


M E M O R A N D U M

DATE: January 4, 2022

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Oscar W. Orci, President 

SUBJECT: Award of CDBG Funds and Authorization to Execute Loan Agreement with LINC Community Development Corporation for the Acquisition of 4220 Wehrle Court. (District 4)

RECOMMENDATION:

1. Approve the selection of LINC Community Development Corporation (LINC) for an award of Community Development Block Grant (CDBG) funds in the amount of \$1,600,000;
2. Approve a loan in the amount of \$1,600,000 in CDBG funds to LINC for the acquisition of the property located at 4220 Wherly Court;
3. Authorize the President to negotiate an Affordable Housing Loan Agreement with LINC; and,
4. Authorize the President to execute any and all documents necessary to implement the Loan Agreement and the project. (District 4)

DISCUSSION

The Community Development Block Grant (CDBG) is a flexible program that was created by the U.S. Department of Housing and Urban Development (HUD) to provide communities with resources to address a wide range of unique community development needs. It is one of the longest continuously run programs that works to ensure decent affordable housing, a suitable living environment, creates jobs through the expansion and retention of businesses and provides services to the most vulnerable in our communities, primarily for low-and moderate-income persons.

On August 16, 2021, staff published a Notice of Funding Availability (NOFA) announcing the availability of approximately \$1.6 million in CDBG funds to be awarded to qualified local nonprofit organizations/Community-Based Development Organizations (CBDO's) (Attachment A - Notice of Funding Availability) to support the development of new affordable rental units in the City of Long Beach (City) serving low-and moderate-income (LMI) persons. The funding will be provided for the acquisition of land for future development of affordable rental housing. Two proposals were received by the September 30, 2021 deadline.

The stronger proposal was submitted by LINC Community Development Corporation (LINC) for the acquisition of a property located at 4220 Wehrle Court (Site) (Attachment B - Site Map). The Site currently contains a small office building and surface parking that would eventually be demolished to make way for future housing and amenities serving low-income families and/or seniors.

Founded in 1984, LINC develops, operates, and provides resident services to affordable housing communities throughout California. LINC has helped create more than 8,750 affordable units and currently has a pipeline of 1,500 units. They are one of the largest and most successful nonprofit affordable housing developer/operators in Southern California and their corporate office is located in Long Beach. LINC has committed to prioritizing the City in the organization's efforts to build upon affordable housing as a catalyst for broader community development. LINC owns and operates the Palace Hotel Apartments, located at 2640 E. Anaheim Street; The Spark at Midtown, located at 1900 Long Beach Boulevard; and the just completed Bloom at Magnolia, located at 1770 Magnolia Avenue.

The proposed project supports the implementation of the City's Certified Housing Element Program 4.1 (Affordable Housing Development Assistance) and is therefore supported by staff. If approved, CDBG funds will be utilized to provide the loan, which will be structured as a residual receipt note with a 3 percent interest rate and a 55-year term.

SUGGESTED ACTION:

Approve Recommendation.

OWO:PU:MS:SM

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Attachments:

Attachment A - Notice of Funding Availability

Attachment B - Site Map