

BAY AREA

Caltrain stop in Redwood City is focus of major redevelopment project

J.K. Dineen

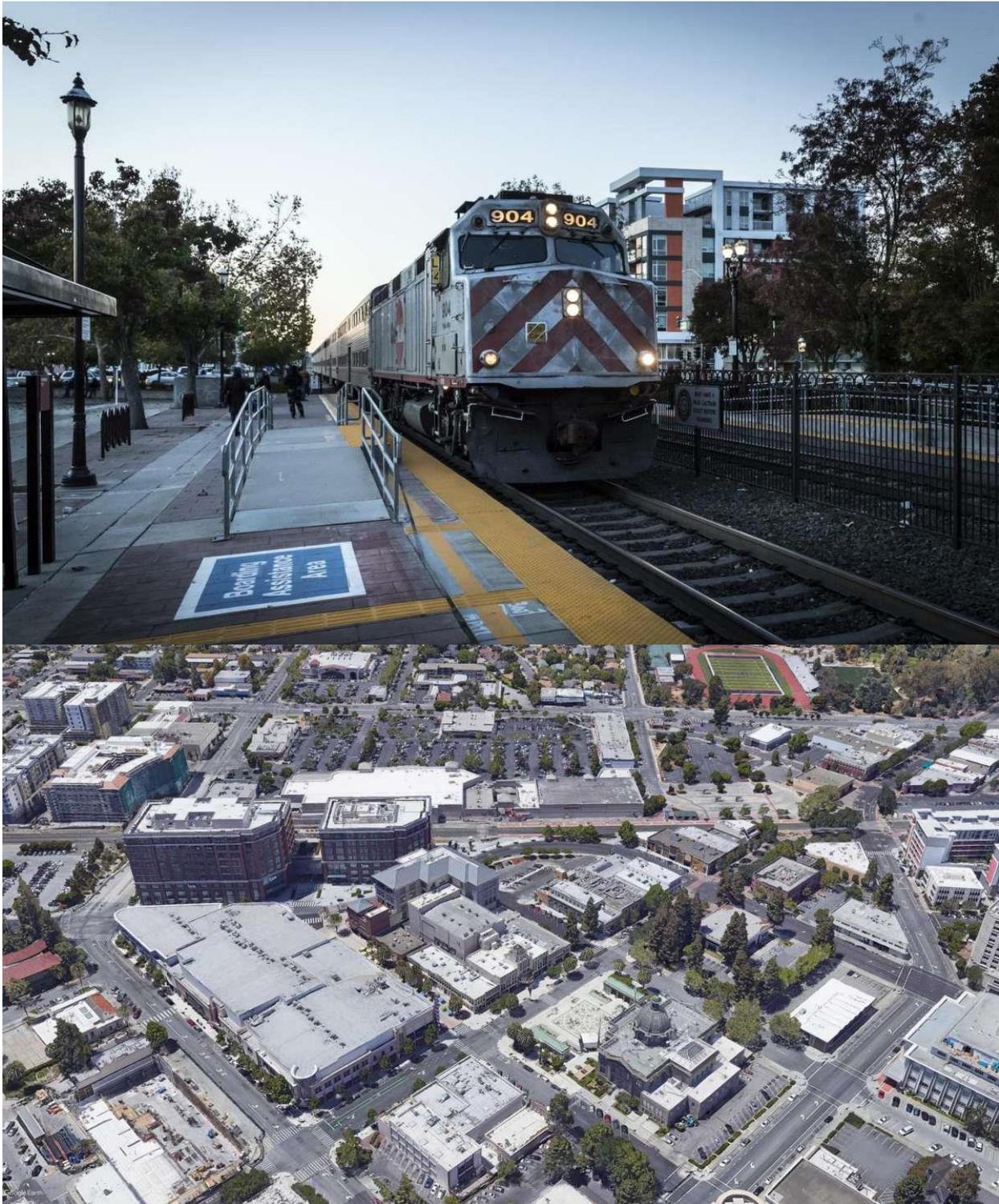
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A passenger naps against the window of the train stopped at Caltrain Sequoia Station Shopping Center in Redwood City. The 12-acre property is poised for a major redevelopment.

Carlos Avila Gonzalez/The Chronicle



The redevelopment of downtown Redwood City over the past decade has been a study in stark contrast.

To the east of the Caltrain tracks, the historic downtown has been booming — growing more urbane and busier with more than 2,500 new apartments popping up, restaurants opening, and — pre-COVID — an increasing number of commuters stepping off the train and walking next door to tech firm Box’s corporate headquarters.

Meanwhile, the west side of the tracks, home to Safeway and CVS, has remained stuck in the past: a classic 1970s suburban shopping center with islands of retail overlooking a swamp of parked cars.

Now that dramatic contrast could start blurring: The owners of the shopping center, working with city planners, are hoping to transform the 12-acre Sequoia Station shopping center by developing 630 housing units, a plaza, a child care center, 1.6 million square feet of office space and a new train station that would solidify the Caltrain depot’s standing as a major transportation hub halfway between San Jose and San Francisco.

“Hopefully, when we are done there will be no ‘wrong side of the tracks,’” said Alan Chamorro, senior vice president of real estate investment firm Lowe, which owns the shopping center.

The Sequoia Station plan — which still requires a raft of approvals from the City Council of Redwood City and the Caltrain board — is part of a broader Redwood City transit center plan that includes another 5.5 acres owned by the city and other private groups. In total, the plans would add 1,100 homes within a quick stroll of the train station.

The project is a rare instance of the interests of a property owner aligning with those of a city government as well as a major public transit agency, Chamorro said.

Over the next eight years, Redwood City will be under pressure to add housing — about 4,600 units — in order to meet aggressive state housing production goals. Lowe, meanwhile, is eager to beef up an outdated shopping center with an influx of office space and new residents. And Caltrain — which is hoping to double train frequency to eight trains an hour by 2040 — needs to increase train capacity at the station, doubling it from two sets of tracks to four.

In order to meet its goals, Caltrain needs the help of Lowe. The company has agreed to dedicate about 1 acre, currently home to the backside of Safeway and CVS, which will be relocated elsewhere on the property.

While many Bay Area cities would love to build housing at grocery-anchored shopping centers, it's often tough because supermarket chains like Safeway typically have long-term leases and are unwilling to sign off on a redevelopment plan unless the current market can stay open during construction.

In the case of Sequoia Station, the 12-acre site is big enough that Safeway and CVS would both be able to continue to operate until new stores are built during Phase 1 of the redevelopment. After Safeway and CVS relocate, their current buildings will be knocked down and replaced with 630 units of housing, about 40% of which will be affordable to low-income families.

“We have Safeway at the table. We have CVS at the table. And a lot of the tenants have leases that are rolling,” said Chamorro. “It’s a once-in-a-generation opportunity to transform the gateway into downtown Redwood City.”

In addition to a new train station, the plan calls for the train crossing at the site to be elevated, allowing pedestrians and cyclists to more easily travel between Sequoia Station and the historic downtown.

Rosanne Foust, who heads up the San Mateo County Economic Development Association, said the new train configuration and revived retail district would make it more inviting for residents who live in Redwood City’s western neighborhoods — including students from Sequoia High School — to walk downtown.

“It was a slap in the face to downtown Redwood City when Sequoia Station developed the way that it did,” said Foust. “If folks want to come in and turn it on its head and make it more friendly to users and pedestrians and businesses — I couldn’t be happier. It changes the whole dynamic of the area. It’s a more friendly development. It’s more inviting.”

The Caltrain 2040 plan identifies the downtown Redwood City stop as a critical station within the system, halfway between Fourth Street in San Francisco and

Diridon Station in San Jose. In 2019, Redwood City Station saw approximately 4,220 riders per weekday, making it the system's fifth most popular station. And that number was on the rise prior to the pandemic: The number of weekday riders using Redwood City Station jumped by about 20% when Box opened its headquarters just across the tracks from Sequoia Station.

The 329,000-square-foot Box building at 900 Middlefield Road, which opened in 2017, proved that workers opt to take transit if given the choice, said Jessica Manzi, Redwood City's transportation manager.

"At first when Box moved into that location, they operated shuttle buses," she said. "After a while they canceled them because people were commuting on the train."

Caltrain spokesperson Dan Lieberman said that the addition of 1.6 million square feet of office space and several thousand residents would boost business.

"That is a substantial amount of housing and office space, and Redwood City is an attractive, vibrant community with a lot to offer people from all over the Bay Area," he said. "We are optimistic that our ridership will grow as a result of this project."

In addition to allowing Caltrain to expand its tracks, the Sequoia Station redevelopment will be Redwood City's largest affordable housing development. Eden Housing plans to construct 252 units, available to people making between 30% and 60% of area median income, about \$52,000 to \$102,000 for a family of four.

The plan also calls for a 10,000-square-foot child care center and a 1-acre park that will be programmed for families with children, according to Andrea Osgood, senior vice president of real estate development at Eden Housing.

While two-thirds of the 12-acre site will be redeveloped with retail and office space if this plan goes through, it is revenue from those uses that will bankroll the affordable housing, which will be built without public subsidies, Osgood said. If all approvals go through, construction could start in fall of 2023, with the office and retail opening in 2025, and the housing two years later.

“We need something to pay for the housing, the open space, the transportation improvements,” said Osgood. “The plaza will be a new gateway to downtown. It will be a pretty awesome location for our families.”

*J.K. Dineen is a San Francisco Chronicle staff writer.
Email: jdineen@sfchronicle.com Twitter: [@sjkdineen](https://twitter.com/sjkdineen)*