



# 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.