



**TO:** Mayor Marchione and City Council

**FROM:** Rob Odle, Planning Director, 425-556-2417  
Colleen Kelly, Assistant Director, Community Planning, 425-556-2423  
Lori Peckol, AICP, Policy Planning Manager, 425-556-2411

**DATE:** January 15, 2013

**SUBJECT: STAFF REPORT: UPDATE ON CENTRAL PUGET SOUND GROWING TRANSIT COMMUNITIES PROGRAM AND EAST CORRIDOR TASK FORCE**

The purpose of this memo and staff report is to update the City Council regarding Growing Transit Communities (GTC) program activities since the last staff report in July 2012. The City of Redmond is a partner in this program, along with many other public and nonprofit agencies and organizations in the central Puget Sound region. Puget Sound Regional Council is the regional recipient of the U.S. Department of Housing and Urban Development (HUD) grant that funded this program and is managing the many activities within the overall grant scope.

#### **OVERVIEW AND UPDATE ON ACTIVITIES**

In October 2010 the U.S. Department of Housing and Urban Development awarded \$4.9 million to the Puget Sound Regional Council (PSRC) to support regional planning for more livable, prosperous, and sustainable communities in the central Puget Sound region. The three-year, five million dollar federal grant supports efforts to capitalize on the more than \$15 billion investment in new light rail transit through 2025 serving places where job and housing growth will be focused in the future. As the grant recipient, PSRC is responsible for managing this regional partnership which includes cities, housing authorities, counties, public health agencies, affordable housing advocates, educational institutions, and development interests.

Attachment A provides an update on recent progress in implementing the Growing Transit Communities work program as a whole, including work as part of the Affordable Housing and Equity Network Steering Committees, Corridor Task Forces, and Catalyst Demonstration Projects. As can be seen from the attachment, there is a great deal of work underway, including funding and property acquisition strategies to achieve more affordable housing, outreach to build capacity among community organizations that do not typically engage in public involvement opportunities, and work to advance demonstration projects at Northgate and Tacoma.

The balance of this memo provides an update on three aspects of this project that may be of particular interest to the City Council: the East Corridor Implementation Support Project, Eastside Equity Project and Goals, and Corridor Action Strategies.

### **East Corridor Implementation and Support Project**

The adopted GTC work plan includes funds for consultant assistance with implementation-related project work specific to the East Corridor. The purpose is to advance achievement of local comprehensive plans by addressing key challenges and opportunities and taking the next steps to catalyze the implementation of equitable transit communities in the East Corridor. Task Force members identified four priority topics for this work: 1) affordable housing development; 2) business retention and attraction; 3) public and private partnerships; and 4) transportation access and connectivity.

In June 2012 the Puget Sound Regional Council (PSRC) awarded a \$250,000 contract to a team led by OTAK that includes BAE Urban Economics and Nelson\Nygard Consulting Associates. The consultant work is organized into two phases. Phase 1 includes best practices research associated with the four topic areas and selection of station areas for further focus, and Phase 2 includes development of recommended actions and strategies to address these issues for the selected station areas. The consultant will also complete an evaluation of lessons learned from both phases and how the knowledge can be applied to all station area locations in the East Corridor. Work during the second half of 2012 is summarized below.

Best Practices Research Report: The consultant team compiled and analyzed best practices of relevance to the four priority topics, drawing on experiences from regions, such as Denver, Portland, Minneapolis-St. Paul, Burnaby, and several in California including Santa Clara County, Oakland, Los Angeles and Pasadena. The Best Practices Research Report, which will be available in January 2013, presents examples of how other metropolitan regions have developed plans and strategies to meet housing, jobs, and livability needs along major rapid transit corridors.

Phase 2: Selection of Locations and Scoping: The East Corridor Task Force members weighed in on criteria for use in selecting preferred station areas for further focus in Phase 2. The criteria, which are summarized below, were applied to six light rail stations and two bus rapid transit stations within the East Corridor. The two highest scoring stations were Overlake Village and the 130th Station.

- **Consistency with Partnership Principles:** Extent to which there are opportunities to reinforce the Livability Principles that underlie the GTC program?
- **Affordable Housing:** Which station areas show better possibilities for developing more housing that is affordable to a wide range of income levels? Which areas are most at risk of losing affordable housing with redevelopment?
- **Transit Service vis-à-vis Light Rail Service:** Extent to which there are opportunities to address bus rapid transit, as well as light rail transit and local transit connections.
- **Amount of Public Investment Needed:** Which station areas would benefit most from or are in most need of public investment and financing, as well as partnerships?

- **Small Businesses:** Which station areas are in most need of strategies and implementation actions to retain and attract small businesses that are TOD compatible/supportive? Where is the highest risk to existing businesses?
- **Level of Readiness:** Which station areas have the potential to be most ready by the time light rail transit comes on line in terms of completion of redevelopment activity?

In December 2012 the Task Force provided input to the Phase 2 scope of work for further work to advance implementation of adopted plans for Overlake Village and the 130th Station. Attachment B provides a summary of the proposed Phase 2 scope. The consultant team is preparing the final scope, schedule and budget, which will be available by mid-January 2013. The work will be completed by October 2013.

### **Eastside Equity Project**

The second round of GTC equity grants in May 2012 included a \$20,000 award for a multi-agency partnership project involving Hopelink, Futurewise, Sound Transit, King County Metro, and the cities of Redmond and Bellevue. The purpose is to engage community organizations and residents who are not typically involved in public input opportunities, inform them about East Link planning efforts and existing transit options, and encourage them to get involved. As part of this project, the partners are connecting residents with local transportation incentive and subsidy programs, such as \$25 preloaded ORCA cards and maps provided by the City of Redmond, to encourage people to try transit. The project's engagement efforts center on the Overlake stations, and focus on nearby residents and those who will board light rail at Overlake, including residents of Redmond and Bellevue.

Since the July update Hopelink hired Ezra Basom on a contract basis to carry out the community engagement activities. Mr. Basom started in August 2012 and has made significant progress in connecting with organizations and residents in the area. From his conversations to date, there has been strong interest in affordable housing, better understanding of transit, and better understanding of East Link. Participants have also appreciated the ORCA cards and maps that Redmond staff has provided. The project continues through March 2013.

### **Goals and Corridor Action Strategies**

Discussion is underway in each of the three Corridor Task Forces: East, North, and South and at the Oversight Committee regarding the form and function of final work products from the Growing Transit Communities Program. Among the primary proposed products are goal statements and corridor action strategies.

The goal statements are intended to provide a high-level vision and principles for each of the three broad areas of the program together with quantifiable benchmarks for outcomes. The three goal areas of the program are:

1. Accommodate more of the region's residential and employment growth near high-capacity transit.
2. Provide housing choices affordable to a full range of incomes near high-capacity transit.
3. Increase access to opportunity for existing and future members of transit communities.

The draft corridor action strategies reflect these three goal areas and indicate options for implementation steps that may be taken by the PSRC, transit agencies, local governments, or other regional partners. These strategies are intended to provide a menu of potential actions that partners throughout the region could take over time to make progress towards the goals.

The Task Forces will continue work through March 2013 to review and provide feedback to PSRC staff on the draft corridor action strategies, which will then be forwarded to the Oversight Committee for review and action. The Task Forces and Oversight Committee will also continue to consider the form and function of proposed regional and local agreements regarding the goals and corridor action strategies.

#### **CONTACTS**

The primary City staff participants are Lori Peckol, Sarah Stiteler, and Colleen Kelly for the East Corridor Task Force, Affordable Housing, and Equity Network Steering Committees, respectively. In addition, Planning staff has also been participating as part of the Eastside Equity Project. John Stilin is a member of the Oversight Committee.

Staff will continue to provide periodic updates to the City Council regarding Growing Transit Community program activities.

#### **LIST OF ATTACHMENTS**

**Attachment A:** Growing Transit Communities Staff Report – November 16, 2012

**Attachment B:** East Corridor Implementation Support – Summary of Proposed Phase 2 Scope

# ATTACHMENT A



November 16, 2012

## AGENDA ITEM #1

### INFORMATION ITEM

**To:** Growing Transit Communities Oversight Committee

**From:** Ben Bakkenta, Program Manager

**Subject:** Growing Transit Communities Staff Report

This update summarizes recent progress in implementing the Growing Transit Communities Partnership work program.

### OUTREACH

*Newsletter.* October and November electronic newsletters highlighting Growing Transit Communities activities were distributed to an email list of approximately 2,500 recipients.

*Conferences.* In October 2012, project staff presented sessions on the Growing Transit Communities Partnership work at the American Planning Association Washington Chapter annual conference in Olympia, at the 2012 Housing Washington Conference in Tacoma, and at the Rail~Volution national conference in Los Angeles.

### AFFORDABLE HOUSING STEERING COMMITTEE

The Affordable Housing Steering Committee met on November 6, 2012. The Committee heard progress reports from the Fair Housing, TOD Fund, Value Capture Financing, and Surplus Property subcommittees. The majority of the meeting was spent discussing the need and potential structure of a regional TOD Fund for affordable housing. Melinda Pollack (Senior Program Director – Enterprise Community Partners) and Heather Hood (Director Northern California – Enterprise Community Partners) were present to discuss technical assistance they have provided to Growing Transit Communities staff on the TOD Fund work program task.

The Committee reviewed the TOD Fund white paper, as well as the technical assistance memorandum prepared by Enterprise Community Partners. Committee members complimented the quality of the analysis, and concurred with the recommendation to pursue further development of a fund and identification of a potential fund manager. The committee reviewed a draft scope of work for a Request for Proposals, and recommended that PSRC pursue the procurement of a team to act as TOD Fund Manager over the course of 2013. Following discussion of Fund development, the committee was briefed on next steps on the development of Corridor Action Strategies after the October 30<sup>th</sup> “Implementation

Puget Sound Regional Council  
Growing Transit Communities Partnership  
Oversight Committee – November 16, 2012

Strategies Workshop.” The next regularly scheduled Steering Committee will be Tuesday, February 5, 2013.

***Fair Housing Subcommittee.*** The Fair Housing Subcommittee met on July 23, 2012 and August 17, 2012 to discuss strategies for developing a regional fair housing strategy. The group is working to analyze costs and benefits of the required fair housing and equity assessment (FHEA) compared to a more substantial regional analysis of impediments. The group is awaiting a ruling from HUD on Analysis of Impediments that will help define the scope of local fair housing planning. Jurisdictions in King County are working to come together to complete a regional analysis of impediments outside of the Growing Transit Communities process. PSRC staff is working to put together a request for proposals for consultants to write a report based on the data collected by PSRC to date. In addition, consultant support is needed to reach agreement on the barriers to fair housing choice that might be identified by a regional fair housing strategy report.

***Transit-Oriented Development (TOD) Fund Subcommittee.*** The TOD Fund Subcommittee worked with the Washington State Housing Finance Commission (WSHFC), the City of Seattle, and King County on developing a definition of TOD that will be used to help allocate Low-Income Housing Tax Credits (LIHTC). The proposal was passed by the WSHFC Board for approval at a public hearing on September 27, 2012. The updated LIHTC policies utilize both the definition of TOD and Opportunity Maps developed by PSRC and the Kirwan Institute in prioritizing affordable housing project locations. The Subcommittee convened on October 8<sup>th</sup> and discussed a recent white paper outlining the need for a regional TOD fund and recent stakeholder interviews conducted by Enterprise Community Partners. The Oversight Committee will be briefed on these items at the November 16<sup>th</sup> meeting.

***Value Capture Financing (formerly Tax Increment Financing) Subcommittee.*** The Value Capture Financing Subcommittee has spent time researching tax increment financing (TIF) and other approaches to capturing the added value to property from transit improvements nearby to finance infrastructure and affordable housing development. The Value Capture Subcommittee met on October 26<sup>th</sup> to discuss a set of principles to guide development of potential new state legislation. Consortium members have expressed interest in pursuing legislation in the 2013 session and have worked to develop a framework for legislation that meets the intent of the guiding principles. A new report is being drafted by PSRC Staff titled *Value Capture Financing Alternatives for Equitable Transit-Oriented Communities* and will be available by the end of November. For more information on the Value Capture Financing Subcommittee please visit <http://www.psrc.org/about/advisory/gtc-committees/gtc-affordable-housing/tax-increment-financing-subcommittee/>

***Public Surplus and Underutilized Land Subcommittee.*** The Public Surplus Property Subcommittee has worked to identify legal barriers to providing public property at a discount for affordable housing development and mapped publicly owned lands in station areas. The group has worked towards legislation that would remove barriers for disposal of publicly owned land (i.e. transit agencies, utilities, cities, counties, state) for the development of affordable housing in proximity to transit service. The Subcommittee has developed guiding goals for legislation. The Housing Development Consortium of Seattle – King County will take the lead on drafting legislation, and the Subcommittee will reconvene when it is complete. The group is interested in providing comment on Sound Transit’s draft TOD policies and will convene with members of the Equity Network to draft a comment letter. Going forward, the group will work to expand the dialogue with transit agencies and jurisdictions in an effort to identify model policies.

If you have questions or would like additional information on the Affordable Housing work program, please contact Tim Parham, PSRC at 206-971-3278 or [tparham@psrc.org](mailto:tparham@psrc.org).

## **EQUITY NETWORK STEERING COMMITTEE**

***Equity Grant Program.*** The steering committee released grant guidelines for round 3 of the equity grant program in early September. Members and partners focused on outreach to potential grantees and support to develop project proposals. The network hosted four information sessions with potential grantees in Tacoma, Everett, Tukwila, and Seattle. Proposals were due October 5 and 14 proposals from across the region were received. Grantee recommendations will be presented at the November 16 Oversight Committee meeting for discussion and approval.

In addition to the third round of funding, many first round grantees are concluding their grant performance period. The Equity Network Manager has been working with these grantees to wrap up their projects, get documentation, and connect all 22 grantees with additional support as needed. Several grantees are organizing community forums and community report back events in November (Tukwila, Everett, Seattle, and Bellevue). In partnership with Puget Sound Sage, a workshop was hosted on October 24 that brought together the South Corridor equity grantees and Neighbor to Neighbor grantees, a Seattle Foundation small grants program focused on South Seattle and South King County. The workshop focused on making Transit Oriented Development and Planning relevant to communities, and included examples, peer sharing, and discussion.

***Corridor Action Strategies and Policy Work Group.*** The committee is engaging with the corridor action strategies process to inform those discussions. This includes participation on each of the task forces. The network submitted preliminary recommendations for the corridor action strategies at the September Oversight Committee meeting. Several equity network steering committee members were engaged in the October 30 public work session and we also supported several community grantees to attend and participate in this work session. The policy work group is continuing to meet to further develop recommendations and identify key policy opportunities.

Committee representatives participated in a national call hosted by PolicyLink in mid-October focused on building regional equity networks and peer sharing with other Sustainable Communities grantee regions. Conversations have also started regarding planning for a Puget Sound Regional Equity Summit in fall 2013.

## **CORRIDOR TASK FORCES**

Task Force meetings were held in the South, East, and North corridors in the months of September and October, and November meetings are underway. For additional details about the meeting agendas and meeting summaries, please visit <http://www.psrc.org/growth/growing-transit-communities>.

The three Task Forces continued discussion of the draft Corridor Action Strategies presented to the Oversight Committee at the September meeting. The Task Forces are expected to make a final recommendation on priority tools and actions at their January 2013 meetings.

At the September and October meetings, the East Corridor Task Force has addressed an additional work item, the *East Corridor Implementation Strategies* Catalyst Demonstration Project, see description below.

***Corridor Action Strategies Implementation Workshop.*** Over 150 stakeholders and community members participated in an Implementation Strategies Workshop at the Seattle Center Northwest Rooms on October 30, 2012 from 3:00-6:00. The public workshop convened the Growing Transit Communities Partnership's Oversight Committee, two Steering Committees, and three Corridor Task Forces to discuss implementation strategies to promote equitable transit communities.

The event included an unveiling of the final results and recommendations of the Transit Community Typology by the Center for Transit Oriented Development. In addition, Equity Grant Program recipients and Growing Transit Communities subcommittees presented lessons learned and discussed recommended actions. The event's workshop format will encouraged discussion and information-sharing among participants to help inform the Corridor Action Strategies that the Partnership is scheduled to adopt in Spring 2013. Featured speakers included:

- Commissioner Josh Brown, President, Puget Sound Regional Council and Chair of the Growing Transit Communities Partnership
- • Tony To, Executive Director, HomeSight; Vice-Chair of the Growing Transit Communities Partnership, Chair of the Equity Network
- Shanti Breznau, Principal, Strategic Economics, and Abby Thorne-Lyman, Director, Center for Transit Oriented Development
- Emily Alvarado, Housing Development Consortium Seattle-King County, representing the Affordable Housing Steering Committee
- Kristin Pula, HomeSight, representing the Equity Network Steering Committee

A summary of the workshop is available on the Growing Transit Communities home page: <http://www.psrc.org/growth/growing-transit-communities/events/>

## **CATALYST DEMONSTRATION PROJECTS**

### ***East Corridor Implementation Strategies***

In addition to the work that the North and South Corridor Task Forces are doing, between October 2011 and May 2012, the East Corridor Task Force identified a set of focus areas to be further studied in order to assess the pivotal opportunities to transform Eastside station areas into more vibrant, economically healthy neighborhoods that offer equitable housing choices, more convenient access to jobs and jobs-to-housing balance within the rapid transit corridor and region, and better connectivity to goods and services.

Puget Sound Regional Council  
Growing Transit Communities Partnership  
Oversight Committee – November 16, 2012

This resulted in the scope of work and associated budget for the Eastside Implementation Support project. The project was launched in July with the consultant team of Otak, and its sub-consultants, Nelson/Nygaard and Bay Area Economics (BAE). The project will support immediate advancement of the implementation of visions and plans that have already been developed by participating jurisdictions on the Eastside. The emphasis of the Implementation Support project is on implementing equitable transit-oriented development related to these four issues on the Eastside:

- Affordable Housing
- Business Retention and Attraction
- Partnerships
- Transportation Access and Connectivity

Phase 1 is focusing on a review and summary of best practices and a high-level assessment of seven of the East Corridor station areas. This Phase will be wrapped up at the end of this month. Phase 2 will result in a more detailed development of recommended actions, strategies and products to address the specific issues in the selected station areas. The East Corridor Task Force will determine at its November meeting, which two of the Phase 1 study areas will be focused on in Phase 2. This second phase is scheduled to conclude in October 2013. The Oversight Committee will receive regular briefings on this work and all materials that are being developed will be shared on the Growing Transit Communities resource page.

For questions and additional information on the East Corridor Implementation Support work program, please contact Mary Pat Lawlor, Principal Planner, at 206-971-3272 or [mlawlor@psrc.org](mailto:mlawlor@psrc.org)

#### *Northgate.*

King County is seeking to develop four parcels surrounding the future Sound Transit Link Light Rail station at Northgate. To date, King County has completed property analysis of the gross development area in addition to market studies on affordable housing, market-rate housing, and commercial retail opportunities for this site. In addition, Public Health Seattle King County has also completed a health analysis and methodology to be integrated into each of the design scenarios as the project evolves. In partnership with Sound Transit and the City of Seattle, King County is still in the process of finalizing decisions regarding park-and-ride mitigation for its users during the construction of the Link Light Rail station and will work with the City of Seattle through the Urban Design Framework process to achieve future zoning guidance, parcel size and other site design details.

King County completed a feasibility report for a conceptual pedestrian and bicycle bridge crossing Interstate 5 and linking North Seattle Community College and the surrounding area on the west side of the freeway to a future regional transit center on the east side of the freeway. The proposed location for the new bridge is just north of North Seattle Community College on the west end and between NE 100th Street and NE 103rd Street on the east end. Two transit-access lane options are being evaluated to replace the current bus transit center: 1) a replacement north-south street similar to the existing configuration, and 2) the north-south street with an added east-west bus-only access street between 1<sup>st</sup> and 3<sup>rd</sup> Avenue NE. The estimated cost for the project, including design costs and construction costs, is in the range of \$15 million to \$20 million.

The City of Seattle has contracted with VIA Architecture to prepare an Urban Design Framework (“UDF”) that will address the entire Northgate Urban Center, with a focus on the area immediately surrounding the light rail station. In the station area, the UDF will help define access routes for

pedestrians, bikes and buses. It will also help determine appropriate building sites, the location of open spaces and street designs for key streets in the area.

The City is also in discussions with the Equity Network and a consultant team about additional outreach to under-represented communities in the Northgate area. Unlike some other Seattle neighborhoods, under-represented communities here are less likely to be racial minorities, and more likely to be other groups who do not often participate in urban planning discussions – renters, students and retail employees. The City will meet with a variety of such groups to inform them about planning to date and to solicit ideas that can inform the UDF.

Another component of the UDF is a set of health indicators that Public Health Seattle/King County has developed to help emphasize aspects of the area's urban design that will promote healthy living and behavior for residents, employees and visitors in the station area.

The goal is to conduct the enhanced outreach by the end of January and to complete the UDF in the first quarter of 2013.

*Tacoma.* The Committee will receive a full briefing on the Tacoma project will be provided under agenda item #3.



## **Attachment B: East Corridor Implementation Support Summary of Proposed Phase 2 Scope**

December 21, 2012

### **Introduction**

- The scope elements below have been developed in collaboration with the East Corridor Project Management Team (PMT) to address the four key issue topics of Partnerships, Business Retention and Attraction, Affordable Housing, and Transportation Access and Connectivity in the two selected stations areas for Phase 2 focus:
  - Overlake Village in Redmond
  - 130<sup>th</sup> Avenue NE/Goff Creek in Bellevue
- Several of the activities proposed for Phase 2 address multiple of these issue topics.
- The Otak team will develop a specific work plan and budget estimate for completion of the elements of work below for approval by PSRC/Growing Transit Communities staff prior to initiating work on Phase 2.
- Each element of work in Phase 2 will include recommendations related to time frames for implementation – the years that the actions should be completed within the period between now and the year that light rail service will initiate.
- Recommendations in the Phase 2 Implementation Report also will address specific considerations related to roles and responsibilities, partnership and coordination, outreach and communications, funding mechanisms, and other needed activities.

### ***Overall TOD Implementation and Partnerships***

#### **1. Facilitate a Development Interests Outreach Program for Each Station Area**

Develop and facilitate an outreach program specific to the two station areas that involves regional development interests (developers, financiers, real estate brokers/agents, builders, philanthropic organizations, non-profits, and others). The outreach program will provide a forum for presenting the two station area plans and gather recommendations and ideas, build interest and momentum in TOD opportunities, and test potential implementation concepts.

The Otak team will design the specific program collaboratively with the PMT. For purposes of scoping, we anticipate that the outreach programs will occur over the course of one week for each station area (two weeks total), with specific interest groups to be scheduled over that time frame.

#### **2. Develop an Ongoing Outreach Strategy/Program for Each Station Area**

The Otak team will develop an ongoing outreach strategy/program for each station area (for outreach to businesses as well as the general community/neighborhood within and surrounding each station area). Provide recommended timeframes for outreach, a list of activities, potential organizational structure for outreach, roles and responsibilities, and other specifics. The strategy/program will address: When is the right time to start outreach? What activities should occur? How should the program be managed? Each outreach



strategy will have recommendation specific to each station area. We also will provide support with other business/partner/stakeholder outreach and discussions during the course of Phase 2 work, dovetailing, but not overlapping with other Growing Transit Communities program efforts.

**3. Identify/Program Requirements for Family Friendly Neighborhood, Site, and Unit Characteristics**

Family friendly characteristics will be identified at the neighborhood, site, and building/unit scale for the two station areas to promote and encourage housing that will attract and retain families. Several reference sources were listed in our workshop and the team could evaluate these and define appropriate requirements/elements applicable to the two station areas.

Evaluate public ownership (existing and future potential) in the station areas and associated opportunities. Develop specific recommendations for catalyst public projects that can help move neighborhoods forward toward redevelopment. In conjunction with family friendly analysis, provide a list of desirable amenities to incent development in station areas.

**4. Evaluate and Identify Potential Opportunities for a Commercial Land Trust/Urban Land Trust Entity to Preserve Small Business and Commercial Tenancies at Affordable Rates in the East Corridor**

The Otak will team will evaluate and identify the potential for a commercial land trust or urban land trust entity to preserve small business and commercial tenancies in the East Corridor at affordable rents within the context of a commercial or urban/transitional land trust. The development and capitalization of a Transit-Oriented Development Loan Fund will be undertaken in 2013-2014 by a TOD Fund Manager pending contract award by PSRC. This element is intended to be aligned with the work of the TOD Fund Manager, ensuring that the 130<sup>th</sup> and Overlake Village Station areas retain and attract a mix of small businesses.

**5. Identify Potential Infrastructure Funding Opportunities**

Recognizing the need for funding to implement various infrastructure improvements (streets, nonmotorized facilities, utilities, stormwater management, parks, etc.) in each station area, we will review existing funding structures such as impact fees and evaluate and recommend potential additional mechanisms for funding supporting infrastructure projects in the two station areas. We could provide assistance with analysis of planned street network improvements in the two station areas and prioritizing street improvements according to potential redevelopment phasing as needed, and we can assist cities with anticipating capital/transportation improvement budget assignments in future years based on this analysis as needed. We would identify and recommend potential funding mechanisms, programs, grants, etc. that can help fund needed infrastructure improvements. This work element would also address the following opportunities.

- **Green building/sustainable development:** we will evaluate approaches and recommend strategies that will continue to position these TOD areas for a competitive edge in the market place, including green building standards, integration of district energy, ecodistrict implementation, etc.
- **Leveraging redevelopment activity:** as one aspect, this work element would model what revenue is reliably projected to be derived from the Wright Runstad/Shorenstein Development of 120<sup>th</sup> Spring District to ascertain what capital may be available to secure sites in and around the 130<sup>th</sup> LRT station/platform. This will serve as a source of local equity and could be used to option sites and pay



the debt service on inter fund transfers or revenue bonds. Similar opportunities in the Overlake Village area would be analyzed.

### ***Business Retention and Attraction Focus***

**6. Further Evaluate and Identify Specific Strategies and Tools for Retaining and Attracting Various Forms of Retail and Commercial Businesses/Uses as Redevelopment Occurs in the Station Areas.**

For both station areas, the Otak team will review and assess existing businesses and the potential for retention. Analyze the potential for attraction of new TOD supportive businesses and identify the specific types of businesses that would be good to attract to each area. Develop specific recommendations and economic development strategies for each station area. Develop specific guidance that could help developers program, design, and market/lease retail and commercial spaces in their buildings. Look at alternative types of spaces within new buildings that might meet needs. Also look at adaptive reuse potential and models for reuse of existing buildings. Develop recommendations for marketing, branding, and outreach programs to attract new development to the station areas

- ***For the 130<sup>th</sup> Station Area*** Develop recommendations for retaining businesses that could help to support the future vitality of the transit oriented district. Think about retrofit and adaptive reuse opportunities. Look at loft/artist studio models (BelMar in Denver area and Art Space in Minneapolis).
- ***For Overlake Village*** Take a closer look at redevelopment phasing potential based on market, site assemblages and other characteristics to evaluate business relocation scenarios.

### ***Affordable Housing Focus***

**7. Focused Analysis of Tax Exempt Financing and Deep Affordability Approaches with Specific Focus as Described Below**

In reference to the three basic approaches to implementing affordable housing outlined by Arthur Sullivan:

- a) ***Land Use Requirement*** (e.g. 10% @ 80% Area Median Income or AMI for Redmond)
- b) ***Tax Exempt Financing*** (40% @ 60% AMI or 20% @ 50% AMI Bonds with Low income Housing Tax or LIHTC credits and other equity/property tax exemption, etc)
- c) ***Deep Affordability*** (100% below 80% targeted to 30-60% AMI using 9% LIHTCs, State HTF Revenue; Fee in Lieu from other Bellevue sites (120<sup>th</sup> Spring District), property tax exemption, etc).

Focus on areas b) and c) because the first approach, a), is pretty much established. Address the following key areas related to what type of activities/incentives would motivate private developers to use/support the second and third approaches.

- For the second approach (b), evaluate opportunities for private developers to use other incentives/financing tools and incorporate more affordable housing into their developments. Evaluate potential for tax exempt financing. The analysis would be very specific to evaluating the economic feasibility of using tax exempt financing in these two areas, identifying gaps in economic feasibility of using this financing, and suggested ways other local incentives/financing tools could help fill that gap to the extent needed
- For the third approach (c), evaluate the potential for developers making a portion of their land available to a group (e.g. housing authority, non-profit) that will secure all the subsidy, develop and operate the



deep affordability housing. So for this, don't need the economic analysis of the subsidized housing deal, but ways private developers have been enticed into entering into such arrangements (e.g. replaces their requirements to provide within their development, or replaces their requirements plus add some additional incentive). This work would focus on what would motivate the private developer to cooperate with this approach; are there examples of approaches that have been used elsewhere that may work in this market area; and some analysis of already existing private requirements are they sufficient, or is some additional incentive needed (similar to what done for the second approach).

This work element would include developing, modeling, and demonstrating specific tools showing how private developers can be incentivized to develop directly, co-develop (partner) or sponsor affordable and/or mixed income projects with non-profits or the local housing authority, ensuring long term affordability. The goal is to produce a range of housing options with a shallow subsidy which achieves a mix of units serving 40% of the household with incomes at or below 60% of the Area Median Income (AMI) or 20% below 50% AMI. While the array of tools to achieve these price points are established and used elsewhere, the purpose of this work will be to apply the financing sources to specific sites and evaluate/exemplify what it would take to engage private landowners/developers in this market segment.

At the option of local non-profit or public partners, specific properties may be further subsidized more deeply to attain deep affordability for households with incomes between 30-50% AMI to serve a wider spectrum of demonstrated local housing needs.

We would also build a prototypical budget for a couple of high value sites: such as a portion (3 acres was mentioned) of the Cadman Sand & Gravel site; co-development of one of three of the Sound Transit sites identified near 130<sup>th</sup> and/or a site in the Overlake Village area. An *Opportunity Study* resulting from this effort could help crystallize development opportunities for retail, housing and potential arts friendly developments in and around the 130<sup>th</sup> and Overlake Village locus areas. These could be combined for synergy. We also would provide a template for joint development agreements and analyze the need for ongoing incentives.

### ***Transportation Access and Connectivity Focus***

#### **8. Analyze and Provide Recommendations for Strengthening Local Transit, Pedestrian, and Bicycle Connections.**

The Otak team will evaluate options and provide recommendations for strengthening local transit, pedestrian and bicycle connectivity with existing affordable housing, key employment sites, neighborhoods and neighborhood centers, and other areas within and surrounding the station areas. Part of this analysis could also address projected transit use patterns – which stations will surrounding neighborhoods and employment centers be most drawn to for access to the system? We will reference other ridership studies and consider how to build capacity and ridership, leveraging the BRT system in the coming 10 years before LRT is implemented. As part of this, we will make recommendations for maintaining and strengthening key connections and service frequencies to support access to high capacity transit.

This work will also evaluate the role of parking in each station area and recommend phased parking management strategies and approaches, including the potential for joint development agreement that might convert near term surface parking areas to future TODs. Parking management recommendations will include



looking at how parking impacts connectivity of other modes (barriers to access) and TOD potential in the station areas. The analysis will address the following questions: what is the sufficient amount to be provided in each station area and what are the options for providing it?

The team will specifically analyze projected transit use patterns and connectivity needs within a local transit connection distance (local feeder bus service) from the station areas and nearby transit oriented development (such as Overlake Village) as well as needs for access by bicyclists and pedestrians to and from these areas. We will evaluate local transit, bike, pedestrian demand/needs associated with trips to and from the stations as well as trips associated with future TOD in Overlake Village and around the 130<sup>th</sup> Station area.

As part of the parking analysis, the team will evaluate and provide recommendations regarding potential shared parking facilities/opportunities that might alleviate individual developers from providing parking and to serve general public needs such as to access future park space. This could be one of the strategies to advance affordable housing, affordable retail.

We also will provide recommendations for long-term parking for bicycles addressing such aspects of security and services, as well as for establishing a bike sharing program.