



# **MINUTES**

## **ECONOMIC DEVELOPMENT COMMITTEE**

**Wednesday, June 8, 2022**  
**Virtual Meeting Via Zoom**  
**2000 Main Street**  
**Huntington Beach, CA 92648**

**Study Session –**

**Regular Meeting - 3:30 PM**

### **COMMITTEE MEMBERS**

*Barbara Delgleize, Mayor*  
*Mike Posey, Mayor Pro Tem*  
*Kim Carr, Councilmember*

### **STAFF**

*Staff Liaison*  
*Robert Ramirez,*  
*Economic Development Project Manager*

**MEETING ASSISTANCE NOTICE:** In accordance with the Americans with Disabilities Act, services are available to members of our community who require special assistance to participate in public meetings. If you require special assistance, 48-hour prior notification will enable the City to make reasonable arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas. Please contact the City Clerk's Office at (714) 536-5227 for more information, or request assistance from the staff or Sergeant-at-Arms at the meeting.

**PUBLIC COMMENTS:** To address the legislative body on items of interest not scheduled for public hearing, *Request to Speak* forms will be made available at the meeting and are collected by the staff or Sergeant at Arms. Some legislative bodies may provide different *Request to Speak* forms for public hearing items.

**AUDIO/VIDEO ACCESS TO BROADCASTED MEETINGS:** City Council and Planning Commission meetings are televised live on HBTB-3 Channel 3, and can be viewed via live or archived website at <https://huntingtonbeach.legistar.com>.

**In attendance: Mayor Barbara Delgleize, Mayor Pro Tem Mike Posey, Councilmember Kim Carr (virtually), Ursula Luna-Reynosa, Steve Holtz, Charles Kovac, Kriss Casanova, Robert Ramirez**

**1. CALL TO ORDER**

3:31 PM

**2. ROLL CALL**

Mayor Barbara Delgleize (present), Mayor Pro Tem Mike Posey (present), Councilmember Kim Carr (present/tardy).

**3. SPECIAL NOTICE REGARDING COVID-19**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N- 29-20 which allows a local legislative body to hold public meetings via teleconferencing, and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. Pursuant to Executive Order N-29-20, please be advised that some members of the Economic Development Committee and/or City staff may participate in this meeting telephonically or electronically.

**PUBLIC PARTICIPATION/AUDIO/ELECTRONIC ACCESS TO THIS MEETING**

Pursuant to Executive N-29-20, members of the public have the option to access this meeting virtually by following the instructions provided below. This meeting will be hosted as a Zoom meeting only and will not be streamed live, or broadcasted on cable television.

The public may attend the virtual Zoom meeting by calling (669) 900-6833, and entering Zoom meeting ID: 899 977 8739 or copy and paste this link into your browser:  
<https://huntingtonbeach.zoom.us/j/8999778739>

**4. PUBLIC COMMENTS**

None.

**5. APPROVAL OF MINUTES**

Minutes from the April 13, 2022 meeting were approved, 2-0-1(Councilmember Carr abstained due to not being present at the April 13 meeting).

**6. Housing Update**

Charles Kovac, Housing Manager, provided an update on the Project Homekey Affordable Housing Agreement, stating that the project is scheduled to close on June 21, 2022 and renovations of the motel for interim housing will be starting soon. Mr. Kovac further added that it will take approximately eight months from awarding the project to having the interim housing in place.

Mr. Kovac then provided an update on the Allocation Plan for the HOME-ARP (American Rescue Plan) Program, which the City received \$2.2 million from the U.S. Department of Housing and Urban Development (HUD), of which, \$1.8 million of the \$2.2 million will be used for supportive services for Project Homekey. The Allocation Plan was approved by City Council on April 19, 2022, and has been preliminarily approved by HUD but final approval from HUD in D.C. is still pending. Once approval takes place, funding for the projects identified in the Allocation Plan will move forward.

Other updates by Mr. Kovac included two affordable housing items, including the 18750 Delaware Street project, proposed by the Holland Partner Group. This “by-right” development project proposes 346 total units on 4.09 acres and is part of the Beach and Edinger Corridor Specific Plan. It will include 70 affordable units for “lower-income” households with a 55-year affordability covenant. The second affordable housing item discussed was the 8375 Talbert Avenue project, a residential development project proposed by The Olson Company. The project was approved by the Planning Commission on May 10, 2022, and includes 34 for-ownership townhomes and 3 affordable units, and will have a 45-year affordability covenant. The City Attorney’s Office is preparing draft agreements for both projects to be considered by the City Council in July 2022.

Lastly, Mr. Kovac provided an update on the existing lease agreements with residents at the Ocean View Estates. He explained that yearly rent increases are set to take place in October with a letter to be mailed July 1<sup>st</sup> and that the Consumer Price Index (CPI) is used to determine the amount of the increase, which should be no less than 3% and no more than 7% per the lease agreements. Mr. Kovac sought guidance from the Committee on a recommended percentage increase considering that the expected CPI increase for 2022 will be above 7%. Discussion took place regarding the increase amount including cost recovery, and it was recommended that a 5% increase, similar to last year, would be acceptable.

**7. Development Update**

None.

**8. General Update**

Kriss Casanova, Economic Development Manager, provided an update on the reopening of the pier restaurant at the former Ruby’s location. Improvements to the space include exterior painting and interior upgrades with plans for a soft opening in July. The Committee provided favorable feedback for painting that would help to modernize the building. Ursula Luna-Reynosa, Director of Community Development, stated that she would consult further with an architect consultant that the City has on retainer for their input and recommendation before any administrative approval.

Ms. Casanova also provided an update on the existing lease for the Surf Museum with Visit Huntington Beach (VHB) and recommended an assignment to the Huntington Beach International Surf Museum who is currently operating the museum. Also discussed was the replacement of an existing mural on the side of the building. A proposed new design was presented and discussed. Ms. Luna-Reynosa clarified that authorization and guidance was being sought by the Committee as landlord. Mayor Pro Tem Posey expressed concerns about painting over the existing mural, echoed by Councilmember Carr who added that some clarification was needed on the artist of the existing mural and whether it was of cultural significance to the community. She also inquired about whether there was a call for artists and requested more information on the proposed new mural.

Additionally, Ms. Casanova included information on two, new proposed loan programs that staff will be requesting City Council approval to enter into agreements with the National Development Council (NDC). NDC, a non-profit organization whose mission is to create economic opportunity, stimulate investment and encourage entrepreneurship, will be the underwriter and provide technical assistance for the programs. The Grow America Fund loan program will provide lending between \$100k and \$2.5M, and is for businesses operating at least 3 years who have between 2-500 employees and generate revenues between \$500K and \$20M. Funds can be used towards capital, machinery/equipment, real estate acquisition/renovation, and tenant improvements. Total funding for this program would be \$8M, with the City contributing \$2M and NDC contributing \$6M. The second program, the Community Impact Loan Fund, is geared towards newer businesses and focuses on post COVID-19 recovery, stabilization, and growth. Loan amounts will be up to \$150K and will target women, minority-owned, and low-moderate income and non-profit businesses. The City would invest \$1M with principal repayments of loans to be relented to future applications.

Finally, Ms. Casanova included updates on the Business Retention Program, noting that staff has visited 14 businesses in the last two months with an employee average of 5-20. Of those 14 businesses, six are woman or minority-owned businesses and eight are new or experiencing growth. Ms. Casanova clarified that tracking of business visits is being done using Bludot, an online software that was recently purchased that will centralize all business communication with economic development staff.

## **ADJOURNMENT**

The meeting was adjourned at 4:54 pm.

**The next regularly scheduled meeting of the Economic Development Committee is  
Wednesday, August 10, 2022 at 3:30pm on the Lower Level, Room B-8 at  
Huntington Beach, California.**