



**CITY OF HUNTINGTON BEACH
CITY COUNCIL MEETING – COUNCIL MEMBER ITEMS REPORT**

TO: CITY COUNCIL

FROM: CASEY MCKEON, COUNCIL MEMBER

DATE: MAY 16, 2023

SUBJECT: FISCAL AND OPERATIONS UPDATE ON THE CITY'S MIDDLE INCOME HOUSING PROGRAM

On July 20, 2021, the previous City Council voted to become a member of a Joint Power Authority (the "JPA") with the California Municipal Finance Authority (CMFA), to enter into a series of Public Benefit Agreements, and to approve the issuance of revenue bonds by the JPA to facilitate the City's Middle Income Housing Program. The bond proceeds were used to enable the JPA to acquire and convert two private properties, the Breakwater Apartments and the Elan Apartments, into public workforce housing, which is managed and operated by project sponsor, Catalyst. This was a sizable project and quite a substantial commitment by the City. This City Council should have an opportunity to review what has been done.

The July 2021 City Council action can be found on [the City's website](#).

RECOMMENDED ACTION

Direct the City Manager and the Community Development Department to coordinate with Catalyst and CMFA to present a comprehensive report at a City Council Meeting in July or sooner of the Financial Impact section mentioned in the July 2021 City Council Action. The report should include, but not be limited to, the following important details:

- How many of the 649 housing units are occupied?
- How many have been remodeled as planned and at what cost?
- How many of the units are leased to persons earning 80%-120% of the Area Median Income, as required?
- What are the average monthly rents?
- To fund the Middle Income Housing Program, the City has to forgo future property tax revenues for up to a 30 year period. How much in property tax did the City forego in 2022 and what is the estimated amount for 2023 and over the next 30 years?
- What are the property management fees paid every year and to whom are they paid?
- What are the annual maintenance and repair fees?
- How many of the retail shops on the first level of Elan are leased?

STRATEGIC PLAN GOAL: Economic Development & Housing