that while these solutions are imperfect, they avert the risk of forgoing significant external investments and keep urgently needed projects moving forward. He contrasted this approach with costly infrastructure proposals.

The member clarified that the Bellingham Housing Authority projects were at risk without EDI support, noting that EDI funds make it possible to secure subsequent State Housing Trust Fund awards and a county commitment is essential in applicants' competitive positioning for state grants in the upcoming cycle.

For Bellis Fair, the member indicated that external state commitments were already in hand, so local EDI leverage would finalize the package. This sequence of exchanges highlighted the board's role in leveraging a relatively small amount of EDI funds into far greater outside investments, focusing on maximizing impact even if every project is not ideal, and balancing uncertain timelines, studies, and the urgent needs reflected in regional and council priorities.

Kayla Schott-Bresler elaborated on the significance of state and federal funding being brought into the community through the two affordable housing proposals under consideration. She highlighted that when combined, the Unity Street and Bellis Fair projects stood to leverage approximately \$42 million in external funding. Schott-Bresler emphasized that while the Board's discussion often focuses on public infrastructure projects, the magnitude of these housing investments' effects on local jobs, tradespeople, and economic activity is equally vital to the region. Her remarks reinforced that EDI's support goes far beyond direct subsidy, catalyzing a much larger flow of capital, employment, and skill development into Whatcom County through the multiplier effect of housing construction.

Ken Bell reinforced his belief that the fundamental purpose of EDI funding is to drive job creation and support tangible economic development projects. Drawing on local precedent, he cited the All-American Marine expansion. Bell contrasted this outcome with large, high-dollar housing investments, suggesting that smaller infrastructure investments often yield the greatest economic return for the county. **Tyler Schroeder** explained that in conversations with other affordable housing developers, he was seeking a clear understanding of how EDI loan repayments might best be structured. Schroeder asked for information on which loans have first priority, how long that priority is, and when or how EDI loan repayment might be structured to ensure it gets repaid before 50 years?

Andrew Calkins, representing the Bellingham Housing Authority, appealed to Tony Casale, the Director of Asset Development, to address Tyler Schroeder's technical question about loan stacking and repayment priority for EDI-funded housing projects.

Casale clarified that the Bellingham Housing Authority had received EDI funds previously for Samish Commons Phases 1 and 3, but neither came with a 50-year, fully deferred loan payment as proposed now. The current request for longer-term, deferred repayment was a response to the sharp rise in construction costs, elevated interest rates, and new market challenges. Casale explained that if EDI loan repayment were structured so that BHA must make regular payments (instead of 50-year deferral), it would further limit our ability to leverage private bank financing due to stricter debt service coverage ratio requirements. The bank must be in primary position within the capital stack, and any debt service requirements for EDI would decrease the size of the bank loan, potentially creating new funding gaps that the developer could not bridge. Casale described the typical structure: the primary bank loan is generally a 40-year amortizing mortgage with a 17-year term. After the 15-year Low Income Housing Tax Credit compliance period, projects often refinance or re-syndicate, with residual loan balances typically covered at that point. This refinancing cycle means EDI's loan position must fit with private lender needs and overall project sustainability. Casale concluded by noting that any requirement for significant interim payment to EDI would undermine the project's competitiveness for other leveraged capital and potentially jeopardize its ability to close financing. He offered to further discuss possible term structures, but emphasized current market conditions make more flexible, long-term deferral of EDI repayment nearly essential for viability.

VOTE ON MOTION: Bellingham Housing Authority (BHA) – Unity Street Redevelopment The motion was made to recommend funding the Bellingham Housing Authority Unity Street Project in the amount of **\$1,000,000 loan**. **Call Vote:** Yes: 6; Nay: 4; Abstain: 1. **Outcome:** Motion **PASSED**.

Another motion was proposed quickly after the previous vote:

MOTION AND VOTE

Before the conclusion of the meeting, **Andrew Calkins introduced a motion to recommend funding the Opportunity Council (Opc) housing project independently**, separate from the BHA Unity Street proposal. The

motion was called and, after a brief invitation for additional discussion by Satpal Sidhu, proceeded immediately to a call vote. The motion to fund the Opportunity Council project did not pass, with a majority voting no amid several “yes” votes and one abstention.

MOTION: Policy Recommendation on Workforce Housing A motion was made to request that the County Council further clarify the definition of workforce housing and, if they intend to use EDI funds for workforce housing, that they prioritize the funds for **homeownership** and for housing projects utilizing the **4% Low-Income Housing Tax Credit**. **Outcome:** This motion was adopted unanimously by the Board as a formal recommendation to the County Council.

6. ADJOURNMENT

Chair Sidhu adjourned the meeting at 11:14

Prepared by:

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Summary of August 26 Actions and Recommendations:

The EDI Board recommended the following project for approval by the County Council:

Project	Action	Amount	Vote	Reference
Bellingham Housing Authority (BHA) - Unity Street Project	Loan Recommended for Approval	\$1,000,000	6-4-1 (Passed)	

The Board also included a request to County Council for policy clarification:

- **Policy Clarification:** The Board requested the Council clarify the definition of workforce housing and prioritize future EDI funding for homeownership projects and projects utilizing the 4% Low-Income Tax Credit.