



City of San Gabriel
MEMORANDUM

DATE: November 8, 2022

TO: Honorable Mayor and City Council

FROM: Mark Lazzaretto, City Manager

BY: Aldo Cervantes, Director of Community Development

SUBJECT: Request to Extend the Approval of the Planned Development and Development Agreement, and Vesting Tentative Parcel Map No. 74993 for the Elegance Senior Assisted Living Project at 806-824 S. Gladys Avenue (Planning Case No. PL15-149)

Attached for your information is a letter from Mr. Richard Koors, a representative of the San Gabriel AL Real Estate, LLC, regarding a request to extend the Planned Development and Development Agreement, and Vesting Tentative Parcel Map No. 74993 (Planning Case No. 15-149) for a senior assisted living project located at 806-824 S. Gladys Avenue for twelve (12) months.

Referred to as Elegance (formerly known as Symphony), the proposed project consists of 197 units of senior independent living, assisted living, and memory care center. The Planned Development would create an overlay zone encompassing the site, which includes two parcels merged together by the Vesting Tentative Parcel Map. The Development Agreement would define customized land use and development standards, relative to density, building setbacks, heights, form, mass scale, and conditions of approval for the proposed project. These land use entitlements were approved by the City Council effective January 4, 2019 through January 4, 2023.

Pursuant to Section 5.02, Administrative Amendments, it is under my authority as community development director to approve and authorize the extension of the project's Planned Development and Development Agreement and Vesting Tentative Parcel Map No. 74993. Therefore, I approve this request for an extension until January 4, 2024.

Pursuant to Section 5.01, Amendment of Project Approvals, no administrative amendment will be effective until after thirty (30) days' notice to the City Council and posting in the same manner as agendas. If City Council requests consideration of such amendment within the 30-day notice period, then the administrative amendment will not be effective unless there is a final determination approving it. If City Council requests consideration of

an administrative amendment, staff will agendaize the matter for Council discussion within 30 days of such request.

If you have questions or need additional information, please feel free to contact me at acervantes@sgch.org or at (626) 308-2806 extension 4620.

Attachment A: Request Letter from San Gabriel AL Real Estate, LLC

SAN GABRIEL AL REAL ESTATE, LLC

September 30, 2022

City of San Gabriel
Attn: Aldo Cervantes
425 S Mission Drive.
San Gabriel, CA 91776

Dear Aldo,

As discussed, San Gabriel AL Real Estate, LLC would like to request extension of both our development agreement, which is set to expire January 4, 2023, and our permit & plan approvals which we understand are approved.

As you are aware, we have experienced significant obstacles in our development of this project, most notably the changed conditions of financial markets, construction costs, and the general state of senior housing. Since the COVID pandemic which occurred during our permit approvals, interest rates have risen significantly, and construction costs have soared which created a project that was difficult to make work financially. This was compounded with the impact of resident interest in Senior Housing that has been created in a post-covid world. In addition to these impacts on the project, the COVID shutdown and impacts also caused our permit and approval process to take significantly longer than would otherwise have happened.

This brings us to now and while we were unable to start the project under our former equity and debt arrangement due to high interest rates and construction costs, we have been working with alternative financing sources and equity sources to mitigate the impact of these increased costs. We feel confident that we will find a solution which paves a path for us to commence and build the project, however, it will likely take several months for us to work this out. Therefore, we request the City of San Gabriel grant extension to both our entitlements and our permit approvals for twelve (12) months to allow us the time to get the project started.

I request your consideration of our request and I am available to discuss this or provide more information at any time. Please let me know if there is anything further you need from me to formally submit this request.

Regards,



Richard Koors

For San Gabriel AL Real Estate, LLC