

# ***TOD: Overlake Village Station and RV119***

*Approving key business terms*

*Executive Committee*

*09/07/23*



# *Why we are here*

- Seeking actions that would advance development transactions on the Overlake Village Station and RV119 TOD Sites, including:
  - Approve key business terms
  - Delegate authority to the CEO to execute agreements to facilitate the TOD projects

# *Statute direction on surplus property*

**80**

**≥80% of property  
suitable for housing  
must be first offered  
for affordable housing  
creation**

**80**

**≥80% of created units  
must be affordable**

**80**

**Units must serve  
those earning ≤80% of  
area median income**

# Compliance with RCW 81.112.350

95%

≥80%  
REQUIRED

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

100%

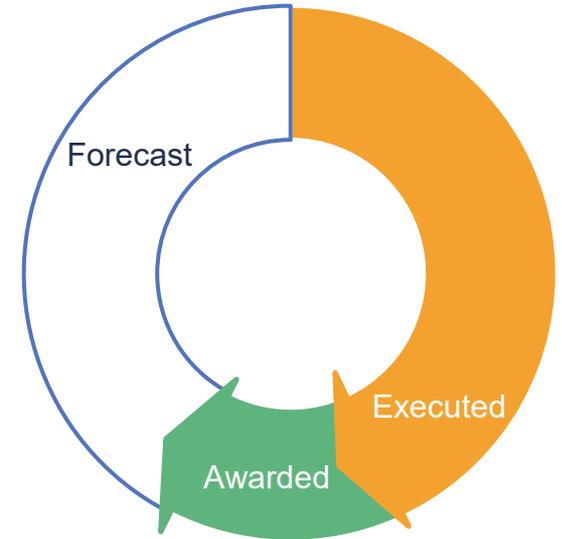
≥80%  
REQUIRED

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

# *Progress towards financial targets*

- Financial plan assumes \$130M (YOE) from surplus property sales and ground leases
- To date, ~\$56.4M from sales and leases, and ~\$18.4M from awarded but not yet contracted projects
- Property pipeline provides multiple opportunities to meet financial plan target

## **Progress towards \$130M**



# *Overlake Village Station TOD*

# What was offered

## Overlake Village Station TOD

- RFP open November 2022-January 2023
- Offered at discount to qualified entities for affordable housing
- Pre-committed funds included with RFP from WA State Housing Finance Commission & King County
- Top proposal selected in March 2023



# Selected project



BELLWETHER  
HOUSING

Image courtesy Via Architects



**333**

Housing units

**100%**

Affordable

**30-80% AMI**

Incomes served



Image courtesy Via Architects



## Ground floor office & retail

Targeted to community, small business, transit riders

# Action 1: Approve key business terms

Category	Agreement
Buyer	<ul style="list-style-type: none"><li>• Bellwether Housing</li></ul>
Purchase price	<ul style="list-style-type: none"><li>• \$250,000</li></ul>
Affordable housing	<ul style="list-style-type: none"><li>• 300+ units all serving between 30% &amp; 80% AMI</li><li>• Average AMI not to exceed 50%</li><li>• 50-year affordable housing covenant</li></ul>
Commercial uses	<ul style="list-style-type: none"><li>• Minimum of 10,000 SF of ground floor space targeted to community, retail, and nonprofit uses</li></ul>
Bicycle parking	<ul style="list-style-type: none"><li>• Secure indoor and exterior bike racks</li></ul>

# Action 1: Approve key business terms

Category	Agreement
Sustainability	<ul style="list-style-type: none"><li>• Must meet or exceed Evergreen Sustainable Development Standard v4 <b>or</b> LEED Mid-rise v4 <b>or</b> LEED Residential v4.1 Gold and ESDS requirement 5.1A</li></ul>
Affordable housing covenant	<ul style="list-style-type: none"><li>• Covenant will be recorded on title to restrict property to affordable housing use for period of 50 years</li></ul>

# *Action 2: Delegation of authority to CEO*

## **Recommendation – Authorize the CEO to:**

- Execute the purchase and sale agreement and related documents
- Approve any amendments, as necessary
- All subject to Board-approved key business terms



# *Next Steps*

If approved following Executive Committee and Board actions:

- Develop and finalize legal agreements
- Bellwether to seek project financing as well as begin design/entitlements
- ST-Bellwether design review process
- Potential ground-breaking in late 2025

***RV119 TOD***

# *RV119 site and history*



# ***Action 1: Declare suitable for housing***

## **Sites are suitable for housing**

- Legally permissible to build housing
- Physically possible
- Suitable environmental conditions
- Economically reasonable
- City and community support



## *Action 2: Approve key business terms*

Category	Agreement
Buyer	<ul style="list-style-type: none"><li>• SOWR Enterprises, LLC – adjacent property owner</li></ul>
Purchase price	<ul style="list-style-type: none"><li>• \$265,000, which is the appraised fair market value</li></ul>
TOD Covenant	<ul style="list-style-type: none"><li>• A TOD covenant will be placed on the Property at closing, which will expire at such time as a Master Use Permit consistent with specified TOD outcomes has been issued and is not subject to further appeal.</li></ul>

# *Action 3: Delegation of authority to CEO*

## **Recommendation – Authorize the CEO to:**

- Execute the purchase and sale agreement, and related documents
- Approve any amendments, as necessary
- All subject to Board-approved key business terms

# *Next Steps*

If approved following Executive Committee and Board actions:

- Develop and finalize legal agreements
- Close on sale following executed legal agreements

*Thank you.*



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