

# Agenda Report

October 5, 2015

TO: Honorable Mayor and City Council  
FROM: Housing Department  
SUBJECT: **HERITAGE SQUARE PROGRESS REPORT**

**RECOMMENDATION:**

This report is for information-only; no City Council action is required.

**BACKGROUND:**

The Heritage Square project is a 70-unit apartment complex developed by nonprofit Bridge Housing, Inc. on City-owned land. Sixty-nine (69) of the units will be rented as affordable housing for very low income seniors, with one (1) market rate unit for the resident manager. The City's investment in the project includes a below market rate ground lease; \$1,625,000 in direct loan assistance; and Section 8 project-based rent subsidies for the 69 very low income units. Construction commenced in March 2015.

**CONSTRUCTION STATUS:**

Project construction is approximately 30% completed. Recent work completed include rough grading, foundations, framing of the first floor, and floor joists for the second floor. Most of the structural steel is in place and utility infrastructure work is in progress. Work scheduled for the coming three months include rough-in of mechanical, electrical, plumbing, installation of the fire sprinkler system, framing, and roofing. The project is scheduled to be completed by end of May 2016.

**LOCAL BENEFITS:**

The developer is required to achieve a minimum goal of 20% local hiring, 20% local subcontracting, and 20% local procurement on the construction project. The local benefits achieved as of September 11, 2015 are as follows:

Local Benefit	Required	Actual
Local Hire	20%	42%
Local Subcontracting	20%	58%
Local Procurement	20%	22%

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**INTEREST LIST:**

Applications for potential tenants are not yet available. Interested persons are advised to get on the Heritage Square interest list by calling the developer's information line at (626) 388-1505. Callers will receive instructions on how to get onto the interest list, as well as updated project information. As the project nears completion, those on the interest list will receive information from the developer on the application process.

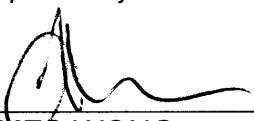
**DECKER HOUSE:**

The historic Decker House, which previously sat on the project site, was moved from its original location to its current, temporary site adjacent to the Church's Chicken restaurant on April 6, 2015. The Decker House will be relocated permanently to 1661-1669 N. Fair Oaks Avenue, as part of a 15-unit affordable homeownership projected to be developed by nonprofit Heritage Housing Partners, pursuant to an amended development and loan agreement approved by the City on August 31, 2015. As proposed, HHP will rehabilitate the Decker House in accordance with Secretary of Interior standards, and subdivide the structure into two (2) units to be sold as affordable housing for moderate income families.

Respectfully submitted,

  
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