Minutes

City Council/Public Financing Authority and
Housing Authority Special Meeting
City of Huntington Beach

Tuesday, October 28, 2025
4:00 PM — Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

A video recording of this meeting
is on file in the Office of the City Clerk, and archived at
https://huntingtonbeach.legistar.com/Calendar.aspx

4:00 PM — COUNCIL CHAMBERS

CALLED TO ORDER SPECIAL MEETINGS OF THE CITY COUNCIL/PUBLIC FINANCING AUTHORITY AND HOUSING AUTHORITY

ROLL CALL

Present: Twining, Kennedy, McKeon, Burns, Van Der Mark, Gruel, and Williams
Absent: None

PLEDGE OF ALLEGIANCE — Led by City Clerk Lisa Lane Barnes

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Lisa Lane Barnes announced supplemental communications received by her office following distribution of the Council Agenda packet which were all uploaded to the City's website and Councilmember iPads: Public Hearing *#1 (20 email communications).*

PUBLIC HEARING

1. 25-856 Conducted a Tax and Equity Fiscal Responsibility Act (TEFRA) Public Hearing for the Pelican Harbor Apartments; Adopted Resolution No. 2025-65 Approving the Issuance of the California Municipal Finance Authority's (CMFA) Continued Issuance of Tax-exempt Bonds in an amount not to exceed $20,000,000 for the Pelican Harbor Apartments; and Approved Revised Amendments to Affordable Housing Agreements
— continued from the October 21, 2025, City Council/Public Financing Authority Meeting/Housing Authority Special Meeting

Community Development Director Jennifer Villasenor confirmed for Mayor Burns there was no additional staff report for this meeting and that staff was available to answer any Councilmember questions.

Mayor Burns announced this is a Public Hearing, continued open from the October 21, 2025, meeting, regarding Tax and Equity Fiscal Responsibility Act (TEFRA) for the Pelican Harbor Apartments, and therefore all public comments are restricted to this topic.

PUBLIC COMMENTS (1-Minute Time Limit due to the number of speakers) — 9 Speakers
The number [hh:mm:ss] following the speakers' comments indicates their approximate starting time in the archived video located at https://huntingtonbeach.legistar.com/Calendar.aspx.

Unnamed Speaker commented that it appears to him that Councilmembers are considering withdrawing support for senior affordable housing rather than honoring the commitment made by their predecessors. (00:04:47)

Shawn Roselling commented that it appears to him that Councilmembers are considering withdrawing support for an affordable housing center for seniors on a fixed income. (00:05:41)

Unnamed Speaker commented on ways taxpayer money has been used. (00:06:45)

Nathan Biornstad stated his support for the continued issuance of tax-exempt bonds for the Pelican Harbor Apartments. (00:07:52)

Cathey Ryder commented on the 4:00 PM meeting time and encouraged Councilmembers to trust staff recommendations. (00:08:28)

Pat Goodman commented on City Council's legal and moral duty to plan housing for all income levels. (00:09:13)

Pablo Aspas stated his support for Resolution No. 2025-65 regarding the continued issuance of tax-exempt bonds for the Pelican Harbor Apartments. (00:10:21)

Joel Bross shared his personal experience in Huntington Beach as an elderly unhoused person. (00:11:17)

Michelle Kerns commented on the ethics of Jamboree Housing based on her personal experience. (00:12:05)

There being no more public speakers, Mayor Burns closed the Public Hearing.

Mayor Burns stated that after two meetings with Jamboree Housing representatives during the past week, he still does not understand how approving this item will benefit the residents and governing of Huntington Beach. He shared his concern regarding the fact that eventually this system of taking care of people could cause a collapse of local government.

Councilman Kennedy provided a brief overview of the developer's tax-exempt bond process including the net operating income to service the developer's debt. Community Development Director Jennifer Villasenor confirmed that currently there are approximately 3,000 affordable housing units in Huntington Beach. Staff confirmed that Huntington Beach ranks in the Top 5 for all Orange County cities for the number of affordable housing units provided.

Councilman Kennedy noted that at year 15, when the tax credits have expired, the developer has the ability to buy the asset for a fee as low as $1. He continued by explaining that the City's property tax loss is proposed for 99 years for this project, and he believes 60 years is very generous. Councilman Kennedy stated that approving this project for 99 years would set an unsupportable standard for future projects.

Director Villasenor explained there are different types of housing projects and noted that the City provides a 55-year restriction for any mixed-income project.

Mayor Burns clarified that the seniors being served by the Pelican Harbor Apartments would not be evicted if this item is not approved. This fact was confirmed by Mr. Mike Massie, Jamboree Housing Chief Development Officer and Executive Vice President. Mr. Massie introduced Kelsey Brewer, Jamboree Housing Vice President of Business Development and Government Relations, and Consultant Pete Mitchell who were also available to answer Councilmember questions.

Councilman Williams and Mr. Massie discussed if this item was not approved there would be a giant hole in Jamboree's capital structure and Jamboree could fund that. Mr. Massie added that in the past the Jamboree Board has expressed willingness to fund a similar project.

There was further discussion between Councilman Williams and Consultant Mitchell on the steps taken during this past year to reach this point of presentation for a decision by all Councilmembers. Consultant Mitchell stated the City proposed the 99-year tax-exempt timeframe and Jamboree Housing was trying to negotiate in good faith to meet the City's requests. Ms. Brewer noted that a 99-year tax exempt status would maintain long-term affordability for the units.

Councilman Williams and Consultant Mitchell further discussed details related to how this project is funded. Consultant Mitchell noted this type of project is the least profitable for any developer, but it does meet the needs of an underserved population. Councilman Williams noted for this project it appears that Jamboree Housing has amassed a $3.2B enterprise subsidized with taxpayer dollars and may be using people in poverty as shields while profiting for the benefit of the company's executives.

Consultant Mitchell responded by stating 1) Jamboree is a good company providing an underserved product that many developers are not willing do; 2) this project is not profitable, yet Jamboree is still sticking by their word; 3) financing was always part of the picture; 4) COVID-19 negatively affected the project timeline; 5) noted the statement at the last Council meeting that there are better uses for the parcel is not an accurate statement; and, 6) cities and counties have restricted funds that must be used only for certain things and these funds were used appropriately by staff and added that jobs were created to develop this project which provides for an underserved population.

Mr. Massie and Councilman Williams discussed how Jamboree's top executives are paid and confirmed that the primary components of the capital structure for Jamboree are from public sector funds. For the Pelican Harbor Apartments project, the majority of units are using Section 8 vouchers, and the majority of the revenue or income goes to service the debt used to construct the building.

Councilman Gruel reviewed statistics regarding the number of unsheltered seniors in Southern California and noted 177 are in Huntington Beach with 43 or 44 being housed in Pelican Harbor Apartments. Ms. Brewer and Councilman Gruel discussed the focus for this development is to serve people with Huntington Beach ties. It was noted that this could be the last residence for seniors with disabilities before they need a higher level of care. Residents do sign a lease which can be renewed annually if they continue to qualify. There was review of the process to get into available housing, which may start through the City's homeless outreach services or through area non-profit organizations focused on serving the unhoused, for proper assessment and guidance to appropriate available resources. Ms. Brewer explained that Jamboree Housing is a non-profit organization that funnels any profit back into development. She noted Jamboree Housing self-supports an emergency rental assistance fund for residents unable to make their portion of the rent fee. She added that on the senior properties this is not an issue because most residents are connected to some sort of Social Security benefits. Councilman Gruel confirmed that day-to-day management of Jamboree Housing properties for staffing and maintenance is provided by a third party.

Councilman Gruel stated that the decisions made for this project in 2020/2021 cannot be relitigated and confirmed with Community Development Director Jennifer Villasenor that this property is undevelopable for commercial purposes.

Mayor Burns confirmed this project cost approximately $36M, or $800,000 per unit to build and stated that approximately $86,000 in rent is collected each month. He added this translates to $360,000 in annual property taxes that Huntington Beach is foregoing. Consultant Mitchell objected by stating it is non-sequitur to compare with a tax for a normal property.

Mayor Burns stated he is trying to help Huntington Beach residents understand all aspects of this project, and asked Mr. Massie to describe how this project impacts Huntington Beach finances. Mr. Massie replied that the project is completed, Jamboree will continue to operate it, and the only thing Jamboree is looking for from Huntington Beach at this time is approval and recognition of a Tax and Equity Fiscal Responsibility Act (TEFRA) public hearing. Consultant Mitchell added that staff used funding the City had for housing which improved this parcel and is providing for an underserved population.

Mayor Burns stated he believes the issue is a Jamboree problem and Councilmembers have a duty to do what is right for Huntington Beach citizens. Consultant Mitchell responded that another extension is not available for Jamboree; again, apologized for the last-minute meeting; and noted that from the beginning this was part of the process. Mayor Burns replied that comment did not answer his question and added that from his understanding this project neither hurts nor helps Huntington Beach residents from a financial standpoint.

Ms. Brewer added that the residents were previously homeless and most likely their homeless living situation resulted in calls for service from EMTs, Fire and Police Department staff. These individuals are now housed, which will result in an on-going savings for Huntington Beach.

Councilman Twining stated that if it was possible to put in market-rate housing on that parcel he believes it would have happened during the last 70 years. He added he and his fellow Councilmembers do not like bypassing property or sales taxes as they are used for funding a huge portion of City costs.

Councilman Twining stated he sees these benefits for Huntington Beach from the Pelican Harbor Apartments: 1) at least 43 formerly homeless individuals are no longer living on the streets; 2) these individuals no longer require Homeless Task Force services; and 3) these individuals may be supporting some of the businesses in their immediate area.

Councilman Williams asked Director Villasenor if this project was provided any special considerations from the City that a private contractor would not have received. Director Villasenor responded that, to the best of her knowledge now, because the developer proposed affordable housing, they could take advantage of some State parking regulations that are available for less-than-market-rate projects. Councilman Williams confirmed that a private developer may have also qualified for that advantage, but it primarily depends upon what percentage of affordability a project meets. Director Villasenor noted the City identified this parcel for affordable housing as part of a Housing Element settlement.

Councilman Twining restated that for 70 years the parcel sat undeveloped partially because of the extremely difficult ingress and egress, especially for Fire Department service vehicles. He confirmed currently there are 22 parking spaces for 43 units; whereas a commercial developer would have been required to provide 60 to 80 parking spaces, which would probably make any project too expensive to consider. Councilman Twining added this item has his support as he believes there are benefits for Huntington Beach even if it is not in dollars for the General Fund.

Mayor Pro Tem McKeon acknowledged the concerns of fellow Councilmembers, and speaking from his commercial developer experience, he noted affordable housing projects work on razor thin margins, and they do not produce spread on the cash flow which can be sold as a net lease investment. He also stated that this is not a brand-new project where some of the stated concerns could be legitimate, but under consideration is a project that is built, is open and is serving low-income seniors with disabilities. He asked his fellow Councilmembers what would be accomplished by voting against this item.

Mayor Burns responded the question for him is where do we stop? This project is one hundred percent on the back of taxpayers.

Councilmember Williams replied that a "No" vote would keep the margins narrower on Jamboree's end, while a "Yes" vote would open up their margins even more and provide more taxpayer money to subsidize executive salaries. He added they are converting taxpayer money into this $3.2B enterprise or profiting off of poverty. He stated he campaigned on less government, less government subsidies and more capitalism.

Mayor Pro Tem McKeon stated it was another City Council that initially approved this project, and a "No" vote at this time could just exponentially increase the risk profile for a potential default; however, a "Yes" vote will ensure the project remains affordable, that it will not default and wipe out the City's $3M loan, and the disabled residents will continue to be served. In addition, a "Yes" vote will ensure the concessions that staff approved such as an interest rate increase which means $5M more to the City over the life of the loan. He noted that funds received from this project will go into the HOME Fund and not into the City's General Fund.

Mayor Pro Tem McKeon and Director Villasenor discussed the procedures that are triggered by expiring affordability covenants. Mayor Pro Tem McKeon reiterated that the questions and concerns expressed are appropriate for any new affordability project. He summarized that voting "Yes" on this item provides concessions the developer has agreed to, guarantees affordable housing, and guarantees seniors with disabilities will not be evicted, and added this item has his support.

Councilwoman Van Der Mark confirmed with staff that prior to this development the parcel was generating approximately $19,000 in 2018/2019 annual property taxes, or just over $3,000 for the City's share of the 1% tax levy. Initial analysis has determined that the project is now valued at approximately $8.5M which could result in approximately $18,000 for the City's share of the 1% tax levy.

Council Woman Van Der Mark stated that a majority of serving Councilmembers are supportive of single-family home development, and noted this parcel is not useable for that purpose. She continued by sharing conversations with neighboring business owners and residents who wholeheartedly stated their support for this development which converted an empty parcel filled with garbage and the homeless into a clean, safe and quiet area. She does not believe a "Yes" vote on this item is in opposition to her campaign promises.

Councilmember Williams clarified that regardless of whether this item is approved or not, the project and services will remain to serve the clients; but to him the decision is how much margin are they going to

allow Jamboree to make on the project. He reiterated he campaigned against government subsidies for low-income housing.
Consultant Mitchell stated that a "Yes" vote will make this project profitable for all parties over time.

Councilman Gruel summarized the issue by stating there could be a risk for default if this item is not approved and noted the City's $3M loan is subordinate to several other layers of funding. He added these considerations make the situation pretty clear to him.

Mayor Pro Tem McKeon stated his support for ensuring Jamboree Housing maintains their tax-exempt funding.

Councilman Kennedy stated a "Yes" vote sets a precedent that Council is willing to forsake property taxes for a century and set the table for future developers to ask for the same thing. Councilman Kennedy asked what Jamboree Housing does with their profits after debt has been paid. Mr. Massie responded that any money left after paying the management fee on this project is used to pay off subordinate debt. Discussion continued on confirming actual cost of the project.

Councilman Kennedy added a "Yes" vote supports the irresponsibility of the developer in meeting their deadlines, and if this item is not approved Jamboree will be required to write a $1M check to bridge the delta.

A motion was made by McKeon, second Van Der Mark, to conduct the TEFRA public hearing pursuant to federal law. Adopt Resolution No. 2025-65, "A Resolution of the City Council of the City of Huntington Beach Approving the Issuance of the California Municipal Finance Authority Exempt Facility Bonds in an Aggregate Principal Amount Not to Exceed $20,000,000 for the Purpose of Refinancing the Acquisition, Construction, Improvement and Equipping of Pelican Harbor (Formerly Referred to as Huntington Beach Senior Housing) and Certain Other Matters Relating Thereto" (Attachment 1). Adopt First Amendment to Affordable Housing Agreement (Attachment 2). Adopt First Amendment to Amended and Restated Agreement Containing Covenants (Attachment 3). Adopt First Amendment to City HOME Promissory Note (Attachment 4). Adopt First Amendment to City Inclusionary Housing Promissory Note (Attachment 5). Authorize the City Manager and Housing Authority Executive Director, or their designees, to execute the above documents.

The motion failed due to the following substitute motion.

An amended substitute motion was made by Twining, second Burns, to conduct the TEFRA public hearing pursuant to federal law. Adopt Resolution No. 2025-65, "A Resolution of the City Council of the City of Huntington Beach Approving the Issuance of the California Municipal Finance Authority Exempt Facility Bonds in an Aggregate Principal Amount Not to Exceed $20,000,000 for the Purpose of Refinancing the Acquisition, Construction, Improvement and Equipping of Pelican Harbor (Formerly Referred to as Huntington Beach Senior Housing) and Certain Other Matters Relating Thereto" (Attachment 1). Adopt First Amendment to Affordable Housing Agreement (Attachment 2). Adopt First Amendment to Amended and Restated Agreement Containing Covenants (Attachment 3), ***as amended to approve the affordability covenants for ~~90~~ 60 years***. Adopt First Amendment to City HOME Promissory Note (Attachment 4). Adopt First Amendment to City Inclusionary Housing Promissory Note (Attachment 5). Authorize the City Manager and Housing Authority Executive Director, or their designees, to execute the above documents***.***

The motion carried by the following roll call vote:

AYES: Twining, McKeon, Van Der Mark, and Gruel
NOES: Kennedy, Burns, and Williams

ADJOURNMENT — At 5:27 PM a motion was made by Twining, with a second by Van Der Mark, to adjourn to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Tuesday, November 4, 2025, in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

INTERNET ACCESS TO CITY COUNCIL/PUBLIC FINANCING AUTHORITY AGENDA AND STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT http://www.huntingtonbeachca.gov

City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:

City Clerk-Secretary

Mayor-Chair