

OMF East Affordable TOD

Key Business Term Revisions

Executive Committee

11/02/2023



Why we are here

- To consider whether to approve revisions to the key business terms for the affordable housing component of a mixed-use, mixed-income Transit-Oriented Development (TOD) project at the Operations and Maintenance Facility East in Bellevue, Washington

Project Timeline

- **2019** TOD Request for Proposals issued
- **2020** Site awarded to team led by BRIDGE Housing
- **2021** Key Business Terms approved by Board
- **2023** Market-rate multifamily developer exited project
- **2023** Project/partnership revisions proposed to expedite affordable housing and move project forward

What was offered

- ±7 acres at OMF East
- Permitted with Master Development Plan
- \$14 million affordable housing funding pre-committed
- Land offered by Sound Transit and City of Bellevue at no cost for affordable housing



What was approved by Board in 2021

Affordable Multifamily

- Sites 3 and 6
- 235 affordable housing units

Market Rate Multifamily

- Sites 4 and 5
- 260 housing units

Office

- Sites 1 and 2
- 375,000+ square feet



Financial terms and revenue previously approved by Board in 2021

No cost transfers

- Sites 3 and 6 for affordable housing

Ground lease revenue to Sound Transit

- Sites 4 and 5 for market-rate housing
- Sites 1 and 2 for office
- \$25.5 million in land value captured for ground lease projects
- \$1.36+ million ground rent annually after all projects complete construction and lease-up

Existing key business terms for BRIDGE Housing

Category	Term
Sites	Sites 3 and 6
Developer	BRIDGE Housing
Transaction	No-cost transfer of two sites
Number of Units	Minimum of 200, with a goal of 230 units
Affordability	100% at or below 80% AMI
Deeper affordability	At least 80 units at no more than 60% AMI. At least 30% of total units at no more than 50% AMI.
Family Sized Units	At least 15% of all units will have 2 bedrooms, and an additional 10% will have 3 bedrooms or more
Sustainability	Minimum of WA State Evergreen Standard or LEED Silver

What changes are proposed

Affordable Key Business Terms

Category	Term
Sites	Sites 2 and 6
Family Sized Units	Provide the developer additional flexibility to increase three-bedroom units by replacing two-bedroom units “At least 15% of all units will have 2 bedrooms or more , and an additional 10% will have 3 bedrooms or more.”

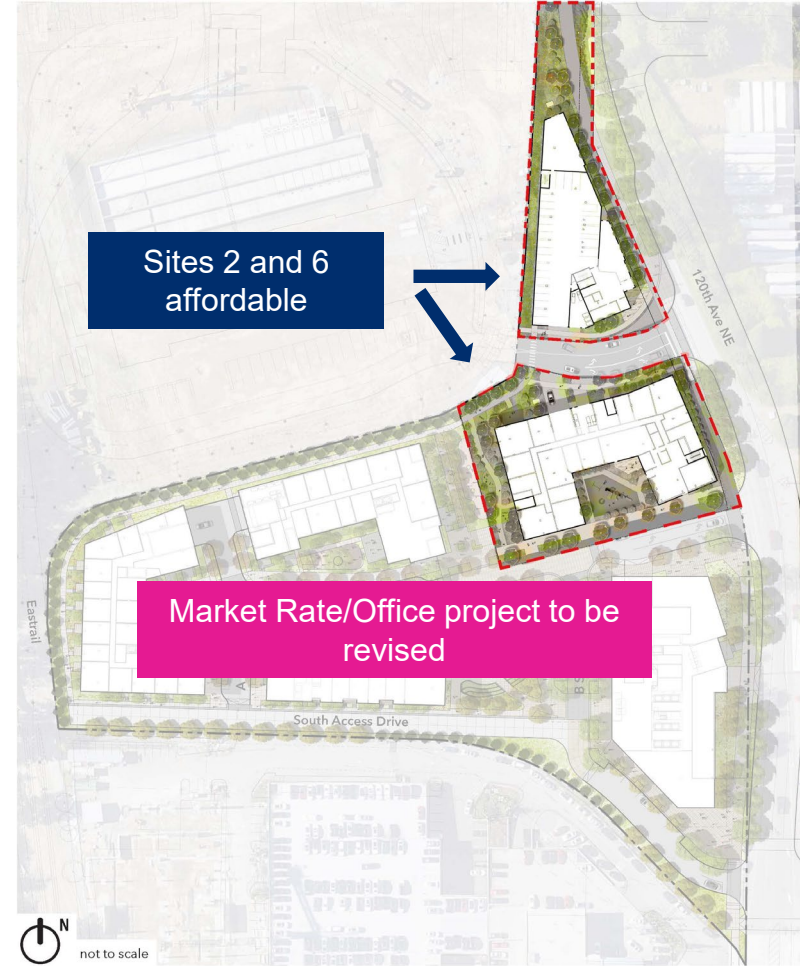
Proposed parcels

Affordable Multifamily

- Sites 2 and 6 (not 3 and 6)

Market Rate Multifamily/Office

- Concept revision on remaining site
- Revenue-generating transaction
- Board action anticipated in 2024



Why the changes?

Remove developer dependencies

- No shared infrastructure means cost and time **savings**
- No need for Commercial Ownership Association or a master developer entity

Expedite Affordable Housing

- Independent **timeline** for affordable project

Flexibility for family-sized units

- Developer and funders are exploring **additional** three-bedroom units



Next Steps – Affordable Housing

Milestones

- **2024** Finalize agreements
Design
Permits
Groundbreaking
- **2026** Open



Next Steps – Market-rate / Office

Design Revision

- **2023** Remaining developer to revise market-rate multifamily/office design concept

Term Sheet Revision

- **2023** Sound Transit and remaining developer to negotiate term sheets for revised market-rate multifamily/office concept
- **2024** Seek Board action to approve revised Key Business Terms



Thank you.



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