



 **SOUNDTRANSIT**

**TOD Transactions: Roosevelt, First Hill, Capitol Hill Site D
Sound Transit Board**

November 16, 2017

Today's Agenda

2017 Transactions:

- + **Roosevelt Station**
- + **First Hill**
- + **Capitol Hill Site D**



Statutory Direction in 81.112.350

80

80% of property suitable for housing must be first offered to qualified entities for affordable housing creation

80

80% of created units must be affordable

80

Units must serve those earning no more than 80% of area median income

If all these criteria are satisfied, the Board may discount sale or lease of property within the bounds of the law in order to reduce the cost of Affordable Housing Development.

▶ **System-wide**

- **System Access Fund:** The System Access Fund provides an additional \$100 million (2014\$) allocated equally among Sound Transit's five subareas to fund projects such as safe sidewalks and protected bike lanes, shared use paths, improved bus-rail integration and new pick-up and drop-off areas that provide convenient access so that more people can use Sound Transit services. Funds will be allocated based on an evaluation of the needs of customers using Sound Transit existing and planned bus and rail stations and connectivity with other modes. Sound Transit will partner with cities, counties, transit and state agencies and other Sound Transit stakeholders to leverage grants and matching funds and create the best access solutions for each station. Projects that leverage funds through funding partnerships will receive strong consideration. The System Access Fund includes funding to survey riders and conduct studies to help prioritize the most beneficial projects, whether retrofitting stations to accommodate growth or enhancing connections to neighborhoods.



Transit-Oriented Development (TOD)

Development around transit investments represents a significant opportunity to shape communities that attract jobs and housing opportunities affordable at a range of incomes, increase transit ridership and improve equitable access to opportunities for current and future residents.

Construction for Sound Transit 3 will take place during a period of dramatic regional growth, especially among transit-dependent communities. Under this plan, Sound Transit will implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities adjacent to Sound Transit stations that is consistent with transit-oriented development plans developed with the Puget Sound Regional Council (PSRC), the regional transportation planning organization within Sound Transit's boundaries. The necessary board policy changes for implementation must be completed within 18 months of voter approval of this system plan. Sound Transit will use such plans as the 2013 *Growing Transit Communities Strategy* to inform the content and implementation of its TOD strategy. The Plan allocates funds to support collaborative planning for TOD at the transit capital project development stage, as well as for planning and pre-development activities on agency-owned properties that may be developed as TOD. Sound Transit will pursue and implement land disposition and development strategies that reduce the cost of affordable housing development, increase transit ridership and otherwise work to leverage and increase the impact of other state, federal and local affordable housing funders, and are consistent with retention of federal grant funds where appropriate. Sound Transit's policies will specifically promote equitable TOD by:

▶ **Project-level**

- **TOD allowance:** The cost estimates for the projects described in the Sound Transit 3 Plan include allowances to fund appropriate TOD planning activities for each location expected to have surplus property.

▶ **System-wide**

- **TOD fund:** The Sound Transit 3 Plan includes a TOD fund of \$20 million (2014\$) to incorporate TOD considerations during land acquisition to ensure that, where possible, property that may later become surplus is supportive of its reuse for TOD.

ST3 System Plan language

Sound Transit will pursue and implement land disposition and development strategies that reduce the cost of affordable housing development, increase transit ridership and otherwise work to leverage and increase the impact of other state, federal and local affordable housing funders, and are consistent with retention of federal grant funds where appropriate.

Transactions Overview

Roosevelt, First Hill & Capitol Hill Site D

- All 3 concepts exceed statute requirements & comply with ST3 System Plan
- All meet Agency, Community and City Goals
- All request a discount in land value in order to reduce the cost of affordable housing development
- Combined, the concepts would deliver over 600 units of affordable housing within transit station areas in the City of Seattle

A blue-tinted photograph of a Sound Transit bus. The bus is viewed from a front-quarter perspective, showing the windshield and the front grille. The words "SOUND TRANSIT" are visible on the top of the windshield. The bus is parked on a street. Overlaid on the left side of the image is the text "Roosevelt Station - Central TOD Site" in a bold, white, sans-serif font.

Roosevelt Station - Central TOD Site

Roosevelt Overview



Zoning	NC3-P-85 5.75 FAR Supports housing
Size	± 54,000 sf
Development Capacity	225 - 300 units
Federal participation	86.5%
Land Value (2017)	\$18.5M
Board Set Value	\$6.75M - \$9M

Roosevelt - Proposed Development Concept

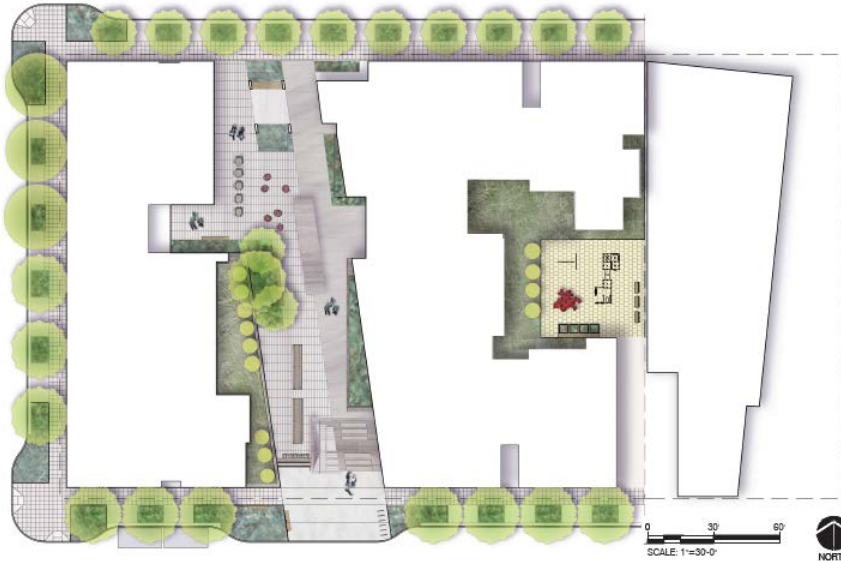


Proposed a preliminary project concept that includes approximately:

- 245 housing units
- 100% of housing units affordable to those earning at or below 60% AMI, with over 40% of the units affordable to those earning 30% and 50% AMI
- 42% of housing units sized for families (2BR+)
- Mix of uses on street-level, including retail and a community room
- High quality pedestrian environment supporting those in the building, community, and accessing the adjacent transit station

Note: Preliminary concept will evolve during negotiations

Roosevelt - Proposed Project Financials

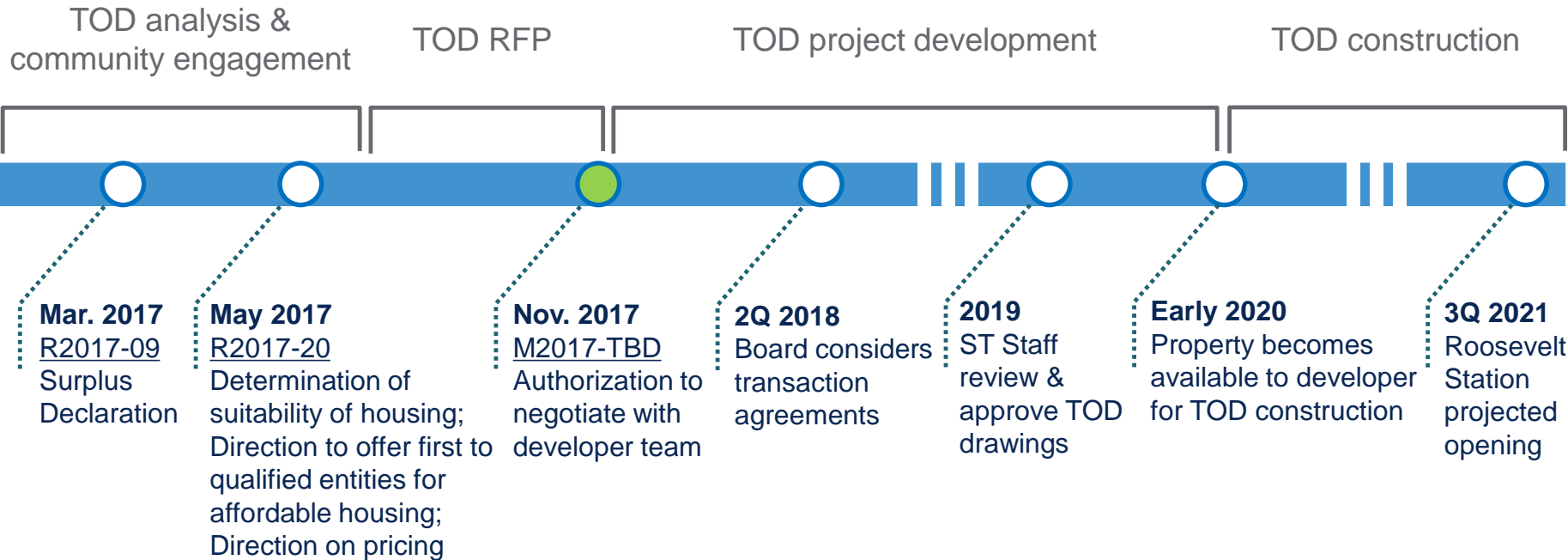


Proposed a preliminary project financial plan that includes approximately:

- Pays the minimum land price of \$6.75 million established by Sound Transit
- Requires the full \$15 million from the Seattle Office of Housing
- Dependent on additional affordable housing financing sources

Note: Preliminary project financial plan will evolve during negotiations.

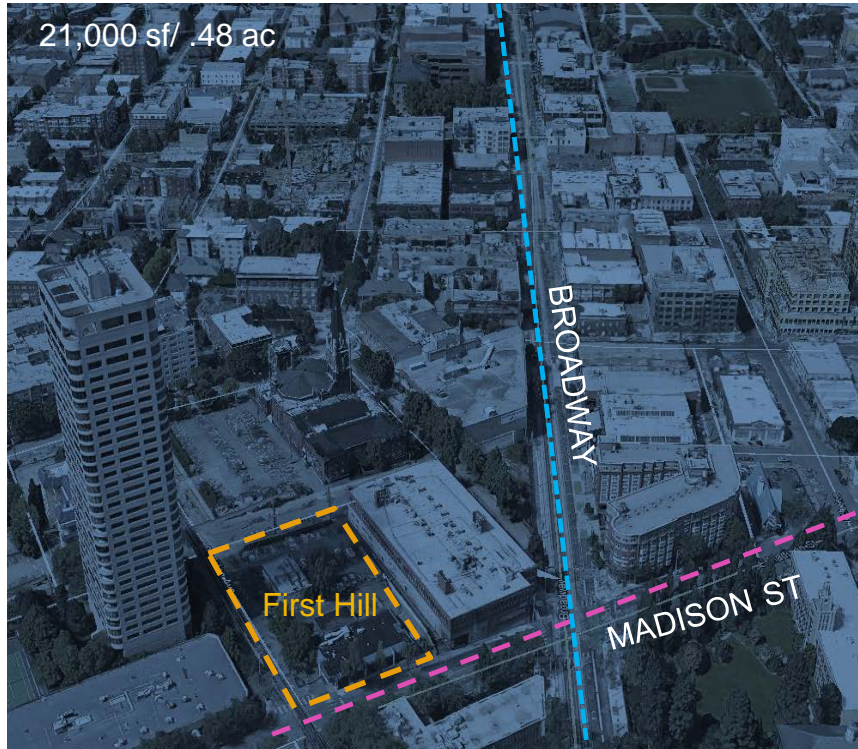
Roosevelt - Timeline



First Hill TOD Site



First Hill - Overview



Zoning	NC3-P-160 Supports housing
Size	21,000 sf
Development Capacity	120 - 260 units
Federal participation	0%
Land value (2017)	\$8.6M
Board Set Value	TBD

First Hill - Development Concept



Plymouth Housing Group and Bellwether Housing propose a joint development that delivers a mixed-use high-rise building (13 floors) and includes:

- **308** units at or below 60% of AMI
- 111 units targeting formerly homeless seniors at 30 % of AMI and on-site support staff.
- 30 units targeting low-income families
- Ground floor retail spaces designed to accommodate both large and small retail or restaurant.
- Ground floor community space
- No on-site residential parking

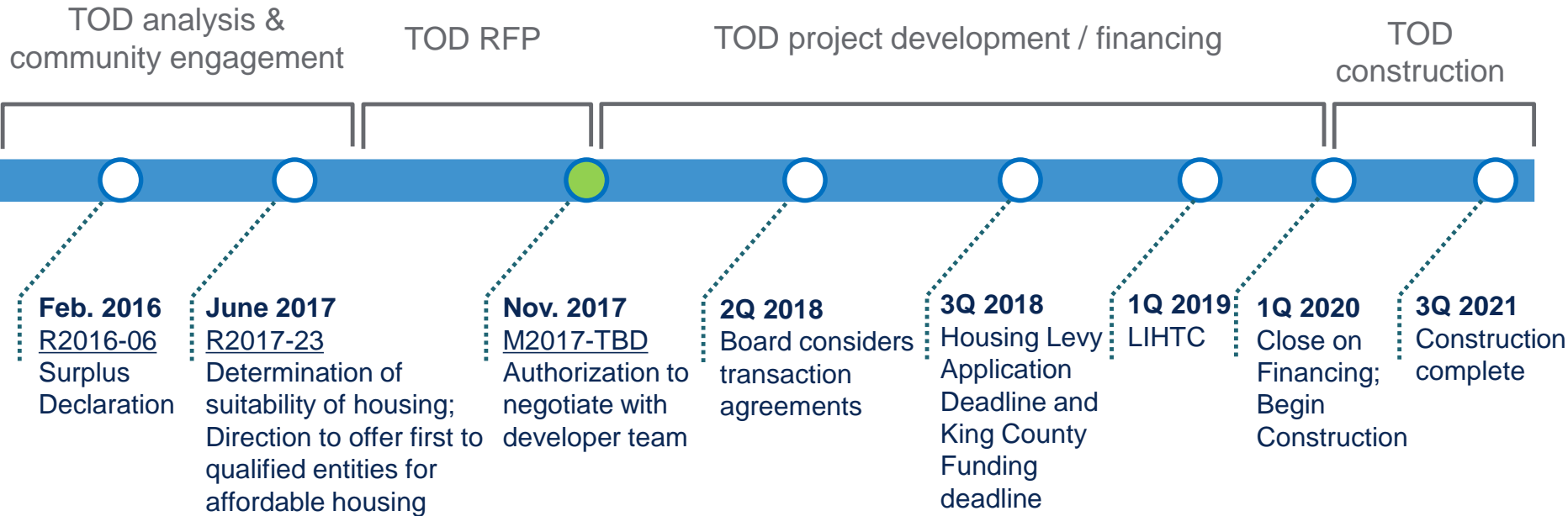
Recommended Proposal - Financial



Due to the project's scale it pushes or exceeds funding formulas and program norms.

- **The proposal asks Sound Transit to transfer the land for \$0**
- Asks Seattle's Office of Housing for contributions totaling approximately \$30M
- Includes a Plymouth capital campaign for \$3M
- Asks Bellwether for \$3M in impact capital investment.
- Looks for funds from the State Housing Finance Commission and King County.
- Seeks both 4% and 9% LIHTC

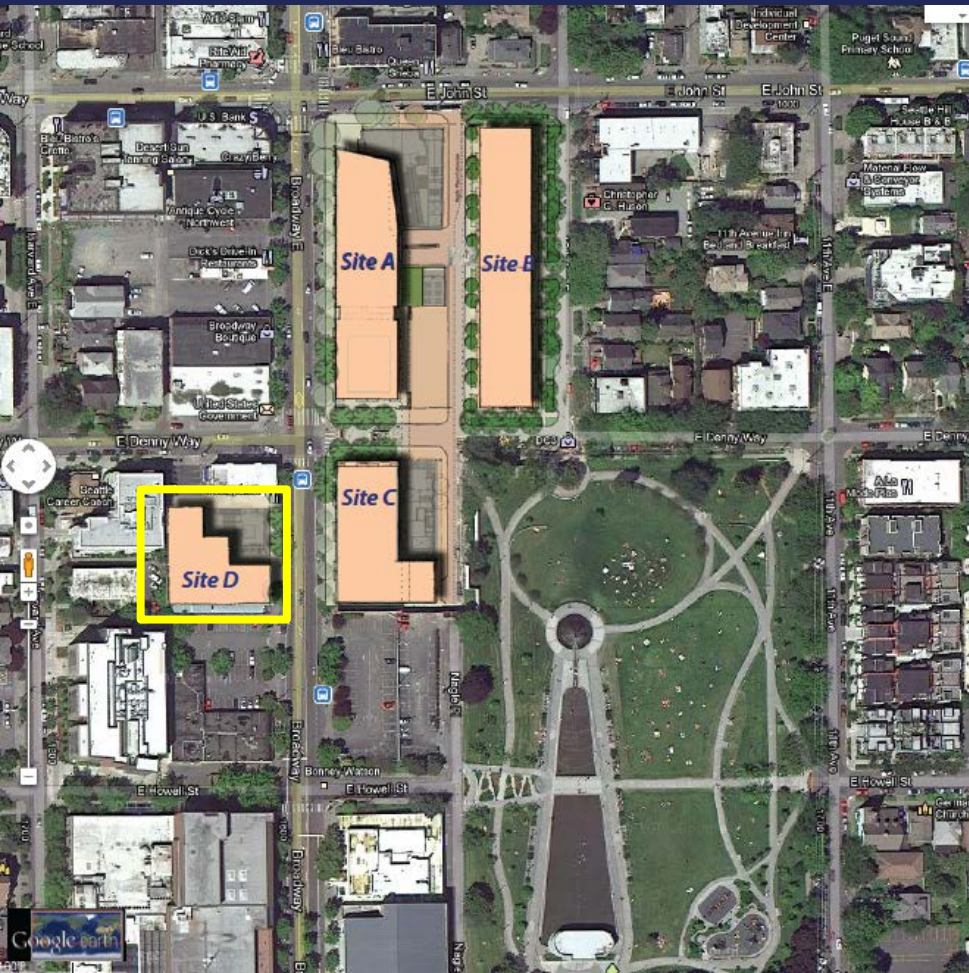
First Hill - Timeline



Capitol Hill - Site D



Capitol Hill Site D - Overview



Zoning	NC3-P-40 Neighborhood Commercial 3
Size	10,383 SF (0.24 acres)
Development Capacity	44 Units
Federal Participation	86.5%
Land Value (2017)	\$5.7M
Board Set Value	TBD



3-Party Agreement with Sound Transit, Seattle Central College (SCC) & Capitol Hill Housing (CHH)

- + Sound Transit exchanges Site D for SCC's Atlas Site
- + CHH pays delta between the two sites (~\$2.2M) and becomes developer for affordable housing on Atlas Site
- + Sound Transit and CHH negotiate a price that:
 - + Facilitates the proposed property exchange
 - + Sets a land value to be within the competitive range for local affordable housing funding
 - + Achieves financial return to Sound Transit for the commercial component of the Atlas Site
- + Final purchase and sale agreements to Board for consideration in 2019/2020

Agreement Benefits

Development Concept: Atlas Building



Better Overall outcomes for affordable housing, SCC and ridership

- More units on Atlas Site
- SCC campus plan would better connect students and faculty to Capitol Hill Station and support additional ridership as the college continues its growth.
- SCC campus plan includes using Site D for a primary entrance to the campus at the west head house and includes active community serving ground floor uses.

Capitol Hill Site D - Next Steps

- Today: Request Board authorization to execute agreement with Seattle Central College and Capitol Hill Housing to exchange property and negotiate a discounted property value
- Enter into disposition approval process with FTA
- Move into purchase and sale transaction negotiations
- Staff will return to the board once terms have been reached to authorize execution of the purchase and sale agreements and other supporting transaction agreements.



SOUND TRANSIT

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Link

Sound Transit

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