

**CITY OF ONTARIO
SPECIAL MEETING
CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY
TO THE ONTARIO REDEVELOPMENT AGENCY
JUNE 21, 2017 AT 5:00 P.M.
COMMUNITY MEETING ROOMS 1 AND 2**

Paul S. Leon
Mayor

Debra Dorst-Porada
Mayor pro Tem

Alan D. Wapner
Council Member

Jim W. Bowman
Council Member

Ruben Valencia
Council Member



Al C. Boling
City Manager

John E. Brown
City Attorney

Sheila Mautz
City Clerk

James R. Milhiser
Treasurer

WELCOME to a meeting of the Ontario City Council.

- All documents for public review are on file with the Records Management/City Clerk's Department located at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Clerk will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within Council's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

ORDER OF BUSINESS The Special City Council, Housing Authority, Successor Agency to the Ontario Redevelopment Agency meeting begins with Closed Session and Closed Session Comment at 5:00 p.m., immediately followed by Public Comments and the Special Meeting. No agenda item will be introduced for consideration after 10:00 p.m. except by majority vote of the City Council.

(EQUIPMENT FOR THE HEARING IMPAIRED AVAILABLE IN THE RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (*OPEN SESSION*)

5:00 p.m.

ROLL CALL

Dorst-Porada, Wapner, Bowman, Valencia, Mayor/Chairman Leon

PLEDGE OF ALLEGIANCE

Council Member Valencia

PUBLIC COMMENTS

5:00 p.m.

The Public Comment portion of the Council/Housing Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, Council is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Council, fill out one of the blue slips at the rear of the chambers and give it to the City Clerk.

AGENDA REVIEW/ANNOUNCEMENTS The City Manager will go over all updated materials and correspondence received after the Agenda was distributed to ensure Council Members have received them. He will also make any necessary recommendations regarding Agenda modifications or announcements regarding Agenda items to be considered.

PUBLIC HEARINGS

Pursuant to Government Code Section 65009, if you challenge the City's zoning, planning or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing.

I. A PUBLIC HEARING FOR APPROVAL OF A HOME PARTNERSHIP AGREEMENT BETWEEN THE CITY OF ONTARIO, ONTARIO HOUSING AUTHORITY AND MERCY HOUSE CHDO FOR THE SALE OF AN AFFORDABLE HOUSING PROJECT, LOCATED AT 411 NORTH PARKSIDE AVENUE, ONTARIO, CALIFORNIA

That the City Council ("City") and the Board of the Ontario Housing Authority ("Authority"):

- (A) Adopt the attached resolutions approving the HOME Partnership Agreement for the disposition and rehabilitation; and
- (B) Authorize the City Manager/Executive Director or his designee to sign all documents necessary to implement the Agreements.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.
Oral presentation.
Public hearing closed.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A HOME PROGRAM PARTICIPATION AGREEMENT WITH THE CITY OF ONTARIO AND MERCY HOUSE CHDO, INC., REGARDING PROPERTY LOCATED AT 411 NORTH PARKSIDE AVENUE.

OHA _____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A HOME PROGRAM PARTICIPATION AGREEMENT WITH THE CITY OF ONTARIO AND MERCY HOUSE CHDO, INC., REGARDING PROPERTY LOCATED AT 411 NORTH PARKSIDE AVENUE.

2. A PUBLIC HEARING FOR APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE ONTARIO HOUSING AUTHORITY AND ONTARIO EMPORIA HOUSING PARTNERS, L.P. FOR THE DEVELOPMENT OF A 75-UNIT HOUSING DEVELOPMENT, LOCATED ON APPROXIMATELY 2.95 ACRES OF LAND BORDERED BY HOLT BOULEVARD ON THE NORTH, FERN AVENUE ON THE EAST, EMPORIA STREET ON THE SOUTH, AND VINE AVENUE ON THE WEST; A GRANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY, IN AN AMOUNT NOT TO EXCEED \$8,428,875; AND RELYING ON PRIOR CEQA DOCUMENTS

That the City Council (“City”) and the Board of the Ontario Housing Authority (“Authority”):

- (A) Adopt the attached resolutions approving the Disposition and Development Agreement (“Agreement”) between the Authority and Ontario Emporia Housing Partners, L.P. (“Developer”) (on file with the Records Management Department); and
- (B) Approve a Grant Agreement (“Grant Agreement”) between the City and the Authority, in an amount not to exceed \$8,428,875 (on file with the Records Management Department); and
- (C) Authorize the City Manager/Executive Director or his designee to sign all documents necessary to implement the Agreements.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.

Oral presentation.

Public hearing closed.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH ONTARIO EMPORIA HOUSING PARTNERS, L.P., FOR DEVELOPMENT OF A MULTIFAMILY, RENTAL HOUSING PROJECT AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

OHA _____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH ONTARIO EMPORIA HOUSING PARTNERS, L.P., FOR DEVELOPMENT OF A MULTIFAMILY, RENTAL HOUSING PROJECT AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

3. REVIEW AND ADOPTION OF THE CITY'S FISCAL YEAR 2017-18 BUDGET AND APPROVAL OF BUDGET-RELATED ACTIONS

That the City Council and Housing Authority Board:

- (A) Adopt resolutions establishing the appropriations limit of the City of Ontario for Fiscal Year 2017-18 and approve the operating budgets of the City of Ontario and Ontario Housing Authority for Fiscal Year 2017-18;
- (B) Approve the annual budget of the Redevelopment Successor Agency for Fiscal Year 2017-18; and
- (C) Approve the annual budget of the Ontario Convention Center for Fiscal Year 2017-18.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CITY OF ONTARIO FOR FISCAL YEAR 2017-18.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE OPERATING BUDGET OF SAID CITY FOR THE FISCAL YEAR 2017-18.

RESOLUTION NO. OHA-_____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR 2017-18.

4. A RESOLUTION APPROVING THE 2018-2022 FIVE-YEAR CAPITAL IMPROVEMENT EXPENDITURE PLAN AND EXPENDITURE STRATEGY

That the City Council adopt a resolution approving the 2018-2022 Measure I Five-Year Capital Improvement Expenditure Plan and Expenditure Strategy.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE 2018-2022 MEASURE I FIVE-YEAR CAPITAL IMPROVEMENT PLAN.

STAFF MATTERS

City Manager Boling

COUNCIL MATTERS

Mayor Leon
Mayor pro Tem Dorst-Porada
Council Member Wapner
Council Member Bowman
Council Member Valencia

ADJOURNMENT

CITY OF ONTARIO

Agenda Report
June 21, 2017

SECTION:
PUBLIC HEARINGS

SUBJECT: A PUBLIC HEARING FOR APPROVAL OF A HOME PARTNERSHIP AGREEMENT BETWEEN THE CITY OF ONTARIO, ONTARIO HOUSING AUTHORITY AND MERCY HOUSE CHDO FOR THE SALE OF AN AFFORDABLE HOUSING PROJECT, LOCATED AT 411 NORTH PARKSIDE AVENUE, ONTARIO, CALIFORNIA

RECOMMENDATION: That the City Council ("City") and the Board of the Ontario Housing Authority ("Authority"):

- (A) Adopt the attached resolutions approving the HOME Partnership Agreement for the disposition and rehabilitation; and
- (B) Authorize the City Manager/Executive Director or his designee to sign all documents necessary to implement the Agreements.

COUNCIL GOALS: Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The City will provide a loan, in the amount of \$1,532,670 to Mercy House CHDO ("Developer") for the acquisition, rehabilitation, and operation of a multi-family property, located at 411 North Parkside Avenue. Funding for this loan will be provided through the following U.S. Department of Housing and Urban Development (HUD) programs: HOME Investment Partnership Program (HOME) entitlement funds, in the amount of \$1,225,234, HOME Community Housing Development Organization (HOME CHDO) funds, in the amount of \$205,436, and Community Development Block Grant (CDBG) funds, in the amount of \$102,000. The loan is an interest-free, residual receipts note with a 30-year term. There is no impact to the General Fund..

The Developer will purchase the property from the Authority for \$1,145,000. The sales price is supported by an independent appraisal completed by a certified general appraiser. The land sale proceeds will be deposited into the Low and Moderate Income Housing Asset Funds (LMIHF) for use with other affordable housing projects.

STAFF MEMBER PRESENTING: Brent D. Schultz, Housing and Municipal Services Director

Prepared by: Julie Bjork
Department: Housing and Municipal Services

City Manager
Approval: 

Submitted to Council/O.H.A. 06/21/2017

Approved: _____

Continued to: _____

Denied: _____

1

BACKGROUND: On May 3, 2005, the City Council approved the Continuum of Care (“Continuum”). The Continuum was designed to provide a comprehensive approach to addressing homelessness within Ontario and includes the following components: a homeless outreach service center, a 34-bed transitional housing facility, 62 permanent affordable housing units, and after care services.

The Guadalupe Residence located at 411 and 412 N. Parkside Avenue, was rehabilitated and leased to Mercy House on May 3, 2005, to create 15 of the 62 permanent housing units within the Continuum. Given funding restrictions at the time, the rehabilitation was limited.

On June 4, 2013, City Council and the Authority Board approved the sale and additional rehabilitation of the property, located at 412 N. Parkside Avenue to Mercy Housing Living Centers and an amendment to the existing lease agreement for the property, located at 411 N. Parkside Avenue. The current lease for 411 N. Parkside Avenue expires on June 30, 2025.

The proposed sale of the property, located 411 N. Parkside Avenue to Mercy House CHDO will generate approximately \$1,145,000 in net revenue to the Authority. The proposed loan will also fund rehabilitation for items not addressed as part of the initial rehabilitation, and create deeper affordability levels for a period of 55 years. Rent increases are allowed to be adjusted annually by the percentage increase in income established by HUD for the San Bernardino Metropolitan Statistical Area.

The estimated total project cost for the acquisition and rehabilitation of 411 N. Parkside Avenue by Mercy House CHDO is \$1,532,670. Funding for this project will be provided through a loan from the City to Mercy House CHDO, utilizing federal HOME funds and CDBG funds. A detailed budget breakdown and the affordability modifications are shown in Exhibit A. It is estimated that it will take approximately four months to close escrow. Construction will begin upon escrow closing and is scheduled to be completed within six months.

Pursuant to HUD regulations, the City is required to set aside 15% of its annual HOME grant exclusively for CHDOs. A CHDO is a non-profit organization that meets specific HUD requirements. Mercy House CHDO is a qualified CHDO. Mercy House CHDO is an affiliate of Mercy House Living Centers. Mercy House Living Centers began operations in 1990 and has provided services to meet the needs of the homeless and low-income populations for over 27 years.

The estimated revenue to operate the Continuum at its current level is \$368,000, which is provided via a combination of the following funding sources: net rent revenue, CDBG, and Emergency Solutions Grant (ESG). Any programs and services that are provided through the Continuum that exceed this funding level are the responsibility of Mercy House Living Centers. Mercy House Living Centers pro-actively works to secure additional funding through fundraising and grant writing efforts.

Mercy House Living Centers and/or Mercy House CHDO owns or leases the following permanent housing developments that are a part of the Continuum permanent housing inventory: 411/412 N. Parkside Avenue, 307 – 311 W. Francis Street, and 305 N. Begonia Avenue. The agreements between the City and Mercy House Living Centers and/or Mercy House CHDO allows the rental income generated by these developments to be used to fund the Continuum. Once the Continuum funding of \$368,000 is met, then any additional net revenue will be returned to either the City or the Authority in the form of a lease payment or loan payment subject to the terms of the agreements.

All of the agreements provide the Authority with a purchase option, should future Continuum funding be reduced through reductions in CDBG, ESG, or rental income. Should the Continuum's funding drop below \$368,000, the Authority may exercise its option to take back the properties through either a forgiveness of the then outstanding loan balance and/or termination of the existing lease agreements.

All permanent housing units within the Continuum are managed by Cannon Management Company. The Cannon Management Company has extensive experience in property management. The property management fee will be four percent of the gross rent receipts and there is an on-site property manager located at 411 N. Parkside Avenue. The property management costs are shared amongst all 62 permanent housing units. All properties are also operated in compliance with the Ontario's Crime-Free Multi-Housing Program. The Cannon Management Company is located in Riverside, California.

CEQA Compliance: Staff has determined that approval of the Agreement is exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA"). Specifically, the approval is exempt from CEQA review under State CEQA Guidelines (Cal. Code Regs., tit. 14, section 1500 et seq.) sections 15301 and 15061(b)(3). Section 15301 exempts the operation, repair, maintenance and minor alteration of existing structures, involving negligible or no expansion of use behind that existing at the time of the City's determination. Here, the site is currently used as an affordable multi-family site, and the rehabilitation actions to be funded through the Agreement include repairs to the existing roof, HVAC system, painting and limited interior repairs. The rehabilitation will not increase the size or capacity of the building. Therefore, the City's action is exempt under section 15301. Further, because the site currently operates as an existing affordable housing project, and will continue to do so after the City's approval of the Agreement, staff has determined that under section 15061(b)(3), the City's action is covered by the general rule that CEQA applies only to projects with the potential for causing a significant effect on the environment. Here, the impacts will be equal to those existing, and therefore no environmental review is required.

EXHIBIT A

**GUADALUPE RESIDENCE
411 N. PARKSIDE AVENUE
FUNDING SOURCES, ESTIMATED BUDGET, AND AFFORDABILITY
RESTRICTIONS**

| FUNDING SOURCES | AMOUNT |
|------------------------|--------------------|
| HOME Entitlement | \$1,225,234 |
| HOME CHDO | \$205,436 |
| CDBG | \$102,000 |
| TOTAL | \$1,532,670 |

| PROJECT BUDGET | AMOUNT |
|-----------------------|--------------------|
| Sales Price | \$1,145,000 |
| Soft Costs | \$20,000 |
| Construction | \$367,670 |
| TOTAL | \$1,532,670 |

| AFFORDABILITY RESTRICTIONS | | | |
|---|-----------------------------------|-------------------------------|--|
| Number of Units | Unit Type | Income Restrictions | Maximum Net Rents (Fiscal Year 2016-17) |
| CURRENT AFFORDABILITY REQUIREMENTS | | | |
| 7 | 4-Bedroom Units | Moderate-Income (120% of AMI) | \$1,766 |
| 1 | 4-Bedroom Unit | Property Manager | \$1,766 |
| PROPOSED AFFORDABILITY REQUIREMENTS | | | |
| 3 | 4-Bedroom Units (Low HOME Units) | Very Low-Income* (50% of AMI) | \$899 |
| 4 | 4-Bedroom Units (High HOME Units) | Low-Income (80% of AMI) | \$1,228 |
| 1 | 4-Bedroom Unit (High HOME Unit) | Property Manager | \$1,301 |
| <i>*Net rents may increase for low HOME units, if the tenant residing in the unit is receiving a rental subsidy and the tenant's portion of the rent does not exceed the maximum net rent amount for the low HOME unit designation.</i> | | | |

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A HOME PROGRAM PARTICIPATION AGREEMENT WITH THE CITY OF ONTARIO AND MERCY HOUSE CHDO, INC., REGARDING PROPERTY LOCATED AT 411 NORTH PARKSIDE AVENUE.

WHEREAS, the Ontario Housing Authority (the "Authority") and Mercy House Living Centers, a nonprofit corporation ("MHLC"), are party to that certain Lease Agreement, dated as of May 3, 2005, as amended by that certain First Amendment thereto dated as of July 18, 2006, and that certain Second Amendment thereto dated as of June 4, 2013 (the "Lease Agreement"), regarding property commonly known as 411 N. Parkside Avenue (the "Property"); and

WHEREAS, pursuant to the Lease Agreement and in furtherance of its public purposes of increasing, improving and preserving the supply of affordable housing in the community: (a) Authority leases the Property to MHLC, and (b) MHLC operates the Property as affordable rental housing for low-income and previously homeless families as part of the Homeless Services Continuum of Care Program (the "Continuum"); and

WHEREAS, in order to improve the Property and operation of both the Property and the Continuum, Authority, Mercy House CHDO, Inc. (an affiliate of MHLC)("MH/CHDO"), and the City of Ontario (the "City") propose the following: (a) Authority sell the Property to MH/CHDO at its fair market value, (b) MH/CHDO rehabilitate the Property, (c) City finance such sale and rehabilitation with the loan of HOME and CDBG Program funds to MH/CHDO, and (d) MH/CHDO continue to operate the Property as affordable rental housing (the "Project"); and

WHEREAS, Authority, City and MH/CHDO propose to accomplish the actions described above by that certain HOME Program Participation Agreement [Guadalupe Residence/411 N. Parkside Avenue, Ontario, California] dated as of June 21, 2017 (the "HOME Agreement"), a copy of which is on file and available for public inspection in the offices of the Authority; and

WHEREAS, the City Council has duly considered all of the terms and conditions of the HOME Agreement and believes that the implementation thereof is in the best interests of the community and the health, safety and welfare of its residents; and is in accord with the public purposes and provisions of applicable State and local law and requirements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario as follows:

1. The City Council hereby approves the HOME Agreement and authorizes the Executive Director or his designee to (a) make any minor modifications thereto he deems necessary or desirable, (b) execute the HOME Agreement, and (c) take all

actions he deems necessary or desirable to implement the HOME Agreement, including, without limitation, executing any and all documents or instruments connected therewith.

The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2017- was duly passed and adopted by the City Council of the City of Ontario at a special meeting held June 21, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2017- duly passed and adopted by the Ontario City Council at a special meeting held June 21, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A HOME PROGRAM PARTICIPATION AGREEMENT WITH THE CITY OF ONTARIO AND MERCY HOUSE CHDO, INC., REGARDING PROPERTY LOCATED AT 411 NORTH PARKSIDE AVENUE.

WHEREAS, the Ontario Housing Authority (the "Authority") and Mercy House Living Centers, a nonprofit corporation ("MHLC"), are party to that certain Lease Agreement, dated as of May 3, 2005, as amended by that certain First Amendment thereto dated as of July 18, 2006, and that certain Second Amendment thereto dated as of June 4, 2013 (the "Lease Agreement"), regarding property commonly known as 411 N. Parkside Avenue (the "Property");

WHEREAS, pursuant to the Lease Agreement and in furtherance of its public purposes of increasing, improving and preserving the supply of affordable housing in the community: (a) Authority leases the Property to MHLC, and (b) MHLC operates the Property as affordable rental housing for low-income and previously homeless families as part of the Homeless Services Continuum of Care Program (the "Continuum");

WHEREAS, in order to improve the Property and operation of both the Property and the Continuum, Authority, Mercy House CHDO, Inc. (an affiliate of MHLC)("MH/CHDO"), and the City of Ontario (the "City") propose the following: (a) Authority sell the Property to MH/CHDO at its fair market value, (b) MH/CHDO rehabilitate the Property, (c) City finance such sale and rehabilitation with the loan of HOME and CDBG Program funds to MH/CHDO, and (d) MH/CHDO continue to operate the Property as affordable rental housing (the "Project");

WHEREAS, Authority, City and MH/CHDO propose to accomplish the actions described above by that certain HOME Program Participation Agreement [Guadalupe Residence/411 N. Parkside Avenue, Ontario, California] dated as of June 21, 2017 (the "HOME Agreement"), a copy of which is on file and available for public inspection in the offices of the Authority;

WHEREAS, Authority has duly considered all of the terms and conditions of the HOME Agreement and believes that the implementation thereof is in the best interests of the community and the health, safety and welfare of its residents; and is in accord with the public purposes and provisions of applicable State and local law and requirements; and

WHEREAS, Authority has reviewed and considered the Project under CEQA.

NOW, THEREFORE, BE IT RESOLVED by the Ontario Housing Authority as follows:

1. The Authority hereby approves the HOME Agreement and authorizes the Executive Director or his designee to (a) make any minor modifications thereto he deems necessary or desirable, (b) execute the HOME Agreement, and (c) take all actions he deems necessary or desirable to implement the HOME Agreement, including, without limitation, executing any and all documents or instruments connected therewith.

2. The Authority finds, under Title of the California Code of Regulations, Section 15061(b)(3), that this action/Project is categorically exempt under CEQA. The Executive Director is hereby directed to file a Notice of Exemption with the Clerk of the County of San Bernardino in accordance with the CEQA Guidelines.

The Secretary of the Ontario Housing Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, CHAIRMAN

ATTEST:

SHEILA MAUTZ, AUTHORITY SECRETARY

APPROVED AS TO FORM:

AUTHORITY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, Secretary of the Ontario Housing Authority, DO HEREBY CERTIFY that the foregoing Resolution No. OHA- was duly passed and adopted by the Board Members of the Ontario Housing Authority at a special meeting held June 21, 2017, by the following roll call vote, to wit:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

SHEILA MAUTZ, AUTHORITY SECRETARY

(SEAL)

The foregoing is the original of Resolution No. OHA duly passed and adopted by the Ontario Housing Authority at special meeting held June 21, 2017.

SHEILA MAUTZ, AUTHORITY SECRETARY

(SEAL)

CITY OF ONTARIO

Agenda Report
June 21, 2017

SECTION:
PUBLIC HEARINGS

SUBJECT: A PUBLIC HEARING FOR APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE ONTARIO HOUSING AUTHORITY AND ONTARIO EMPORIA HOUSING PARTNERS, L.P. FOR THE DEVELOPMENT OF A 75-UNIT HOUSING DEVELOPMENT, LOCATED ON APPROXIMATELY 2.95 ACRES OF LAND BORDERED BY HOLT BOULEVARD ON THE NORTH, FERN AVENUE ON THE EAST, EMPORIA STREET ON THE SOUTH, AND VINE AVENUE ON THE WEST; A GRANT AGREEMENT BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY, IN AN AMOUNT NOT TO EXCEED \$8,428,875; AND RELYING ON PRIOR CEQA DOCUMENTS

RECOMMENDATION: That the City Council ("City") and the Board of the Ontario Housing Authority ("Authority"):

- (A) Adopt the attached resolutions approving the Disposition and Development Agreement ("Agreement") between the Authority and Ontario Emporia Housing Partners, L.P. ("Developer") (on file with the Records Management Department); and
- (B) Approve a Grant Agreement ("Grant Agreement") between the City and the Authority, in an amount not to exceed \$8,428,875 (on file with the Records Management Department); and
- (C) Authorize the City Manager/Executive Director or his designee to sign all documents necessary to implement the Agreements.

COUNCIL GOALS: Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The Developer will purchase the property from the Authority for \$1,835,000. The sales price is supported by an independent appraisal completed by a certified general appraiser.

STAFF MEMBER PRESENTING: Brent D. Schultz, Housing and Municipal Services Director

Prepared by: Julie Bjork
Department: Housing and Municipal Services

City Manager
Approval: 

Submitted to Council/O.H.A. 06/21/2017
Approved: _____
Continued to: _____
Denied: _____

2

The Authority will provide a gap loan of \$10,263,875. The Authority gap loan is a residual receipt note that will be paid back over a 65-year term. The loan will provide \$1,835,000 for the acquisition of the land by the Developer, in the form as a loan carryback. The land purchase principal of \$1,835,000 will have an interest rate at the applicable federal rate that will be set at escrow closing. It is estimated that this interest rate will be approximately 2.75%. The remaining portion of the loan (\$8,428,875) will have zero percent interest rate.

The Authority’s Gap Loan will be disbursed in the following manner:

- (A) At the close of escrow, the funds for the land purchase price (\$1,835,000) will be charged to the Authority’s Gap Loan in the form of a loan carry back. No cash outlay for the land purchase will be required from the Authority. In addition, a lump sum payment of \$7,500,000 will be disbursed to the Developer for the construction of the project.
- (B) Once the Developer submits proof that all City building permit fees have been paid, as required by the Agreement, the Authority will disburse the remaining \$928,875 to the Developer within 30 days.

The City’s Grant Agreement to the Authority will not exceed \$8,428,875. The final grant amount will be memorialized at escrow closing dependent on the availability of Low and Moderate Income Housing Asset Fund (LMIHAF) monies. The Authority will be required to deduct available LMIHAF funds from the final grant amount provided by the City. Currently, the Authority has a balance of \$1,841,417 in LMIHAF funds, which will be deducted from the \$8,428,875 for an anticipated grant amount of \$6,587,458. It is anticipated that the Authority may receive an additional \$1,845,000 in LMIHAF prior to the close of escrow for this project, which would reduce the grant amount to \$4,742,458.

The City’s Grant Agreement to the Authority will be funded from the following sources depending on the balance of the LMIHAF as shown in the table below:

| Funding Source | Funding Amount if LMIHAF Balance is \$1,841,417 | Funding Amount if LMIHAF Balance is \$3,686,417 |
|-------------------------------|--|--|
| New Model Colony In-Lieu Fees | \$4,873,329 | \$3,813,583 |
| HOME | \$785,254 | - - - |
| Development Impact Fee Loan | \$928,875 | \$928,875 |
| SUBTOTAL | \$6,587,458 | \$4,742,458 |
| LMIHAF | \$1,841,417 | \$3,686,417 |
| TOTAL | \$8,428,875 | \$8,428,875 |

If the Developer is unable to secure tax credit funding or if the site remediation activities exceed \$100,000, which are required for the development to proceed, the Authority will purchase from the Developer all of the Developers right title and interest in and to the predevelopment documents at a cost of \$250,000.

BACKGROUND: The Emporia Multifamily Development (“Development”) is located on approximately 2.95 acres of land, containing a two-block area bordered by Holt Boulevard to the north, Fern Avenue to the east, Emporia Street to the south, and Vine Avenue to the west. The Ontario Planning Commission approved the development plan on May 23, 2017. The area is shown on Exhibit A.

The Development offers an opportunity to continue Ontario's efforts to revitalize downtown Ontario with new "urban" high-density residential units. The Ontario Plan ("TOP") identifies this area as the Downtown Mixed Use District. The Downtown Mixed Use District vision is intended to create an intensive mixture of retail, office, and residential uses in a pedestrian friendly atmosphere, while ensuring that the historic character of the district is enhanced, and concentrating the most intense/dense development along Euclid Avenue and Holt Boulevard. The Development location is ideally located to provide high density residential units next to local shopping, public transportation, and other amenities that will enhance the quality of life for the future residents.

The Development will result in the construction of 75 affordable rental housing units for extremely low-, very low-, and low-income families. All of the units in the proposed development will remain affordable for a 55-year period, as required under federal tax credit guidelines and SB 341 for Low and Moderate Income Housing Agency Funds (LMIHAF) obligations. A breakdown of the current fiscal year rent scheduled and unit mix is attached as Exhibit B. Rent increases are allowed to be adjusted annually by the percentage increase in incomes established by the U.S. Department of Housing and Urban Development ("HUD") for the San Bernardino Metropolitan Statistical Area.

The developer is Ontario Emporia Housing Partners, L.P., an affiliate of Related California, located in Irvine, California. Related California ("Developer") has a 25-year history of delivering mixed-income and mixed-use developments across California. The company has developed over 10,000 housing units within California with a history of long-term ownership.

Financing of the Development is expected to utilize the Federal Low-Income Housing Tax Credit ("LIHTC") program, as a primary source of project funding. This program is administered by the California Tax Credit Allocation Committee ("CTCAC") with tax credits (sold to fund project equity) allocated through a complex, competitive process. Applications for the federal income tax credit program are due on June 28, 2017. The award of funds will be announced during September 2017. If an allocation of tax credits is awarded, the Developer estimates construction will begin no later than March 2018, and would be completed within approximately 15 months from the start of construction. However, if unsuccessful in receiving an allocation this round, the Developer will have up to two additional opportunities to submit an application for tax credits. After completion of the project, Agency staff will monitor the Development annually to certify that rents remain affordable and that the project is being properly maintained.

The estimated total development construction cost is \$30,479,913. The following is a breakdown of the permanent funding sources for the Project: Tax Credit Equity (\$19,471,038), Private Financing (\$745,000), and Authority Gap Loan (\$10,263,875). The repayment of the Authority gap loan will be paid through the distribution of the net cash flow. The Authority will receive 85% of the cash flow for loan repayment and the remaining 15% will be retained by the Developer. The Developer will be required to provide an independent audit at the conclusion of the construction. Any costs savings will result in a payment towards an operating reserve account for the project.

The Development has been designed with the highest level of architectural features to provide exceptional benefits to the City. The Developer has carefully designed the Development with an architectural style that is a modern interpretation of the craftsman style, exemplified through the use of exposed beams, gabled roofs and trellis construction. The site plan has also been designed to preserve the eight mature Camphor trees and one mature Cork Oak tree on site and will incorporate the rock curb

into the project to the extent possible within open space areas. Copies of the proposed site plan and architectural elevations are attached as Exhibit C.

The Development also includes a 3,000 sq. foot community center and pool. The Developer has contracted with Life Skills Training and Educational Programs, Inc. (LifeSTEPS) to provide social services at the community center designed to empower residents with the skills to create healthier, happier, and more sustainable lives. These social services will include adult education and afterschool programs for children. The adult education will include classes on health/wellness, financial literacy, computer training, on-site food cultivation and preparation, and homebuyer education. The afterschool programs will provide tutoring, mentoring, and recreation activities throughout the school year.

The Planning Commission has reviewed the Project and found that the location, purpose, and extent of the disposition is consistent with the General Plan. On April 25, 2017, the Planning Commission held a public hearing to consider File No. PUD17-001, a Planned Unit Development to establish development standards and guidelines to facilitate the development of the site. On May 23, 2017, the Planning Commission held a public hearing to consider Tentative Parcel Map (PM 19302) to consolidate 11 lots and the vacation of Transit Street, between Vine and Fern Avenues, into a single parcel to facilitate the development of the site. Following the public hearing, the Planning Commission adopted a resolution finding, among other things, that the Development is consistent with the General Plan of the City.

The project will also provide for an initial marketing preference for Ontario residents.

The site contains one standing building, located at 113 S. Vine Avenue. The Developer is responsible for the demolition of this site. The Authority is responsible, up to \$100,000 for the removal and remediation of underground storage tanks, former hydraulic lifts, and soil anomalies that have been identified in Environmental Site Assessments. The Agreement provides that the Authority shall be required to expend up to \$100,000 for the removal of these items. If the costs exceed this amount, the Authority may terminate the agreement after the parties meet and confer by no later than September 15, 2017.

Environmental Review

The environmental impacts of this project were previously reviewed in conjunction with a Planned Unit Development, File No. PUD17-001, to establish development standards and guidelines to facilitate the future development of a high density residential apartment project at a density of approximately 25.4 dwelling units per acre on this site. An Addendum to The Ontario Plan Environmental Impact Report (SCH No. 2008101140) was adopted by the City Council on May 16, 2017. This proposed project does not contemplate any actions that would require the preparation of a subsequent or supplemental environmental document under State CEQA Guidelines sections 15162, 15163, and 15164. The proposed project is consistent with the development scenarios identified and analyzed within the EIR and no further CEQA environmental review is required. Specifically: (1) execution of the Disposition Development Agreement (DDA) will not result in substantial changes in the project which will require major revisions of the TOP EIR; (2) no substantial changes have occurred with respect to the circumstances under which the project is undertaken requiring major revisions of the TOP EIR have occurred; and (3) no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the TOP EIR was certified has come to light.

Staff has also completed an environmental assessment pursuant to National Environmental Protection Agency (NEPA) requirements. A Finding of No Significant Impact (FONSI) was issued. No subsequent or supplemental environmental reviews will be required under federal NEPA guidelines.

EXHIBIT A
PROJECT SITE



Not to Scale

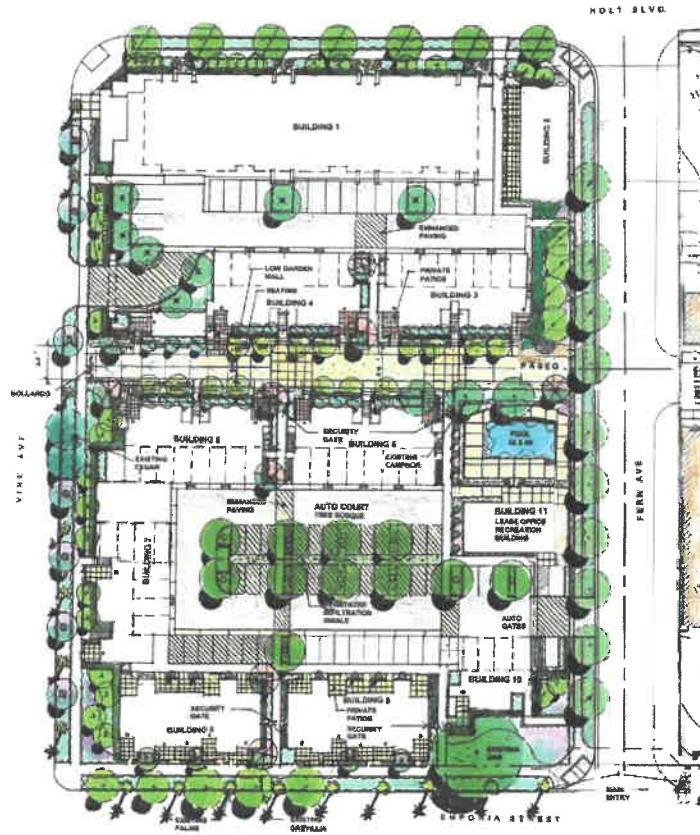


**EXHIBIT B
UNIT DISTRIBUTION**

| Emporia Multifamily Affordability Restrictions and Net Rents | | | | | |
|---|------------|------------|------------|------------|------------------------------|
| | 1BR | 2BR | 3BR | 4BR | Total Number of Units |
| 30% of AMI Units | | | | | |
| # of Units | 1 | 4 | 2 | 1 | 8 |
| Est. Net Rent | \$301 | \$349 | \$398 | \$434 | |
| 40% of AMI Units | | | | | |
| # of Units | 3 | 8 | 4 | 0 | 15 |
| Est. Net Rent | \$422 | \$495 | \$566 | N/A | |
| 50% of AMI Units | | | | | |
| # of Units | 6 | 16 | 8 | 1 | 31 |
| Est. Net Rent | \$543 | \$640 | \$733 | \$809 | |
| 60% of AMI Units | | | | | |
| # of Units | 3 | 10 | 6 | 1 | 20 |
| Est. Net Rent | \$664 | \$785 | \$901 | \$996 | |
| Property Manager Unit | | 1 | | | |
| TOTAL UNITS | 13 | 39 | 20 | 3 | 75 |
| <i>Rents and income limits are subject to change annually.</i> | | | | | |

EXHIBIT C

SITE PLAN AND ELEVATIONS





RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH ONTARIO EMPORIA HOUSING PARTNERS, L.P., FOR DEVELOPMENT OF A MULTIFAMILY, RENTAL HOUSING PROJECT AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

WHEREAS, pursuant to the California Community Redevelopment Law (Health & Safety Code Sections 33000 et seq.) ("CRL"), the City Council of the City of the City of Ontario ("City") approved and adopted that certain Redevelopment Plan ("Redevelopment Plan") for the Center City Redevelopment Project Area ("Project Area"); and

WHEREAS, the Redevelopment Agency of the City of Ontario (the "Agency") was, at the time the Agency dissolved on February 1, 2012 pursuant to Section 34172 of the Health and Safety Code, the owner of a certain, approximately 2.95 acre site bounded by W. Holt Blvd. on the north, S. Fern Ave. on the east, W. Emporia St. on the south and S. Vine Avenue on the west (the "Property") as more particularly described in Exhibit "A" to this Resolution, which property the Agency had acquired with low and moderate income housing funds to be developed in a manner that would provide affordable housing in the City; and

WHEREAS, the Authority ("Authority"), pursuant to Health and Safety Code Section 34176, has been designated as the successor to the Agency in carrying out the housing functions and responsibilities of the Agency, and as a result the Property was transferred to the Authority to be developed in a manner that would provide affordable housing; and

WHEREAS, in order to implement its purpose, the Authority proposes to enter into a certain Disposition and Development Agreement (the "DDA"), dated as of June 21, 2017, with Ontario Emporia Housing Partners, L.P. (the "Developer"), pursuant to which (a) the Authority would sell to Developer the Property, and (b) the Developer will develop thereon an approximately 75-unit, multifamily, affordable, rental housing project (the "Project"); and

WHEREAS, the Project is consistent with the Housing Element of the General Plan of the City of Ontario and with the City's Consolidated Plan; and

WHEREAS, in connection with the DDA, Authority has prepared and the City Council has reviewed and considered a summary report setting forth:

- (1) the cost of the DDA to the Authority;
- (2) the estimated value of the interests to be sold to Developer, determined at the highest and best uses permitted by law;

(3) the estimated value of the interests to be sold, determined at the uses and with the conditions, covenants and development costs required by the sale; and

(4) the consideration payable for the Property;

WHEREAS, the DDA contains all of the terms, covenants, conditions, restrictions, obligations and provisions required by state and local law; and

WHEREAS, pursuant to the California Environmental Quality Act ("CEQA"), the City of Ontario, on May 16, 2017, certified that certain Addendum to The Ontario Plan Environmental Impact Report (the "EIR"); and

WHEREAS, (a) the environmental impacts of the Project were previously reviewed by the City of Ontario in conjunction with a Planned Unit Development File No. PUD17-001, to establish development standards and guidelines to facilitate the future development of a high-density residential apartment project at a ratio of approximately 25.4 dwelling units per acre on this site; (b) this Project does not contemplate any actions that would require the preparation of a subsequent or supplemental environmental document under State CEQA Guidelines; and (c) the proposed Project is consistent with the development scenarios identified within the EIR and no further CEQA review is required; and

WHEREAS, the City Council has reviewed the EIR and duly considered all of the terms and conditions of the DDA and believes that the Project is in the best interests of the City of Ontario and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of applicable state and local law and requirements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario as follows:

1. The City Council hereby finds that the Project will not cause significant environmental impacts not considered by the EIR.

2. The City Council hereby finds and determines that the sale and development of the Property will provide housing for very low and low-income persons and is consistent with Authority's obligations under the CRL and the California Housing Authority Law.

3. The City Council hereby finds and determines that, based on substantial evidence in the record before it, the consideration for the Authority's disposition of the Property pursuant to the DDA is not less than either the fair market or fair reuse value in accordance with conditions, covenants, and development costs required under the DDA.

4. The DDA, a copy of which is on file with the Secretary of the Authority, is hereby approved with such minor changes, additions or deletions as may be approved by the Authority's Executive Director and General or Special Counsel.

The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2017- was duly passed and adopted by the City Council of the City of Ontario at special meeting held June 21, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2017- duly passed and adopted by the Ontario City Council at a special meeting held June 21, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 5 AND 6 AND THE NORTH 40 FEET OF LOTS 7 AND 8 OF BLOCK 56, ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-051-01-0-000

PARCEL 2:

LOTS 1, 2, 3, 4, 9, 10, 11 AND 12, BLOCK 56, ACCORDING TO MAP OF TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-051-02-0-000

PARCEL 3:

THE SOUTH 49 FEET OF LOTS 7 AND 8, BLOCK 56 OF THE TOWN OF ONTARIO, IN THE CITY OF ONTARIO, AS SHOWN BY MAP ON FILE IN BOOK 9 PAGE 43, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 1049-051-03-0-000

PARCEL 4:

THE WEST 3.34 FEET OF THE NORTH 30 FEET OF THE SOUTH 34 FEET OF LOT 4, BLOCK 57, TOWN OF ONTARIO, IN THE CITY OF ONTARIO, AS PER MAP RECORDED IN BOOK 9, PAGE 43 OF MAPS IN THE OFFICE OF OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 1049-052-03-0-000

PARCEL 5:

LOT 6, BLOCK 57, TOWN OF ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTH 40 FEET THEREOF.

APN: 1049-052-10-0-000

PARCEL 6:

LOT 5, BLOCK 57, TOWN OF ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTH 40 FEET THEREOF AND ALSO EXCEPT THE WEST 4 FEET OF THE SOUTH 40 FEET THEREOF.

APN: 1049-052-10-0-000

PARCEL 7:

LOTS 1, 2, 3, 10, 11 AND 12, IN BLOCK 57, TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-052-04-0-000

PARCEL 8:

LOT 4, BLOCK 57, TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

EXCEPTING THE SOUTH 4 FEET.

ALSO EXCEPTING THE WEST 4 FEET OF THE SOUTH 40 FEET THEREOF.

APN: 1049-052-09-0-000

PARCEL 9:

THE SOUTH 50 FEET OF LOTS 7, 8 AND 9, BLOCK 57, ACCORDING TO MAP OF TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-052-05-0-000

PARCEL 10:

THE SOUTH 40 FEET OF LOTS 5 AND 6 AND THE SOUTH 40 FEET OF THE WEST 4 FEET OF LOT 4, BLOCK 57 OF THE TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9, PAGE 43 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

SAVING AND EXCEPTING THE SOUTH 4 FEET THEREOF.

ALSO SAVING AND EXCEPTING THE WEST 3.34 FEET OF THE NORTH 30 FEET OF THE SOUTH 34 FEET OF SAID LOT 4.

APN: 1049-052-08-0-000

PARCEL 11:

LOTS 7, 8 AND 9 AND THE SOUTH 4 FEET OF LOTS 4, 5 AND 6, BLOCK 57 IN THE TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9, PAGE 43, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THE SOUTH 50 FEET OF SAID LOTS 7, 8 AND 9.

APN: 1049-052-06-0-000 AND 1049-052-07-0-000

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH ONTARIO EMPORIA HOUSING PARTNERS, L.P., FOR DEVELOPMENT OF A MULTIFAMILY, RENTAL HOUSING PROJECT AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

WHEREAS, the Ontario Housing Authority (the "Authority") was created to, among other things, support and promote the development of housing in the community; and

WHEREAS, pursuant to the California Community Redevelopment Law (Health & Safety Code Sections 33000 et seq.) ("CRL"), the City Council of the City of the City of Ontario ("City") approved and adopted that certain Redevelopment Plan ("Redevelopment Plan") for the Center City Redevelopment Project Area ("Project Area"); and

WHEREAS, the Redevelopment Agency of the City of Ontario (the "Agency") was, at the time the Agency dissolved on February 1, 2012 pursuant to Section 34172 of the Health and Safety Code, the owner of a certain, approximately 2.95 acre site bounded by W. Holt Blvd. on the north, S. Fern Ave. on the east, W. Emporia St. on the south and S. Vine Avenue on the west (the "Property") as more particularly described in Exhibit "A" to this Resolution, which property the Agency had acquired with low and moderate income housing funds to be developed in a manner that would provide affordable housing in the City; and

WHEREAS, the Authority ("Authority"), pursuant to Health and Safety Code Section 34176, has been designated as the successor to the Agency in carrying out the housing functions and responsibilities of the Agency, and as a result the Property was transferred to the Authority to be developed in a manner that would provide affordable housing; and

WHEREAS, in order to implement its purpose, the Authority proposes to enter into a certain Disposition and Development Agreement (the "DDA"), dated as of June 21, 2017, with Ontario Emporia Housing Partners, L.P. (the "Developer"), pursuant to which (a) the Authority would sell to Developer the Property, and (b) the Developer will develop thereon an approximately 75-unit, multifamily, affordable, rental housing project (the "Project"); and

WHEREAS, the Project is consistent with the Housing Element of the General Plan of the City of Ontario and with the City's Consolidated Plan; and

WHEREAS, in connection with the DDA, Authority has prepared, reviewed and considered a summary report setting forth:

- (1) The cost of the DDA to the Authority;
- (2) The estimated value of the interests to be sold to Developer, determined at the highest and best uses permitted by law;
- (3) The estimated value of the interests to be sold, determined at the uses and with the conditions, covenants and development costs required by the sale; and
- (4) The consideration payable for the Property;

WHEREAS, the DDA contains all of the terms, covenants, conditions, restrictions, obligations and provisions required by state and local law; and

WHEREAS, pursuant to the California Environmental Quality Act ("CEQA"), the City of Ontario, on May 16, 2017, certified that certain Addendum to The Ontario Plan Environmental Impact Report (the "EIR"); and

WHEREAS, (a) the environmental impacts of the Project were previously reviewed by the City of Ontario in conjunction with a Planned Unit Development File No. PUD17-001, to establish development standards and guidelines to facilitate the future development of a high-density residential apartment project at a ratio of approximately 25.4 dwelling units per acre on this site; (b) this Project does not contemplate any actions that would require the preparation of a subsequent or supplemental environmental document under State CEQA Guidelines; and (c) the proposed Project is consistent with the development scenarios identified within the EIR and no further CEQA review is required; and

WHEREAS, Authority has reviewed the EIR and duly considered all of the terms and conditions of the DDA and believes that the Project is in the best interests of the City of Ontario and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of applicable state and local law and requirements.

NOW, THEREFORE, BE IT RESOLVED by the Ontario Housing Authority as follows:

1. The Authority hereby finds that the Project will not cause significant environmental impacts not considered by the EIR.
2. The Authority hereby finds and determines that the sale and development of the Property pursuant to the DDA will provide housing for very low and low-income persons and is consistent with Authority's obligations under the CRL and the California Housing Authority Law.
3. The Authority hereby finds and determines that, based on substantial evidence in the record before it, the consideration for the Authority's disposition of the

Property pursuant to the DDA is not less than either the fair market or fair reuse value in accordance with conditions, covenants, and development costs required under the DDA.

4. The DDA, a copy of which is on file with the Secretary of the Authority, is hereby approved with such minor changes, additions or deletions as may be approved by the Authority's Executive Director and General or Special Counsel, and the Executive Director is hereby authorized and directed to execute said DDA on behalf of the Authority.

5. The Executive Director is hereby (a) directed to file a Notice of Determination for the Project under CEQA, and (b) also authorized to take such actions and execute such documents and instruments as he deems necessary or desirable for implementation of the DDA.

The Secretary of the Ontario Housing Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, CHAIRMAN

ATTEST:

SHEILA MAUTZ, AUTHORITY SECRETARY

APPROVED AS TO FORM:

AUTHORITY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, Secretary of the Ontario Housing Authority, DO HEREBY CERTIFY that the foregoing Resolution No. OHA- was duly passed and adopted by the Board Members of the Ontario Housing Authority at a special meeting held June 21, 2017 by the following roll call vote, to wit:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

SHEILA MAUTZ, AUTHORITY SECRETARY

(SEAL)

The foregoing is the original of Resolution No. OHA duly passed and adopted by the Ontario Housing Authority at a special meeting held June 21, 2017.

SHEILA MAUTZ, AUTHORITY SECRETARY

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS 5 AND 6 AND THE NORTH 40 FEET OF LOTS 7 AND 8 OF BLOCK 56, ONTARIO CITY, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-051-01-0-000

PARCEL 2:

LOTS 1, 2, 3, 4, 9, 10, 11 AND 12, BLOCK 56, ACCORDING TO MAP OF TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-051-02-0-000

PARCEL 3:

THE SOUTH 49 FEET OF LOTS 7 AND 8, BLOCK 56 OF THE TOWN OF ONTARIO, IN THE CITY OF ONTARIO, AS SHOWN BY MAP ON FILE IN BOOK 9 PAGE 43, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 1049-051-03-0-000

PARCEL 4:

THE WEST 3.34 FEET OF THE NORTH 30 FEET OF THE SOUTH 34 FEET OF LOT 4, BLOCK 57, TOWN OF ONTARIO, IN THE CITY OF ONTARIO, AS PER MAP RECORDED IN BOOK 9, PAGE 43 OF MAPS IN THE OFFICE OF OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 1049-052-03-0-000

PARCEL 5:

LOT 6, BLOCK 57, TOWN OF ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTH 40 FEET THEREOF.

APN: 1049-052-10-0-000

PARCEL 6:

LOT 5, BLOCK 57, TOWN OF ONTARIO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTH 40 FEET THEREOF AND ALSO EXCEPT THE WEST 4 FEET OF THE SOUTH 40 FEET THEREOF.

APN: 1049-052-10-0-000

PARCEL 7:

LOTS 1, 2, 3, 10, 11 AND 12, IN BLOCK 57, TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-052-04-0-000

PARCEL 8:

LOT 4, BLOCK 57, TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

EXCEPTING THE SOUTH 4 FEET.

ALSO EXCEPTING THE WEST 4 FEET OF THE SOUTH 40 FEET THEREOF.

APN: 1049-052-09-0-000

PARCEL 9:

THE SOUTH 50 FEET OF LOTS 7, 8 AND 9, BLOCK 57, ACCORDING TO MAP OF TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 9 OF MAPS, PAGE 43, RECORDS OF SAID COUNTY.

APN: 1049-052-05-0-000

PARCEL 10:

THE SOUTH 40 FEET OF LOTS 5 AND 6 AND THE SOUTH 40 FEET OF THE WEST 4 FEET OF LOT 4, BLOCK 57 OF THE TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9, PAGE 43 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

SAVING AND EXCEPTING THE SOUTH 4 FEET THEREOF.

ALSO SAVING AND EXCEPTING THE WEST 3.34 FEET OF THE NORTH 30 FEET OF THE SOUTH 34 FEET OF SAID LOT 4.

APN: 1049-052-08-0-000

PARCEL 11:

LOTS 7, 8 AND 9 AND THE SOUTH 4 FEET OF LOTS 4, 5 AND 6, BLOCK 57 IN THE TOWN OF ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9, PAGE 43, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTH 50 FEET OF SAID LOTS 7, 8 AND 9.

APN: 1049-052-06-0-000 AND 1049-052-07-0-000

CITY OF ONTARIO

Agenda Report
June 21, 2017

SECTION:
ADMINISTRATIVE REPORTS/
DISCUSSION/ACTION

SUBJECT: REVIEW AND ADOPTION OF THE CITY'S FISCAL YEAR 2017-18 BUDGET AND APPROVAL OF BUDGET-RELATED ACTIONS

RECOMMENDATION: That the City Council and Housing Authority Board:

- (A) Adopt resolutions establishing the appropriations limit of the City of Ontario for Fiscal Year 2017-18 and approve the operating budgets of the City of Ontario and Ontario Housing Authority for Fiscal Year 2017-18;
- (B) Approve the annual budget of the Redevelopment Successor Agency for Fiscal Year 2017-18; and
- (C) Approve the annual budget of the Ontario Convention Center for Fiscal Year 2017-18.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: The Proposed Operating Budget for Fiscal Year 2017-18 is \$510,264,998 for the City of Ontario (this amount includes \$228,677,218 in the General Fund and \$281,587,780 in the other fund types that includes Special Revenue, Capital Projects, Enterprise, and Internal Services). The Proposed Operating Budget for Fiscal Year 2017-18 is \$1,368,007 for the Ontario Housing Authority and is \$12,920,979 for the Redevelopment Successor Agency. The total overall proposed budgets for Fiscal Year 2017-18 are \$524,553,984.

BACKGROUND: A summary of the proposed sources and uses of funds, programmed activities, and recommended projects is provided in the City Manager's Budget Transmittal letter contained within the budget document.

State law mandates that certain City appropriations be subject to an annual spending limit (GANN Limit). The City's appropriation limit was first established in 1978 and has been adjusted annually by certain growth factors, such as the consumer price index, California per capita income, and population change in the City or County. Based on these factors, the City's appropriation limit for Fiscal Year 2017-18 is

STAFF MEMBER PRESENTING: Grant D. Yee, Administrative Services/Finance Director

Prepared by: Doreen M. Nunes
Department: Fiscal Services

City Manager
Approval: 

Submitted to Council/O.H.A. 06/21/2017

Approved: _____

Continued to: _____

Denied: _____

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\$272,640,487. The appropriations included in the proposed budget for Fiscal Year 2017-18 that are subject to the spending limit total \$145,728,856 and fall within the State guidelines.

The approval of the budget resolutions will provide the policy direction from the Mayor and Council for the City of Ontario, and the Executive Board for the Ontario Housing Authority to commit resources necessary to provide services within the City. Included in the proposed operating budget is the City's Fixed Asset Management Policy, which has been updated to include an Impairment of Fixed Assets section. The proposed operating budget for the General Fund is structurally balanced and does not commit to spending more than a conservative estimate of revenues.

Pursuant to the Management Agreement, SMG's annual operating budget of the Ontario Convention Center is subject to approval by the City Council, and is proposed for Fiscal Year 2017-18 at \$8,129,115. The annual funding support pertaining to the Convention Center as well as Visitors Bureau for Fiscal Year 2017-18 is projected at \$1,301,727.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CITY OF ONTARIO FOR FISCAL YEAR 2017-18.

WHEREAS, Section 1.5 of Article XIII B of the Constitution of the State of California imposes upon units of State and Local Government the obligation to limit each fiscal year's appropriations of the proceeds of taxes to the amount of such appropriations in Fiscal Year 1986-87 as adjusted for changes in cost of living and population; and

WHEREAS, Section 7910 of the Government Code of the State of California directs the governing body of each local jurisdiction to establish its appropriation limit by resolution each year; and

WHEREAS, said section of the Government Code allows the governing body to choose between various factors to be used in the calculation of said appropriation limit; and

WHEREAS, the Administrative Services/Finance Director of the City of Ontario has determined the City's appropriations limit for Fiscal Year 2017-18 in accordance with the said provisions of the Constitution and laws of the State of California and the documentation used in said determination has been available to the public since June 7, 2017, in the office of the Administrative Services/Finance Director.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario, as follows: (1) calculation of said limit for the City shall be determined by using the California Per Capita Income and the population growth of the County of San Bernardino, both as determined by the California Department of Finance; and (2) based upon the factors, the appropriations limit of the City of Ontario for the Fiscal Year 2017-18 is hereby found and determined to be \$272,640,487.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2017- was duly passed and adopted by the City Council of the City of Ontario at a special meeting held June 21, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2017- duly passed and adopted by the Ontario City Council at a special meeting held June 21, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE OPERATING BUDGET OF SAID CITY FOR THE FISCAL YEAR 2017-18.

WHEREAS, the General Fund group is comprised of the General Fund and General Fund Trust; and

WHEREAS, the Special Revenue Funds group is comprised of the following funds: Quiet Home Program, Gas Tax, Measure I, Park Impact/Quimby, Community Development Block Grant, HOME Grants, Asset Seizure, Neighborhood Stabilization Program, Assessment District Administration, Mobile Source Air, General Fund Grants, Building Safety, Parkway Maintenance, Storm Drain District, Old Model Colony Community Facilities District No. 21-Parkside Services, New Model Colony Community Facilities District No. 31-Lennar Services, New Model Colony Community Facilities District No. 23-Park Place Services, New Model Colony Community Facilities District No. 24-Park Place Facilities Phase 1, New Model Colony Community Facilities District No. 27-New Haven Services, New Model Colony Community Facilities District No. 28-New Haven Facilities Area A, Old Model Colony Community Facilities District No. 20-Walmart Services, Street Light Maintenance, Old Model Colony Community Facilities District No. 10-Airport Tower Services, New Model Colony Community Facilities District No. 9-Edenglen Services, Facility Maintenance, Storm Drain Maintenance, Historic Preservation, and New Model Colony Public Services; and

WHEREAS, the Capital Project Funds group is comprised of the following funds: Ground Access, Capital Projects, Law Enforcement Impact, Solid Waste Impact, General Facility Impact, Library Impact, Public Meeting Impact, Aquatic Impact, Species Habitat Impact, Affordability In-Lieu, Old Model Colony-Regional Streets, Old Model Colony-Local Adjacent Streets, Old Model Colony-Regional Storm Drains, Old Model Colony-Local Adjacent Storm Drains, Old Model Colony-Regional Water, Old Model Colony-Local Adjacent Water, Old Model Colony-Regional Sewer, Old Model Colony-Local Adjacent Sewer, Old Model Colony Fire Impact, New Model Colony-Regional Streets, New Model Colony-Local Adjacent Streets, New Model Colony-Regional Storm Drains, New Model Colony-Local Adjacent Storm Drains, New Model Colony-Regional Water, New Model Colony-Local Adjacent Water, New Model Colony-Regional Sewer, New Model Colony-Local Adjacent Sewer, New Model Colony-Regional Fiber, New Model Colony-Local Adjacent Fiber, New Model Colony-Fire Impact, New Model Colony-Developer Deposits, and Old Model Colony-Developer Deposits; and

WHEREAS, the Enterprise Funds group is comprised of the following funds: Water Operating, Water Capital, Sewer Operating, Sewer Capital, Solid Waste, and Solid Waste Facilities, and Information Technology Fiber; and

WHEREAS, the Internal Service Funds group is comprised of the following funds: Equipment Services, Self Insurance, Information Technology, and Other Post Employment Benefits; and

NOW THEREFORE, be it resolved, that the City's Operating Budget for the Fiscal Year 2017-18, submitted by the City Manager to the City Council, is herewith adopted for the City of Ontario for the Fiscal Year 2017-18.

NOW, THEREFORE, be it also resolved, that the 2017-18 Operating Budget Appropriations are as follows:

| | |
|------------------------|----------------------|
| General Fund | \$228,677,218 |
| Special Revenue Funds | 24,281,448 |
| Capital Project Funds | 32,154,320 |
| Enterprise Funds | 179,197,004 |
| Internal Service Funds | <u>45,955,008</u> |
| Total Operating Budget | <u>\$510,264,998</u> |

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2017- was duly passed and adopted by the City Council of the City of Ontario at a special meeting held June 21, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2017- duly passed and adopted by the Ontario City Council at a special meeting held June 21, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

RESOLUTION NO. OHA-_____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR 2017-18.

WHEREAS, Ontario Housing Authority is comprised of the Housing Authority Fund and the Housing Asset Fund with a total appropriation of \$1,368,007 for departmental activities, shall be as set forth in the budget summaries; and

WHEREAS, the Authority hereby determines, in accordance with Section 33334.3(d) of the California Redevelopment Law, that the planning and administrative expenses provided in the Budget to be made from the Low and Moderate Income Housing Fund are necessary for the production, improvement, or preservation of low-and-moderate income housing.

NOW, THEREFORE, be it resolved, determined, and ordered by the Housing Authority of the City of Ontario that the Housing Authority's Operating Budget for the Fiscal Year 2017-18, submitted by the Executive Director to the Housing Authority, is herewith adopted for the Housing Authority of the City of Ontario for the Fiscal Year 2017-18.

NOW, THEREFORE, be it also resolved, that the 2017-18 Operating Budget Appropriation is \$1,368,007

The Secretary of the Ontario Housing Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, CHAIRMAN

ATTEST:

SHEILA MAUTZ, AUTHORITY SECRETARY

APPROVED AS TO FORM:

AUTHORITY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, Secretary of the Ontario Housing Authority, DO HEREBY CERTIFY that the foregoing Resolution No. OHA- was duly passed and adopted by the Board Members of the Ontario Housing Authority at a special meeting held June 21, 2017, by the following roll call vote, to wit:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

SHEILA MAUTZ, AUTHORITY SECRETARY

(SEAL)

The foregoing is the original of Resolution No. OHA- duly passed and adopted by the Ontario Housing Authority at a special meeting held June 21, 2017.

SHEILA MAUTZ, AUTHORITY SECRETARY

(SEAL)

CITY OF ONTARIO

Agenda Report
June 21, 2017

SECTION:
ADMINISTRATIVE DISCUSSION/
ACTIONS/REPORTS

SUBJECT: A RESOLUTION APPROVING THE 2018-2022 FIVE-YEAR CAPITAL IMPROVEMENT EXPENDITURE PLAN AND EXPENDITURE STRATEGY

RECOMMENDATION: That the City Council adopt a resolution approving the 2018-2022 Measure I Five –Year Capital Improvement Expenditure Plan and Expenditure Strategy.

COUNCIL GOALS: Focus Resources in Ontario’s Commercial and Residential Neighborhoods Pursue City’s Goals and Objectives by Working with Other Governmental Agencies Invest in the City’s Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: This is an expenditure plan to spend the City’s Measure I Local Pass-Through Funds for Fiscal Years 2017-18 through 2021-22. The City’s Measure I fund balance as of June 30, 2017 is \$1,563,780 and revenue of \$2,957,411 is anticipated for the FY 2017-18. The annual revenues for FY 2017-18 through FY 2021-22 are expected to average approximately \$3.14 million. The total amount available to the City of Ontario during the five-year period from 2018 through 2022 is estimated to be \$15.7 million.

BACKGROUND: In November 2004, the voters of San Bernardino County approved a thirty-year extension (2010-2040) to Measure I, a ballot measure providing for a one-half cent sales tax increase to provide funding for county-wide transportation infrastructure improvement projects and traffic management programs. The local pass-through funds are distributed on a per capita basis. In order to receive and expend the local funds, each jurisdiction is required to adopt by resolution a five-year capital improvement expenditure plan and an expenditure strategy. The planned projects must be consistent with the City’s Master Plan of Streets. This year’s updated plan will provide expenditure guidance through June 30, 2022.

The projects in the Five-Year Plan for 2018-2022 (attached as Exhibit A of the resolution) are consistent with the City’s Capital Improvement Program that is being considered by the City Council concurrent with this action. The FY 2017-18 cost estimate is limited to anticipated budget revenues plus available

STAFF MEMBER PRESENTING: Louis Abi-Younes, P.E. City Engineer

Prepared by: Nabil Kassih, PE
Department: Engineering

City Manager
Approval: 

Submitted to Council/O.H.A. 06/21/2017

Approved: _____

Continued to: _____

Denied: _____

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fund balance for the current year. The FY 2018-19 through FY 2021-22 cost estimates are provided for planning purposes only.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO,
CALIFORNIA, ADOPTING THE 2018-2022 MEASURE I FIVE-YEAR
CAPITAL IMPROVEMENT PLAN.

WHEREAS, San Bernardino County voters approved passage of Measure I in November 2004, authorizing San Bernardino County Transportation Authority to impose a one-half of one percent retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of San Bernardino; and

WHEREAS, Revenue from the tax can only be used for transportation improvements and traffic management programs authorized in the Expenditure Plans set forth in Ordinance No. 04-1 of the Authority; and

WHEREAS, the Strategic Plan requires each local jurisdiction applying for revenue from the Local Streets Program to annually adopt and update a Five-Year Capital Improvement Plan; and

WHEREAS, California Public Utilities Code 190300 and Ordinance No. 04-1 require each local jurisdiction to maintain General Fund expenditures for transportation-related construction and maintenance activities at the required Maintenance of Effort base year level in each fiscal year of the adopted Five-Year Capital Improvement Plan, which for the City of Ontario is \$4,214,559 in Fiscal Year 2008-09; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ontario, California, that the Measure I Five-Year Capital Improvement Plan, for Fiscal Years 2017-18 through 2021-22, attached to this resolution as Exhibit A, is hereby adopted.

BE IT FURTHER RESOLVED that the City's Expenditure Strategy, attached as Exhibit B, is hereby adopted in conformance with the Measure I program.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2017- was duly passed and adopted by the City Council of the City of Ontario at their special meeting held June 21, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2017- duly passed and adopted by the Ontario City Council at a special meeting held June 21, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

**EXHIBIT A
CITY OF ONTARIO - SBCTA
MEASURE I - 5 YEAR PLAN FOR 2018-2022**

FISCAL YEAR 2016-2017 (CARRYOVER)

| | | |
|---|-------------------------------------|---------------------------|
| Bon View Avenue | Francis Street to Mission Boulevard | \$696,000 |
| Milliken Avenue | Mission Blvd to Francis Street | \$470,000 |
| Milliken Avenue | SR 60 to Ontario Ranch Road | \$550,000 |
| Sixth Street | Grove Avenue to Glenn Avenue | \$221,000 |
| Archibald Avenue | Inland Empire Blvd to Fourth Street | \$460,000 |
| <u>Total Pavement Rehabilitation Projects</u> | | <u>\$2,397,000</u> |
| FY 2016/2017 Slurry Seal Program | Including Alley and Bridge Repairs | \$674,775 |
| FY 2016-2017 Pavement Projects | | <u>\$3,071,775</u> |

FISCAL YEAR 2017-2018

| | | |
|---|--------------------------------------|---------------------------|
| Sixth Street | Glenn Avenue to CC Channel | \$750,000 |
| Baker Street | Sixth Street to Seventh Street | \$185,000 |
| Vineyard Avenue | Sixth Street to Seventh Street | \$195,000 |
| Chino Avenue | Grove Avenue to Ontario Avenue | \$550,000 |
| Schaefer Avenue | Euclid Avenue to Vineyard Avenue | \$600,000 |
| Eucalyptus Avenue | Euclid Avenue to Grove Avenue | \$450,000 |
| Bon View Avenue | Edison Avenue to Merrill Avenue | \$275,000 |
| Walker Avenue | Riverside Drive to Eucalyptus Avenue | \$550,000 |
| <u>Total Pavement Rehabilitation Projects</u> | | <u>\$3,555,000</u> |
| FY 2017/2018 Slurry Seal Program | Including Alley and Bridge Repairs | \$300,000 |
| Total for FY 2017-2018 | | <u>\$3,855,000</u> |

FISCAL YEAR 2018-2019

| | | |
|---|--|---------------------------|
| Holt Blvd | Convention Center Way to Vineyard Avenue | \$500,000 |
| Jurupa Avenue | Haven Avenue to Turner Avenue | \$550,000 |
| Oakland Avenue | Mission Boulevard to Phillips Avenue | \$330,000 |
| Cedar Street | Baker Avenue to Vineyard Avenue | \$260,000 |
| Philadelphia Street | Mountain Avenue to San Antonio Avenue | \$420,000 |
| Francis Street | San Antonio Avenue to Mountain Avenue | \$395,000 |
| Philadelphia Street | Archibald Avenue to Turner Avenue | \$437,000 |
| <u>Total Pavement Rehabilitation Projects</u> | | <u>\$2,892,000</u> |
| FY 2018/2019 Slurry Seal Program | Including Alley and Bridge Repairs | \$650,000 |
| Total for FY 2018-2019 | | <u>\$3,542,000</u> |

FISCAL YEAR 2019-2020

| | | |
|---|------------------------------------|---------------------------|
| Concours Street | Haven Avenue to Milliken Avenue | \$1,100,000 |
| Archibald Avenue | SR 60 to Riverside Drive | \$625,000 |
| Eucalyptus Avenue | Grove Avenue to Carpenter Avenue | \$255,000 |
| Haven Avenue | Jurupa Street to Airport Drive | \$600,000 |
| <u>Total Pavement Rehabilitation Projects</u> | | <u>\$2,580,000</u> |
| FY 2019-2020 Slurry Seal Program | Including Alley and Bridge Repairs | \$650,000 |
| Total for FY 2019-2020 | | <u>\$3,230,000</u> |

FISCAL YEAR 2020-2021

| | | |
|---|---------------------------------------|---------------------------|
| Milliken Avenue | Jurupa Avenue to Airport | \$865,000 |
| Wineville Avenue | Santa Ana Avenue to Airport Avenue | \$448,000 |
| Vintage Avenue | Jurupa Street to Philadelphia Street | \$650,000 |
| Wineville Avenue | Francis Street to Philadelphia Street | \$309,000 |
| <u>Total Pavement Rehabilitation Projects</u> | | <u>\$2,272,000</u> |
| FY 2019-2020 Slurry Seal Program | Including Alley and Bridge Repairs | \$650,000 |
| Total for FY 2019-2020 | | <u>\$2,922,000</u> |

FISCAL YEAR 2021-2022

| | | |
|---|--------------------------------------|---------------------------|
| Santa Ana Street | Etiwanda Avenue to Wineville Avenue | \$719,000 |
| Vineyard Avenue | I-10 to Holt Blvd | \$395,000 |
| Vineyard Avenue | Mission Blvd. to Philadelphia Street | \$872,000 |
| Francis Street | Etiwanda Avenue to Wineville Avenue | \$577,000 |
| Cucamonga Avenue | Riverside Drive to Chino Avenue | \$200,000 |
| <u>Total Pavement Rehabilitation Projects</u> | | <u>\$2,763,000</u> |
| FY 2019-2020 Slurry Seal Program | Including Alley and Bridge Repairs | \$650,000 |
| Total for FY 2021-2022 | | <u>\$3,413,000</u> |

FIVE YEAR PLAN TOTAL FY 2017-18 THROUGH FY 2021-22 **\$16,962,000**

Resolution Number **Measure I Project Revenue Estimate for (5 Years)** **\$15,701,298**

Exhibit B

CITY OF ONTARIO

2018 - 2022 MEASURE I PLAN

EXPENDITURE STRATEGY

The City of Ontario's Expenditure Strategy is to improve the regional, sub-regional, and collector street roadway system by programming up to fifty percent of annual Measure I revenue towards its long term Pavement Management Program. The remaining funds will be programmed by individual projects, such as, traffic signals, and other roadway rehabilitation work designed to improve traffic flow and motorist's convenience.