

Memorandum

To: Planning Commission

From: Sarah Stiteler, AICP, Senior Planner, 425-556-2469

Date: February 20, 2013

Subject: **Growing Transit Communities – East Corridor Task Force Update**

The purpose of this memo is to update the Planning Commission regarding Growing Transit Communities (GTC) program activities since the last staff briefing in May, 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. The Puget Sound Regional Council is the regional recipient of the U.S. Department of Housing and Urban Development (HUD) grant that funds 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, counties, housing authorities, affordable housing advocates, educational institutions, public health agencies and private industry.

Since 2010, there has continued to be a considerable amount of work underway in implementing the Growing Transit Communities work program as a whole. This includes work as part of the Affordable Housing and Equity Network Steering Committees, Corridor Task Forces, and Catalyst Demonstration Projects. Attachment A provides an update on some of these efforts.

This memo provides an update on three aspects of this project that may be of particular interest to the Planning Commission: 1) the East Corridor Implementation Support Project; 2) Eastside Equity Project and Goals; and, 3) 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:

- affordable housing development;

- business retention and attraction;
- public and private partnerships; and
- 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/Nygaard 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 completed 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 across the US and Canada including Denver, Portland, Minneapolis-St. Paul, Burnaby, British Columbia and several in California. The Best Practices Research Report (Jan. 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.

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. Based on these criteria, Overlake Village and NE 130th Station in Bellevue were selected.

- 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 more potential for developing housing that is available to a wide range of incomes levels? Which areas are at most risk of losing affordable housing with redevelopment?
- Transit Service and 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 businesses that are TOD compatible/supportive? Where is the highest risk to existing businesses?
- Level of Readiness: which station areas have the most potential to be most ready by the time light rail 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 work will be completed by the consultant team 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.

In August, 2012, Hopelink hired a community organizer on a contract basis to carry out the community engagement activities. He has made significant progress in connecting with organizations and residents in the Overlake area. As a result, 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. In addition, project partners held a workshop and tour on February 9 near the future Overlake Village light rail station. 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 action 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.

Preparation for February 20, 2013 Briefing

Please review the enclosed materials and for further information, online at <http://psrc.org/growth/growing-transit-communities>

Enclosures

Attachment A: Growing Transit Communities Staff Report, January 18, 2013

Attachment B: Summary of Phase 2 Scope of Work

Please contact Sarah Stiteler, 425-556-2469, [sstiteler@redmond.gov](mailto:ssiteler@redmond.gov) with questions or concerns.



January 18, 2013

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.

GRANT ADMINISTRATION

Ben Bakkenta and Mary Pat Lawlor attended a December 3-5, 2012 mandatory convening of all of the HUD Office of Sustainable Housing and Communities grantees in Washington DC, where they learned about grant administrative requirements and HUD resources for grantees. This is part of the peer learning network that HUD has established and rolled out in 2012.

At the end of January staff will submit a second annual report to the National Office at HUD, reporting grant activity and progress, as well as financial information. PSRC has invoiced HUD approximately \$2,400,000 through December 2012.

PSRC's contract with Strategic Economics, who provided consultant support for transit corridor market analysis and development of the transit community typology, was completed and closed out November 30, 2012. All work was completed on schedule and on budget.

OUTREACH

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

Seattle Transit Oriented Development Summit. Staff participated in a panel presentation and discussion at this event on December 19, organized by BizNow, and attended by around 75 mostly private development sector representatives.

Governing for Racial Justice Equity. PSRC staff participated in the two-day conference organized by the City of Seattle.

AFFORDABLE HOUSING STEERING COMMITTEE

The Affordable Housing Steering Committee had a special meeting on November 28, 2012 with the Equity Network and Sound Transit Staff. The Committee received a brief presentation about Sound Transit's Transit Oriented Development (TOD) Policy. The Committee worked with the Equity Network to provide a comment letter to the Sound Transit Board on the TOD Policy. The letter focused on four major issues: 1) Commending Sound Transit on the "Assessment Tool" identified in the TOD Policy, but asking that it include an indicator that assesses the risk of displacement. 2) Encouraging a more proactive approach to partnership with other agencies. 3) Encouraging Sound Transit to revisit its surplus property disposition policy to consider prioritizing affordable housing, and 4) Including affordable housing and equity in the definition of TOD. Some minor revisions suggested from this letter were addressed in Sound Transit's TOD Policy adopted by the Sound Transit Board at a public hearing on December 20, 2012. Several Board members commented at the public hearing about the need to address Sound Transit's property disposition policy (which was adopted in 1999) in the near future.

The Committee will meet again on February 5, 2013. The regular meeting will be abbreviated and a forum on best practices will take place after the meeting as a follow up to the issues highlighted through Sound Transit's TOD Policy adoption. Melinda Pollack of Enterprise Community Partners, author of [*Making Affordable Housing at Transit a Reality: Best Practices in Transit Agency Joint Development*](#), will make a presentation on findings from this report and experiences in Denver. Also, Jillian Detweiler of Portland TriMet, will present on TriMet's innovative practices with joint development. Jillian made a [presentation about TriMet's approach to joint development](#) at the February 2012 Federal Transit Administration joint development webinar. The Committee plans to reach out locally to King County Metro as well. Staff will share more details about the February 5th Best Practices in Joint Development Forum soon.

Fair Housing Subcommittee. PSRC staff is working to put together a request for proposals for consultants to write a regional fair housing 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. The group will meet again on January 14th to review a draft request for proposals (RFP) for developing the fair housing strategy report and associated work and discuss next steps.

Transit-Oriented Development (TOD) Fund Subcommittee. The TOD Fund Subcommittee is working to develop a pool of funds from various sources to acquire land and finance affordable housing development in transit station areas. The Subcommittee worked with PSRC to issue a RFP in late November for a TOD Fund Manager and recently received responses on January 7, 2013. One proposal was received from a collaboration of Enterprise Community Partners and Impact Capital. A selection panel composed of members of the TOD Fund Subcommittee will review the proposal and make a decision about how to proceed in late January. The scope of work for the TOD Fund Manager will include developing a business plan, raising capital, and structuring the governance and loan products of the TOD Fund.

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 nearby transit improvements to finance infrastructure and affordable housing development. A draft report is available titled [*Value Capture Financing Alternatives*](#)

for Equitable Transit-Oriented Communities. The Value Capture Subcommittee met on December 4, 2012 to continue discussion on a set of principles to guide development of potential new state legislation. Subcommittee members are pursuing legislation in the 2013. The Subcommittee will meet on January 10, 2013 to discuss differences between a draft bill from NAIOP (commercial real estate developers) and the legislative framework of the Growing Transit Communities Value Capture Financing Subcommittee. The group is working to form a coalition to advance the legislation in Olympia.

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 is working to finalize a draft bill and is working to build a coalition with other Growing Transit Communities partnership consortium members. Please contact Emily Alvarado at HDC at emily@housingconsortium.org if you are interested in learning more.

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.

EQUITY NETWORK STEERING COMMITTEE

Equity Grant Program. The Oversight Committee approved Round 3 grantee recommendations at their November 16 meeting. Eight grants have been awarded this round, representing a range of projects and communities from throughout the region. This represents an investment of \$105,000 and a total investment of \$377,874 thus far in community-based outreach and engagement, research, and organizing projects through the Growing Transit Communities Partnership. See the press release for details about Round 3 grant projects.

The Equity Network hosted a “Planning 101” workshop with all Round 3 grantees on December 6 at the Filipino Community Center in South Seattle, in partnership with Forterra. This was an interactive workshop focused on the planning process, especially why planning is relevant to communities and how to influence the process. The workshop included a presentation from El Centro de la Raza on their community-inspired Plaza Roberto Maestras TOD project in Beacon Hill as the basis for a detailed case study and role play. Grantees also shared with their peers about their projects and key issues they are addressing. The Equity Network Manager is in the process of finalizing work plans and contracts with all the round 3 grantees.

Nearly all first round grantees concluded their grant performance period as of December 31. The Equity Network Manager has been working with these Round 1 grantees to wrap up their projects, get documentation, and talk about next steps for some of the work. Several grantees again hosted community events and conversations. For example, East African Community Services hosted a forum with East African businesses in mid-December; Refugee and Immigrant Services Northwest hosted a forum with some of the community members they reached through their outreach and education workshops and staff from key public agencies (housing, transportation, social services) to establish some relationships and build dialogue; Tacoma Pierce County Affordable Housing Consortium was part of a city of Tacoma community meeting in early December focused on the MLK planning process.

Policy Work Group and Corridor Action Strategies. Some members of the Policy Work Group met with City of Seattle staff after the last steering committee meeting on November 7 to get an update on the Northgate demonstration project and discuss opportunities. Equity Network members have also been active in the Value Capture Financing and Public Surplus Properties sub-committees. In early January, we met jointly with staff representing several departments of the City of Seattle to discuss how to apply the city's Race and Social Justice Toolkit to the draft Corridor Action Strategies. These discussions will continue as the corridor process moves forward.

Regional Equity Summit. The Equity Network is moving forward with planning for a regional equity summit for fall 2013. A group of stakeholders met in late November to further discuss and refine a draft concept and structure for the summit. The Equity Network Manager met with a group of community grantees to further discuss these ideas to get community input before key decisions are made. A planning committee is being formalized and will be meeting in late January to move this effort forward

If you have questions or would like additional information on the Equity Network work program, please contact Heidi Hall, Impact Capital at 206-658-2619 or heidi@impactcapital.org.

CORRIDOR TASK FORCES

Task Force meetings were held in the South, East, and North corridors in the months of November and December, and January 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 Growing Transit Communities regional compact, as well as the draft Corridor Action Strategies presented to the Oversight Committee at the September meeting. The Task Forces are expected to continue their discussions on recommendations for priority tools and actions at their February 2013 meetings.

For more information about the current status of the regional Growing Transit Communities compact and Corridor Action Strategies, see staff memos under agenda items 4 and 5.

In addition, the November and December meetings, the East Corridor Task Force discussed and finalized a work plan for phase two of the *East Corridor Implementation Strategies* Catalyst Demonstration Project, see description below.

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. 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 concluded in December. It focused on a review and summary of best practices and a high-level assessment of seven of the easternmost East Corridor station areas. Phase 2, beginning January 2013, will be a more detailed development of recommended actions, strategies, and products to address the four topical areas in two selected station areas. Through an evaluation process developed by the consultant and project management teams, the East Corridor Task Force determined that the two station areas that will be focused on in Phase 2 are: 130th Avenue NE (Bellevue) and Overlake Village Station (Redmond). 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

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. King County is working closely with the City of Seattle on the Urban Design Framework process with a potential development agreement as the end goal that would determine location of streets, parcel size, development envelope flexibility, green space requirements, etc. These concepts will be reviewed by the public beginning in February 2013.

Sound Transit is currently negotiating with Simon Properties (owners of Northgate Mall) to build a parking garage on the SW portion of property adjacent to the project site. The garage will enable continued use of the park and ride facility during the construction of the Link Light Rail Station. King County updated the 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 the transit center east side of the freeway. The update includes geotechnical investigation of the soil conditions for main span and approach span sections and updated cost estimate of the proposed bridge. The updated cost estimate ranges from \$16.2 to \$18.7 million depending on structure type and preferred alignment.

Three transit-access lane options are now being evaluated to replace the current bus transit center: 1) a replacement north-south transit access street similar to the existing configuration with transit operations on the east side of 1st Ave and west side of the transit street and 2) two similar options involving a north-south street closer to the station, creating a "transit island" with operations on the east side of 1st Ave and west side of the transit island. The estimated cost for the project, including design costs and construction costs, is in the range of \$15 million to \$20 million. These concepts will also be included in the Urban Design Framework process for public input in February 2013.

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. Seattle staff continues to work with Sound Transit and King County Metro on specific design issues related to the light rail station and to bus circulation and loading.

The City has met with the Equity Network and hired a consultant team for expanding 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 and consultant have begun meeting with some of these groups, with more scheduled in the near future. These meetings will provide new perspectives to the UDF. An additional goal of these meetings is to broaden continuing community engagement in the Northgate 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. Tacoma. The South Downtown Sub-Area Plan and Environmental Impact Statement (EIS) are on schedule to be completed this year and are within budget. VIA Architecture is leading the consultant team. The initial outreach work required under the State Environmental Policy Act has been completed and the Station Working Group (SWG) required under the Growing Transit Communities work program has been formed and meets quarterly at UWT; the most recent meeting was January 9, 2013. This 37-member group is overseeing the preparation of the sub-area plan/EIS, the first draft of which is scheduled for release in February, 2013.

Thanks to additional funding support from the University of Washington and the Growing Transit Communities Partnership, the Decision Commons visualization tool will be available to assist with the public review of the alternatives that will be presented in the draft EIS. This work is being coordinated with sub-area planning work in the MLK and North Downtown sub-areas in order to have functional sub-area plans for the entire Downtown Regional Growth Center.

Background documentation can be found at www.cityoftacoma.org/southdowntownplan.



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
 - 130th 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 130th 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 120th Spring District to ascertain what capital may be available to secure sites in and around the 130th 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 130th 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 (120th 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 130th 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 130th 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 130th 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.