How do I deal with targets with unspecified coordinates in the OT?

You need not give coordinates for a proposal to validate successfully. For a target-of-opportunity (ToO) observation of an unknown target (e.g. a gamma ray burst), or observations of a moving target, you only need to specify the name (e.g. GRB1) and leave the coordinates and velocities at the default values (i.e. 0). Then, when you trigger the ToO observation, you will be asked for the coordinates.

The policy on ToO proposals is in Section "Target of Opportunity (ToO) Proposals" in the Proposer's Guide.