

Minutes

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

Tuesday, October 21, 2025
4:30 PM — Council Chambers
6:00 PM — Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

A video recording of the 4:30 PM and 6:00 PM portions of this meeting
is on file in the Office of the City Clerk, and archived at
<https://huntingtonbeach.legistar.com/Calendar.aspx>

4:30 PM — COUNCIL CHAMBERS

CALLED TO ORDER — 4:30 PM

ROLL CALL

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

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS PERTAINING TO CLOSED SESSION (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: *Closed Session Item #1 (1 email communication) and Item #2 (1 email communication).*

PUBLIC COMMENTS (3-Minute Time Limit) — None

A motion was made by Burns, with a second by Van Der Mark, to recess to Closed Session.

RECESSED TO CLOSED SESSION — 4:30 PM

CLOSED SESSION

1. 25-823 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9). *People of the State of California/Bonta v. City of Huntington Beach, et al.*; Case No. 30-2023-01312235-CU-WM-CJC.
2. 25-824 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9). *Alianza Translatinx, et al. v. City of Huntington Beach, et al.*; OCSC Case No. 30-2025-01462835.

3. 25-825 CONFERENCE WITH LEGAL COUNSEL-LITIGATION (Gov. Code section 54956.9(d)(4).): Two (2).

6:00 PM — COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING AND CALLED TO ORDER A SPECIAL MEETING OF THE HOUSING AUTHORITY — 6:00 PM

ROLL CALL

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

INVOCATION

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorse any particular religious belief or form of invocation.

4. 25-695 Huntington Beach Fire and Police Chaplain Roger Wing

PLEDGE OF ALLEGIANCE — Led by U. S. Navy Commander Joseph T. Gilligan

CLOSED SESSION REPORT BY CITY ATTORNEY — City Attorney Michael Vigliotta announced the City Council unanimously (7–0) voted to appeal *Alianza Translatinx, et al. v. City of Huntington Beach, et al.*; OCSC Case No. 30-2025-01462835. City Attorney Vigliotta added that outside counsel is working on the Alianza case pro bono, i.e., at no cost to the City. Also, City Council unanimously (7–0) directed Counsel to initiate litigation in two (2) potential cases. Particulars will be disclosed upon request once and if action commences.

CITY COUNCIL MEMBER COMMENTS (2-Minute Time Limit) — Mayor Burns announced that October is Breast Cancer Awareness month, and noted the October 20, 2025, 25th Annual Great Balls of Fire Golf tournament was very successful.

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: *City Manager's Report #7 (1 email communication)*; *Consent Calendar Item #9 (2 email communications)*; and *Council Member Items #12 (4 email communications)*.

PUBLIC COMMENTS (2-Minute Time Limit due to the number of speakers) — 17 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>.

Love announced the Miss Huntington Beach Scholarship Program and Pageant on October 25, 2025, at Central Library Theater, presented by the Huntington Beach Sand Dollars. (00:11:14)

Amory Hanson commented on Ordinances for Introduction, Item #11 (25-833) regarding Ordinance No. 4342 prohibiting the sale and distribution of nitrous oxide. (00:13:22)

Rosalind Price shared her appreciation for Council's recognition of the U. S. Navy's 250th Birthday, and commented on Ordinances for Introduction, Item #11 (25-833) regarding Ordinance No. 4342 prohibiting the sale and distribution of nitrous oxide. (00:13:52)

Justine Makoff, Free Rein Foundation at Huntington Beach Equestrian Center in Central Park, announced the showing of *Rescued Hearts* documentary at Lido Theater on November 4, 2025, at 6 PM. Further details can be found at www.freereinfoundation.org. She also reminded everyone of the Hug and Groom events held on the first Sunday of every month. (00:15:43)

Unnamed Speaker commented on national political issues. (00:16:52)

Tim Geddes commented on the reduced time allowed for public speakers; California Proposition 50; and local and national political issues. (00:18:02)

Charlie Jackson commented on national and local political issues. (00:19:42)

Unnamed Speaker commented on Council Member Items #12 (25-830) regarding invitation to Orange County Registrar of Voters to present at a Huntington Beach City Council meeting. (00:21:11)

Unnamed Speaker read a portion of an October 15, 2025, *Voice of OC* op ed written by an Ocean View School District Board of Trustees member. (00:22:56)

Paula Schaefer read a portion of an October 15, 2025, *Voice of OC* op ed written by an Ocean View School District Board of Trustees member. (00:24:00)

Unnamed Speaker read a portion of an October 15, 2025, *Voice of OC* op ed written by an Ocean View School District Board of Trustees member. (00:25:04)

Unnamed Speaker read a portion of an October 15, 2025, *Voice of OC* op ed written by an Ocean View School District Board of Trustees member. (00:25:48)

Unnamed Speaker read a portion of an October 15, 2025, *Voice of OC* op ed written by an Ocean View School District Board of Trustees member. (00:26:47)

Unnamed Speaker read a portion of an October 15, 2025, *Voice of OC* op written by an Ocean View School District Board of Trustees member. (00:27:33)

Unnamed Speaker commented on California Proposition 50 and on Council Member Items #12 (25-830) regarding invitation to Orange County Registrar of Voters to present at a Huntington Beach City Council meeting. (00:28:24)

Russ Neal commented on the Huntington Beach Housing Element adverse Appeals Court ruling. (00:29:47)

Ken Inouye expressed appreciation for the multiple Brewing Connections with City Attorney and City Treasurer meetings that are scheduled and noted his personal questions related to the City's financial health. (00:30:58)

COUNCIL COMMITTEE APPOINTMENT ANNOUNCEMENTS

Councilman Williams announced his appointment of Dave Chenmault to the Finance Commission.

AB 1234 REPORTING — None

OPENNESS IN NEGOTIATION DISCLOSURES — None

CITY MANAGER'S REPORT

5. 25-835 Free Citizen's Financial Literacy Classes

City Manager Travis Hopkins introduced City Treasurer Jason Schmitt who expressed appreciation for the residents who attended a recent Brewing Connections meeting and announced upcoming dates for Free Financial Literacy Workshops, a series of consecutive monthly meetings starting in November and extending into 2026. He noted dates and details are on the City's website.

6. 25-827 Public Works Projects Update

City Manager Travis Hopkins introduced Director of Public Works Chau Vu who presented a PowerPoint communication titled *CIP Project Summary Report - Zone 2 Overlay*, with slides entitled: *Project Summary, Project Benefits and Schedule, Financial Project Summary, Conclusion/Photos, CIP Project Summary - Report 17th Street Arterial Rehabilitation, Project Summary, Project Benefits and Schedule, Financial Project Summary, Conclusion/Photos, CIP Project Summary Report - Traffic Signal Improvements at Warner Ave. & Ash Ln. / Millstream Ln. and Main St & Delaware St., Project Summary, Project Benefits and Schedule, Financial Project Summary, Conclusion/Photos, and Questions?*

Councilmember Kennedy and Mayor Pro Tem McKeon explained this report is part of Councilmember efforts to be transparent with residents regarding how their taxes are being spent to maintain quality of life. Council Woman Van Der Mark and Councilmember Twining expressed their appreciation to Director of Public Works Chau Vu for this report, as well as the field trip to visit project sites.

7. 25-813 250th Birthday of the U.S. Navy Presentation

U. S. Navy Commander Gilligan, Navy Talent Acquisition Group Southwest, introduced two U. S. Navy staff members: Master Chief John Lanza and Lt. George Agusta. The presentation to acknowledge the Navy's 250th Birthday included a short documentary video.

Mayor Burns thanked the men for their service and acknowledged the service of Lou Conter on the USS Arizona battleship who survived the Pearl Harbor attack.

Mayor Pro Tem McKeon, Councilmembers Kennedy, Twining and Williams, and Council Woman Van Der Mark expressed their appreciation for the U. S. Navy and shared their support for the Navy's recruitment efforts in Huntington Beach.

CONSENT CALENDAR (Items 8 – 9)

City Clerk

8. 25-816 Approved and Adopted Minutes

A motion was made by Burns, second McKeon to approve and adopt the City Council/Public Financing Authority regular meeting minutes of October 7, 2025.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Gruel, and Williams
NOES: None

Public Works

9. 25-803 Accepted the lowest responsive and responsible bid and authorized execution of a construction contract with KASA Construction, Inc. in the amount of \$453,066.00 for the Schroeder Park Improvements, CC-1656, and authorized a 15% contingency

A motion was made by Burns, second McKeon to accept the lowest responsive and responsible bid submitted by KASA Construction, Inc. in the amount of \$393,970.00; and, reject bids 1 – 8 and 11 – 13, which were either withdrawn or deemed non-responsive; and, authorize the Director of Public Works to approve change orders up to a 15% contingency; and authorize the Mayor and City Clerk to execute a construction contract with KASA Construction, Inc. in a form approved by the City Attorney.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Gruel, and Williams
NOES: None

PUBLIC HEARING

10. 25-801 Continued to an October 28, 2025, Special Meeting for Tax and Equity Fiscal Responsibility Act (TEFRA), with Public Hearing Open, for the Pelican Harbor Apartments; Adopt 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 Approve Amendments to Affordable Housing Agreements

SUPPLEMENTAL COMMUNICATIONS PERTAINING TO PUBLIC HEARING

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 Item #10 (1 email communication)*

Housing Manager Charles Kovac presented a PowerPoint communication titled *TEFRA Public Hearing for Pelican Harbor Senior Housing Project* with slides entitled: *Background (3), Proposed TEFRA Hearing, Proposed Amendments, Recommendations, and Questions?*

Mayor Burns and Housing Manager Kovac further discussed details regarding the nearly \$3M of Federal HOME Funds; Inclusionary Housing in-lieu fees; rental requirements; source of funds for building the project; ramifications if this item is not approved by Councilmembers; \$5,000 per year payment to the City; and expected increased interest after 20 years.

Councilmember Kennedy, Housing Manager Kovac and a Jamboree Housing representative discussed details regarding the delay for this Tax and Equity Fiscal Responsibility Act (TEFRA) public hearing; anticipated annual rental increases; expected loan payback to the City beginning in Year 16; and typical debt structure for Affordable Housing projects.

Councilmember Twining, Housing Manager Kovac and a Jamboree Housing representative discussed details regarding current housing occupancy; number of residents with Huntington Beach ties; the strong possibility some residents could become homeless without this housing project; and noted all funding is subordinate to Jamboree's lender and would most likely be wiped out if there was a foreclosure.

Councilmember Gruel and a Jamboree Housing representative discussed details regarding the total number of Huntington Beach seniors who are unsheltered; the number of Jamboree Housing projects reserved for seniors in California; the City's full access to Jamboree project audited financials; Jamboree's yearly audits are required by the lender, investor, IRS, state, county and Huntington Beach; Jamboree, as the project developer, contracts with a third-party for day-to-day property management; and confirmed that Jamboree has never had a project fall into default.

Councilmember Kennedy and a Jamboree Housing representative discussed details regarding how Jamboree Housing makes money on their projects.

Councilmember Williams and a Jamboree Housing representative discussed details regarding the total amount of Huntington Beach foregone property taxes over the years for this project; consideration of increasing the current agreed-upon \$5,000 annual payment back to Huntington Beach; and extending agreement from 60 to 99 years.

Mayor Burns continued the discussion regarding the factors that determine annual rental increases for this project.

Councilmember Gruel confirmed that the tax-exempt construction bonds expired in December of 2024. Jamboree Housing representative confirmed for Mayor Burns that if occupancy had occurred before that expiration date this public hearing would not have been required.

Council Woman Van Der Mark and a Jamboree Housing representative discussed occupancy limits for this project.

Mayor Pro Tem McKeon asked a Jamboree Housing representative to provide a bit of history on the parcel selected for this project.

Councilmember Kennedy confirmed with Housing Manager Kovac that to this point only pro-forma financials have been available and audited financials will most likely be available early next year, after completion of the first year of operation.

Mayor Burns opened the Public Hearing.

City Clerk Lisa Lane Barnes announced there were no speakers.

Mayor Burns closed the Public Hearing.

Council discussion commenced with Councilmember Kennedy stating he would like to have had an opportunity to discuss increasing the minimal \$5,000 annual payment with Jamboree Housing Board Members and his interest in getting more benefit for Huntington Beach.

Councilmember Williams suggested to continue this discussion to allow time for all Councilmembers to do a deeper dive into more favorable options.

Councilmember Gruel stated he doesn't expect to find a hidden financial bonanza, and it is important to remember this is basically a no-margin project.

Mayor Pro Tem McKeon asked Community Development Director Jennifer Villasenor to provide the history of this odd-shaped property before it was identified for this project, as well as the City's effort to identify affordable housing sites. Mayor Pro Tem McKeon noted the parcel's constraints and added the private sector has been unable to secure funding for a design that meets zoning requirements for parking and set-back. Mayor Pro Tem McKeon confirmed with Housing Manager Kovac that HOME and Inclusionary Housing funds can only be used for affordable housing. Speaking as a real estate developer, he expressed appreciation for the three concessions that staff were able to secure from the project developer and stated his support for this item.

Councilmember Kennedy stated that pushing Councilmembers up against the wall to make a decision for a situation which they had no control over is not a good way to do business. He added that he believes the developer can dig deeper into their balance sheet and find a way to increase the \$5,000 annual payment to the City.

Council Woman Van Der Mark confirmed this is a plot of land that no private sector developer could develop; this plot is currently benefitting 43 or 44 senior citizens; there have not been any calls for public safety or police response; there have not been any issues with the neighbors; and the good-faith negotiations that resulted in the developer making three concessions are her reasons for supporting the recommended action.

Mayor Burns confirmed with Director Villasenor that for the most part this taxpayer-funded project was approved without any zoning changes because of the minimal parking needed for the anticipated tenant profile. Mayor Burns stated his concern regarding the extended period of foregone property taxes and noted Jamboree Housing expects annual rent increases but claims they do not have funding to increase the \$5,000 annual payment to Huntington Beach. He added he would like an opportunity for the Finance Commission to evaluate the situation and asked if there would be ramifications if this discussion was continued for a month. A Jamboree Housing representative stated their TEFRA deadline is the end of October in order to not jeopardize their tax-exempt funding.

Mayor Burns and City Manager Hopkins reviewed the timeline for the process to reach this point, and City Manager Hopkins confirmed that there was previous communication on this issue with all Councilmembers.

Councilmember Kennedy confirmed with City Manager Travis Hopkins that this issue was previously discussed by the Economic Development Commission (EDC), staff and Councilmembers who had specific interest, and the item could not be agendized until this meeting because of the on-going discussions and processes required to reach this point. Jamboree Housing representatives confirmed that during recent negotiations it took them a bit of time to confer with their lawyers, board, and lender for their approval on the proposed concessions. They also noted the unexpected construction delays at the beginning of the project due to COVID-19 resulted in the fact there was not time to follow their normal

practice of placing occupants in the project before the construction bond deadline. They added that if they do not meet the October 31st TEFRA extended deadline, they will lose the tax-exempt status on the bonds, and their lender will most likely not honor the commitment to fund. Jamboree would have to come up with additional funding to convert from construction to permanent funding.

Director Villasenor explained in more detail the steps required for concession negotiations to reach this point. Jamboree Housing representatives stated they have exhausted all available TEFRA extensions to get the construction loan converted to permanent financing.

Councilmember Williams noted he only became aware of this item when it appeared on the agenda for this meeting and stated his need for more information before making a decision that will impact Huntington Beach taxpayers for such an extended time.

Mayor Burns re-opened the Public Hearing and continued it to a date certain: Tuesday, October 28, 2025.

A motion was made by Williams, second Kennedy to ***continue*** the TEFRA public hearing pursuant to federal law, ***to an October 28, 2025, Special City Council/Housing Authority meeting, to allow additional time for staff, the developer, and Councilmembers to explore potential restructuring of agreement terms to better protect Huntington Beach taxpayers and better align with current priorities.***

The motion carried by the following roll call vote:

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

ORDINANCES FOR INTRODUCTION

11. 25-833 Approved for Introduction Ordinance No. 4342 Prohibiting the Sale and Distribution of Nitrous Oxide

Captain Kevin Johnson presented a PowerPoint communication titled *Ordinance No. 4342 Prohibit the Sale or Distribution of Nitrous Oxide*, with slides entitled: *Prohibit the Sale and Distribution of Nitrous Oxide (2), Recommended Action, and Questions?*

Captain Johnson confirmed for Mayor Burns that letters will be sent to all distributors in Huntington Beach informing them of the new ordinance and then undercover operations will take place to determine if anyone is still selling it. The first offense would be a misdemeanor.

A motion was made by McKeon, second Van Der Mark to, after the City Clerk reads by title, approve for introduction Ordinance No. 4342, "An Ordinance of the City Council of the City of Huntington Beach, adding a New Chapter 9.94 Entitled "Prohibition on Sale or Distribution of Nitrous Oxide" to Title 9 of the Huntington Beach Municipal Code to Establish Regulations Prohibiting the Unlawful Sale or Distribution of Nitrous Oxide in the City."

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Gruel, and Williams
NOES: None

COUNCIL MEMBER ITEMS

12. 25-830 **Approved Councilmember Item Submitted by Councilman Twining and Mayor Burns — Invitation to Orange County Registrar of Voters to Present at a Huntington Beach City Council Meeting**

Councilmember Twining introduced this item by explaining this is an opportunity to present another perspective after the recent Unite 4 Freedom presentation. He expressed appreciation for the Protect HB invitation to join them in a tour of the Orange County Registrar of Voters office and stated he will make his own arrangements for a tour.

A motion was made by Twining, second Burns to Invite the Orange County Registrar of Voters to present at a City Council meeting.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Gruel, and Williams
NOES: None

CITY COUNCIL MEMBER REQUESTS — Councilmembers requested a 4:00 PM time for the October 28, 2025, Special City Council/Housing Authority meeting.

ADJOURNMENT — At 8:38 PM a motion was made by Burns, with a second by Gruel, to adjourn to the October 28, 2025, 4:00 PM Special City Council/Housing Authority meeting in Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

The next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is 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