

## SAND HILL PROPERTY COMPANY

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February 27, 2024

RE: Euclid Improvements – Proposed Revisions to Approved Entitlement Plans

Dear Kelly,

Thank you for continuing your work on behalf of the City regarding the Woodland Park Euclid Improvements project. We are proposing some design revisions to the approved entitlement plans for the Euclid Improvements. We appreciate meeting with you and the City planning and legal teams to discuss this matter on December 20, 2023, January 24, 2024, and February 20, 2024.

For background, we began gathering input in 2018 and submitted our application for the Euclid Improvements in 2019. We engaged in a lengthy community outreach and city review process, resulting in City Council approval in November 2022. During this period, tenant preferences changed, construction costs and interest rates increased, and the City of East Palo Alto added several new requirements and taxes.

### **Proposed Revisions**

To ensure our ability to finance and build the project, we are now required to modify the project with some design changes. These changes will include new and improved amenities for our tenants, including right-of-return tenants, and will reduce the project's overall impact on the neighborhood, including lower maximum heights. We are not proposing any changes to the Relocation Plan or to the community commitments we made to the City in our Development Agreement.

We have enclosed the revised plans, which reduce the project's overall impact on the neighborhood. The changes include:

- Reduction in maximum height from 13 stories to 8 stories
- Reduction in units from 605 to 551
  - West Building (A) contains 131 units; East Building (B) contains 420 units
- Both buildings contain parking (instead of just the East Building); total of 570 stalls (same parking ratio)
- On-street parking increased from 52 to 73 stalls
- Increase in open space provided per unit



Below is a summary of the current zoning and General Plan designation, the entitlements approved in 2022, and the proposed revisions:

Development	NCO Zoning / GP	Approved Project	Revised Project
Standard	Designation Requirement	(Nov 2022)	(Feb 2024)
Maximum Density	175 du/acre	155 du/acre	141 du/acre
Height	13 stories / 140 feet	13 stories / 135 feet	8 stories / 85 feet
Open Space	100 sf / unit	100 sf / unit	105 sf / unit or greater
Setbacks			
Front	5 feet	9-12 feet	5-12 feet
Side	5 feet	10-85 feet	5-83 feet
Rear	10 feet	10-20 feet	10-23 feet

## **Community and Resident Benefits**

The revised design maintains all the community amenities for the neighborhood, including the following:

- Public park space at Euclid Ave and O'Connor Street for public enjoyment
- Community function space, for free use by community groups, EPA residents, and the City
- High-quality bus shelter and transit infrastructure
- Neighborhood-serving ground-floor retail space
- No reduction in rent-controlled unit count

The revised design also significantly improves the amenities for tenants, which will include the right-of-return tenants from the Improvement Area:

- Pool deck and wellness area for residents
- Large internal courtyard for common open space amenity
- New roof decks on both buildings as common open space amenities
- On average, larger square footage per apartment

#### **Process**

Based on our previous correspondence, changes are to be reviewed by the original Review Authority, which was City Council due to the legislative actions included in the November 2022 entitlements. The City has asked us to submit an application to revise the existing Design Review Permit. (All other entitlements for the housing development project, including the General Plan, Development Code, Development Agreement, and Relocation Plan remain unchanged.) Our Universal Planning Application is enclosed with this letter, together with the revised plan set.

As described above, the revisions comply with all applicable, objective general plan, zoning, and subdivision standards and criteria. The revisions will not adversely impact health or safety and will not involve any new or increased environmental impacts. Under the Housing Accountability Act, such



housing proposals cannot be disapproved. The revisions are also consistent with the vested elements of the November 2022 project approval, including the Development Agreement. Based on Section 3.9.2 of the Development Agreement dated December 15, 2022, "The City shall not deny an application for a Subsequent Project Approval that is consistent with the Vested Elements."

We look forward to receiving from the City the draft amendment to the Development Reimbursement Agreement and the scope and fee proposal for the EIR Addendum to process the revised design review permit as quickly as possible.

# **Community Engagement**

We hosted 37 community meetings, information booths, and small group listening sessions to receive input and feedback about the original design, along with 20 public hearings between the City Council and the Planning Commission. After the November 2022 entitlements approval, we sent a notice to all improvement area tenants and optional tenant-requested move households with information about the revisions to the project design. We then hosted a public community meeting at the KIPP Valiant School (former Willow Oaks School) on February 1, 2024 and a public information booth on our property at 2043 Euclid Avenue on February 27, 2024. We intend to have additional community meetings to further discuss the updated project design. By staff's request, we will also put up a sign on the property discussing the proposed revisions.

## **Timing**

We are eager to begin construction soon to provide new high-quality housing to our Improvement Area tenants and other East Palo Alto residents, to provide neighborhood-serving public open space and infrastructure improvements, and to fund inclusionary affordable housing for East Palo Alto. This project provides a majority of the City's planned new housing between 2023 and 2031 in its Housing Element.

Based on City requirements, we have begun relocating our existing tenants in anticipation of starting construction in early 2025. Because of the normal building department approvals and permitting process required after this revision is approved, to keep this timeline would require the revision approval in late March 2024. We understand that the planning staff is busy and City Council has many items on its agenda, but respectfully request a City Council hearing on this matter in late March or in April.

Please let us know if you have any questions, and we look forward to discussing in the near future.

Sincerely,

Mike Kramer

**Woodland Park Communities**