

ACTION: Partner with other agencies to provide TOD Affordable Housing (D.5)

Proposed Action(s):

- D.5. Partner with other agencies to provide affordable housing in conjunction with Transit Oriented Development (TOD) at light rail and other transit centers.
Provide housing in mixed-use neighborhoods with transit access.
- New Evaluate ST3 requirement for Sound Transit to make 80% of suitable surplus land available for affordable housing.

Partner with other agencies to achieve affordable housing in conjunction with Transit Oriented Development (TOD) at light rail and other transit centers.

Application:

Specific Application: Develop new actions or activate existing actions to leverage TOD efforts by other agencies. Examples of existing TOD actions/opportunities:

BelRed OMFE and 130th Stations: A Memorandum of Understanding (MOU) between Sound Transit and the City of Bellevue ([Amended and Restated Umbrella Memorandum of Understanding May 2015](#)) set direction for transit oriented development (TOD) including affordable housing on properties acquired by Sound Transit at two sites in BelRed: the Operations and Maintenance Facility East (OMFE) and at the 130th Station Area.

REDI Fund: The [Regional Equitable Development Initiative](#) (REDI) TOD Fund is a financing tool designed to promote equitable development within transit communities. It was developed by the Growing Transit Communities Partnership and PSRC. As of 2015, \$18 million was pledged to REDI, enabling the purchase of land and buildings for construction or preservation of 200 units of workforce and mixed-income housing over five years.

King County Hotel/Motel Tax Revenue: In July [2016 King County approved bonding against hotel/motel](#) tax revenue to provide \$87 million for affordable housing. More than 1,000 units of affordable workforce housing will be created over the next five years around Sound Transit and King County Metro transit stations. Ten million is proposed for affordable housing near transit in BelRed.

ST3 Surplus Land for Affordable Housing: The [Transportation Revenue Bill ESSB 5987](#) passed in July 2015 gave Sound Transit authority to ask voters for new taxes for ST3 projects. ESSB 5987 also included these requirements related to affordable housing:

- Sound transit must contribute at least \$4 million a year for 5 years, beginning within 3 years of voter approval, to a revolving loan fund to support transit oriented development (Section 329).
- A minimum of 80 percent of suitable surplus Sound Transit property must be offered to qualified entities that agree to develop affordable housing. This includes surplus property acquired prior to the effective date of the amendment.

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Affordable Housing Incentives: Existing incentives for affordable housing may be layered with TOD. These include: BelRed FAR Amenity Incentive System 20.25A.090 (BelRed), Exemption of transportation impact fees for affordable housing 22.16.070 (citywide), Multifamily Tax Exemption Program 4.52 (BelRed, Eastgate, Crossroads Village, Wilburton).

Policy Evaluation:

- **Legal considerations.** Partnerships with other agencies may include Council action to enter into formal agreements.
- **Consistency with Council guiding principles for strategy (attached)**
This action will support the Council's principles of building upon ongoing and recent tools, strengthening partnerships with relevant organizations, considering a full suite of action strategies and possible partnerships, and leveraging other public and private resources.
- **Coordination with existing programs (e.g. ARCH) and other proposed actions**
These strategic partnerships will help forward the BelRed vision for a compact, mixed use and walkable center focused on office with retail, education and housing, including affordable housing.
- **Administrative ease**
This action would require coordination among several City departments (e.g. City Manager/Intergovernmental Relations, Transportation, Development Services, Planning). Contracting and monitoring of affordable units will be administered through ARCH. No additional staffing will be needed.
- **Fiscal considerations.** Affordable housing may receive development incentives, tax incentives, or direct support from the City's housing fund, as approved by Council.

Support/Opposition:

- **Public support**
Opposition to TOD near station areas could be from those concerned over increased development or affordable housing. ~~would be likely to come from residents around these sites, although there is little existing residential development near BelRed station areas.~~
- **Stakeholder support**
There is likely to be support among affordable housing and transit advocates, consumers of affordable housing, and non-profit housing developers. There is likely to be support from private sector development for projects that include mixed use and market housing, as well as affordable housing.

Stakeholders at the OMFE site participated in a design process with Sound Transit and City of Bellevue that established the general location and project components of the

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TOD parcels (October 2014, ongoing). A similar stakeholder process may be used at other sites.

Effective Practices Research:

Effective practices research can provide examples of TOD partnerships that result in affordable housing. The recently approved ST3 includes a requirement for Sound Transit to make 80% of suitable surplus land available for affordable housing. Surplus Sound Transit sites should be evaluated for affordable housing consistent with this new legislation.

Productivity Potential:

Total Capacity – Potential Number of affordable units	TBD
Timing – When would majority of units be realized within next 10 years (0-5, 5-10, >10)?	5 – 10. MOU sets goal of TOD development with light rail service in BelRed (2023)
Income affordability level and for what length of time	Workforce and affordable housing generally serves households earning 80% or less of area median income.
Estimated cost per unit	TBD
Who pays?	Affordable housing may receive development incentives, tax incentives, or direct support from the City's housing fund, as approved by Council.