Sound Transit's Office of Land Use Planning & Development Transit-Oriented Development Quarterly Status Report – Q1 2020

Background:

RCW 81.112.350 requires Sound Transit to provide quarterly updates on implementation of a regional equitable transit oriented development (TOD) strategy. The TOD program is empowered by the voter-approved plan to create diverse, vibrant and mixed-income communities around transit. To achieve these outcomes, Sound Transit offers its surplus properties—those acquired for building and operating the transit system but no longer provide a transit use to the agency—as development opportunities for affordable housing or other developments benefiting the public.

The Q1 2020 report includes the following components:

- I. Highlights
- II. Progress Report: TOD program development
- III. Progress Report: TOD program implementation
 - a. Future Station Area Planning
 - b. Revolving Loan Fund for Affordable Housing
 - c. Current TOD projects
- IV. Transfers of Surplus Property
- V. Looking Ahead

I. Highlights:

 Capitol Hill Housing has completed the Station House affordable housing development adjacent to the Capitol Hill Link station and part of the larger transit-oriented development project at that site. Station house is composed of 110 units of affordable housing at 60% Area Median Income (AMI) and below. The project also includes community meeting space for the Capitol Hill neighborhood.



- 2. The initial submittals of the Request for Proposals (RFP) for the Operations Maintenance Facility East (OMF East) TOD site closed on February 25. The RFP seeks a master development team that will deliver a mixed-use, mixed-income project and included portions of the property being transferred at no-cost for affordable housing components from Sound Transit and the City of Bellevue as well as affordable housing financial assistance from King County and A Regional Coalition for Housing (ARCH). A short list of proposers were advanced into the final RFP process with a current closing date at the end of May 2020.
- 3. Local Initiatives Support Corporation (LISC) completed an Affordable Housing Needs Assessment of the current state of regional affordable housing financing resources in the state of Washington and identifying gaps in affordable housing finance that Sound Transit's \$20 million contribution to a revolving loan fund could address. LISC began development of a business plan that will inform how the Sound Transit's contribution will be deployed within the Sound Transit district.
- 4. The Roosevelt TOD project received its 4% tax credit allocation in January; the project is now fully funded and is working towards a May construction start, pending any COVID-19 delays.

II. Progress Report: TOD Program development

Following the adoption of Sound Transit's Equitable TOD Policy (R2018-10) in 2018, the agency began refining its process and guidelines to articulate how the agency uses its surplus property portfolio to implement the policy. Much of 2018 and 2019 were used to pilot ways to implement the policy and those lessons learned will be applied to the guidelines, as well as a strategic plan for the program. Guidelines are being developed for transaction requirements and development strategies for surplus properties. The strategic plan for the TOD property portfolio is in scoping, expected to start work in Q2 2020.

III. Progress Report: TOD Program Implementation

A. Future Station Area Planning

A key aspect of delivering a regional equitable TOD strategy is ensuring that stations are located and designed in a manner that supports good land use and development outcomes. To this end, OLUPD staff are embedded in capital project teams to lead station planning and urban design efforts during the project development and early engineering phases.

In Q1 2020, the following milestones were realized for each of the below ST 3 projects:

- SR 522 and I-405 BRT
 - Continued to explore a Kenmore park and ride garage configuration that optimizes TOD potential and completed cost evaluation for ongoing partnership conversations.
 - Developed and released request for expressions of interest (RFEI) to explore potential for joint development delivery of parking investments at Lake Forest Park
 - Engaged City of Bothell to scope potential joint development of park and ride garage site
 - o Supported WSDOT's work to advance joint development pilot at Kingsgate Park & Ride
- Tacoma Dome Link Extension
 - Concluded outreach phase of South Federal Way station area visioning process jointly sponsored with City of Federal Way
 - Held meetings with City of Fife to scope collaboration on evaluation of TOD and joint development opportunities

- West Seattle and Ballard Link Extension
 - Conducted five agency workshops to introduce Draft EIS station concepts and explore refinements
 - Initiated work to define potential joint development and TOD opportunities associated with DEIS alternatives
 - Initiated preparations for community and public engagement around DEIS station concepts in summer 2020

B. Revolving Loan Fund for Affordable Housing

Sound Transit is directed by RCW 81.112.350 (1)(a) to contribute \$4 million a year for five years to support affordable housing in its district. To ensure the loan funds are used effectively, Sound Transit retained Local Initiatives Support Corporation (LISC) in July 2019 to work with Sound Transit in developing a business plan for implementing the program.

In September 2019, LISC initiated a needs assessment in conjunction with Sound Transit to identify notable gaps in affordable housing finance that the Revolving Loan Fund may fill. LISC developed a needs assessment and conducted engagement activities in Q4 2019, which concluded in March 2020. The final report is the product of 38 in-person interviews and focus groups with cross-sectoral affordable housing stakeholders, as well as reviews of dozens of affordable housing funds, programs and resources. The draft business plan, which will guide the implementation of Sound Transit's investments, is anticipated to be discussed with the Sound Transit Board in summer 2020.

C. Current TOD projects

- OMF East: The initial submittals of the RFP closed on February 25. Sound Transit, with its Partners at the City of Bellevue, King County, and A Regional Coalition for Housing (ARCH), shortlisted proposing teams for the RFP. The final RFP has a current closing date at the end of May 2020.
- Rainier Valley: Sound Transit continues to work with the Seattle Office of Housing on a potential partnership that would result in the creation of affordable housing opportunities, with a focus on homeownership, on up to 12 sites in the Rainier Valley, with a Board action planned for Spring of 2020.
- Angle Lake: The Sound Transit Executive Committee in March recommended approval to the full Board that the two surplus properties are suitable for the development of housing, offering the North site to qualified entities for affordable housing at a potential discount, and the South site to the general market. The final action is pending consideration from the full Board.
- Beacon Hill: Pacific Housing North West, LLC (the Developer) and Walsh Construction (the Contractor) started construction of a transit-oriented development (TOD) on two sites adjacent to the Beacon Hill surface station including a small Sound Transit surplus site sold to the Developer in December 2019. Construction was temporarily halted in March due to the COVID-19 virus.
- Capitol Hill Sites A-C: In March 2020, Capitol Hill Housing opened its 110-unit Station House project, which includes 100% of its units serving households earning 60% and below. Gerding Edlen is constructing three other buildings at the site that will deliver an additional 316 units of housing and over 30,000 SF of retail. The buildings are expected to open in Q3 2020, however construction was temporarily halted in March due to the COVID-19 virus.

 Federal Way Link Extension: Sound Transit hosted a kick off meeting with staff from the City of Kent to begin the process of formulating a development strategy and implementation plan for a potential TOD sites adjacent to the future Kent/Des Moines station following transit construction. In addition, Sound Transit continued its coordination with the city and transit partners of the final design for the Federal Way Transit Center. A TOD kick-off meeting with City of Federal Way staff is expected to occur in Q2 2020.

Further detail available in the TOD Pipeline Table.

IV. Transfers of Surplus Property

No surplus property was transferred in Q1 2020.

V. Looking Ahead

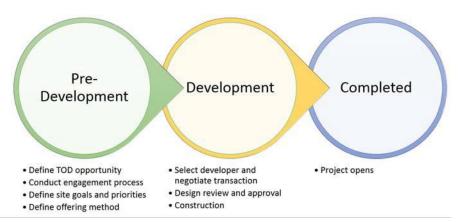
This report was drafted and published during the COVID-19 pandemic and while the agency is abiding by the "Stay home, stay safe" directive from Governor Inslee. All timelines and board actions will need to be reexamined once the impacts to the pandemic are understood.

The following notable activities are anticipated for Q2 2020:

- Program Development: Sound Transit continues to work with local jurisdictions, affordable housing funders, community members, and development partners on its development approach and on specific development opportunities. As the TOD program matures, Sound Transit is evaluating its role in advancing regional affordable housing outcomes and the tools available to achieve them. Sound Transit, with its affordable housing funding partners and local jurisdictions, is exploring how resources may be strategically aligned to streamline the development pipeline and support affordable housing outcomes throughout the region. Additionally, executive level staff at Sound Transit have agreed to serve on the regional Affordable Housing Committee to further advance partnerships and strategies.
- TOD Projects:
 - Roosevelt is anticipated to close and begin construction in May.
 - A suitability for housing declaration and offering strategy for the two Angle Lake TOD sites is expected to go before the Board.
 - A declaration of surplus, suitability for housing, and offering strategy for the Rainier Valley affordable housing sites is expected to go before the Board.
 - \circ $\;$ The draft business plan for the Revolving Loan Fund is anticipated to be developed.
 - Kick-off meeting with City of Federal Way staff regarding TOD at Federal way Transit Center.

The Q2 2020 report will be released on July 15, 2020.

Sound Transit Transit-Oriented Development: TOD Pipeline January 15, 2020



Rainier Valley	Location: Rainier Valley, Seattle	Sound Transit is exploring a potential agreement with the City of
Affordable	Site Area: Approximately 84,000 SF (Nearly 2	Seattle's Office of Housing on an affordable housing program, focused
Homeownership	acres) across 12 sites/22 parcels	on homeownership, on a group of small parcels primarily located along
Program	Zoning: LR-2/LR-3 Multifamily	Martin Luther King Jr. Way S. in the Rainier Valley, in proximity to the
	residential/townhome	Columbia City, Mount Baker, and Othello light rail stations.
	Program: Anticipate 80-200 Units	
		Sound Transit and the Office of Housing have been working towards a
		draft agreement document. A community engagement process, piloting
		the TOD program's draft Equitable Engagement Approach and with help
		from Puget Sound Sage, wrapped up in mid-September. The
		engagement report is available at <u>www.soundtransit.org/TOD</u> .
		The Board was briefed on the project in Q3 2019. Mayor Durkan
		announced the City of Seattle's support for the project and has committed
		funding to it as part of a package of affordable housing investments made
		possible by the sale of the Mercer Mega Block. Sound Transit plans to
		return to the Board in 2020 to discuss suitability for housing and the
		offering strategy for the properties.

Operations Maintenance Facility: East	Location: Spring District/120th Station, Bellevue Site Area: 6.8 acres Zoning: BR-OR-2, Master Development Plan Program: TBD	 Following the completion of the Operations and Maintenance Facility – East, Sound Transit will have a 6.8 acre TOD site available for redevelopment. The site is entitled for over 1.1 million square feet across six buildings, resulting in an exciting mixed-use, mixed-income project in the Spring District/120th Station area. The City of Bellevue, which owned approximately one acre of the TOD property (equivalent to a building pad site), agreed to transfer the property to Sound Transit at no cost in exchange for providing a similar property within the site for affordable housing at no cost. Sound Transit agreed to also offer a building pad site within the larger TOD property to affordable housing developers at no cost. King County and A Regional Coalition for Housing (ARCH) both agreed to bring much needed affordable housing financial resources to build affordable housing on those properties, with King County committing \$10 million and ARCH \$4 million.
		A joint RFP was issued by Sound Transit in December 2019 and the initial submittals of the RFP closed on February 25, 2020. The RFP seeks a master development team that will deliver a mixed-use, mixed-income project and included the free land for affordable housing components from Sound Transit and the City of Bellevue as well as affordable housing financial assistance from King County and ARCH. In March, the multi-agency team advanced proposers into the final RFP process, which has a current closing date at the end of May 2020.
Angle Lake Sites	Location: Angle Lake Station, SeaTac Site Area: 34,000 SF (0.77 acres) & 27,500 SF (0.63 acres) Zoning: RBX – Regional Business Mix with an Angle Lake Station Area Overlay District Program: TBD	The Sound Transit Executive Committee in March recommended approval to the full Board that the two surplus properties are suitable for the development of housing, offering the North site to qualified entities for affordable housing at a potential discount, and the South site to the general market. The final action is pending consideration from the full Board. Following final action, Sound Transit would issue RFPs for the two properties.

Sound Transit Transit-Oriented Development: TOD Pipeline January 15, 2020

January 15, 2020 Surrey Downs single family home lots	Location: East Main Station, Bellevue Site Area: 89,000 SF (2.04 acres) Program: Single family homes	Sound Transit is working with City of Bellevue and ARCH to explore the potential for the redevelopment of the site, comprised of 10 parcels totaling approx. 89,000 square feet. The properties are zoned and deed restricted for single family homes. Sound Transit is assembling due diligence materials on the properties ahead of appraising the property, conducting engagement, and determining a development strategy. The site was declared to be surplus after construction by the Board in 2016.
Redmond Technology Station	Location: Redmond Technology Station, Redmond Site Area: 53,000 SF (1.2 acres) Zoning: OBAT Program: Anticipate 60 affordable housing units or ≥\$4million to fund affordable housing project within ½ mile of future ST station in Redmond	Sound Transit received this property in 2002 for constructing and operating a transit center or transit-supportive uses on the property. The transit facilities built on this site are being replaced with new facilities in conjunction with the light rail station under construction. Through the design-build process for Redmond Technology Station, a 1.2 acre TOD site emerged. Sound Transit evaluated the TOD potential of this new opportunity and identified several redevelopment challenges that would need to be addressed to implement a TOD project, primarily property title encumbrances and limited development rights. When the property was transferred to Sound Transit, several permanent title encumbrances were placed on the property, including specific transit use restrictions, reversionary rights, and use approvals held by the previous property owner. In order to resolve the title issues, achieve a TOD outcome, and support equitable development, ST and the City of Redmond are considering a transaction in which ST would transfer the property to the City, including the requirements for affordable housing. If the City sells the property the proceeds would go to an affordable housing project within 1/2 mile of future light rail station in Redmond. The term sheet of a possible transaction may be ready for City and ST Board consideration in 2021.
U District – 45 th & Roosevelt property	Location: U District Station area, Seattle Site Area: 18,034 SF (0.4 acres) Zoning: SM-U 95-320 (mixed use, with a maximum height of 320 feet) Program: To be determined	Sound Transit owns a property located two blocks west of the future U District Station that is currently used for construction staging. Sound Transit is anticipating the results from a development feasibility analysis in spring 2020 that will inform future engagement efforts with the community and city. The property is bifurcated by a public alley, which may impact the development potential of the property.

January 15, 2020		
Mount Baker Station	Location: Mount Baker Station, Seattle	Sound Transit participated on an interagency team with the City of
East Portal site	Site Area: +/-77,000 SF (1.8 acres)	Seattle (Office of Housing, Department of Transportation, Office of
	Program: To be determined	Planning and Community Development, Parks and Recreation), King
		County Metro, and King County Wastewater Treatment on an effort
		to implement a town center vision at the station area. The team
		contracted with the Urban Land Institute to conduct a Technical
		Advisory Panel to provide third-party technical expertise for the
		station area. The process improved interagency collaboration and
		provided concepts to explore in the next phase of work.
		Sound Transit is discussing the potential of partnering with the
		Seattle Office of Housing to combine the East Portal site and the
		city's future UW Laundry site.
Pine Street Triangle	Location: Westlake Station, Seattle	Sound Transit is working internally to finalize a scope of work to
	Site Area: +/- 28,200 SF (0.64 acres)	complete a technical analysis that will inform both the agency and
	Program: To be determined	developers on how to over build the tunnel and transit facilities on
		and under the site. This information is critical to understand agency
		operational requirements and the complex site constraints on the
		property.
		property.

Sound Transit Transit-Oriented Development: TOD Pipeline January 15, 2020

Sound Transit Transit-Oriented Development: TOD Pipeline

January 15, 2020

Development Projects		
Project	Description	Status
Cedar Crossing (Roosevelt Central Site)	Location: Roosevelt Station, Seattle Developer: Bellwether Housing & Mercy Housing NW Site Area: 53,000 SF (1.2 acres) Zoning: NC3-P-85 Neighborhood Commercial 3 Program: 254 Affordable Units (target of 60% AMI and below) Other: FTA Joint Development project	Sound Transit has a 1.2 acre TOD site adjacent the future Roosevelt Station that will be redeveloped into a new mixed-use building that has street-level retail, a daycare, and 254 units of affordable housing. The site was used for constructing the underground tunnel and station but provided the additional opportunity to be redeveloped into transit- oriented development. Sound Transit partnered with the Roosevelt Neighborhood Association (RNA) and the City of Seattle on a community engagement effort to inform Sound Transit's goals for the property. The RNA, supported by an Enterprise Community Partners Section 4 Support grant, shaped goals for the site that included creating high quality pedestrian connections, include significant affordable housing opportunities with a focus on family-sized units, and includes active pedestrian-oriented storefront spaces. The Seattle Office of Housing partnered with Sound Transit on an RFP that offered discounted Sound Transit property and \$15 million in affordable housing funding from the city. The joint venture of Bellwether Housing and Mercy Housing NW were selected to be the developer of the project. The project is currently finishing its permitting, secured its funding awards, and is on track for a May 2020 construction start.
Capitol Hill Sites A, B- South & C	Location: Capitol Hill Station, Seattle Developer: Gerding Edlen Program: 428 Mixed-income units (176 Affordable Units, 252 Market Rate Units); 30,000 SF retail – Capitol Hill TOD master development Site Area: 105,890 SF (2.43 acres) – Capitol Hill TOD master development Other: FTA Joint Development project	 Three 99-year ground leases (Sites A, B-South, and C) closed on June 20, 2018 and the contractor broke ground on June 21, 2018. Construction on the three buildings is expected to be complete in Q3 2020, however construction is temporarily stopped due to the COVID-19 virus. The three buildings include 318 housing units (66 affordable and 252 market-rate), and over 30,000 SF of retail space. The first building at the Capitol Hill TOD master redevelopment that opened is the Station House building (Site B-North), developed by Capitol Hill Housing. The 110-unit affordable housing building opened in March 2020 (see Completed Projects section).

Sound Transit Transit-Oriented Development: TOD Pipeline

January 15, 2020

First Hill	Location: Seattle	Motion M2018-102 was approved in August 2018 and approved key
	Site Area: 21,000 SF (0.48 acres)	business terms with Bellwether Housing, Inc. and Plymouth Housing
	Zoning: NC3-P-160 Neighborhood	Group, Inc. for transaction agreements that will result in the development
	Commercial 3	of a mixed-use, high-rise affordable housing project.
	Program: 13 story high-rise with over 300	
	units serving populations making 30-60% AMI	A successful project will result in a project that achieves the project vision,
		as presented in the proposal, and meets or exceeds the key business
		terms including:
		 A high-rise building with a minimum of 12-stories and at least 250
		 A high-rise building with a minimum of 12-stones and at least 250 residential units.
		• Achieving a high density of affordable housing serving a range of
		incomes. If more than 308 units of housing are constructed, 100%
		of the units must be at or below 80% percent of AMI, with a
		project-wide average AMI of at or below 60% AMI, and at least
		250 units serving those earning at or below 60% AMI including at
		least 80 units serving those at or below 30% AMI. If fewer than
		308 units of housing are constructed, 100% of the units must be
		at or below 60% of AMI and at least 80 units shall serve those
		earning at or below 30% of AMI.
		• At least 8% of units shall be sized for families (2 and 3 bedroom
		units)
		• The street-level program will have a minimum of 4,000 SF of non-
		residential uses, such as retail, that serve the general public
		The project will be designed to meet the WA State Evergreen
		Standard
		 A maximum of 20 parking stalls will be built as a part of the
		project
		In order for Sound Transit to transfer the First Hill property at no cost, the
		final project must meet or exceed the key business terms approved by the
		Board. The transaction agreement has been executed. The project
		continues through the design/permitting and financing process, and is on
		track to start construction as early as fall 2020 should financing sources
		align. The project had successful allocations of local funding and private
		fundraising to date and is now seeking tax credit allocations.
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Capitol Hill Site D	 Location: Capitol Hill Station, Seattle Site Area: 10,383 SF (0.24 acres) Zoning: NC3-P-40 Neighborhood Commercial 3 (Development Agreement between ST and City of Seattle allows height up to 85ft) Program: 70-80 Affordable Units and street-level retail on Atlas Site; college expansion on Site D 	Motion M2018-103, approved by the Board in August 2018, approved the key business terms of a four party property exchange with Seattle Central College (SCC), the State Board for Community and Technical Colleges (SBCTC), and Capitol Hill Housing Improvement Program (CHH) to exchange property in order to develop equitable transit-oriented development in the Capitol Hill Station Area. ST granted SCC a right of first refusal in 2011 for Site D. SCC and SBCTC approached ST about exchanging Site D for two contiguous parcels nearby that SCC owns (the "Atlas Site").
		Site D, as developed by SCC, would be incorporated into an adjacent SCC- owned parcel and redeveloped as a primary entrance to the college and is anticipated to include additional classrooms, student services, bookstore, and faculty space. ST executed agreements with SCC, SBCTC, and CHH in August 2019 that govern the property exchange and subsequent redevelopment of the properties.
		CHH is developing the Atlas Site as the Eldridge project, which received a funding award from the Seattle Office of Housing in December 2019. The Eldridge is currently planned for 125 residential units at 60% AMI and below and will include on site resource center and ground floor retail. Capitol Hill Housing is in the design and permitting stage and is expected to break ground in 2021.

Sound Transit Transit-Oriented Development: TOD Pipeline

Site Area: 30,834 SF (0.71 acres) Project Cost: \$16.9 million

January 15, 2020	0	
Beacon Hill Small Parcel	Location: Beacon Hill Station, Seattle Site Area: 2,256 SF (0.05 acre) Zoning: NC2P-65 Neighborhood Commercial 2 Program: 139 housing units on ST-owned and adjacent private property, including at least 20% of the units affordable	ST received an unsolicited proposal to purchase a small portion of ST property adjacent the Beacon Hill station from Pacific Housing NW, a local developer who acquired the adjacent private property for TOD. ST advertised the receipt of the unsolicited proposal and offered the opportunity for other proposals to be submitted, with priority given to any proposals from non-profit developers, housing authorities or local jurisdictions, per RCW 81.112.350. No additional proposals were submitted and ST advanced negotiations of the proposed project with the developer. Key business terms with the developer were approved by the Sound Transit Board in December 2018. The property was sold in December 2019 with heavy construction activities starting in January 2020.
Completed Projects		
Project	Description	Status
Senior City	Location: Federal Way Transit Center, Federal Way Developer: Korean Women's Association, Common Ground Program: 62 Affordable Units (Senior – 1BR); 3,125 SF common room	Opened in 2010

Sound Transit Transit-Oriented Development: TOD Pipeline

January 15, 2020		-
Mount Baker Lofts	Location: Mount Baker Station, Seattle Developer: Artspace USA Program: 57 Affordable Units (Artist's Studio); 10,000 SF retail (12 bays) Site Area: 23,064 (0.53 acres) Project Cost: \$18 million	Opened in 2014
Othello Plaza	Location: Othello Station, Seattle Developer: Mercy Housing Northwest Program: 108 Affordable Units (1-3 BR @ 30% - 80% AMI); 7,450 SF retail Site Area: 31,870 SF (0.73 acres) Project Cost: \$29.8 million	Opened in 2017
Station House (Capitol Hill Site B-North)	Location: Capitol Hill Station Developer: Capitol Hill Housing Program: 110 Affordable Units (30-60% AMI) Site Area: 15,878 SF (0.37 acres) Project Cost: \$36 million	Opened in 2020

Future / Potential Sites: these sites are either currently in the TOD Strategic Plan and not yet moved to market or are anticipated to become TOD sites for projects in design. Please note, any site identified as "potential" could change as a result of design modifications or project needs.

Corridor	Approximate Timing to move into Pre-Development
South	Started in 2019
South	Started in 2019
East	2020
Central	2020
East	2021
East	2020
Central	2020
Central	TBD
South	TBD
Central	TBD
	South South East Central East East Central Central South