



May 17, 2021

Lindy Chan, Principal Planner
City of Redwood City Community Development Department
1017 Middlefield Road
Redwood City, CA 94063

RE: Sequoia Station Redevelopment

Dear Ms. Chan,

PROJECT NARRATIVE - INTRODUCTION

In early 2018, Lowe initiated discussions with Redwood City Staff regarding the redevelopment of Sequoia Station Shopping Center. Since this time, the City has initiated a Transit District planning process, which incorporates properties impacted by the proposed Caltrain right-of-way expansion and related grade separation, which will enable Caltrain to increase ridership capacity to meet their 2040 goals.

The team has collaborated with multiple stakeholders, including the City, Caltrain, SamTrans, Transit District property owners, and the community – and the feedback has been robust and multifaceted. While the City works to gather goals for the broader Transit District plan, the Sequoia Station team has also been attending and hosting outreach meetings – almost 30 to date. In addition, there have been two Council meeting where we received invaluable feedback.

As you are aware, this is a complex undertaking. Regional transportation goals, multiple property ownership and tenant considerations, and community needs are all coming together to realize the enormous opportunity to transform the heart of Redwood City's Downtown core, all while unlocking space to complete critical transportation infrastructure improvements. Unlocking Sequoia Station provides the land needed to allow tremendous transit improvements for Redwood City and the peninsula, and the Sequoia Station team has been working hard to balance the enormity of this undertaking with the stated needs of the community and required project economics.

In January, City Council recognized both the opportunities and challenges, and requested that the project “sharpen pencils” for a future application. Since January, Lowe and Eden Housing have worked diligently to further refine the vision while maintaining the financial viability of the project. We are pleased to share our updated designs with the community.

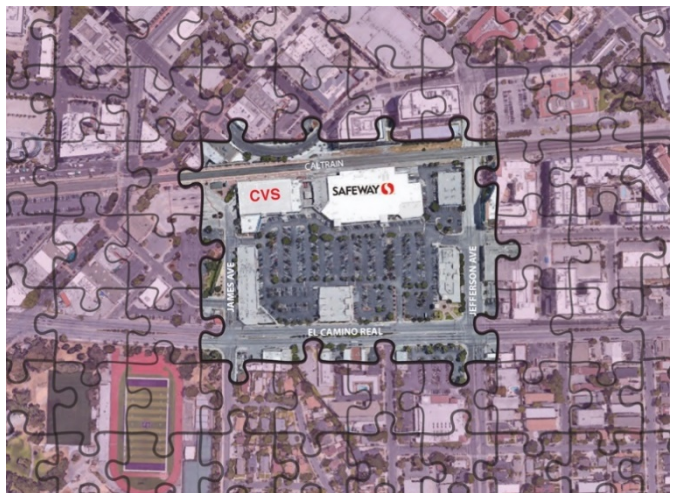
PROPOSAL SUMMARY

The table below reflects the project today compared with the proposal presented to Council in January 2021. The modifications we made were a direct response to the hundreds of comments received, both verbally and in writing, at outreach, stakeholder, and City Council meetings. Additional details regarding these changes are included in the table below:

| Conceptual Land Use / Community Benefits | Jan-21 Study Session** | May-21 Proposal | Approximate Increase/Decrease |
|--|------------------------|-----------------|-------------------------------|
| Land Provided for Caltrain ROW Improvements | Almost 1 acre | Almost 1 acre | same |
| Housing - Total | 500 (Option A) | Up to 631 | + 131 Homes |
| Housing - Affordable (Eden and Lowe) | Up to 225 | Up to 254 | + 29 Homes |
| Housing - Market Rate (Lowe) | 275 - 400 | Up to 377 | + 102 Homes |
| Office | 1,250,000 | 1,230,000 | - 20,000 SF |
| Retail Total | 166,600 SF* | 166,600 SF* | same |
| Safeway and CVS to Remain | yes | yes | same |
| Family Focused Entertainment Included | yes | yes | + 25,000 SF*** |
| Non-Profit Commercial Space | no | yes | size TBDd |
| Child Care | yes | yes | + 10,000 SF*** |
| Publicly Accessible Open Space | undefined | 86,000 SF | now defined |
| Hamilton Plaza | yes | yes | increased |
| Hamilton Way | yes | yes | same |
| POPOS | no | yes | + 4,000 SF |
| Art Grove | yes | yes | same |
| Commuter Bike Barn | yes | yes | includes public spaces |
| *Note that the reduction in existing square footage is due to the inclusion of child care at the ground level rather than retail | | | |
| **Two housing options were presented in Jan 21 for Block A, with Type V (275 homes) and Type I (400 homes) construction | | | |
| ***Not included in original proposal from 2019, but proposed at Jan 21 study session | | | |
| Original proposal in 2019 proposed 1.4M SF of office at Sequoia Station | | | |
| All numbers are approximate and to be finalized during future applications | | | |

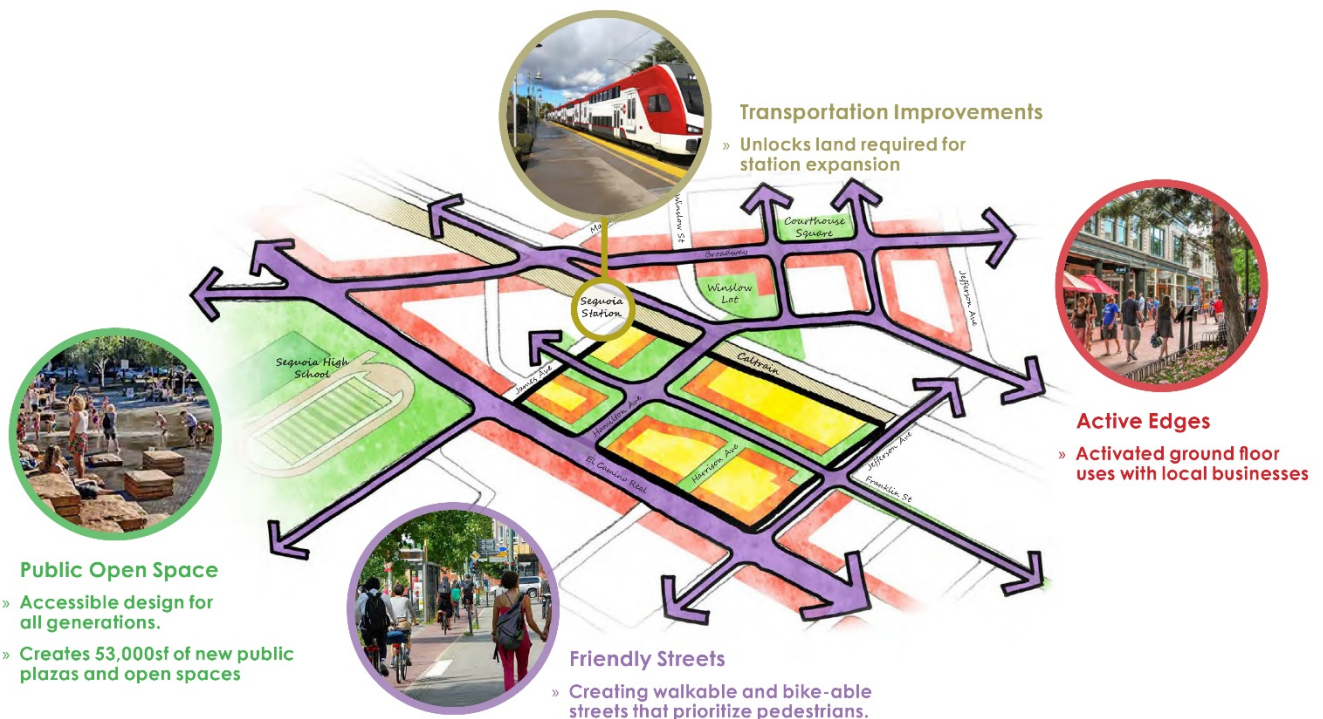
THE MISSING PUZZLE PIECE -- CONNECTING PEOPLE AND PLACES

With the redevelopment of the Sequoia Station Shopping Center, Redwood City has a once-in-a-generation opportunity to reimagine the largest contiguous parcel in the Downtown. Today, Sequoia Station is a large and frequently used neighborhood center that provides critical shopping services to Redwood City residents and access to Caltrain, but it is outdated and car-centric. There is no easy route to walk or bike to Sequoia Station retailers, the Caltrain Station, or to cross over to the Downtown entertainment district from the west. With redevelopment, Sequoia Station has the opportunity to reinvent this neighborhood retail experience. More importantly, redevelopment can provide much needed housing, and connect residents through exemplary public realm amenities and critical transportation



improvements.

This is an opportunity to create connections and expand the downtown core through a new, vibrant, porous and walkable development – one that no longer turns its back to downtown, but rather embraces the whole community and provides thoughtful, pleasant connections for all residents. Several specific community and ground-level improvements will help achieve this new vibrancy, such as new bike and pedestrian pathways along El Camino Real, Jefferson and James; a new, generously sized public plaza that could link into a future linear park that expands towards the Winslow Lot; above-grade tracks with a viaduct design; and a future upgraded Caltrain station. The redevelopment of Sequoia Station can complete the puzzle that connects people and places – neighborhoods to downtown.



PROPOSAL DETAILS

Sequoia Station will conform to the future Transit District plan, which means that this proposal will continue to evolve during the Transit District planning process. Based on Council and community feedback, we have modified the plan to further focus on Council priorities: housing, transportation, and children and youth—all viewed through a lens of equity. Ongoing plan submittals will occur during the planning process, while the City completes environmental (CEQA) studies for the Transit District.

Sequoia Station today does not support a feeling of community and connectedness. While anyone can visit the center to shop, there are hard lines that separate public from private space and the center's design does not encourage mingling or lingering. Instead, people tend to drive there, complete their shopping in a perfunctory manner, and then drive home. Given the size and central location of Sequoia Station, we believe this property's redesign must encourage accessibility to all and create a central place where residents will want to linger, to explore, and to get to know each other.

There has been considerable discussion about placemaking at Sequoia Station. The relocation of the surface parking underground will allow for new retail streets and plazas to support bicycle and pedestrian connections

to Caltrain, Downtown, and the surrounding neighborhoods. The public space, plazas and green spaces proposed are generous and support the community with art events and public functions, and much smaller, more intimate encounters – like family picnics or coffee dates. Redesigned and activated neighborhood retail and restaurants will also add to the overall vibrancy of Downtown. The phased redevelopment of Sequoia Station will enable both Safeway and CVS open on-site during construction, and once the first phase of construction is complete, they will relocate into new, modernized stores.

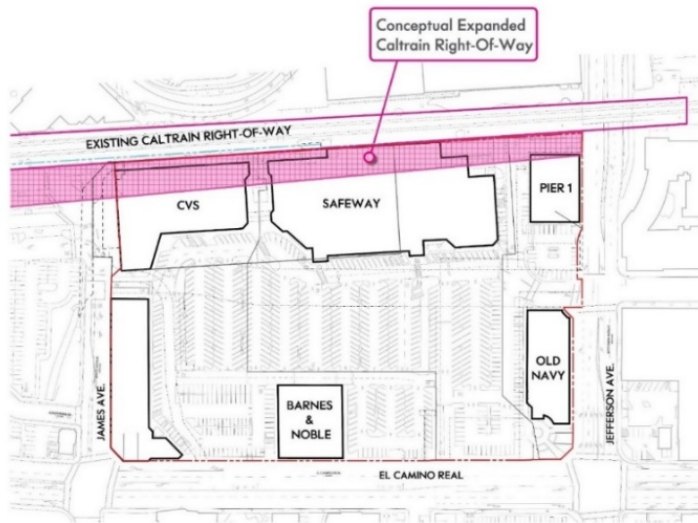


These improvements, along with a whole range of other services and benefits that the community needs, such as neighborhood shopping, childcare, family entertainment, transportation improvements, and affordable housing – will ensure that all Redwood City residents will benefit from and will have access to the redeveloped Sequoia Station.

While the application celebrates this opportunity, we believe that additional public input can help shape the ground plane designs. Therefore, elements of this application, such as open space, retail, and amenities, remain very much conceptual. We will be hosting a series of design charrettes to receive additional community input into activation, placemaking, access for everyone.

TRANSPORTATION

Another key aspect of this proposal is to move the Caltrain property line to accommodate additional track right-of-way (ROW). This critical part of Caltrain’s 2040 expansion plans will allow for four tracks (instead of two) and a new elevated train station in Downtown Redwood City. The redevelopment of Sequoia Station will provide almost one-acre for this ROW expansion, which is required to accommodate Caltrain’s future service plans. The exact location of this new property line is underway and will be determined after further study by Caltrain. The illustration below represents the approximate location of the Caltrain right-of-way based on ongoing discussions with the City and Caltrain.

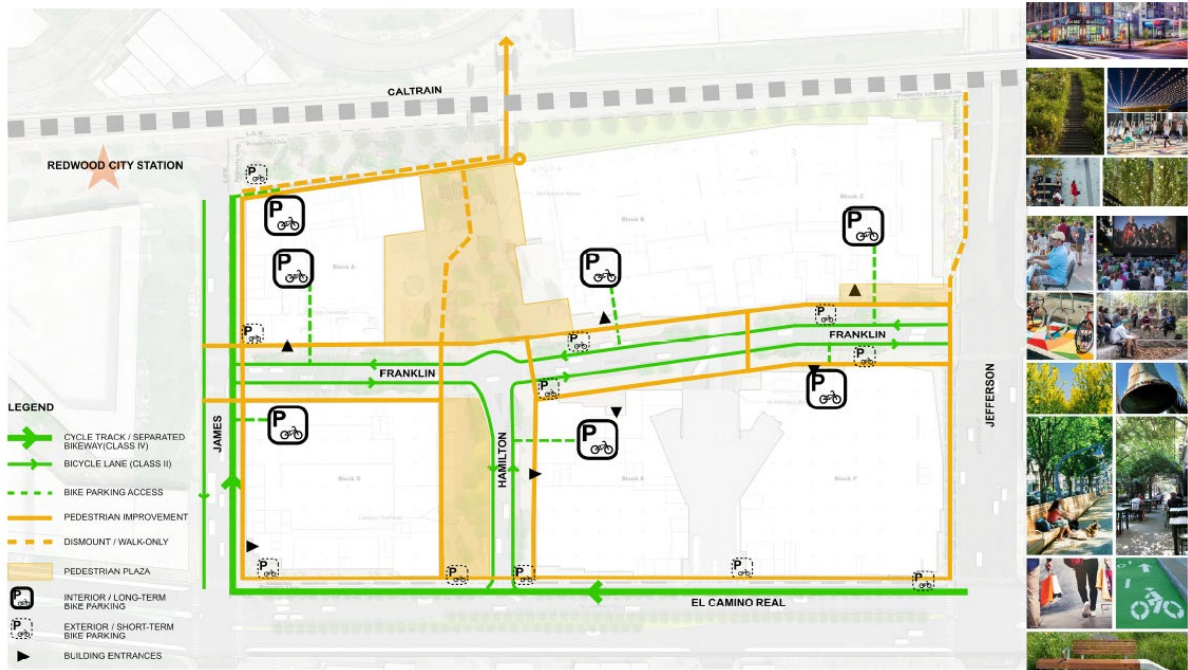


Expanded tracks without the redevelopment of Sequoia Station would likely require a land taking (e.g. eminent domain by the transit agency) at significant cost to the community, and would require the demolition of Safeway and CVS. This cost is avoided with the current redevelopment plan.

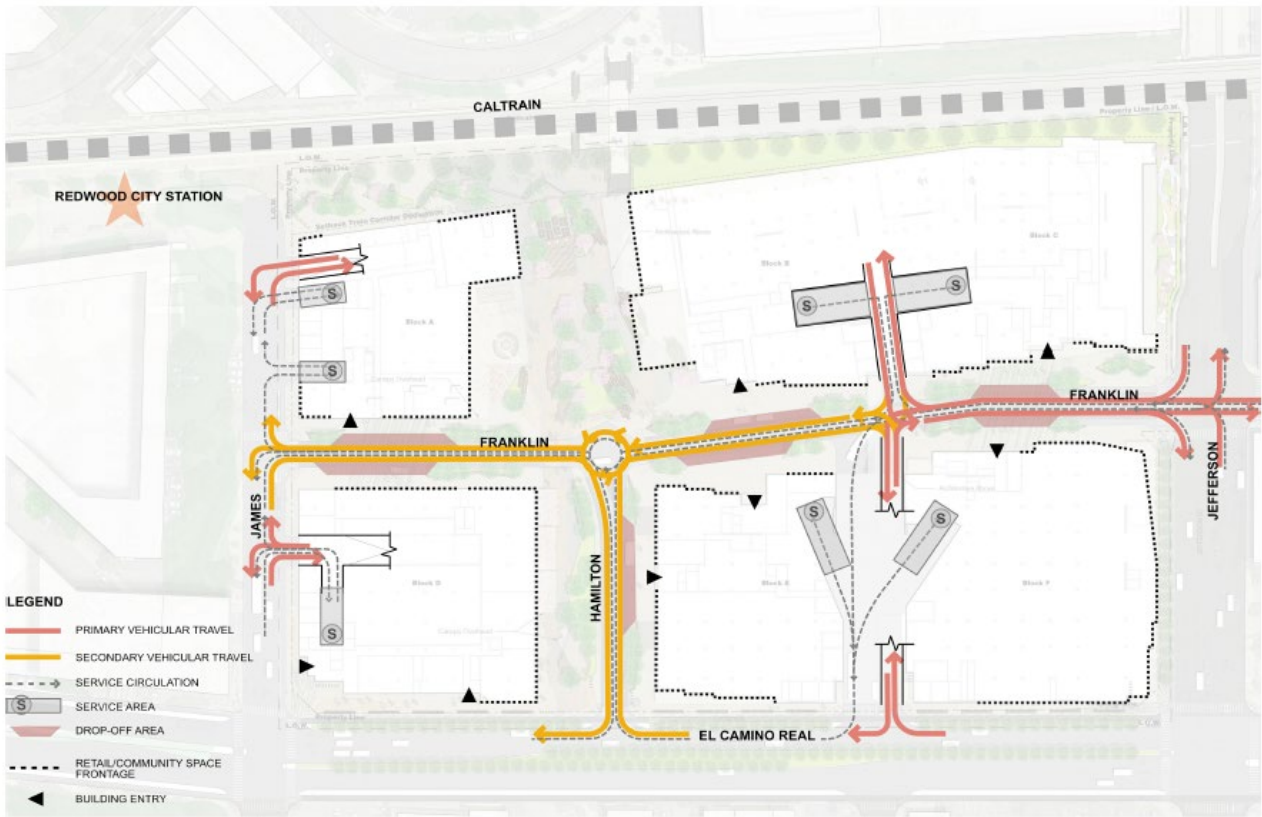
A major benefit to the proposed redevelopment is our ability to keep Safeway and CVS at Sequoia Station while also providing the right-of-way land for these critical transportation improvements.

Focusing the design on the support of mass transit, walking, and biking (rather than cars) is a major objective of transit-oriented development. Similarly, access the underground parking is at the edges of the property or along the existing roadways. This will discourage cars within the new street network, and will instead prioritize the ground plane for bicycle and pedestrian users. While much more expensive, the creation of underground, rather than surface, parking is critical to an activated and uncongested ground plane.

Preliminary Bicycle and Pedestrian Infrastructure



Preliminary Vehicular Circulation



Because of the proximity to the Caltrain train station and the Samtrans Transit Center, we are confident residents, patrons, and workers we rely heavily on public transportation for daily travel. We believe current parking standards should also be reduced to promote the use of convenient and expanding public transportation. The ratios noted below are based on peak parking volumes for the various land uses, and reflect the project's unparalleled transit-oriented location:

| Proposed Reduced Parking Ratio Details* | | |
|--|---------------------------|---------------------------|
| Program: | Parking Ratio Per DTPP: | Parking Ratio Proposed: |
| Office | 3 spaces per 1000 GSF | 1.5 spaces per 1000 GSF |
| Retail / Public Amenity | 3 spaces per 1000 GSF | 3 spaces per 1000 GSF |
| Residential (Market Rate) | | |
| Studio | 0.75 spaces per residence | 0.50 spaces per residence |
| 1 BR | 1.00 spaces per residence | 0.75 spaces per residence |
| 2 BR | 1.50 spaces per residence | 1.00 spacer per residence |
| 3 BR | 1.50 spaces per residence | 1.50 spaces per residence |
| Residential (Affordable) | 0.50 spaces per residence | 0.25 spaces per residence |
| Approximately 2700 Total Proposed Parking Spaces for Office, Retail, and Residential Uses per current plan | | |
| *Note that if Caltrain requires additional parking spaces, these will be explored both on- and off-site | | |



HOUSING

Lowe and Eden Housing have created a partnership to provide as much on-site affordable housing as possible at the deepest levels of affordability, a key priority for the City. Since Lowe's original proposal in 2019, and responding the community feedback, the proposal has been significantly modified to include nearly three times more housing, all located on-site. This increase was achieved by converting an entire block of office space to housing, and by changing the residential construction types to significantly more expensive designs (Type I high-rise on Block A, and Type III over two levels of Type I on Block D). This has led to a decrease on the office area by over 125,000 square feet.

Combined, Lowe and Eden are pleased to propose a mixed-income housing community with approximately 40% of the homes qualifying as affordable. This is nearly double the 20% affordability required by the City's Affordable Housing Ordinance.

The plan shown below shows the housing proposed on Sequoia Station; however, when taken together with the development potential of the Transit District,¹ the redevelopment of Sequoia Station could provide over 1,000 total housing units (depending on the number of bedrooms).

The table below shows the current program of up to 631 homes, including the targeted unit mix and affordability levels, and how this compares to Option A (500 homes) from the January 2021 Council check-in. At that meeting, there was support maximized the housing density on Block A.

Jan 2021 Proposal Option A: ~500 Homes

~45% Affordable, 3% Missing Middle, 52% Market Rate

| | <u>Very Low</u> <u>(Eden)</u> | <u>Low</u> <u>(Eden)</u> | <u>Moderate</u> <u>(Eden)</u> | <u>Missing</u> <u>Middle</u> <u>(Lowe)</u> | <u>Market</u> <u>Rate</u> <u>(Lowe)</u> | <u>Total</u> |
|---------------|----------------------------------|-----------------------------|----------------------------------|--|---|--------------|
| Studio | 37 | 30 | 0 | TBD | TBD | |
| 1 BR | 25 | 20 | 0 | TBD | TBD | |
| 2 BR | 31 | 24 | 1 | TBD | TBD | |
| <u>3 BR</u> | <u>31</u> | <u>25</u> | <u>1</u> | <u>TBD</u> | <u>TBD</u> | |
| Totals | 124 | 99 | 2 | 14 | 261 | 500 |

¹ Preliminary studies indicated the current Transit Center and Party Rental properties combined can accommodate approximately 225-250 homes; however, there are discussions underway that may allow an increase of the housing opportunity on these sites. In 2019 Caltrain's Board determined that if housing were to be constructed on Caltrain-owned properties, 30% would be required to be affordable. It should be noted that the redevelopment Sequoia Station and the subsequent relocation of the Transit Center (part of the new train station design) is required to free up the Transit Center site for redevelopment.



Current Proposal: ~631 Homes

~40% Affordable, 60% Market Rate

| | <u>Very Low (Eden)</u> | <u>Low (Eden)</u> | <u>Moderate (Eden & Lowe)</u> | <u>Market Rate (Lowe)</u> | <u>Total</u> |
|---------------|----------------------------|-----------------------|---------------------------------------|-----------------------------------|--------------|
| Studio | 25 | 27 | 10 | 180 | 242 |
| 1 BR | 27 | 29 | 10 | 157 | 223 |
| 2 BR | 27 | 38 | 1 | 40 | 106 |
| <u>3 BR</u> | <u>23</u> | <u>36</u> | <u>1</u> | <u>0</u> | <u>60</u> |
| Totals | 102 | 130 | 22 | 377 | 631 |

Proposed Residential Program Details:

Redwood City's Largest Affordable Housing Project: Eden Housing is proposing a 100% affordable housing project of approximately 234 homes. This program will include up to 232 very-low and low-income homes and 2 moderate rate manager homes (234 total); 50% of which are much-needed, two- and three-bedroom family units (approximately 59 three-bedroom units and 58 two-bedroom units at the very-low and low-income levels).

To address comments about the need for mixed-income housing, the January 2021 proposal has been modified to include 5% (20) of the market rate homes to be deed-restricted to moderate income families (80% to 120% AMI). Previously, these were proposed to be targeted for workforce housing (120% - 200% AMI).

With these modifications, the total number of affordable homes on Block A and Block D totals 254 homes, and the total number of homes overall has increased to approximately 631. This is a significant change from what as previously proposed and as a result, the site cannot economically accommodate any more housing without either adding more office density or losing significant community benefits.

Transit District Plan - Total Potential: Although not a part of Lowe's proposal, the adjacent Caltrain Transit Center and parking lot, and the A-1 Party Rental parcels are also part of the Transit District. If these sites are determined to be housing sites, they could provide hundreds more homes within the Transit District.

CHILDREN AND YOUTH

On-site childcare is a key part of the Sequoia Station proposal to foster a complete and equitable community. Lowe is targeting approximately 10,000 square feet along with a secure outdoor play area for the children. There is a deficit of available childcare in Redwood City and San Mateo County, and there are limited opportunities to locate childcare close to Downtown job centers and transit. We believe childcare should be a part of the Sequoia Station redevelopment plan. A ~10,000 square foot childcare will serve between 100 – 130 children, with the final number to be determined during the design phase. Lowe is also exploring partnerships with local organizations and is committed to ongoing coordination with City Staff about how to best select a childcare operator.

As a part of the neighborhood retail redevelopment, we will also create family-friendly dining and large, safe, and playful outdoor areas. The new car-free plaza is approximately 31,000 square feet (larger than Courthouse Square) and will provide the opportunity to create amazing outdoor community spaces. Although we are still in

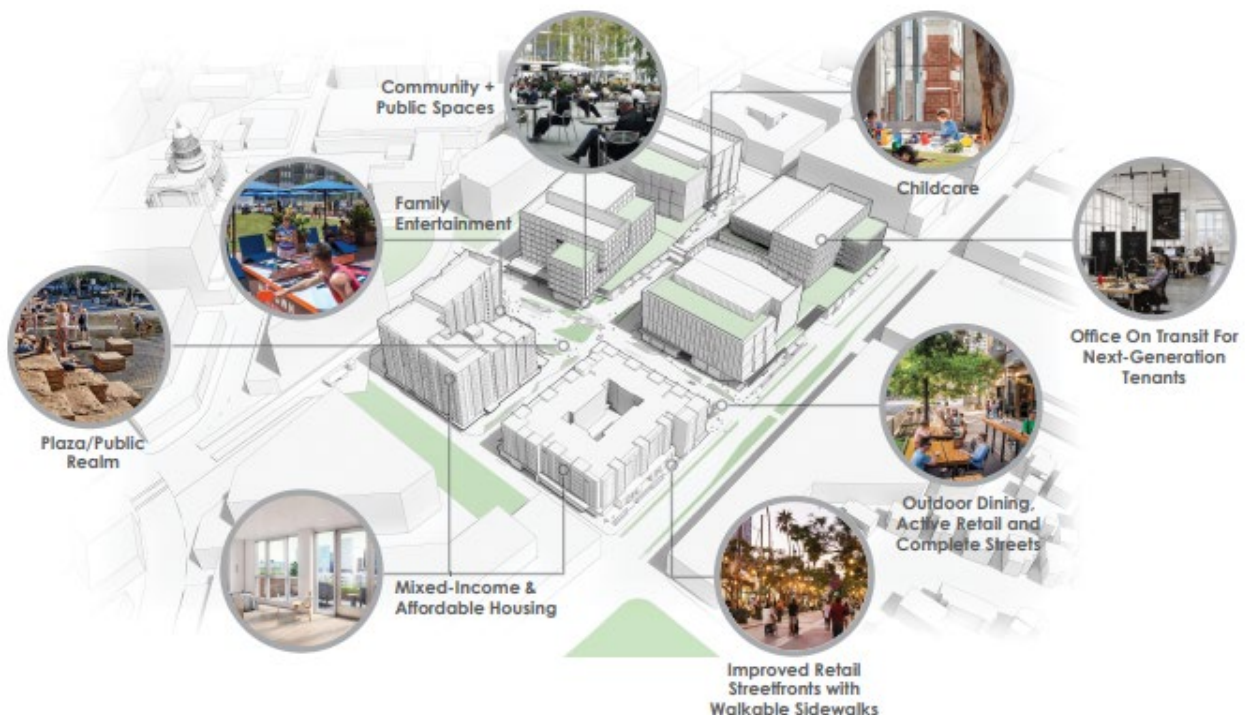
the early stages of our design, we are also planning for a family-oriented retail tenant that will front the plaza to directly address the need for family and youth activities. With this family friendly space, we are envisioning activities such as bocce, billiards and bowling, shuffleboard, fire pits and a sandbox, a water feature, and a play structure – all around indoor and outdoor dining and hopefully with a brew pub. Because family entertainment users cannot typically pay market rate, downtown rents, Lowe will seek attract a tenant to this space with rental subsidies. We are excited to work with the community to further imagine this exciting space.

ECONOMIC VITALITY ALIGNED WITH ENVIRONMENTAL STEWARDSHIP

Employment centers adjacent to mass-transit is critical environmentally - to get commuters out of cars, to support Samtrans and Caltrain's long-term ridership goals, and to support Redwood City's climate and sustainability goals. Expanding Redwood City's office base, on transit, is where next generation, environmentally focused office tenants want to be located. Employment centers on transit and in Downtown will encourage mass transit use and will ensure Redwood City's economic viability for generations to come.

Four buildings on four blocks, totaling approximately 1.23 million square feet of LEED-Gold (targeted) office space is necessary to meet the economic requirements for this development (e.g. to attract debt and equity capital) and it is what unlocks the opportunity for Caltrain's expansion in Redwood City, affordable and mixed-income housing, and the other community benefits.

Retail is going thru a major transformation, largely due to on-line commerce. This demise has significantly accelerated because of COVID-19. Modern retail spaces are required for modern tenants, and restaurants need thoughtful outdoor spaces to survive. Reimagining the tired retail at Sequoia Station and converting the property into next-generation neighborhood serving retail is critical to Redwood City's long-term economic viability and its tax base. Taken together, Sequoia Station can become the premier downtown mixed-use transit-oriented development Redwood City deserves.



CONCEPTUAL BLOCK BY BLOCK BREAKDOWN

DEVELOPMENT PROGRAM BLOCK BY BLOCK

Block A:

- » ~397 homes, including ~20 (~5%) moderate income (80%-120% AMI) homes
- » ~31,000 sf retail, including family entertainment / Large Jam Brewery fronting Downtown
- » ~38,000 sf public plaza
- » Dedicated land for Caltrain right-of-way
- » Secure public bike storage barn
- » Safe pedestrian and bike connections to downtown and Caltrain
- » Conforms to DTPP height limits

Block D:

- » Affordable homes with ~50% 2 & 3 bedrooms (66 two bedrooms & 60 three bedrooms), ~102 homes at 30%-50% AMI, ~130 homes at 50%-80% AMI, & 2 homes at 80%-120% AMI
- » Updated neighborhood-serving retail
- » ~9,000 sf public plaza with outdoor dining
- » ECR plan bike and pedestrian improvements
- » Safe pedestrian and bike connections to neighborhoods
- » Rotating and permanent community art walk
- » Conforms to DTPP height limits

Block E:

- » ~275,000 sf of office over retail
- » Non-profit office/retail space
- » ~24,000 sf updated & activated neighborhood retail with new CVS & safe underground parking
- » El Camino Real bike and ped. connections
- » Conforms to DTPP height limits

Block B:

- » ~330,000 sf of office over retail
- » ~13,000 sf of updated and activated neighborhood retail with outdoor dining and safe underground parking
- » Public square open space
- » Dedicated land for Caltrain right-of-way
- » Non-profit/community space
- » Rotating and permanent community art walk
- » Conforms to DTPP height limits

Block C:

- » ~345,000 sf of office over retail
- » Childcare center (indoor and outdoor)
- » ~9,000 sf updated & activated neighborhood retail with safe underground parking
- » Community art walk
- » Dedicated land for Caltrain right-of-way
- » Conforms to DTPP height limits

Block F:

- » ~280,000 sf of office over retail
- » ~65,000 sf of updated retail
- » New Safeway with safe underground parking
- » El Camino Real plan bike and pedestrian connections
- » Conforms to DTPP height limits



OVERALL PROJECT HIGHLIGHTS



In summary, the Sequoia Station redevelopment proposes to include the following:

- Approximately 1-acre of dedicated land along the train tracks for Caltrain’s 2040 Business Plan upgrades, track infrastructure, and a future Downtown Redwood City Caltrain station
- Next-generation, activated ground-floor retail including:
 - a. Youth and family-friendly retail and dining
 - b. Upgraded Safeway and CVS stores (keeping current stores open during construction)
 - c. Modern, next-generation neighborhood serving retail
 - d. Non-profit office and artist spaces
 - e. Restaurants with large outdoor dining areas
- Up to 631 residential units on-site, including:
 - a. Approximately 254 deed-restricted very-low, low, and moderate-income residential homes
 - b. Approximately 377 market rate residential homes
- Four office blocks above retail – transit served with reduced parking ratios
- Approximately 10,000 SF of on-site childcare facilities
- Two large community, family gathering and public open spaces, including a car-free plaza which will connect Downtown with the western neighborhoods and to a future train station
- Improved bikes lanes and an indoor public bike storage barn. New complete and walkable streets, including on El Camino Real
- Critical connectivity between Sequoia Station, nearby neighborhoods and the Downtown Entertainment District
- Elimination of car-centric surface parking and the creation of safe, underground and structured parking and reduced parking ratios to “right size” parking needs adjacent to transit
- Transit oriented designs to help Redwood City meet its Climate and sustainability goals



This application is focusing efforts on a revised proposal that responds to the community input to date as well as assists the environmental review process for the Transit District. Therefore, certain design elements of the application are preliminary and can be adjusted based on additional community feedback. These include, but are not limited to, architecture, ground plane design, retail uses, plaza design, and community event space uses. In addition, the offsite transportation and intersection improvements have not yet been finalized, as the team continues to collaborate with City and will be including these designs as the environmental review process proceeds. We look forward to the continued engagement of all stakeholders and the continued refinement of the application during the Transit Area Plan process.

We are excited to see this process move forward, and we support the continued efforts of the Transit District. We appreciate the continued collaboration and on this generational opportunity - connecting people, activating places, as we think beyond buildings. We appreciate your consideration, and we welcome any questions you may have.

Sincerely,

Lowe

Alan Chamorro
Senior Vice President

Eden Housing

Andrea Osgood
Vice President of Real Estate Development