



## **Peninsula Wellness Community Development, a Generational Mixed-Use and Mixed-Income Housing Development Concludes**

*Peninsula Health Care District Board of Directors concluded the project is no longer viable due to escalating costs and divergence from original vision intended to address community needs.*

**Burlingame, CA (October 9, 2024)** – The Peninsula Health Care District (PHCD) Board of Directors has announced its decision not to move forward with the Peninsula Wellness Community (PWC) project due to rising construction costs and financial constraints.

The project, an ambitious mixed-use development focused on health, wellness, and community engagement, was initially conceived as a mixed-income, generational community featuring 400 units of senior housing and affordable senior housing, medical offices, and wellness-oriented services. From the onset, the PHCD worked closely with developers to secure a site and negotiate the terms of the project. However, despite several years of planning and adjustments to the project, the project faced numerous challenges and economic factors including inflation, skyrocketing construction costs, and financing hurdles became insurmountable in recent years.

After the submission of a revised site plan in 2020, which scaled down commercial space and refocused on medical offices and affordable housing, the PHCD and its partners remained committed to navigating pandemic-related uncertainties. However, by September 2024, the financial outlook had further deteriorated. A key economic analysis revealed that moving forward would necessitate market-rate senior housing units priced higher than the regional average, making the project financially unsustainable and unable to adequately meet community needs.

"As stewards of public resources, we have to ensure that our decisions prioritize the long-term well-being of our community," said Dr. Larry Cappel, Chair of the PHCD Board. "While the decision not to move forward with this project was a tough call, it was the responsible one given the economic climate. We remain committed to exploring other avenues to support health and wellness for our District residents."

The Peninsula Health Care District will continue to collaborate with its community partners as it seeks innovative solutions to enhance the health and wellness of the region and looks forward to future projects that align with the needs of the community, including affordable housing for our residents.

**About Peninsula Health Care District:** Founded in 1947, the Peninsula Health Care District serves the communities of San Bruno, Millbrae, Burlingame, Hillsborough, San Mateo, and a

portion of Foster City and South San Francisco by supporting the unique health and wellness priorities of our Peninsula communities, and safeguarding access to health services, today and in the future. PHCD fulfills its commitment to the community through oversight of District assets and infrastructure, providing direct services, planning for future health care needs, and investing taxpayer dollars in local health-focused programs and partner organizations.

For more information: <https://www.peninsulahealthcaredistrict.org/>.