



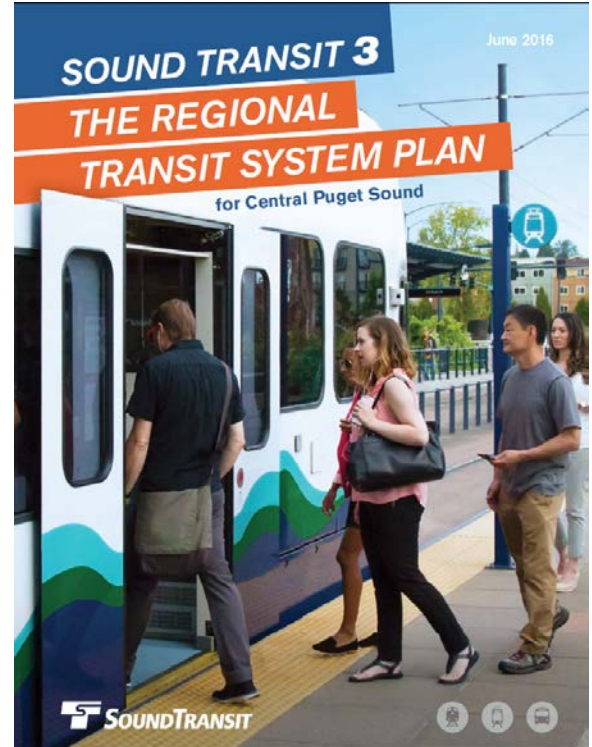
 **SOUNDTRANSIT**

**Sound Transit Board of Directors
Draft Equitable Transit Oriented Development Policy**

April 26, 2018

Why Update?

RCW
81.112.350
80/80/80



Statutory Direction in 81.112.350

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80% of property suitable for housing must be first offered to qualified entities for affordable housing creation

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80% of created units must be affordable

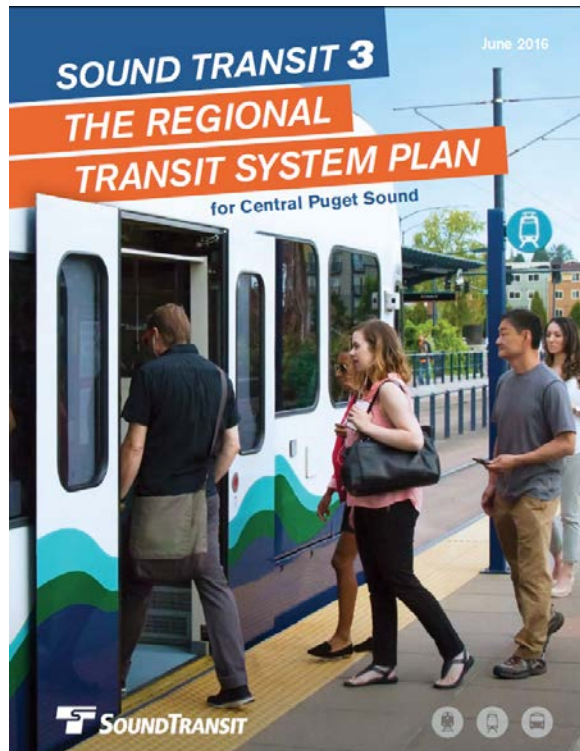
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Units must serve those earning no more than 80% of area median income

If, and only if, all these criteria are met, the Board may discount sale or lease of property within the bounds of the law in order to reduce the cost of Affordable Housing Development.

ST3 System Plan



Construction for Sound Transit 3 will take place during a period of dramatic regional growth, especially among transit-dependent communities. **Under this plan, Sound Transit will implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities adjacent to Sound Transit stations** that is consistent with transit-oriented development plans developed with the Puget Sound Regional Council (PSRC), the regional transportation planning organization within Sound Transit's boundaries.

▶ **System-wide**

- **System Access Fund:** The System Access Fund provides an additional \$100 million (2014\$) allocated equally among Sound Transit's five subareas to fund projects such as safe sidewalks and protected bike lanes, shared use paths, improved bus-rail integration and new pick-up and drop-off areas that provide convenient access so that more people can use Sound Transit services. Funds will be allocated based on an evaluation of the needs of customers using Sound Transit existing and planned bus and rail stations and connectivity with other modes. Sound Transit will partner with cities, counties, transit and state agencies and other Sound Transit stakeholders to leverage grants and matching funds and create the best access solutions for each station. Projects that leverage funds through funding partnerships will receive strong consideration. The System Access Fund includes funding to survey riders and conduct studies to help prioritize the most beneficial projects, whether retrofitting stations to accommodate growth or enhancing connections to neighborhoods.



Transit-Oriented Development (TOD)

Development around transit investments represents a significant opportunity to shape communities that attract jobs and housing opportunities affordable at a range of incomes, increase transit ridership and improve equitable access to opportunities for current and future residents.

Construction for Sound Transit 3 will take place during a period of dramatic regional growth, especially among transit-dependent communities. Under this plan, Sound Transit will implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities adjacent to Sound Transit stations that is consistent with transit-oriented development plans developed with the Puget Sound Regional Council (PSRC), the regional transportation planning organization within Sound Transit's boundaries. The necessary board policy changes for implementation must be completed within 18 months of voter approval of this system plan. Sound Transit will use such plans as the 2013 *Growing Transit Communities Strategy* to inform the content and implementation of its TOD strategy. The Plan allocates funds to support collaborative planning for TOD at the transit capital project development stage, as well as for planning and pre-development activities on agency-owned properties that may be developed as TOD. Sound Transit will pursue and implement land disposition and development strategies that reduce the cost of affordable housing development, increase transit ridership and otherwise work to leverage and increase the impact of other state, federal and local affordable housing funders, and are consistent with retention of federal grant funds where appropriate. Sound Transit's policies will specifically promote equitable TOD by:

▶ **Project-level**

- **TOD allowance:** The cost estimates for the projects described in the Sound Transit 3 Plan include allowances to fund appropriate TOD planning activities for each location expected to have surplus property.

▶ **System-wide**

- **TOD fund:** The Sound Transit 3 Plan includes a TOD fund of \$20 million (2014\$) to incorporate TOD considerations during land acquisition to ensure that, where possible, property that may later become surplus is supportive of its reuse for TOD.

ST3 System Plan language

Sound Transit will pursue and implement land disposition and development strategies that **reduce the cost of affordable housing development, increase transit ridership and otherwise work to leverage and increase the impact of other state, federal and local affordable housing funders, and are consistent with retention of federal grand funds where appropriate.**

Policy Update Overview

Q2 2017

Kick-Off

- Held Board workshop
- Identified draft guiding principles
- Established Policy workplan
- 2017 transactions initiated

Q3 2017

Learn and Assess

- Transactions continue
- Gap/needs analysis of existing policy
- Industry scan of peer policies
- External collaboration

Q4 2017

Define

- Summarize lessons learned from transactions
- Policy priorities confirmed
- Develop outline

Q1 2018

Implement

- Draft policy
- Outreach to stakeholders
- Final draft presented for Board action

April 2017 Board Workshop: Guiding Principles

Questions Posed at Workshop

- + Is the proposed framework and approach on the right path for implementing an equitable TOD strategy?
- + What guiding principles should be considered in determining the method of offer?
- + What are your views on discounting property?
- + How should the Agency's larger financial picture impact these determinations?
- + What guiding principles should be considered when evaluating suitability?

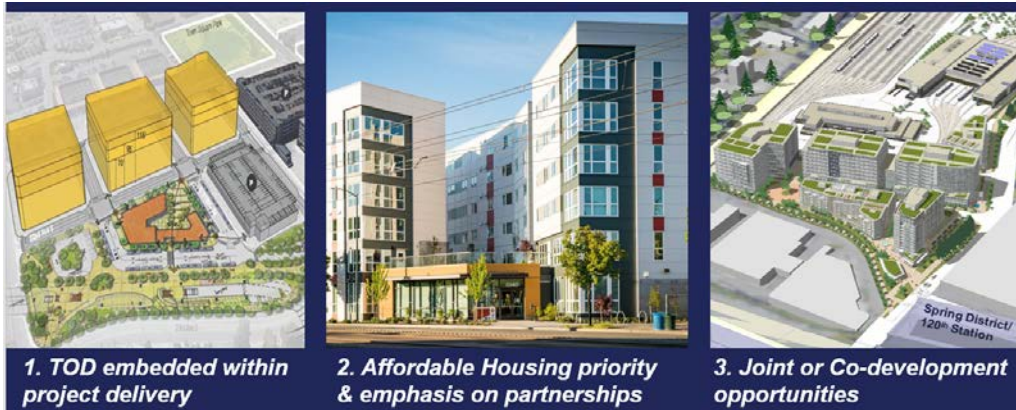
1. Ensure Board engagement and direction throughout the process.
2. Emphasize flexibility in TOD policy in order to consider wide variety of factors.
3. Reflect statute's housing priorities but be flexible to take into account local plans and context for each site.
4. Facilitate early and ongoing dialogue 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.

December 2017 Direction: Policy Priorities

- Affordable Housing Development
- Engagement
- Fiscal Responsibility
- Flexibility
- Integrated Project Delivery

March 22nd Recap

- Previewed draft Equitable TOD Policy:
 - Goals + Strategies + Approaches =



- Reviewed comments received on the draft policy
- Received Board direction to update draft policy

Proposed Staff Revision

- Executive Committee forwarded on April 5, 2018 with a do-pass recommendation
- Revision reflects:
 - Direction from Sound Transit Board of Directors
 - Comments and feedback from:
 - City, County and Regional Jurisdictions
 - Transit Access Advocates & Stakeholders
 - Non-Profit Housing Developers & Housing Funders

Proposed Staff Revision: Scope

- The regional equitable TOD strategy includes:
 - Integration of equitable TOD in project delivery
 - Emphasis on partnerships and collaboration
 - Commitment to inclusive and transparent engagement
- Defines equitable TOD

Proposed Staff Revision: Scope

Defines Equitable TOD as:

- 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.
- TOD outcomes benefit and support existing low-income communities and residents of color.
- 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.

Proposed Staff Revision: Strategies

- Added strategy: Housing Options
- Minor clarification to roles in Agency and Community TOD
- Elaborated on Engagement

Proposed Staff Revision: External Engagement Approach

- Commitment to inclusive engagement
- Focus on outcomes
- Resources and tools
- Local jurisdiction coordination

Proposed Staff Revision: Integrated Project Delivery Approach

- Elaborated on early decision making and planning focus
- Strengthened displacement strategy commitment
- Clarified sustainability measures
- Commitment to avoiding remnant parcel creation

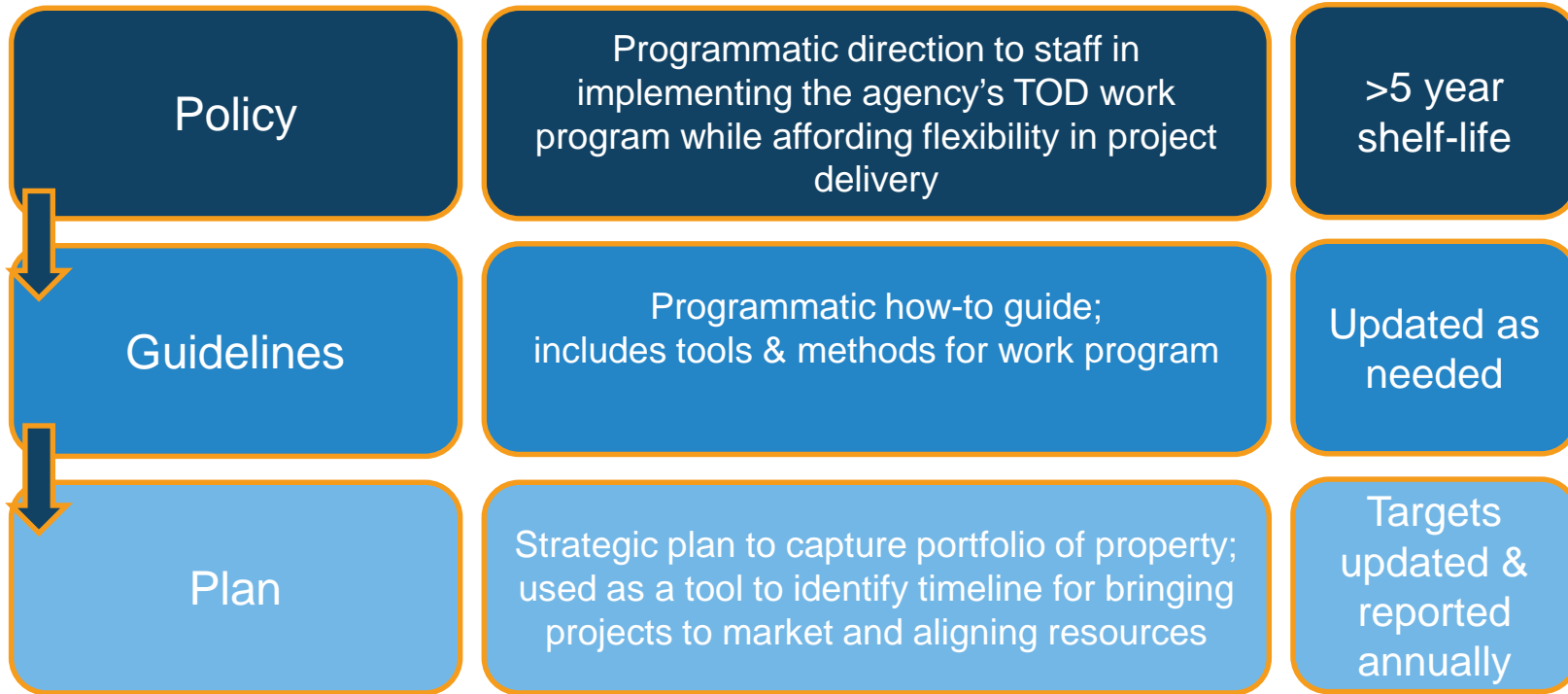
Proposed Staff Revision: Equitable TOD Implementation Approach

- Refined revenue approach
- Elaborated on discounting property
- Added context for value capture
- Elaborated on exploration of creative development opportunities
- Added consideration of a proposer's responsiveness to the community context
- Expanded TOD criteria to include community priorities

Proposed Staff Revision: Reporting and Accountability Approach

- Added detail on guidelines/process & procedures
- Added detail on equitable TOD plan
- Added reporting requirements

Reporting and Accountability Detail



TOD Policy Process Timeline

