

ADDITIONAL BACKGROUND – BEL-RED SOUND TRANSIT OMF EAST SITE

OMF East men's shelter siting study location:

Sound Transit currently owns the International Paper property and the rail spur south and west of the site (Parcel # 2825059326). ST is pursuing acquisition of the AutoNation owned property (parcel #2825059070) and City of Bellevue owned property (Parcel #1099100104) to support the construction and elements of the permanent Operations and Maintenance Facility. Sound Transit either has a commitment or is currently negotiating with both owners to have possession and use of the parcels by September 1, 2017. In the future, portions of these four parcels may become surplus and available for development. The amount and configuration of potential surplus property will be defined by the design build contractor's final design of OMF East facilities currently anticipated to be complete by the end of 2018.

Project development timeline:

2017: Sound Transit expects to issue Notice to Proceed (NTP) to the design builder in mid-June 2017. A project schedule is required to be submitted within 30 days of NTP.

2018-2019: The physical property boundaries of any surplus land, associated easements, and other real property definition elements will be established by the design development process of the OMF East design builder as required for permitting and construction. By the second half of 2018, ST expects to have the necessary information to legally define the property. This information will allow ST to obtain Board direction on disposition and prepare a request for proposals to develop surplus property in 2018; putting the Agency in position to potentially select a responsive proposal during the first or second quarter of 2019.

2020: Given Sound Transit's construction schedule and requirements, the earliest possible start date for third party construction on future surplus property would be third quarter 2020.

2023: The mutually-agreed upon TOD completion target date (concurrent with East Link service launch).

Statutory requirements: affordable housing

Sound Transit now has statutory direction (RCW 81.112.350) to facilitate the development of affordable housing on surplus property. This has been referred to as the "80-80-80 requirement", in which a minimum of 80 percent of Sound Transit surplus property that is suitable for development as housing will be first offered to qualified entities, to provide 80 percent of the housing units at or below 80 percent of the area median income.

There is an important distinction between affordable housing and a shelter. For one, statute defines "affordable housing" as long-term housing for persons, families, or unrelated persons living together whose adjusted income is at or below eighty percent of the median income, adjusted for household size, for the county where the housing is located." The scope, intensity, and sensitivity of the services delivered in a shelter or transitional housing require specialized personnel and physical design, and often benefit from co-location with other specialized public health services. Long-term housing

affordable to households earning less than area median income do not have the same requirements or attributes.

The statute on affordable housing did not include shelters and other specialized facilities in the universe of uses which the Agency *must* consider in offering its surplus property to qualified entities for redevelopment as mixed-use TOD. Outside of the statute, Sound Transit is not precluded from accommodating this use on surplus property, other than by local zoning and market conditions.

Decision-making Process:

Once property is no longer needed for construction or transit use, Sound Transit evaluates the property to determine if it is suitable to develop housing. Surplus property – or portions thereof – determined as suitable for housing are subject to the conditions of the state statute and must be first offered to qualified entities for the specific purposes of developing affordable housing. Qualified Entities are defined as non-profit developers, housing authorities, and municipal governments. If a qualified entity responds with a project and meets statutory requirements or other conditions of the offer, the Sound Transit Board is legally able to adjust the price of the property at its discretion so long as it reimburses or transfers any Federal interest previously made in the property acquisition.

Property acquired for the OMF East project do utilize Federal funds.

Sound Transit staff are developing guidelines and procedures for evaluating property suitability for development as housing, but it is expected that the suitability determination will be a Board action on staff recommendation that occurs at the same time as, or closely follows, the Board's action to declare a property as "surplus." Both determinations will be necessary to trigger the appropriate next step in procuring a development partner.

OMF East Future TOD Development Request for Proposals:

The structure of the TOD RFP is not fully known at this time. Consistent with process agreements and discussions to date with the City of Bellevue, it is Sound Transit's intention to seek a master developer or master development partnership for the OMF East surplus property. Sound Transit expects procurement to last from mid-2018 to early 2019, with the selected developer or development partnership anticipated to begin design and project permitting in mid-2019. Depending on permitting and the economic climate, construction could begin in late 2020, allowing for completed development by the time of East Link service launch in 2023.