



April 28, 2022

Lisa Kim, Asst. City Manager  
Grace Lee, Sr. Economic Development Specialist  
City of Garden Grove  
Via email: [lisak@ggcity.org](mailto:lisak@ggcity.org); [gracel@ggcity.org](mailto:gracel@ggcity.org)

Re: Cottage Industries LLC

Dear Lisa and Grace:

First of all, thank you to the entire Garden Grove management team for the support and guidance over the last few months during the reboot of the Cottage Industries project. Construction has begun on the FARM BLOCK and the project is at long last becoming a reality. My primary goal is to keep the momentum and complete the project in entirety by end 2023.

**I am approaching the City regarding the pending obligation of renewed mortgage payments (for both FARM BLOCK and ART BLOCK) due to start this July, and respectfully ask for a year postponement till July of 2023.**

As you may remember, deferred mortgage payments were initiated in February of 2020, **pre-pandemic**. During the prolonged Covid shut down period of inactivity, Cottage Industries not only lost all signed leases for the FARM BLOCK, but most importantly, our construction funding from Preferred Bank. We were stopped dead in our tracks. In fact, due to the dramatic increase in homelessness and vandalism during Covid, the project actually suffered additional setbacks via vandalism and vagrant break ins, graffiti and repair expenses. We did not ask for nor receive any interest rate concessions, grants or mortgage forgiveness from the City of Garden Grove related to the Covid pandemic.

With great effort, we have assembled a new team to restart this valuable project. I have spent countless Covid hours in updating project design, new tenant merchandising/negotiations and a complete landscape redesign for a better community project.

Also, I have made the unilateral decision to personally finance the FARM BLOCK as the financial institutions remain gun-shy post-Covid, especially for “unconventional” projects such as Cottage. We have, as you’re well aware, been carrying the project since 2017 and look only for future profits from the ART BLOCK.

It is with this commitment that I would ask the City to consider an extended start date of the mortgage payments. Rental income from the FARM BLOCK is set for year end 2022 at best – but with an overlap of initial pre-development expenditures needed for the ART BLOCK. (Pre-construction work, including updates on all City required reports, updated survey, traffic study, design revisions through Planning Commission; Building and Planning departments are all out of pocket, pre-construction loan events.)

I’m available at any time to answer questions and explore options to keep the project energized and on course to completion and stabilization.

Best Regards,

Linda

