

RESOLUTION NO. R2018-10

Adopting an Equitable Transit Oriented Development Policy

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Executive Committee	04/05/2018	Recommend to Board	Don Billen, Acting Executive Director, PEPD
Board	04/26/2018	Final Action	Brooke Belman, Director, Land Use and Development

PROPOSED ACTION

Adopting an Equitable Transit Oriented Development Policy to reflect ST3 and RCW 81.112.350 direction to implement a regional equitable TOD strategy during planning, design, construction and operation of the high-capacity transit system and supersedes Resolution No. R2012-24.

KEY FEATURES SUMMARY

- Recent state law changes and ST3 system plan approval triggered new requirements for Sound Transit to implement an equitable Transit Oriented Development (TOD) strategy and offered new guidance on how Sound Transit disposes of its surplus properties that are suitable for the development of housing.
- The Sound Transit 3 Regional Transit System Plan stated that the necessary board policy changes to reflect the new requirements and direction must be completed within 18 months of voter approval of the system plan.
- The policy:
 - Provides program direction on a strategy to implement regional equitable TOD throughout transit project delivery and operations.
 - Provides guidance on integrating equitable TOD into project delivery.
 - Is in accordance with regional growth plans, including the Puget Sound Regional Council's Growing Transit Communities strategy, by targeting urban growth at transit centers.
 - Emphasizes partnerships and collaboration with local jurisdictions and regional stakeholders.
 - Commits the agency to equitable engagement processes that complements and informs disposition strategies.

BACKGROUND

TOD is a land development pattern that integrates transit and land use by promoting transit ridership while supporting community land use and development visions. TOD strategies focus urban growth around transit facilities and leverage transit investments to help produce regional and local benefits, such as increases in transit ridership, development of housing options, walkable communities, and improved access to jobs and economic opportunities. Transit oriented development was a programmatic component of the ST3 system plan that complements capital project development and guides the disposition of surplus property.

Sound Transit completed a TOD Program Strategic Plan in 2010, which introduced the policy framework for the TOD work program within the context of Sound Transit's mission to implement regional high-capacity transit. Sound Transit's Board adopted a Transit Oriented Development Policy in December 2012 through Resolution No. R2012-24. The 2012 policy established eight goals for the TOD program and directed the agency to consider TOD outcomes early and throughout project delivery. The 2012 policy also established the concept of "Agency TOD," which is the direct implementation of TOD on agency owned property, and "Community TOD," in which the agency plays a supportive role collaborating with others on transit supportive policy and development one-half mile around a Sound Transit station.

Sound Transit updated its TOD strategic plan in 2014 to reflect the 2012 TOD Policy. The policy and strategic plan have provided the foundation for how the agency approaches integrating transit infrastructure and local and regional land use development.

Regional plans and policies, including those of the Puget Sound Regional Council (PSRC), encourage equitable transit communities. The PSRC's Growing Transit Communities Strategy (GTCS), adopted in 2013 and to which Sound Transit is a signatory, defines "transit community" as the approximately one-half mile area around a high-capacity transit station. Equitable transit communities are further described as:

"...mixed-use, transit-served neighborhoods that provide housing and transportation choices and greater social and economic opportunity for current and future residents. Although generally defined by a half-mile walking distance around high-capacity transit stations, they exist within the context of larger neighborhoods with existing residents and businesses. These communities promote local community and economic development by providing housing types at a range of densities and affordability levels, commercial and retail spaces, community services, and other amenities that are integrated into safe, walkable neighborhoods." (PSRC Growing Transit Communities Strategy)

In 2015, the state legislature amended the agency's enabling legislation, directing the agency to advance equitable TOD goals, setting forth specific financial and procedural requirements, and giving new tools to the agency to advance equitable development through prioritizing affordable housing in surplus property disposition. Those statute changes took effect with the November 2016 voter-approved Sound Transit 3 Regional Transit System Plan.

Consistent with the 2015 amendments to the Sound Transit enabling legislation (RCW 81.112.350), the adopted system plan stated that "Sound Transit will 'implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities consistent with TOD plans developed with community input by any regional transportation planning organization within the regional transit authority boundaries.'"

Additionally, RCW 81.112.350(b)(i) states that, unless certain exceptions apply, "a minimum of eighty percent of [Sound Transit's] surplus property to be disposed or transferred, including air rights, that is suitable for development as housing, must be offered for either transfer at no cost, sale, or long-term lease first to qualified entities that agree to develop affordable housing on the property, consistent with local land use and zoning laws." The statute defines qualified entities as local governments, housing authorities, and non-profit developers.

The statute requires that if a qualified entity accepts the property through the offer, then at least 80 percent of the housing units constructed would need to be affordable to those earning 80 percent of the area median income for the county in which the property is located.

The Sound Transit 3 Regional Transit System Plan stated that the “necessary board policy changes for implementation [of an equitable TOD strategy] must be completed within 18 months of voter approval of [the ST3] system plan” (Page 10). The system plan was approved by the voters on November 7, 2016, which necessitates the agency to adopt any necessary board policy change by May 8, 2018.

TOD Policy Update

The Equitable TOD Policy is consistent with Board, state and ST3 direction. Sound Transit engaged in a year-long effort to fully understand the new direction for the program focusing on equitable TOD and how the agency can begin to adopt strategies in conjunction with updating the TOD policy.

A Board workshop was held in April 2017 to explore the agency’s TOD work program in light of the new state statute and ST3 Plan. Eight guiding principles were identified through the workshop:

1. Ensure Board engagement and direction throughout the process.
2. Emphasize flexibility in TOD policy in order to consider wide variety of factors.
3. Reflect statute’s housing priorities but be flexible to take into account local plans and context for each site.
4. Facilitate early and ongoing dialogue with local jurisdictions, stakeholders and partners so that TOD complements planning efforts.
5. Collaborate with industry leaders to consider a variety of tools and programs for implementing equitable TOD.
6. Include all financial factors when considering the value for each site.
7. Ensure delivery of capital program and equitable TOD.
8. Shape each offering based on the assessment and desired outcomes for a project.

Over the course of 2017, Sound Transit advanced several TOD transactions to understand how the program operates under the direction and to apply best practices to the policy update. A draft policy scope and five policy priorities were confirmed by the Sound Transit Board in December 2017. The priorities were informed by the 2017 TOD transactions and Board direction, and include:

- Affordable housing development
- Engagement
- Fiscal responsibility
- Flexibility
- Integrated project delivery

In January 2018, an intra-agency work team began updating the TOD policy to reflect Board, the system expansion plan, and statute direction. This effort also included separating process and procedures from the updated TOD policy, reorganizing the policy content to be clearer on direction and to focus on goals and strategies.

Sound Transit’s primary responsibility is to complete and expand the high-capacity transit system and deliver transit service that connects the region’s urban centers, which is a key step toward meeting local and regional land use goals. This policy provides direction on the disposition of property that first supports the agency’s primary mission, but also considers how and when to price property, including discounting or transferring at no cost, to accomplish affordable housing development. The policy also provides ways to leverage funding sources and strategies to facilitate equitable TOD.

The policy provides a framework for assessing and evaluating equitable TOD outcomes early in system planning and throughout all phases of transit project delivery. The policy acknowledges the importance of working with local jurisdictions on equitable TOD outcomes and how they support the overall vision and comp plans of the local community. The concept of Agency and Community TOD is retained in this policy update. The policy describes how acquisition occurs in a manner that is both consistent with state law and promotes TOD. It directs the agency to explore joint or co-development of transit facilities, such as parking or integrated facilities, where appropriate.

Engagement is critical to the success of equitable TOD and the policy emphasizes inclusive and transparent engagement throughout all phases of TOD project development and delivery. The policy also underscores the importance of creating partnerships with private and public entities to deliver equitable TOD outcomes. And finally, the policy confirms that development on property leased by the agency will occur consistent with agency labor standards for Sound Transit construction projects and applicable law.

The draft Equitable TOD Policy is organized by goals and strategies. The goals and strategies outlined in the policy are executed through integrated project delivery, inclusive and transparent engagement process and specific implementation mechanisms.

The goals identified in the policy include the following:

- Increase the value and effectiveness of transit by increasing transit ridership.
- Support implementation of state, regional and local growth plans, policies and strategies.
- Make equitable TOD an integral component of and supportive of transit project planning and delivery.
- Engage a broad cross-section of the public, reflecting diverse communities.
- Encourage creation of housing options near transit with priority given to affordability.
- Encourage convenient, safe multi-modal access to the transit system, with an emphasis on non-motorized access.

FISCAL INFORMATION

The draft Equitable TOD Policy does not directly impact the financial plan. State law now allows for the agency to consider discounting, including transferring at no cost, surplus property to achieve certain affordable housing outcomes. The policy states that when the Board establishes a discounted price for property disposition in order to accomplish affordable housing, that a financial assessment and gap analysis will be conducted before determining a property discount. The market value, development feasibility and financial plan impacts will be considered.

PUBLIC INVOLVEMENT

Staff have been meeting with local jurisdictions, housing developers and funders, regional stakeholders and others since 2017 to discuss ST3 and the new statute direction and implementation of equitable TOD. In late 2017 a series of workshops were held with advocates and affordable housing stakeholders to specifically discuss policy topics. The draft policy was released to regional stakeholders and jurisdictions ahead of the Board process. Following the distribution of the policy a series of briefings, workshops and meetings were held with stakeholders, jurisdictions and housing developers in order to solicit feedback and input on the policy language.

TIME CONSTRAINTS

The ST3 System Expansion Plan set a timeline whereby the Sound Transit Board of Directors must update its policy to reflect new state law and ST3 plan language within 18 months of voter approval. The last Board meeting before the 18 month deadline is April 26, 2018. Delaying this action causes the voter-approved commitment to not be met.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2013-30: Adopted the Real Property Excess, Surplus and Disposition Policy

Resolution No. R2012-24: Establishes a policy to guide assessment and facilitation of transit-oriented development (TOD).

Motion No. M2000-90: Established the Transit-Oriented Development Program for 2011.

Motion No. M99-60: Adopted Transit Oriented Development evaluation criteria to be used in the process of identifying and/or evaluating proposed development opportunities around Sound Transit facilities.

Resolution No. R99-35: Adopted the Real Property Disposition Policy, Procedures and Guidelines for the disposition of surplus real property.

Motion No. 98-25: Adopted transit oriented development policies to guide staff work and development on and around Sound Transit station areas, transit centers, and park and ride lots.

Motion No. 45: Set forth principles related to the land use and transit work activities of the RTA and established a mission statement to guide the work program of the Transit Oriented Development (TOD) Task Force.

Motion No. 36: Approved the formation of a Transit-Oriented Development Task Force of the board, identified key questions and issues to be addressed, and established a timeline for completion

ENVIRONMENTAL REVIEW

KH 3/23/2018

LEGAL REVIEW

JV 3/30/2018



RESOLUTION NO. R2018-10

Equitable Transit Oriented Development Policy

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an Equitable Transit Oriented Development Policy and superseding Resolution No. R2012-24.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008 and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit's primary responsibility is to complete, expand and operate the high-capacity transit system to deliver transit service that connects the region's urban centers, which is a key step toward meeting local and regional land use goals; and

WHEREAS, in 2015, the Sound Transit Board established core priorities, including, but not limited to, completing the light rail spine, promoting transit-friendly land use and supporting transit oriented development (TOD), to guide the development and evaluation of the system plan; and

WHEREAS, Sound Transit acquires real property for transit purposes to implement voter-approved system plans; and

WHEREAS, when Sound Transit no longer has a transit use for a property or the property may accommodate additional uses, it may declare property surplus or available for joint development and offer the property in a manner consistent with state and federal laws and regulations; and

WHEREAS, chapters 81.104 and 81.112 RCW inform the basis for Sound Transit's involvement in equitable TOD and guide Sound Transit to work with public and private interests to facilitate equitable TOD; and

WHEREAS, regional plans and policies, including those of the Puget Sound Regional Council (PSRC), encourage equitable transit communities and provide regional guidance on TOD, and Sound Transit is a signatory to PSRC's 2013 Growing Transit Communities Compact; and

WHEREAS, as described in the Growing Transit Communities Compact, new market-rate housing trends and subsidized housing resources are not providing sufficient housing choices in transit communities for households earning under 80 percent of area median income; and

WHEREAS, the Growing Transit Communities Partnership adopted the following vision for “equitable transit communities”:

Equitable transit communities are mixed-use, transit-served neighborhoods that provide housing and transportation choices and greater social and economic opportunity for current and future residents. Although generally defined by a half-mile walking distance around high-capacity transit stations, they exist within the context of larger neighborhoods with existing residents and businesses.

These communities promote local community and economic development by providing housing types at a range of densities and affordability levels, commercial and retail spaces, community services, and other amenities integrated into safe, walkable neighborhoods.

Successful equitable transit communities are created through inclusive planning and decision-making processes, resulting in development outcomes that accommodate future residential and employment growth, increase opportunity and mobility for existing communities, and enhance public health for socially and economically diverse populations.

WHEREAS, the combined cost burden of housing plus transportation can be substantially reduced by locating affordable housing opportunities in proximity to transit; and

WHEREAS, many communities that are now or may be served by high-capacity transit are home to low-income and minority households and small locally- and minority-owned businesses that are at a potentially higher risk of displacement due to a range of factors; and

WHEREAS, the Sound Transit Board completed a TOD Strategic Plan in 2010 to introduce a policy framework for the agency’s TOD work plan, adopted a TOD Policy in 2012 through Resolution No. R2012-24, and updated the TOD Strategic Plan in 2014 to reflect policy direction; and

WHEREAS, the Board-adopted TOD Policy and TOD Strategic Plan provide the foundation for how the agency approaches integrating transit infrastructure and local and regional land use development; and

WHEREAS, RCW 81.112.350 directs the agency to advance equitable TOD goals, identifies specific financial and procedural requirements, and authorizes the agency to advance equitable development by prioritizing affordable housing in surplus property disposition; and

WHEREAS, the 2016 voter-approved regional transit system plan commits the agency to pursue and implement land disposition and development strategies that reduce the cost of providing affordable housing, increase transit ridership, leverage state, federal and local affordable housing funding, and are consistent with the retention of federal grant funds where appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Resolution No. R2012-24 is hereby superseded with an Equitable Transit Oriented Development Policy, which is hereby adopted as follows:

1.0 Scope

- 1.1 The 2016 voter-approved regional transit system plan established TOD as a programmatic component of implementing the agency's mission to plan, build and operate regional mass transit. The system plan directs the agency to implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities adjacent to Sound Transit stations. This policy responds to that direction by planning for equitable TOD throughout project delivery, emphasizing partnerships and collaboration, and committing the agency to inclusive and transparent engagement throughout every phase of project delivery.
- 1.2 Sound Transit recognizes that equitable transit communities promote local community and economic development by providing housing types at a range of densities and affordability levels, commercial and retail spaces that support job creation, community services, and other amenities that are integrated into safe, walkable neighborhoods. Successful equitable transit communities are created through inclusive planning and decision-making processes, resulting in development outcomes that accommodate future residential and employment growth, increase opportunity and mobility for existing communities, and enhance public health for socially and economically diverse populations. Sound Transit recognizes its role in advancing equitable TOD, which focuses growth around transit facilities and leverages transit investments to produce regional and local benefits such as increased ridership, housing and employment options, and walkable, livable communities. The agency is committed to TOD that is equitable by ensuring that:
 - 1.2.1 The processes to plan, develop and implement TOD are inclusive and reflective of the local community, with the goal of a shared station area vision between the agency, community and local jurisdiction.
 - 1.2.2 TOD outcomes benefit and support existing low-income communities and residents of color.
 - 1.2.3 Station areas include housing options for families of many sizes and various income levels, provide social and economic opportunity for current and future residents, and increase access to regional employment, health and educational centers.

2.0 Policy

- 2.1 **Goals.** Sound Transit establishes the following goals for implementing TOD:
 - 2.1.1 Increase the value and effectiveness of transit by increasing transit ridership.
 - 2.1.2 Support implementation of state, regional and local growth plans, policies and strategies.
 - 2.1.3 Make equitable TOD an integral component of and supportive of transit project planning and delivery.
 - 2.1.4 Engage a broad cross-section of the public, reflecting diverse communities.
 - 2.1.5 Encourage the creation of diverse housing options near transit with priority to affordability.
 - 2.1.6 Encourage convenient, safe multi-modal access to the transit system, with an emphasis on non-motorized access.

2.2 Strategies

- 2.2.1 **Integrated project delivery.** Sound Transit facilitates TOD through all phases of its transit projects including early system planning, design, construction, and transit system operations. The agency documents evaluations and decisions to ensure continuity throughout project delivery. Sound Transit utilizes TOD, urban design best practices and engagement with local communities to plan and design station areas that integrate with the surrounding community and promote agency and community TOD opportunities.
- 2.2.2 **Engagement.** Sound Transit fosters relationships with local and regional stakeholders, including, but not limited to, jurisdictions, community organizations, property owners, partners and the public, to implement TOD. The agency works closely with local communities and jurisdictions to develop a vision for station areas and goals for equitable development.
- 2.2.3 **Fiscal responsibility.** Sound Transit makes decisions about TOD delivery in the context of project delivery, consistent with Sound Transit's primary responsibility to build and operate the regional high-capacity transit system. Revenue from property disposition supports the delivery of system expansion projects and programs and transit operations.
- 2.2.4 **Types of TOD.** Sound Transit implements equitable TOD on its excess or surplus property and promotes equitable TOD on non-owned property around its transit facilities. Recognizing that TOD may, and often does, involve a combination of actions by Sound Transit, local and regional stakeholders, and private and public development, the following terms clarify Sound Transit's role:
- 2.2.4.a **Agency TOD:** Facilitate or create TOD on Sound Transit property that is no longer needed for a transit purpose or has additional capacity that could be utilized for TOD. Agency TOD may include joint development and other partnerships. Sound Transit takes the lead role in identifying and implementing agency TOD strategies.
- 2.2.4.b **Community TOD:** Support and promote TOD within the area around a Sound Transit facility (generally ½ mile, or a 10-15 minute walk, and along corridors that provide key connections to the regional transit system). Strategies that support community TOD may be identified and facilitated by Sound Transit or by others and may include partnerships.
- 2.2.5 **Partnerships.** Sound Transit seeks partnerships with local and regional stakeholders, as allowed by law, for property acquisition and disposition activities to better deliver transit project elements and TOD. Sound Transit generally defines a TOD partner as a public or private entity that adequately shares in risks and benefits and commits time and resources to achieving TOD goals near Sound Transit projects.
- 2.2.6 **Housing options.** Sound Transit seeks proposals from developers that align with local goals and deliver a variety of housing options within its TOD projects to support various income levels and family sizes. Sound Transit explores home ownership models, disposition strategies that allow for mixed-income development, and community/mission ownership opportunities.

- 2.2.7 **Property acquisition.** Sound Transit acquires property for transit purposes. During acquisition of land sufficient to construct and operate the transit facility, Sound Transit considers how potential excess or surplus property after construction may be used for TOD, including such factors as size, configuration and relationship to a future transit facility. This consideration allows the agency to make intentional decisions about property acquisitions and how the final footprint of the agency's constructed facility may allow future excess Sound Transit property or adjacent property to be effectively developed into agency or community TOD.
- 2.2.8 **Property disposition.** Sound Transit disposes of property, in a manner consistent with federal requirements and state law prioritizing affordable housing, to support agency projects, plans and goals including the implementation of a regional equitable TOD strategy.
- 2.2.9 **TOD completion.** Sound Transit strives for the completion of agency TOD at the time the transit project opens or service begins, while considering the agency's property needs for construction and operations of the transit system.
- 2.3 **External Engagement Approach.** Sound Transit commits to inclusive and transparent engagement, starting early in transit project development and throughout project delivery. Sound Transit:
 - 2.3.1 Collaborates with local and regional stakeholders to articulate a development vision and goals for station areas when planning and developing transit projects.
 - 2.3.2 Resources engagement efforts to be equal in opportunity, accessibility and inclusive of existing low-income and minority populations, with particular emphasis on underrepresented communities.
 - 2.3.3 Engages jurisdictions having local land use authority early in project planning to leverage Sound Transit investments to implement agency and community TOD, consistent with local plans.
 - 2.3.4 Works with local and regional stakeholders to shape local plans that support Sound Transit's investments, encourage TOD-supportive public policy and promote TOD best practices.
 - 2.3.5 Seeks input through public engagement that informs, involves, and empowers people and communities. Engagement strives to include low-income communities, communities of color, immigrants, refugees, and other underrepresented and vulnerable populations.
 - 2.3.6 Uses a variety of innovative methods and technology to reach and engage stakeholders, including outreach and communication methods relevant to specific low-income, minority or immigrant populations reliant on interpretation or translation services.
- 2.4 **Integrated Project Delivery Approach**
 - 2.4.1 **Sound Transit commits to TOD analysis and measures early in system planning and throughout transit project delivery.** Sound Transit:
 - 2.4.1.a Incorporates TOD criteria as a decision-making factor during alternatives development, alternatives selection, design and transit project delivery activities. Sound Transit reports through project development on how project decisions affect and support TOD. For example, criteria could

include consideration of land use and local comprehensive plans, as well as feasibility of redevelopment.

- 2.4.1.b Considers how the siting, configuration, design and use of a transit facility connects to adjacent land uses and results in high-quality public spaces and a sense of place.
- 2.4.1.c Identifies and pursues strategies that minimize displacement of existing businesses and individuals from properties impacted by Sound Transit.
- 2.4.1.d Incorporates sustainability measures in TOD, including, but not limited to, green building standards for development, shared utilities or other site-specific measures that support feasible sustainable development practices.

2.4.2 **Sound Transit acquires property in a manner that considers TOD in selecting among otherwise reasonable and legally permissible alternatives for the acquisition, use and disposition of land.** Sound Transit considers how the siting, configuration or design of a transit facility may affect or facilitate:

- 2.4.2.a Availability of air rights for TOD.
- 2.4.2.b Availability of excess or surplus for TOD.
- 2.4.2.c Opportunities for community TOD.
- 2.4.2.d Access and connections between a transit facility and community TOD.
- 2.4.2.e Configuration of developable remaining parcels, while avoiding the creation of unbuildable, residual parcels whenever possible.

2.4.3 **Sound Transit pursues joint or co-development of transit facilities, where such opportunities exist.** Sound Transit:

- 2.4.3.a Considers alternative methods to deliver transit project elements and TOD.
- 2.4.3.b Evaluates options to co-locate transit facilities and TOD, including mixed- and shared-use parking.

2.5 **Equitable TOD Implementation Approach**

2.5.1 **Sound Transit generates revenue through property disposition to support the delivery of the agency's voter-approved plans.** Sound Transit:

- 2.5.1.a Develops and implements an approach for its surplus property and joint development portfolio to satisfy the revenue projections identified within Sound Transit's financial plan.
- 2.5.1.b Implements property discounts, including no cost transfers where appropriate, to achieve affordable housing development, consistent with state law. All property discounts, if offered, for affordable housing development will be determined by the Board and informed by a financial assessment that includes relevant project, corridor and overall system expansion delivery analysis, as well as a gap analysis demonstrating the necessity of the property discount for the project to succeed. A property discount must be commensurate with the affordable housing outcomes achieved.

- 2.5.1.c Evaluates opportunities to capture property value to support affordable housing development, including, but not limited to, allowing cross-subsidy across a master development site or through transfer of development rights to a market-rate site generating revenue to support affordable housing development.
 - 2.5.1.d Recovers infrastructure costs that support TOD, including joint development.
 - 2.5.1.e Sells property as-is except under extenuating circumstances. When Sound Transit is leasing its property for long-term development, the agency may remediate environmental conditions.
 - 2.5.1.f Disposes of property in manners consistent with requirements governing the funding used for the property's initial purchase, i.e. recoups any and all federal dollars used to purchase the property, unless otherwise permitted by the Federal Transit Administration.
- 2.5.2 **Sound Transit leverages available funding sources and strategies to facilitate equitable TOD.** Sound Transit:
- 2.5.2.a Seeks, as appropriate, direct or alternate funding sources to support joint or co-development of property by others.
 - 2.5.2.b Explores local, state and federal funding opportunities that allow for TOD and provide for local flexibility in joint development or property disposition.
 - 2.5.2.c Coordinates with local jurisdictions, housing authorities and other funders on available funding resources for affordable housing projects.
 - 2.5.2.d Builds relationships with affordable housing funders and seeks opportunities to jointly offer properties to qualified entities with committed funding.
 - 2.5.2.e Develops and implements guidelines for investment in a revolving loan fund that considers multiple strategies to promote the development of affordable housing near transit stations or on Sound Transit properties.
- 2.5.3 **Sound Transit maintains a flexible approach to optimize equitable TOD outcomes on its excess or surplus property, including opportunities for affordable housing development.** Sound Transit:
- 2.5.3.a Develops and implements approaches to determining the suitability of surplus property for housing development to support equitable TOD. These approaches consider individual property characteristics, input from qualified entities and the vision of local municipalities.
 - 2.5.3.b Explores community and mission-based development opportunities that minimize displacement risk for low-income communities and communities of color by utilizing creative development delivery strategies, including community ownership models to build local wealth and support existing populations.
 - 2.5.3.c Develops and implements a TOD portfolio-wide approach, consistent with statutory requirements for affordable housing, prioritizing development near transit stations.

- 2.5.3.d Evaluates qualifications regarding experience, ability to perform, responsiveness to the local community and project financing plans for developers or partners of joint development, disposition or leasing of property before finalizing applicable agreements.
- 2.5.3.e Evaluates projects against TOD criteria, as appropriate, when considering proposals for developing agency TOD opportunities, including, but not limited to, inclusion of space for small businesses, child/health care services and cultural/community institutions.
- 2.5.4 **Development of property leased by the agency will occur consistent with agency labor standards for Sound Transit construction projects.** When Sound Transit leases property around stations for TOD, it will, consistent with law, include in its evaluation criteria whether a proposer demonstrates:
 - 2.5.4.a Inclusion of all members of the workforce, including underrepresented groups, and workforce utilization goals.
 - 2.5.4.b Apprenticeship and work-training opportunities.
 - 2.5.4.c Plans to keep workers safe at job sites.
 - 2.5.4.d Area standards for wages and benefits.
 - 2.5.4.e Equivalent pay for equivalent work for all workers.
- 2.6 **Reporting and Accountability Approach.** Sound Transit develops necessary plans, procedures and/or guidelines to implement this policy. Sound Transit staff report at least annually to the Board to inform the Board on TOD progress.
 - 2.6.1 Sound Transit staff will develop equitable TOD guidelines and/or procedures with direction from Board and input from diverse stakeholders and partners. Equitable TOD guidelines and/or procedures will address, but not be limited to, the following:
 - 2.6.1.a Station area planning and evaluation of joint development opportunities.
 - 2.6.1.b Disposition methods the agency will use for TOD.
 - 2.6.1.c Engagement strategy for planning and implementing TOD.
 - 2.6.2 A regional equitable TOD plan will strategically capture the agency's excess and surplus property inventory in time increments with annual offer and disposition targets identified, tracked and reported to the Board. The agency's excess and surplus property inventory is fluid, and this approach allows the agency to work strategically with local jurisdictions, regional stakeholders, qualified entities and housing funders on portfolio collaboration and coordination. The plan will:
 - 2.6.2.a Identify properties suitable for development as housing that are anticipated to be offered to qualified entities, as defined in statute, and those that will be offered more broadly.
 - 2.6.2.b Capture financial plan assumptions and report the status of recouping the agency's financial plan assumptions for property disposition revenue.
 - 2.6.2.c Align with regional planning efforts.
 - 2.6.3 The Board will receive an annual report on the TOD program status and performance in meeting statutory requirements and other targets identified in the TOD plan. The report will also describe development and implementation of equitable TOD guidelines and/or procedures.

3.0 References

- 3.1 Resolution No. R2016-16 Sound Transit 3 Regional Transit System Plan
- 3.2 Resolution No. R2013-30 Real Property Excess, Surplus and Disposition Policy
- 3.3 Resolution No. R2009-24 Scope Control Policy
- 3.4 Resolution No. 98-20-1 Real Property Acquisition and Relocation Policies, Procedures and Guidelines
- 3.5 Resolution No. 78-2 Delegation of Authority Policy for Procurement, Agreements and Real Property
- 3.6 Resolution No. R2011-15 Inclusive Public Participation and Community Outreach (Title VI) Policy
- 3.7 Resolution No. R2013-03 Parking and System Access Policy
- 3.8 Resolution No. R2007-12 Sustainability Initiative

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 26, 2018.



John Marchione
Board Vice Chair

ATTEST:



Kathryn Flores
Board Administrator