

## TRANSIT-ORIENTED DEVELOPMENT

# Quarterly Status Report



Cedar Crossing project at the future Roosevelt Station, which began construction in May 2020.

## Overview

**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.



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# Highlights



Construction began on the Cedar Crossing project at Roosevelt Station.

## Cedar Crossing groundbreaking

The TOD project at Roosevelt, **Cedar Crossing**, broke ground the week of May 11, 2020. The joint venture of Bellwether Housing and Mercy Housing NW is developing the 254-unit affordable housing building that is slated for completion in 2022. The project includes innovative community partnerships with Mary's Place, Seattle Children's, and El Centro de la Raza. The project is adjacent to the Roosevelt light rail station, which is set to open in 2021. Sound Transit and the Seattle Office of Housing partnered to offer the property at a discounted land price and committed \$15 million in City funds to the project.

## Final RFP for the Operations Maintenance Facility East (OMF East) TOD

The final submittals deadline of the Request for Proposals (RFP) for the OMF East TOD site closed on June 25.

## Housing Needs Assessment completed for Revolving Loan Fund

Sound Transit and Local Initiatives Support Corporation (LISC) completed a Housing Needs Assessment to identify the strengths and challenges in Washington's affordable housing financing system that Sound Transit's \$20 million contribution to a revolving loan fund can address.

# TOD Program development

In an effort to plan for and deliver TOD in alignment with the state statute, Equitable TOD Policy, and agency strategic goals, the agency started an effort to document the surplus property portfolio and develop a strategic plan for surplus property. The plan will allow the agency to evaluate outcomes and tradeoffs of various TOD development scenarios and inform the agency of its opportunities to achieve its policy aims. The effort includes:

- A **comprehensive needs assessment** outlining affordable housing and community needs in station areas with Agency TOD opportunities
- Preliminary massing studies showing **potential development yields**
- A **decision-making framework** with measurable criteria and outputs to analyze development strategies
- A **dashboard** to track progress towards TOD policy goals
- A **five-year strategic plan** for the property portfolio with initial recommendations

Additionally, the agency started work on Station Planning and Design Guidelines, which will provide a framework, guidelines, and standards for designing stations, station areas, station context, and system access to is intended to be applied to all new stations.



**Rendering of the Bellwether Housing & Plymouth Housing project in First Hill.**

# TOD Program implementation

## 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 Q2 2020, the following milestones were realized for each of the below ST3 projects:

- **SR 522 and I-405 BRT**  
Coordinated with King County Metro and WSDOT on potential joint development project delivery at Kenmore and Kingsgate, respectively.
- **Tacoma Dome Link Extension**  
Conducted three workshops with agency partners to advance station area access and circulation planning.
- **West Seattle and Ballard Link Extension**  
Completed 13 “co-planning” workshops with City of Seattle, King County Metro, and other public agencies to introduce DEIS station concepts, solicit comments and ideas for refinements.

## 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.

Sound Transit and LISC engaged affordable housing stakeholders in Q2 on the Needs Assessment that is informing the development of the draft business plan. The agency anticipates engaging the Sound Transit Board and stakeholders on the draft business plan later in 2020.



# TOD Program implementation, continued

## Current TOD projects



➤ **Capitol Hill Sites A, B-South, C:** Construction continues after COVID-19 related delays with opening expected in Q4 2020.



➤ **Beacon Hill:** Construction continues on the Colina project after COVID-19 related delays with opening expected in Q2 2021.



➤ **Cedar Crossing:** Construction started in May 2020 after the agency completed the sale of the property adjacent the future Roosevelt Station.



➤ **First Hill:** The agency worked closely with the development team to prepare for a closing and start of construction later in 2020.

Colina project construction at Beacon Hill Station

➤ **OMF East:** The Request for Proposals submittal period closed on June 25. Staff continues to work with partners at the City of Bellevue, King County and ARCH to evaluate proposals and identify a master development team for the property.

➤ **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. Community members more recently identified an additional affordable housing need, known as the Youth Achievement Center, which they would like to see on a subset of the properties. Given the new interest in this use, Sound Transit will continue conversations with the community, the federal government (which owns an interest in property) and the City of Seattle to develop a path forward for equitable solutions.

# TOD Program implementation, continued



- **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 was delayed due to COVID-19, but staff plan to seek final Board action in July 2020 as normal Board operations resume.



- **Federal Way Link Extension:** Engagement with our public partners in Kent and Federal Way kicked off in Q2, focusing on TOD at the Kent-Des Moines Station and Federal Way Transit Center, respectively. After constructing new transit facilities at those stations, it is anticipated that there will be agency-owned property available to support a mixed-use, mixed-income node right at the stations. Agency efforts in 2020 are focused on documenting site conditions and conducting due diligence that will inform the development strategy, community engagement, and partnering process.



Construction at Capitol Hill Station

- Further detail available in the TOD Pipeline Table.



## Transfers of surplus property

Sound Transit transferred one property in Q2 2020. The 1.2-acre Roosevelt Central TOD site was sold to the joint venture of Bellwether Housing and Mercy Housing Northwest, an eligible qualified entity under RCW 81.112.350, which is developing the Cedar Crossing project. The property was transferred under that statute to create affordable housing. All units, except two exempted on-site manager units, are affordable to those earning 60% of area median income and below. Sound Transit provided approximately \$12 million discount to a price of \$6.75 million less a \$130,000 environmental hold back allowance. The project is an FTA Joint Development project, which provided Sound Transit the flexibility needed to realize the project, in particular the affordable housing outcome.



A rendering of the future NE 67<sup>th</sup> Street and the Cedar Crossing project.

# Looking ahead

## Overview

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 Q3 2020:



### **Program Development:**

- Engagement regarding the Revolving Loan Fund development's draft business plan.



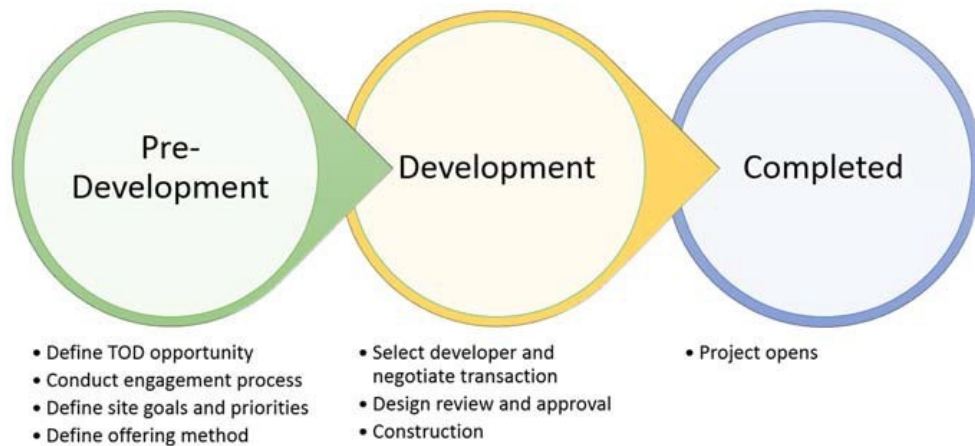
### **TOD Projects:**

- A suitability for housing declaration and offering strategy for the two Angle Lake TOD sites is expected to go before the Board for consideration.
- A declaration of surplus, suitability for housing, and offering strategy for the Rainier Valley affordable housing sites is expected to go before the Board for consideration.
- Possible closing on the First Hill site and subsequent construction of affordable housing.
- Commencement of a street network, open space, urban design, and massing study with the City of Seattle that will inform the future Request for Qualifications for development of the Mount Baker University of Washington Consolidated Laundry site and the adjacent Sound Transit East Portal Site.
- Start negotiations with a master development team for the OMF East TOD opportunity.

The Q3 2020 report will be released on September 15, 2020.



# TOD Pipeline



## Pre-Development Projects

### Rainier Valley Affordable Homeownership Program

**Location:** Rainier Valley, Seattle

**Site Area:** ±84,000 SF (Nearly 2 acres) across 12 sites/22 parcels

**Zoning:** LR-2/LR-3 Multifamily residential/townhome

**Program:** Anticipate 80-200 Units

- Sound Transit is exploring a potential agreement with the City of Seattle's Office of Housing on an affordable housing program, focused on homeownership, on a group of small parcels primarily located along Martin Luther King Jr. Way S. in the Rainier Valley, in proximity to the Columbia City, Mount Baker, and Othello light rail stations.
- In 2019, Sound Transit and the Seattle Office of Housing, with support from Puget Sound Sage, completed a community engagement process that piloted the TOD program's draft equitable engagement approach. The engagement report is available at [www.soundtransit.org/TOD](http://www.soundtransit.org/TOD).
- Recently, community members identified an additional youth-related affordable housing and community service need for two properties previously identified for the affordable home ownership program. Sound Transit will continue conversations with the community, the federal government (which owns an interest in property) and the City of Seattle to develop the best path forward for equitable solutions.
- Sound Transit plans to return to the Board in Q3 2020 to discuss suitability for housing and the offering strategy for the properties.

### **Operations and Maintenance Facility – East**

**Location:** Spring District/120<sup>th</sup> 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/120<sup>th</sup> Station area.
- The City of Bellevue, which owns 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 final submittals of the RFP closed on June 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. The outcome of the RFP is expected to be announced in late 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 a delay from COVID-19. Action is expected in summer 2020.
- Following final action, Sound Transit would issue RFPs for the two properties.



### **Surrey Downs single family homes**

**Location:** East Main Station, Bellevue

**Site Area:** ±89,000 SF (2.04 acres)

**Program:** Single family homes

- Sound Transit owns 10 properties, many non-conforming, for just over two acres of property that are zoned and deed restricted for single family homes. Sound Transit is preparing information on the property ahead of conducting engagement and determining a development strategy. In the future, the Board will consider actions on the development strategy ahead of the agency finding a development partner.

### **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 ≥\$4 million to fund affordable housing project within ½ mile of future Sound Transit 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, Sound Transit and the City of Redmond are considering a transaction in which Sound Transit 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 ½ mile of future light rail station in Redmond. The term sheet of a possible transaction may be ready for City and Sound Transit Board consideration in 2021.

**U District – 45<sup>th</sup> & 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:** TBD

- 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 Summer 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.

**Mount Baker Station East Portal site**

**Location:** Mount Baker Station, Seattle

**Site Area:** ±77,000 SF (1.8 acres)

**Program:** TBD

- In 2019, Sound Transit participated on an interagency team with the City of Seattle (Office of Housing, Department of Transportation, Office of Planning and Community Development, Parks and Recreation), King County Metro, and King County Wastewater Treatment on an effort to implement a town center vision in 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. The two agencies are jointly studying the sites that will inform the potential terms and approach with bringing on a development partner(s).

**Pine Street Triangle**

**Location:** Westlake Station, Seattle

**Site Area:** ±28,200 SF (0.64 acres)

**Program:** TBD

- Work started on a technical analysis for the Pine Street Triangle property. The effort will document the on-going transit infrastructure and operational considerations that should guide future development. The site contains underground tunnels, a vent shaft, and other on-site infrastructure.



## Development Projects

### Capitol Hill Sites A, B-South & C

**Location:** Capitol Hill Station, Seattle

**Developer:** Gerding Edlen

**Site Area:** 105,890 SF (2.43 acres)

**Status:** Under construction

**Program:** 428 Mixed-income units (176 Affordable Units, 252 Market Rate Units); 30,000 SF retail - – 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 Q4 2020, with construction temporarily stopped in March and April 2019 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. A fourth building, Station House, opened in March 2020 and provided 110 affordable housing units (see Completed Projects section).

### Beacon Hill small parcel (Colina project)

**Location:** Beacon Hill Station, Seattle

**Site Area:** 2,256 SF (0.05 acres)

**Status:** Under construction

**Zoning:** NC2P-65 Neighborhood Commercial 2

**Program:** 139 housing units on ST-owned and adjacent private property, 20% of which will be affordable.

- Sound Transit received an unsolicited proposal to purchase a small portion of Sound Transit property adjacent the Beacon Hill station from Pacific Housing NW, a local developer who acquired the adjacent private property for TOD. Sound Transit 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.
- The property was sold in December 2019 with heavy construction activities starting in January 2020.

- The Colina project will be developed around Sound Transit's operating light rail station, which includes the surface plaza, vent shaft, and subsurface station. The project will improve a portion of Sound Transit-owned property to create a new public plaza. The project is providing affordable units as a part of the city's MFTE program.

#### **Cedar Crossing (Roosevelt Central Site)**

**Location:** Roosevelt Station, Seattle

**Developer:** Bellwether Housing & Mercy Housing NW

**Site Area:** ±54,000 SF (1.2 acres)

**Status:** Under construction

**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 broke ground in May of 2020 and is expected to open in 2022.

#### **First Hill**

**Location:** Seattle

**Developer:** Bellwether Housing & Plymouth Housing

**Site Area:** ±21,000 SF (0.48 acres)

**Status:** Design

**Zoning:** NC3-P-160 Neighborhood Commercial 3

**Program:** 13 story high-rise with over 300 units at 30-60% AMI

**Other:** FTA Joint Development project

- Motion M2018-102 was approved in August 2018 and approved key business terms with Bellwether Housing and Plymouth Housing Group that will result in the development of a mixed-use, high-rise affordable housing project.



- 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 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.

#### **The Eldridge (Capitol Hill Site D property exchange)**

**Location:** Capitol Hill Station, Seattle

**Site Area:** Site D: 10,383 SF (0.24 acres)





**Developer:** Atlas:Community Roots Housing (f/k/a Capital Hill Housing)

**Status:** Design

**Zoning:** NC3-P-40 Neighborhood Commercial 3 (Development Agreement between Sound Transit and City of Seattle allows height up to 85 feet)

**Program:** 125+ Affordable Units and retail on Atlas site; college expansion on Site D

- In 2018, Sound Transit entered into 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 (now Community Roots Housing) to exchange property in order to develop equitable transit-oriented development in the Capitol Hill Station area. SCC and SBCTC approached Sound Transit about exchanging Site D for property 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.
- Community Roots Housing 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. The project is in the design and permitting stage and is expected to break ground in 2021.

Completed Projects
<b>Senior City</b> <b>Location:</b> Federal Way Transit Center, Federal Way <b>Developer:</b> Korean Women's Association, Common Ground <b>Site Area:</b> 30,834 SF (0.71 acres) <b>Program:</b> 62 Affordable Units (Senior – 1BR); 3,125 SF common room <b>Project Cost:</b> \$16.9 million
 Opened in 2010
<b>Mount Baker Lofts</b> <b>Location:</b> Mount Baker Station, Seattle <b>Developer:</b> Artspace USA <b>Site Area:</b> 23,064 SF (0.53 acres) <b>Program:</b> 57 Affordable Units (Artist's Studio); 10,000 SF retail (12 bays) <b>Project Cost:</b> \$18 million
 Opened in 2014
<b>Othello Plaza</b> <b>Location:</b> Othello Station, Seattle <b>Developer:</b> Mercy Housing NW <b>Site Area:</b> 31,870 SF (0.73 acres) <b>Program:</b> 108 Affordable Units (1-3 BR at 30% - 80% AMI); 7,450 SF retail <b>Project Cost:</b> \$29.8 million
 Opened in 2017
<b>Station House (Capitol Hill Site B-North)</b> <b>Location:</b> Capitol Hill Station <b>Developer:</b> Community Roots Housing (f/k/a Capital Hill Housing) <b>Site Area:</b> 15,878 SF (0.37 acres) <b>Program:</b> 110 Affordable Units (30%-60% AMI) <b>Project Cost:</b> \$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.

Sites	Corridor	Approximate Timing to move into Pre-Development
Kent-Des Moines Station – Future TOD sites	South	Started in 2019
Federal Way Transit Center – Future TOD sites	South	Started in 2019
Overlake Village Station – Future TOD site	East	Started in 2020
Southeast Redmond Station – Potential Future TOD site	East	2021
Roosevelt Station – North and South TOD sites	Central	2021
Lynnwood Transit Center – Potential Future TOD Site	North	2021
Rainier Beach – Future TOD sites	Central	TBD
Airport Station – Potential joint development over pick up/drop off zone	South	TBD
Northgate Station – Potential TOD site	Central	TBD