

Surrey Downs surplus properties

Suitability for housing and offering strategy

Board of Directors

04/25/24



Why we are here

Seeking actions that would guide the redevelopment of property in Bellevue

- 1) Declare the properties as suitable for the development of housing
- 2) Direct staff to offer the properties to the open market at fair market value for the development of housing

Compliance with 80/80/80

96%

≥80%
REQUIRED

% of property suitable for housing offered to Qualified Entities (QE)

100%

≥80%
REQUIRED

% of units on property transferred to QEs for affordable housing serving households at or below 80% AMI

Progress towards revenue target



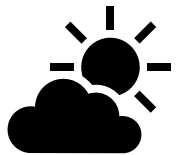
\$130 MILLION

Financial plan goal for surplus property



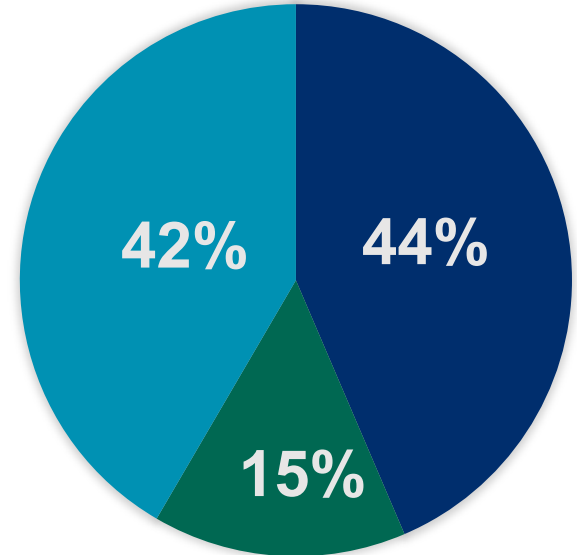
\$76 MILLION

Total revenue received,
contracted or awarded



\$54 MILLION

Revenue forecast for future
surplus properties



\$56.7 MM

Received or Contracted



\$19.1 MM

Awarded



\$54.3 MM

Forecasted

Surrey Downs properties

Single-family lots

- 9 contiguous developable parcels
- 1 mile travel distance from East Main Station
- Zoning: single-family residential
- Appraised combined value: \$12.1 million



Surrey Downs properties

Restrictive Covenant

- Parcels affected by covenants from 1961 limiting permitted structures to detached single-family homes
- Covenants have been renewed by homeowners and are still active
- HB 1110 would not supersede the covenants

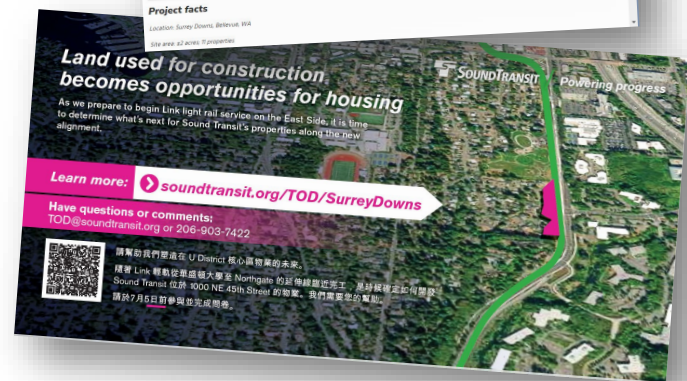
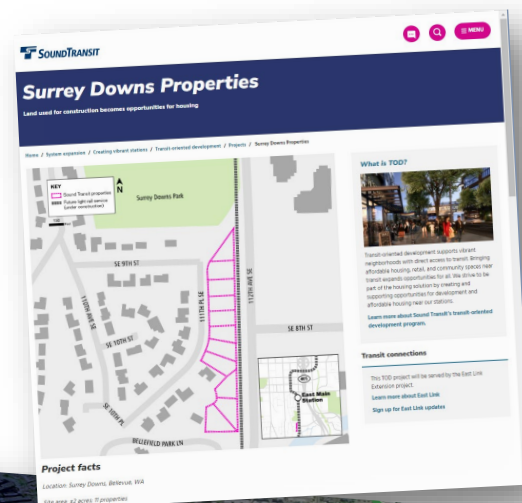
Community engagement

How we listened

- Local and regional stakeholder conversations
- Targeted outreach to Surrey Downs Community Club
- Mailers and flyers to surrounding area

What we heard

- Support for market-rate homes aligned with neighborhood and covenants
- Explored potential for affordable housing with the City and ARCH



Action 1 – Suitability for housing

Sites are suitable for the development of housing

- Legally permissible to build housing
- Physically possible to build housing
- Economically reasonable to construct housing
- Environmental conditions don't preclude housing
- City and community support for housing

Action 2 – Offering strategy

Offer the surplus property at Surrey Downs on the open market for single-family housing

- Offer at fair market value
- Covenants and zoning allow one home per parcel
- Consistent with RCW 81.112.350, or “80/80/80”
- Significant affordable housing investments underway in East King County

Surrey Downs revenue impact



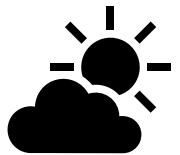
\$130 MILLION

Financial plan goal for surplus property



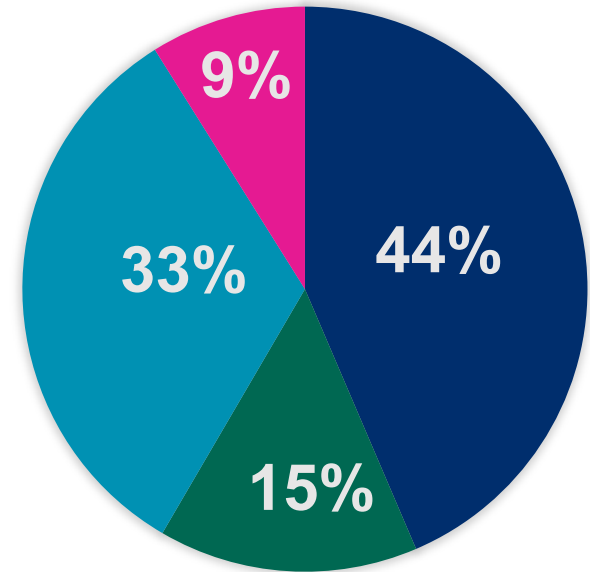
\$88 MILLION **+\$12**

Total revenue received,
contracted or awarded



\$42 MILLION **(\$12)**

Revenue forecast for future
surplus properties



\$56.7 MM
Received or Contracted



\$19.1 MM
Awarded



\$42.2 MM
Forecasted



~\$12.1 MM
Surrey Downs

Compliance with 80/80/80

92%

≥80%
REQUIRED

% of property suitable for housing offered to Qualified Entities (QE)

(4%)

100%

≥80%
REQUIRED

% of units on property transferred to QEs for affordable housing serving households at or below 80% AMI

Next steps

- Competitively market the properties (anticipated Q2/Q3 2024)
- Return to Board with development proposal and key business terms (anticipated 2025)



Thank you.



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