

**CITY OF ONTARIO
CITY COUNCIL AND HOUSING AUTHORITY
AGENDA
SEPTEMBER 5, 2017**

Paul S. Leon
Mayor

Alan D. Wapner
Mayor pro Tem

Jim W. Bowman
Council Member

Debra Dorst-Porada
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 regular City Council and Housing Authority meeting begins with Closed Session and Closed Session Comment at 6:00 p.m., Public Comment at 6:30 p.m. immediately followed by the Regular Meeting and Public Hearings. 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)

6:00 p.m.

ROLL CALL

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

CLOSED SESSION PUBLIC COMMENT The Closed Session Public Comment portion of the Council/Housing Authority meeting is limited to a maximum of 3 minutes for each speaker and comments will be limited to matters appearing on the Closed Session. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

CLOSED SESSION

- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: *Zusser Company Inc., vs. City of Ontario, Case Number OCSC 30-2017-00927112*

In attendance: Wapner, Bowman, Dorst-Porada, Valencia, Mayor/Chairman Leon

PLEDGE OF ALLEGIANCE

Cub Scout Pack 306

INVOCATION

Pastor Mike Urciuoli, Calvary Chapel Ontario

REPORT ON CLOSED SESSION

City Attorney

PUBLIC COMMENTS

6:30 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.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Council votes on them, unless a member of the Council requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the City Council on items listed on the Consent Calendar will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the City Council and Housing Authority of August 1 and August 15, 2017, approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

Bills July 16, 2017 through July 29, 2017 and **Payroll** July 16, 2017 through July 29, 2017, when audited by the Finance Committee.

3. APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ONTARIO AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, COUNCIL 36, LOCAL 3061

That the City Council approve and authorize the City Manager to execute a three-year Memorandum of Understanding (MOU), (on file in the Records Management Department), regarding wages, hours and other terms and conditions of employment between the City of Ontario (City) and employees represented by the American Federation of State, County and Municipal Employees (AFSCME), Council 36, Local 3061; and authorize the City Manager to make any non-substantive changes which may be necessary to implement the agreement.

4. APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ONTARIO AND TEAMSTERS LOCAL 1932

That the City Council approve and authorize the City Manager to execute a three-year Memorandum of Understanding (MOU), (on file in the Records Management Department), regarding wages, hours and other terms and conditions of employment between the City of Ontario (City) and employees represented by the Teamsters Local 1932; and authorize the City Manager to make any non-substantive changes which may be necessary to implement the agreement.

5. APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ONTARIO AND THE ONTARIO ASSOCIATION OF MANAGEMENT EMPLOYEES

That the City Council approve and authorize the City Manager to execute a three-year Memorandum of Understanding (MOU), (on file in the Records Management Department), regarding wages, hours and other terms and conditions of employment between the City of Ontario (City) and employees represented by the Ontario Association of Management Employees (AOME); and authorize the City Manager to make any non-substantive changes which may be necessary to implement the agreement.

6. APPROVAL OF AMENDMENTS TO THE COMPENSATION AND BENEFIT PROFILES FOR UNREPRESENTED GROUPS INCLUDING CONFIDENTIAL, DEPARTMENT HEAD, AND EXECUTIVE MANAGEMENT EMPLOYEES AND ADOPTION OF RESOLUTIONS REGARDING SALARIES

That the City Council approve and authorize the City Manager to execute three-year Compensation and Benefit Profiles, (on file with the Records Management Department), regarding wages, hours and other terms and conditions of employment for unrepresented employees in the Confidential, Department Head and Executive Management employee groups; adopt resolutions setting salaries for appointive executive positions; and authorize the City Manager to make non-substantive revisions which may be necessary to implement the profiles.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING SALARY RANGES FOR APPOINTIVE POSITIONS OF FIRE CHIEF AND POLICE CHIEF AS SET FORTH IN EXECUTIVE MANAGEMENT COMPENSATION AND BENEFITS PROFILE.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING SALARY COMPENSATION FOR THE CITY MANAGER POSITION.

7. A RESOLUTION APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 18266 LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND PARKVIEW STREET

That the City Council adopt a resolution approving an improvement agreement, improvement security and Final Tract Map No. 18266 located at the southeast corner of Archibald Avenue and Parkview Street within the Subarea 29 Specific Plan area.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 18266, LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND PARKVIEW STREET.

8. A RESOLUTION ORDERING THE SUMMARY VACATION OF A RAILROAD EASEMENT

That the City Council adopt a resolution ordering the summary vacation of a railroad easement within the property at 1383 South Cucamonga Avenue between Belmont Street and Francis Street.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ORDERING THE SUMMARY VACATION OF A RAILROAD EASEMENT WITHIN THE PROPERTY AT 1383 SOUTH CUCAMONGA AVENUE BETWEEN BELMONT STREET AND FRANCIS STREET.

9. A RESOLUTION OF INDUCEMENT TO ISSUE TAX-EXEMPT BONDS FOR SEASONS SENIOR APARTMENTS AT ONTARIO GATEWAY PLAZA, LOCATED AT 955 N. PALMETTO AVENUE, ONTARIO, CALIFORNIA

That City Council approve a Resolution of Inducement to issue tax exempt bonds for Seasons Senior Apartments at Ontario Gateway Plaza, located at 955 N. Palmetto Avenue, Ontario, California.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING ITS OFFICIAL INTENTION TO ISSUE TAX-EXEMPT REVENUE BONDS FOR THE PURPOSE OF FINANCING AN AFFORDABLE RENTAL HOUSING FACILITY IN THE CITY, AND TO REIMBURSE CERTAIN EXPENDITURES RELATING TO THE DEVELOPMENT OF SUCH FACILITY FROM PROCEEDS OF SAID BONDS; AND AUTHORIZING AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE TO PERMIT THE ISSUANCE OF SAID BONDS.

10. SECOND AMENDMENT TO THE ACQUISITION, DISPOSITION AND DEVELOPMENT AGREEMENT FOR MISSION/GROVE BUSINESS CENTER

That City Council approve the Second Amendment to the Acquisition, Disposition and Development Agreement (“Second Amendment”) between the City of Ontario (“City”) and Mission Grove Partners, L.P. (“Developer”) (on file with the Records Management Department); and authorize the City Manager to execute the Second Amendment and all documents necessary or desirable to implement said Second Amendment.

11. ACCEPT A WRITTEN PETITION TO CREATE A COMMUNITY FACILITIES DISTRICT; ADOPT A RESOLUTION OF INTENT TO ESTABLISH CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES); AND TO AUTHORIZE THE ASSOCIATED LEVY OF SPECIAL TAXES AND ADOPT A RESOLUTION TO INCUR BONDED INDEBTEDNESS

That the City Council:

- (A) Accept a written petition (on file with the Records Management Department) from Forestar Countryside, L.L.C located in Newport Beach, California, to create a Community Facilities District, and to waive certain procedural matters, under the Mello-Roos Community Facilities Act of 1982;
- (B) Adopt a Resolution of Intention to establish City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities); authorize the associated levy of special taxes therein; and set a public hearing for the formation of the CFD as part of the regularly scheduled City Council meeting scheduled for Tuesday, October 17, 2017; and
- (C) Adopt a Resolution to Incur Bonded Indebtedness of proposed Community Facilities District No. 35 (Countryside Phase 2 South – Facilities).

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, OF INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT, PROPOSED TO BE NAMED CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES), AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, TO INCUR BONDED INDEBTEDNESS OF THE PROPOSED CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES).

12. APPROVAL OF ALLOCATION AND SPENDING PLAN FOR THE BUREAU OF JUSTICE ASSISTANCE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FOR FY 2017

That the City Council approve and authorize the City Manager to execute all documents necessary to participate in the Bureau of Justice Assistance (BJA) Edward Byrne Memorial Justice Assistance Grant (JAG) Program; and approve the proposed \$34,745 grant spending plan.

13. PURCHASE OF FURNISHINGS FOR THE POLICE HEADQUARTERS RENOVATION PROJECT

That the City Council authorize the purchase of furniture from G&M Business Interiors, Inc. of Riverside, California, for the Police Headquarters Renovation Project in the amount of \$204,835. Consistent with pricing and terms of the County of San Bernardino Contract #16-156.

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.

14. AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 3031 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 28 (NEW HAVEN FACILITIES – AREA A)

That the City Council introduce and waive further reading of an ordinance amending and restating Ordinance No. 3031 levying special taxes within City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A).

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.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3031, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 28 (NEW HAVEN FACILITIES - AREA A).

15. AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 3020 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 31 (CARRIAGE HOUSE / AMBERLY LANE)

That the City Council introduce and waive further reading of an ordinance amending and restating Ordinance No. 3020 levying special taxes within City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane).

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.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3020, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 31 (CARRIAGE HOUSE / AMBERLY LANE).

16. A PUBLIC HEARING TO CONSIDER A RESOLUTION REGARDING THE FORMATION OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 39 (NEW HAVEN FACILITIES - AREA C); INTRODUCTION OF AN ORDINANCE LEVYING SPECIAL TAXES; AND ADOPTION OF A RESOLUTION TO INCUR BONDED INDEBTEDNESS

Item continued to September 19, 2017, Council Meeting.

17. A PUBLIC HEARING TO CONSIDER A PLANNED UNIT DEVELOPMENT (FILE NO. PUD17-002) TO ESTABLISH LAND USE DESIGNATIONS AND DEVELOPMENT STANDARDS AND GUIDELINES, WHICH WILL GOVERN THE DEVELOPMENT OF 4.18 ACRES OF LAND BORDERED BY HOLT BOULEVARD ON THE SOUTH, NOCTA STREET ON THE NORTH, AND VIRGINIA AVENUE ON THE WEST, WITHIN THE MU-2 (EAST HOLT MIXED-USE) ZONING DISTRICT (APNS: 1048-472-01, 1048-472-02, 1048-472-03, 1048-472-04, AND 1048-472-11)

That the City Council introduce and waive further reading of an ordinance approving a Planned Unit Development, File No. PUD17-002, establishing development standards and guidelines to facilitate the development of a medium density residential apartment project.

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.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PUD17-002, A PLANNED UNIT DEVELOPMENT ESTABLISHING LAND USE DESIGNATIONS AND DEVELOPMENT STANDARDS AND GUIDELINES GOVERNING THE DEVELOPMENT OF 4.18 ACRES OF LAND BORDERED BY HOLT BOULEVARD ON THE SOUTH, NOCTA STREET ON THE NORTH, AND VIRGINIA AVENUE ON THE WEST, WITHIN THE MU-2 (EAST HOLT MIXED USE) ZONING DISTRICT, AND MAKING FINDINGS IN SUPPORT THEREOF-APN: 1048-472-01, 1048-472-02, 1048-472-03, 1048-472-04, AND 1048-472-11.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

18.A RESOLUTION MAKING AN AT-LARGE APPOINTMENT TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY BOARD OF COMMISSIONERS

That the City Council adopt a resolution designating an at-large member of the Ontario International Airport Authority (OIAA) Commission.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DESIGNATING AN AT-LARGE APPOINTEE TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION.

STAFF MATTERS

City Manager Boling

COUNCIL MATTERS

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

ADJOURNMENT

CITY OF ONTARIO
CLOSED SESSION REPORT
City Council // Housing Authority // Other // (GC 54957.1)
September 5, 2017

ROLL CALL: Wapner __, Bowman __, Dorst-Porada__, Valencia __, Mayor / Chairman Leon __.

STAFF: City Manager / Executive Director __, City Attorney __

In attendance: Wapner __, Bowman __, Dorst-Porada __, Valencia __, Mayor / Chairman Leon __

- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION:
Zusser Company Inc., vs. City of Ontario, Case Number OCSC 30-2017-00927112

No Reportable Action	Continue	Approved
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/ /

/ /

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Disposition: _____

Reported by:

City Attorney / City Manager / Executive Director

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ONTARIO AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, COUNCIL 36, LOCAL 3061

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute a three-year Memorandum of Understanding (MOU), on file in the Records Management Department, regarding wages, hours and other terms and conditions of employment between the City of Ontario (City) and employees represented by the American Federation of State, County and Municipal Employees (AFSCME), Council 36, Local 3061; and authorize the City Manager to make any non-substantive changes which may be necessary to implement the agreement.

COUNCIL GOALS: Operate In A Businesslike Manner

FISCAL IMPACT: The estimated additional annual cost of the compensation changes across all funds for each of the three years covered is \$572,357 for FY 2017-18, \$620,997 for FY 2018-19 and \$627,206 for FY 2019-20. The estimated General Fund portion is \$188,814 for FY 2017-18, \$191,768 for FY 2018-19, and \$207,313 for FY 2019-20. Appropriations for the first year of the agreement are included in the Adopted Fiscal Year 2017-18 Operating Budget.

BACKGROUND: The previous MOU between the City and AFSCME began on July 1, 2013 and was originally scheduled to expire on June 30, 2016. On July 7, 2015, the City Council approved that the MOU be amended and then extended until June 30, 2017. Consistent with Section 10.05 (B), the parties agreed to negotiate a successor MOU and have now reached a tentative agreement, pending City Council approval. The proposed agreement includes a three-year MOU term from July 1, 2017 through June 30, 2020.

The City and AFSCME recognize the importance of maintaining the City's fiscally conservative approach while also attempting to provide a competitive compensation and benefit package to its employees. To assist the City in its ability to recruit and retain a highly qualified workforce, employees

STAFF MEMBER PRESENTING: Angela Lopez, Human Resources Director

Prepared by: Reed Sigler
Department: Human Resources

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

3

in the AFSCME unit will receive a 3% general salary increase retro-active to July 2017. In addition, employees in the AFSCME unit will also receive general salary increases of 3% in July 2018 and 3% in July 2019. The City will also establish an Internal Revenue Code Section 401(a) money purchase plan for City (employer) deferred compensation contributions of \$25 per month for each active employee; increasing to \$45 per month effective July 2018. To help defray the rising cost of health care to employees retiring after the ratification of the agreement, and meeting all provision requirements, qualified employees will receive a monthly Retiree Supplemental Medical Insurance Contribution of \$50 per month; increasing to \$55 per month effective July 2018 and to \$60 per month effective July 2019. Additionally, employee Life Insurance and Accidental Death & Dismemberment insurance will increase to \$50,000 effective January 2018; tuition reimbursement will increase to \$1,000 per calendar year; and safety shoe reimbursement will increase to \$150 per fiscal year.

Furthermore, the parties agreed to language changes related to seniority within classification, employee rights, probationary periods, fatigue pay/time off, catastrophic leave provisions, release time, as well as other non-economic items to ensure compliance with Federal and State laws, and to improve consistency, increase communication, clarify intent, and reflect current practices.

This MOU will provide the City of Ontario with economic certainty for budget forecasting in upcoming years while reflecting the positive partnership between AFSCME and the City of Ontario.

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ONTARIO AND TEAMSTERS LOCAL 1932

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute a three-year Memorandum of Understanding (MOU), on file in the Records Management Department, regarding wages, hours and other terms and conditions of employment between the City of Ontario (City) and employees represented by the Teamsters Local 1932; and authorize the City Manager to make any non-substantive changes which may be necessary to implement the agreement.

COUNCIL GOALS: Operate In A Businesslike Manner

FISCAL IMPACT: The estimated additional annual cost of the compensation changes across all funds for each of the three years covered is \$958,834 for FY 2017-18, \$1,043,214 for FY 2018-19 and \$1,051,840 for FY 2019-20. The estimated General Fund portion is \$741,813 for FY 2017-18, \$806,838 for FY 2018-19, and \$813,532 for FY 2019-20. Appropriations for the first year of the agreement are included in the Adopted Fiscal Year 2017-18 Operating Budget.

BACKGROUND: The previous MOU between the City and Teamsters Local 1932 began on July 1, 2013 and was originally scheduled to expire on June 30, 2016. On August 18, 2015 the City Council approved that the MOU be amended and extended until June 30, 2017. Consistent with Article 10, Section I, the parties agreed to negotiate a successor MOU and have now reached a tentative agreement, pending City Council approval. The proposed agreement includes a three-year MOU term from July 1, 2017 through June 30, 2020.

The City and Teamsters Local 1932 recognize the importance of maintaining the City's fiscally conservative approach while also attempting to provide a competitive compensation and benefit package to its employees. To assist the City in its ability to recruit and retain a highly qualified workforce, employees in the Teamsters unit will receive a 3% general salary increase retro-active to July 2017. In addition, employees in the Teamsters unit will also receive general salary increases of 3% in July 2018 and 3% in July 2019. The City will also establish an Internal Revenue Code Section 401(a) money

STAFF MEMBER PRESENTING: Angela Lopez, Human Resources Director

Prepared by: Reed Sigler
Department: Human Resources

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

Continued to: _____

Denied: _____

4

purchase plan for City (employer) deferred compensation contributions of \$25 per month for each active employee; increasing to \$45 per month effective July 2018. Employee life and Accidental Death and Dismemberment Insurance will increase to \$50,000 effective January 2018. Additionally, Fire Dispatch Supervisors, Police Dispatch/Records Supervisors salary ranges will be adjusted to address compaction issues within the job family.

Medical insurance premiums are expected to continue to rise during the projected effective period of the proposed MOU. In order to mitigate the impact of these projected increases on employee compensation, beginning January 2018, the employee's monthly City contributions will adjust in January of each year based on the percentage change in Kaiser rates for the CalPERS Los Angeles area and will apply for use on all plans and levels of coverage selected, inclusive of waive amounts. Employees hired after September 10, 2017, will only be eligible for a City contribution when enrolled in a City medical plan.

Furthermore, the parties agreed to language modifications related to probationary periods, employee rights, classification reviews, catastrophic leave provisions, uniforms, disciplinary procedures, representation/union stewards, bulletin boards, and workplace safety as well as other non-economic items to ensure compliance with Federal and State laws, and to improve consistency, communication, clarify intent, and reflect current practices and classifications.

This MOU will provide the City of Ontario with economic certainty for budget forecasting in upcoming years while reflecting the positive partnership between Teamsters Local 1932 and the City of Ontario.

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ONTARIO AND THE ONTARIO ASSOCIATION OF MANAGEMENT EMPLOYEES

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute a three-year Memorandum of Understanding (MOU), on file in the Records Management Department, regarding wages, hours and other terms and conditions of employment between the City of Ontario (City) and employees represented by the Ontario Association of Management Employees (AOME); and authorize the City Manager to make any non-substantive changes which may be necessary to implement the agreement.

COUNCIL GOALS: Operate In A Businesslike Manner

FISCAL IMPACT: The estimated additional annual cost of the compensation changes across all funds for each of the three years covered is \$396,336 for FY 2017-18, \$400,299 for FY 2018-19 and \$404,301 for FY 2019-20. The estimated General Fund portion is \$269,463 for FY 2017-18, \$272,157 for FY 2018-19, and \$274,879 for FY 2019-20. Appropriations for the first year of the agreement are included in the Adopted Fiscal Year 2017-18 Operating Budget.

BACKGROUND: The previous MOU between the City and AOME began on July 1, 2013 and was originally scheduled to expire on June 30, 2016. On October 6, 2015 the MOU was amended and then extended until June 30, 2017. Consistent with Section 10.03 (B), the parties agreed to negotiate a successor MOU and have now reached a tentative agreement, pending City Council approval. The proposed agreement includes a three-year MOU term from July 1, 2017 through June 30, 2020.

The City and AOME recognize the importance of maintaining the City's fiscally conservative approach while also attempting to provide a competitive compensation and benefit package to its employees. To assist the City in its ability to recruit and retain a highly qualified workforce, employees in the AOME unit will receive a 3% general salary increase retro-active to July 2017. In addition, employees in the AOME unit will also receive general salary increases of 3% in July 2018 and 3% in July 2019.

STAFF MEMBER PRESENTING: Angela Lopez, Human Resources Director

Prepared by: Reed Sigler
Department: Human Resources

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

5

Medical insurance premiums are expected to continue to rise during the projected effective period of the proposed MOU. In order to mitigate the impact of these increases on employee compensation, Effective January 2018, eligible active employees who enroll in medical insurance coverage shall receive a monthly City contribution up to or equal to the cost of Kaiser Plan coverage. Employees hired on or before December 31, 2017, selecting single coverage shall continue to receive the contribution in effect for the 2017 Plan Year, or the monthly cost for Kaiser Plan single coverage, whichever is greater. Adjustments to Life and Accidental Death and Dismemberment Insurance and 401(a) contributions are also included. Employees hired on or after January 1, 2018, selecting single level coverage shall receive a monthly contribution up to the Kaiser Plan single level coverage rate based on the region in which the employee is enrolled.

Furthermore, the parties agreed to language modifications to catastrophic leave program provision and to reflect compliance with current Federal and State laws, improve consistency, clarify intent, and reflect current practices and classifications.

This MOU will provide the City of Ontario with economic certainty for budget forecasting in upcoming years while reflecting the positive partnership between the Ontario Association of Management Employees and the City of Ontario.

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: APPROVAL OF AMENDMENTS TO THE COMPENSATION AND BENEFIT PROFILES FOR UNREPRESENTED GROUPS INCLUDING CONFIDENTIAL, DEPARTMENT HEAD, AND EXECUTIVE MANAGEMENT EMPLOYEES AND ADOPTION OF RESOLUTIONS REGARDING SALARIES

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute three-year Compensation and Benefit Profiles, on file with the Records Management Department, regarding wages, hours and other terms and conditions of employment for unrepresented employees in the Confidential, Department Head and Executive Management employee groups; adopt resolutions setting salaries for appointive executive positions; and authorize the City Manager to make non-substantive revisions which may be necessary to implement the profiles.

**COUNCIL GOALS: Operate in a Businesslike Manner
Maintain Current High Level of Public Safety**

FISCAL IMPACT: The estimated additional annual cost of the compensation changes across all funds for each of the three years covered is \$489,276 for FY 2017-18, \$494,168 for FY 2018-19 and \$499,110 for FY 2019-20. The estimated General Fund portion is \$333,639 for FY 2017-18, \$336,975 for FY 2018-19, and \$340,344 for FY 2019-20. Appropriations for the first year of the agreement are included in the Adopted Fiscal Year 2017-18 Operating Budget.

BACKGROUND: Employees in the Confidential, Department Head and Executive groups are not formally organized and, as such, are not represented by any employee group, union or association. For unrepresented groups, the profile for each group describes the compensation, benefits, and other relevant employment provisions as approved by the City Council. The proposed revisions address modification of salaries and changes to City contributions toward employee medical insurance plans.

The City recognizes the importance of maintaining its fiscally conservative approach while also attempting to provide a competitive compensation and benefit package to its employees. Attracting and retaining a highly qualified workforce in the current job market has increased the need to provide

STAFF MEMBER PRESENTING: Angela Lopez, Human Resources Director

Prepared by: Reed Sigler
Department: Human Resources

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

Continued to: _____

Denied: _____

6

competitive compensation and benefits. Additionally, medical insurance premiums are expected to continue to rise and the City is making efforts to mitigate the impact of these projected increases for employees. In an effort to assist the City in its ability to recruit and retain a highly qualified workforce, employees in the Confidential, Department Head and Executive groups will receive a salary range increase and modifications to the current benefit package. The unrepresented groups will receive modifications as follows:

Confidential/Specialized Employees: Employees in these groups will receive a 3% general salary increase retro-active to July 2017. In addition, employees in this unit will also receive a general salary increases of 3% in July 2018 and 3% in July 2019. Effective January 2018, eligible active employees who enroll in medical insurance coverage shall receive a monthly City contribution up to or equal to the cost of Kaiser Plan coverage. Employees hired on or before December 31, 2017, selecting single coverage shall continue to receive the contribution in effect for the 2017 Plan Year, or the monthly cost for Kaiser Plan single coverage, whichever is greater. Adjustments to Life and Accidental Death and Dismemberment Insurance and 401(a) contributions are also included.

Department Heads and Executives Employees: The City Manager is responsible for the determination of each individual Executives salary rate within the assigned salary range and each Agency Head is responsible for determination of Department Heads salary rate, upon City Manager approval, within the assigned salary range. Employees in these groups will receive a 3% salary range adjustment retro-active to July 2017. In addition, employees in these units will also receive salary range adjustment increases of 3% in July 2018 and 3% in July 2019. Effective January 2018, eligible Department Head employees who enroll in medical insurance coverage shall receive a monthly City contribution up to or equal to the cost of Kaiser Plan coverage. Department Head employees hired on or before December 31, 2017, selecting single coverage shall continue to receive the contribution in effect for the 2017 Plan Year, or the monthly cost for Kaiser Plan single coverage, whichever is greater. Effective January 1, 2018 eligible Executive employees will receive a monthly contribution equal to the Kaiser Plan premium but not less than the contribution in effect for the 2017 Plan Year.

As required by Ontario Municipal Code Section 2-3.106, the City Council must set the salary for the City Manager by resolution, and such salary is consistent with the salary table contained in the proposed resolution. Additionally, California Government Code Section 36506 requires the City Council to set the salaries for appointive positions in the Executive Management group by resolution, and such salaries are consistent with the salary range table contained in the Executive Management Compensation and Benefits Profile.

Other key changes to the profiles include: Specialized Confidential conversion to an annual leave program; increased tuition reimbursement for Confidential/Specialized Confidential and Department Heads to a maximum of \$1,000 per year; and adjustments to catastrophic leave provisions for each group. Furthermore, language modifications are made to reflect compliance with current Federal and State laws, improve consistency, clarify intent, and reflect current practices and classifications

These amendments will provide the City of Ontario with added economic certainty for budget forecasting in upcoming years while reflecting the positive partnership between the unrepresented group employees and the City of Ontario.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING SALARY RANGES FOR APPOINTIVE POSITIONS OF FIRE CHIEF AND POLICE CHIEF AS SET FORTH IN EXECUTIVE MANAGEMENT COMPENSATION AND BENEFITS PROFILE.

WHEREAS, the Municipal Code of the City of Ontario, California ("the City") provides at Sections 2-3.204 and 2-3.305, respectively, that the positions of Fire Chief and Police Chief shall be appointed by the City Manager; and

WHEREAS, California Government Code Section 36506 requires the City Council to fix the compensation of appointive officers; and

WHEREAS, the City Manager has recommended that the City's base salary ranges for the positions of Fire Chief and Police Chief be increased in order to allow the City to attract and retain highly qualified individuals; and

WHEREAS, the base salary range increases recommended by the City Manager for the positions of Fire Chief and Police Chief reflect the same base salary range increases afforded to all employees in Executive Management positions and are contained in the Amended Executive Management Compensation and Benefits Profile for the City which was approved September 5, 2017, as follows:

1. Effective July 9, 2017, base salary ranges shall increase by 3%.
2. Effective July 8, 2018, base salary ranges shall increase by 3%.
3. Effective July 7, 2019, base salary ranges shall increase by 3%.

WHEREAS, the City Council has reviewed the salary range table for the positions of Fire Chief and Police Chief reflecting the proposed base salary range increases, attached hereto as Exhibit "A."

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

SECTION 1. The City Council hereby amends the base salary range for the position of Fire Chief as reflected in Exhibit "A" attached hereto.

SECTION 2. The City Council hereby amends the base salary range for the position of Police Chief as reflected in Exhibit "A" attached hereto.

SECTION 3. Effective Date. This Resolution shall become effective immediately upon adoption, however the salary increases for July 9, 2017 will be applied retroactively. The remaining salary increased will not be effective until the dates indicated in the salary range table attached as Exhibit "A."

SECTION 4. Signature and Attestation. The Mayor of the City shall sign this Resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit "A" - Salary Range Table

Classification		July 9, 2017 Monthly Rate	July 8, 2018 Monthly Rate	July 7, 2019 Monthly Rate
Fire Chief	Min	\$15,799.33	\$16,274.27	\$16,763.07
	Max	\$21,170.93	\$21,807.07	\$22,462.27
Police Chief	Min	\$16,324.53	\$16,815.07	\$17,321.20
	Max	\$21,874.67	\$22,531.60	\$23,207.60

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING SALARY COMPENSATION FOR THE CITY MANAGER POSITION.

WHEREAS, California Government Code Section 36506 requires the City Council to fix the compensation of appointive officers; and

WHEREAS, the Municipal Code of the City of Ontario, California provides at Section 2-3.106 that the City Council fix the City Manager's salary by resolution or by motion; and

WHEREAS, the salary table for the City Manager position was last fixed by resolution in 2013 and provides base salary increases through Fiscal Year 2016-17; and

WHEREAS, the City Council has reviewed the salary table for City Manager reflecting the proposed base salary increases, attached hereto as Exhibit "A."

WHEREAS, the base salary increases for the City Manager position reflect the same base salary increases afforded to all employees in Executive Management positions and are contained in the Executive Management Compensation and Benefits Profile for the City which was approved on September 5, 2017, as follows:

1. Effective July 9, 2017, base salary shall increase by 3%.
2. Effective July 8, 2018, base salary shall increase by 3%.
3. Effective July 7, 2019, base salary shall increase by 3%.

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

SECTION 1. The City Council hereby amends the base salary for City Manager as reflected in Exhibit "A." attached hereto.

SECTION 2. This Resolution shall become effective immediately upon adoption, however the July 9, 2017 salary increases will be effective retroactively. The remaining salary increases will not become effective until the dates indicated in the salary table attached as Exhibit "A"

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

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit "A" - Salary Range Table

Classification	July 9, 2017 Monthly Rate	July 8, 2018 Monthly Rate	July 7, 2019 Monthly Rate
City Manager	\$27,319.60	\$28,752.53	\$29,615.73

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: A RESOLUTION APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 18266 LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND PARKVIEW STREET

RECOMMENDATION: That the City Council adopt a resolution approving an improvement agreement, improvement security and Final Tract Map No. 18266 located at the southeast corner of Archibald Avenue and Parkview Street within the Subarea 29 Specific Plan area.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony

FISCAL IMPACT: None. All public infrastructure improvements required for this subdivision will be constructed by the developer at its sole cost.

BACKGROUND: Final Tract Map No. 18266, consisting of eighty-eight (88) residential lots and eight (8) lettered lots on 14.35 acres as shown on the attached Exhibit A, has been submitted by the developer CalAtlantic Group, Inc. of Corona, California (Mr. Sean Doyle, Vice President of Project Development).

Tentative Tract Map No. 18266 was approved by the Planning Commission (6 to 0 with 1 absent) on July 28, 2015 and is consistent with the adopted Subarea 29 Specific Plan.

Improvements will include AC pavement, curb, gutter, sidewalk, landscaped parkways, neighborhood edges, fiber optic conduits, fire hydrants, sewer, water, recycled water mains, storm drain, and street lights. The improvement in parkway landscaping will be consistent with current City approved drought measures. The developer has entered into an improvement agreement with the City for Final Tract Map No. 18266 and has posted adequate security to ensure construction of the required public improvements.

STAFF MEMBER PRESENTING: Louis Abi-younes, PE., City Engineer

Prepared by: Manoj Hariya, PE
Department: Engineering

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

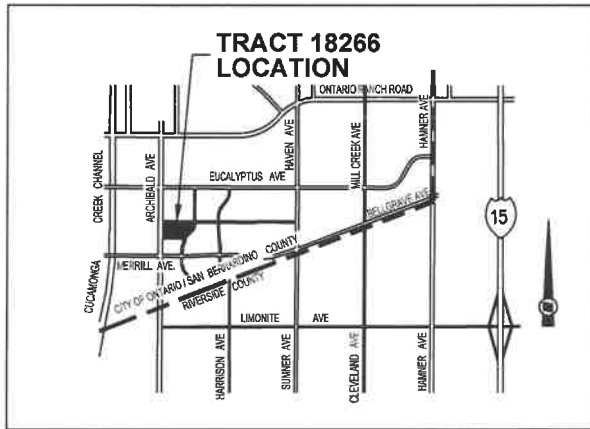
Continued to: _____

Denied: _____

7

This map meets all conditions of the Subdivision Map Act and the Ontario Municipal Code and has been reviewed and approved by the City Engineer.

EXHIBIT A



VICINITY MAP
NTS

<p>CITY OF ONTARIO ENGINEERING DEPARTMENT FILE NO. TR. 18266</p>	<p>APPLICANT: CAL ATLANTIC PROJECT: 88 SFR LOTS, 8 LETTERED LOTS</p>
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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 18266, LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND PARKVIEW STREET.

WHEREAS, Tentative Tract Map No. 18266, submitted for approval by the developer, CalAtlantic Group Inc., of Corona, California (Mr. Sean Doyle, Vice President of Project Development) was approved by the Planning Commission of the City of Ontario on July 28, 2015; and

WHEREAS, Tentative Tract Map No. 18266 consists of eighty-eight (88) numbered lots and eight (8) lettered lots, being a subdivision of lot 2 of Tract 18913-2, as per map recorded in book 345, pages 14 through 18, inclusive, of maps, in the Office of the Recorder of San Bernardino County; and

WHEREAS, to meet the requirements established as prerequisite to final approval of Final Tract Map No. 18266, said developer has offered an improvement agreement, together with good and sufficient security, in conformance with the City Attorney's approved format, for approval and execution by the City; and

WHEREAS, the subdivider of the underlying Tract No. 18913-2, has previously prepared and recorded Covenants, Conditions and Restrictions (CC&Rs), and they have been reviewed and approved by the City Attorney's office, to ensure the right to mutual ingress and egress and continued maintenance of common facilities by the commonly affected property owners.

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

1. That said Improvement Agreement be, and the same is, approved and the City Manager is authorized to execute same on behalf of said City, and the City Clerk is authorized to attest thereto; and
2. That said Improvement Security is accepted as good and sufficient, subject to approval as to form and content thereof by the City Attorney; and
3. That Final Tract Map No. 18266, be approved and that the City Clerk be authorized to execute the statement thereon on behalf of said City.

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

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO

Agenda Report
September 5, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: A RESOLUTION ORDERING THE SUMMARY VACATION OF A RAILROAD EASEMENT

RECOMMENDATION: That the City Council adopt a resolution ordering the summary vacation of a railroad easement within the property at 1383 South Cucamonga Avenue between Belmont Street and Francis Street.

COUNCIL GOALS: Focus Resources in Ontario's Commercial and Residential Neighborhoods Invest in the City's Infrastructure (Water, Streets, Sewers, Parks Storm Drains and Public Facilities)

FISCAL IMPACT: None. The City will not incur any cost by vacating this easement. The owner has paid the applicable processing fees to defray the City's cost to process this request.

BACKGROUND: The owners of the property located at 1383 South Cucamonga Avenue (Andreas G. Treantafelles and Georgia A. Treantafelles) have requested that the City vacate the existing 25-foot wide easement for railroad purposes located on private property within an industrial site shown in Exhibit A. The easement was originally dedicated to the City for railroad purposes in 1964. However, no railroad improvements have been constructed in the subject location and there are no plans to extend the railroad system into this area in the future. Therefore, the easement is not needed for any present or future railroad purposes.

Section 8333(c) of the California Streets and Highways Code authorizes the City to summarily vacate (by resolution with no public hearing) a public service easement that is determined to be excess and there are no other public facilities located within the easement.

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

Prepared by: Arij Baddour
Department: Engineering

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

EXHIBIT A

EASEMENT VACATION
V-280

MAP NOT TO SCALE



PREPARED BY: Last Update: 07/19/17
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Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

LEGEND:



INDICATED AREA TO BE VACATED.



INDICATED AREA OF INTEREST.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ORDERING THE SUMMARY VACATION OF A RAILROAD EASEMENT WITHIN THE PROPERTY AT 1383 SOUTH CUCAMONGA AVENUE BETWEEN BELMONT STREET AND FRANCIS STREET.

WHEREAS, the City Council of the City of Ontario, California, pursuant to Division 9, Part 3, Chapter 4, of the Streets and Highways Code, may summarily vacate an easement under certain conditions specified therein; and

WHEREAS, the public easement for railroad purposes over the southerly 25 feet of Lot 2, Block I, of Map of Blackburn's Addition to Ontario in the City of Ontario, County of San Bernardino, State of California, filed in Book 12 of Maps, Page 55, in the County Recorder's Office of said County and located approximately 1075 feet south of Belmont Street east of Cucamonga Avenue, is not needed for any present or future railroad purposes; and

WHEREAS, Section 8333(c) of the California Streets and Highways Code authorize the City to summarily vacate (by resolution with no public hearing) a public service easement that is determined to be excess and there are no other public facilities located within the easement; and

WHEREAS, the property owners, Andreas G. Treantafelles and Georgia A. Treantafelles has requested a vacation of said easement.

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

1. That the above recitals are true and correct.
2. That title to the above-described said easement, more specifically described in Exhibit "A" and depicted on Exhibit "B", shall be vacated.
3. That the City Clerk of the City of Ontario, California, shall cause a copy of this Resolution to be recorded in the office of the County Recorder of San Bernardino County, California.

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

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 their regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT "A"
EASEMENT VACATION
V-280

"LEGAL DESCRIPTION"

APN: 1049-411-01

THE SOUTHERLY 25 FEET OF LOT 2, BLOCK 1 OF MAP OF BLACKBURN'S ADDITION TO ONTARIO, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 12, PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

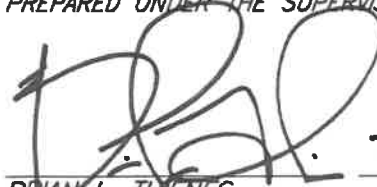
BEING AN EASEMENT FOR RAILROAD PURPOSES GRANTED TO THE CITY OF ONTARIO, AS PER DOCUMENT RECORDED OCTOBER 23, 1964 IN BOOK 6258, PAGE 531, OF OFFICIAL RECORDS OF SAID COUNTY.

CONTAINS: 16,500 SQUARE FEET OR 0.38 ACRES MORE OR LESS.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

SURVEYOR:

PREPARED UNDER THE SUPERVISION OF:



7/20/17
DATE

BRIAN L. THIENES
P.L.S. NO. 5750
REG. EXP. DEC. 31, 2017



PREPARED BY: Last Update: 07/19/17
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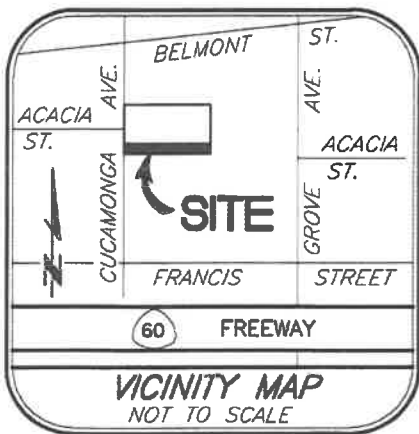
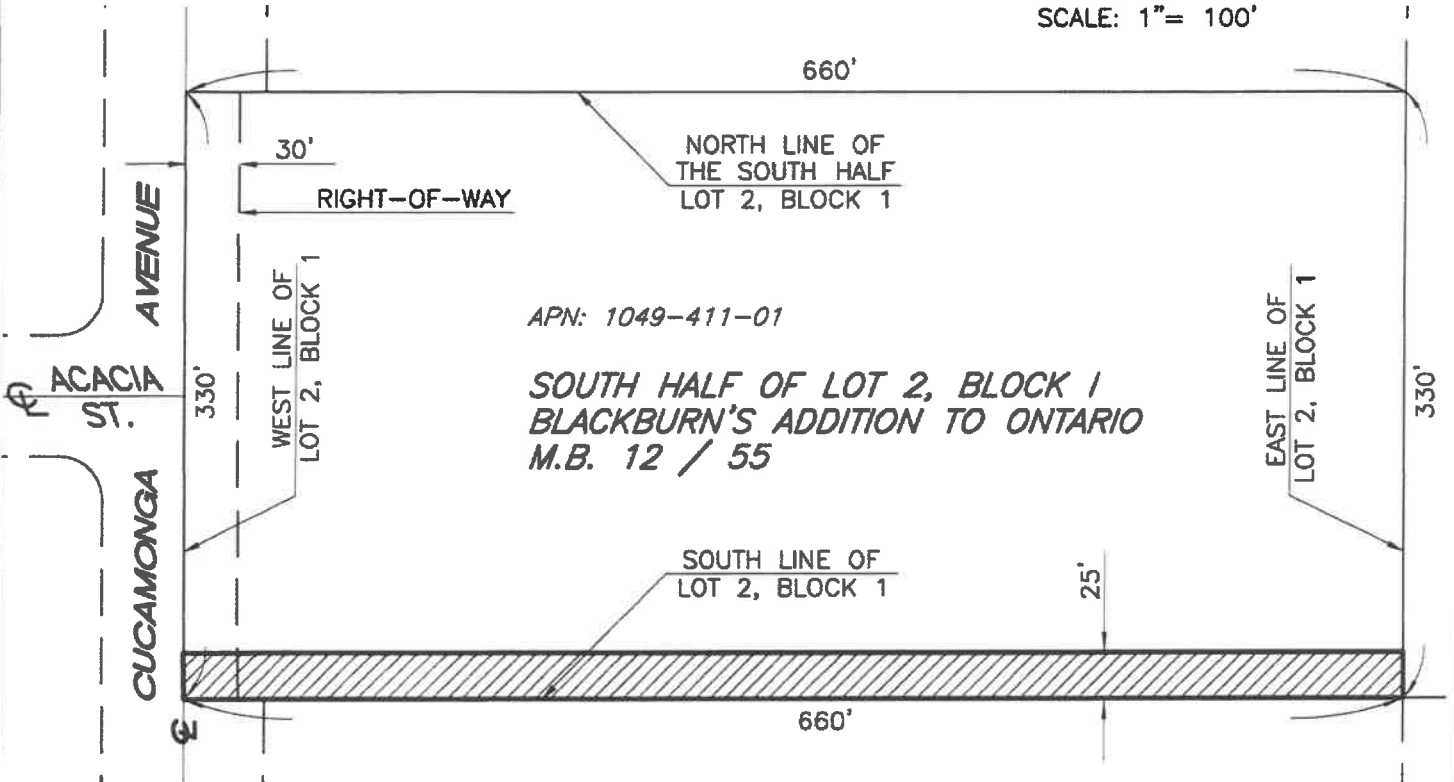
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14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

EXHIBIT "B"
 EASEMENT VACATION
 V-280

SHEET 1 OF 1



SCALE: 1" = 100'



EASEMENT VACATION:



INDICATES EXISTING 25 FEET WIDE EASEMENT FOR RAILROAD PURPOSES, GRANTED TO THE CITY OF ONTARIO, RECORDED OCTOBER 23, 1964 IN BOOK 6258, PAGE 531, OF OFFICIAL RECORDS TO BE VACATED. CONTAINS: 16,500 SQ. FT. OR 0.38 ACRES ±

VACANT LAND—NO SITE ADDRESS

SURVEYOR:

PREPARED UNDER THE SUPERVISION OF:

[Handwritten Signature]
 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017

7/20/17
 DATE



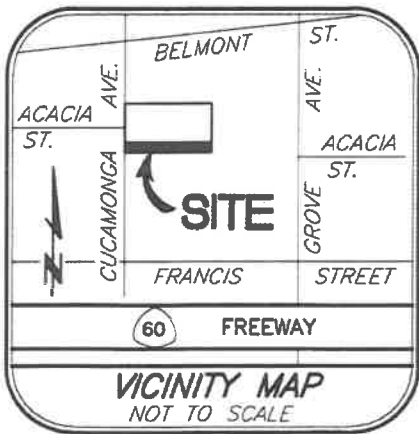
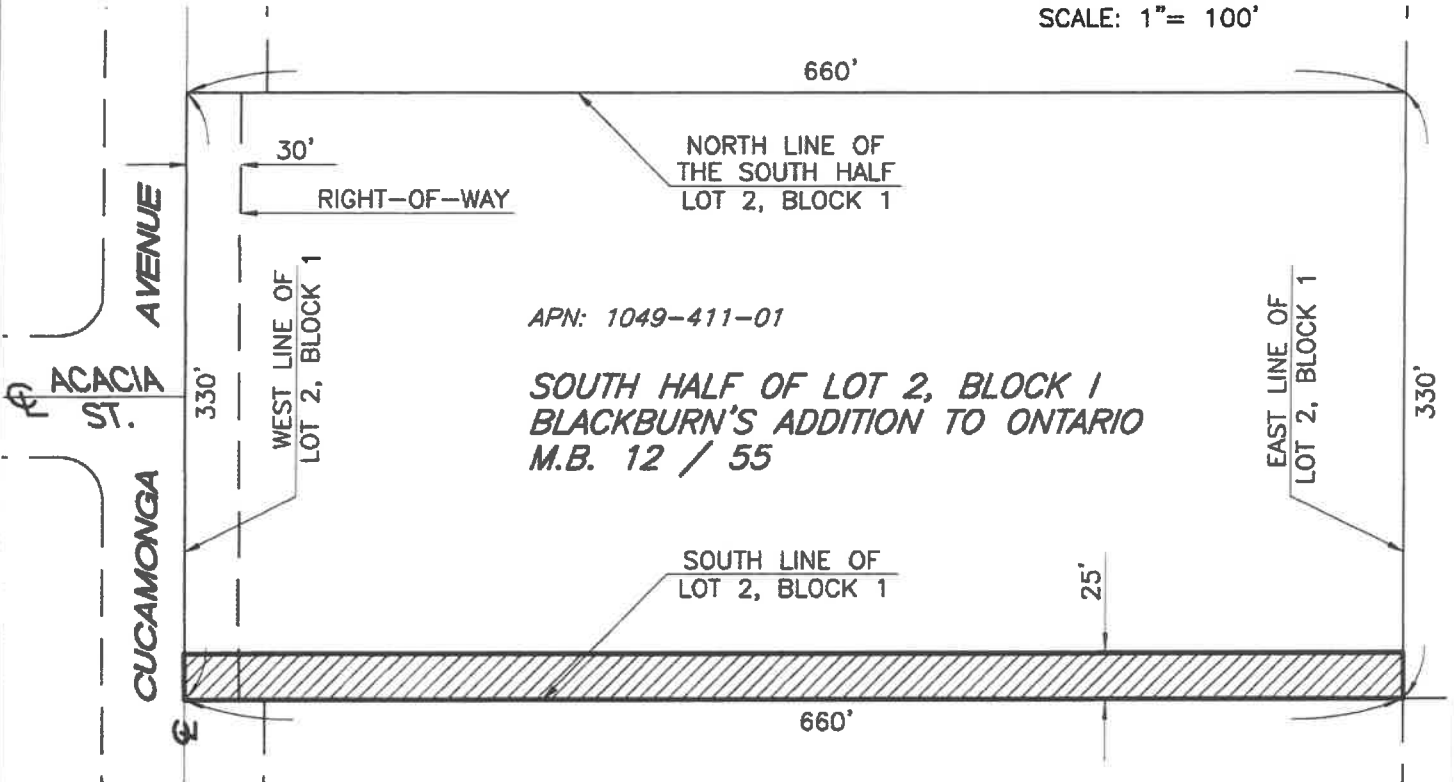
PREPARED BY: Last Update: 07/19/17
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EXHIBIT "B"
 EASEMENT VACATION
 V-280



SCALE: 1" = 100'



EASEMENT VACATION:



INDICATES EXISTING 25 FEET WIDE EASEMENT FOR RAILROAD PURPOSES, GRANTED TO THE CITY OF ONTARIO, RECORDED OCTOBER 23, 1964 IN BOOK 6258, PAGE 531, OF OFFICIAL RECORDS TO BE VACATED. CONTAINS: 16,500 SQ. FT. OR 0.38 ACRES ±

VACANT LAND—NO SITE ADDRESS

SURVEYOR:

PREPARED UNDER THE SUPERVISION OF:

[Handwritten Signature]
 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017

7/20/17
 DATE



PREPARED BY: Last Update: 07/19/17
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CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: A RESOLUTION OF INDUCEMENT TO ISSUE TAX-EXEMPT BONDS FOR SEASONS SENIOR APARTMENTS AT ONTARIO GATEWAY PLAZA, LOCATED AT 955 N. PALMETTO AVENUE, ONTARIO, CALIFORNIA

RECOMMENDATION: That City Council approve a Resolution of Inducement to issue tax exempt bonds for Seasons Senior Apartments at Ontario Gateway Plaza, located at 955 N. Palmetto Avenue, Ontario, California.

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

FISCAL IMPACT: None. All costs and expenses related to the financing will be paid by LINC Housing Corporation.

BACKGROUND: Seasons Senior Apartments at Ontario Gateway Plaza ("Seasons") was constructed as part of the redevelopment of the Ontario Gateway Plaza in 1998. This property provides 80 units of affordable senior housing. To facilitate the construction of these units in 1998, the development was financed with low income housing tax credits, tax-exempt bonds, and a loan from the Ontario Redevelopment Agency, in the amount of \$2,656,200. The Ontario Redevelopment Agency leased the land to the developer for a term of 55 years. The interests of the former Ontario Redevelopment Agency in this transaction have been transferred to the Ontario Housing Authority.

LINC Housing Corporation, located in Long Beach, California, has been the managing partner for this property since the original construction of this property.

LINC Housing Corporation has submitted a proposal to the City and the Ontario Housing Authority to secure a new allocation of 4% low income housing tax credits and tax-exempt bonds for the acquisition, rehabilitation, and extension of the existing affordability at Seasons.

The goal of all parties is to improve the financial performance while providing much needed funds for the rehabilitation of the property. While these terms are still being negotiated, the deadline to submit an

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

Prepared by: Julie Bjork
Department: Housing/Municipal Services

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

Continued to: _____

Denied: _____

City Manager
Approval: 

9

application to the California Debt Allocation Committee (CDLAC) and the California Tax Credit Committee (CTCAC) is September 15, 2017, for the item to be considered on November 15, 2017. As part of the CDLAC and CTCAC process, applicants must provide an Inducement Resolution. An Inducement Resolution is not a commitment to issue bonds. It is a conditional statement of intent by the City of Ontario to issue bonds.

As part of the issuance of the tax exempt bonds by the City, a public hearing will be held at a later date. At this public hearing, all of the final terms will have been reviewed by City staff and its team of financial advisors and legal counsel and submitted to City Council for its consideration and any public input. If terms cannot be negotiated to the satisfaction of the City, the public hearing will not be held.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING ITS OFFICIAL INTENTION TO ISSUE TAX-EXEMPT REVENUE BONDS FOR THE PURPOSE OF FINANCING AN AFFORDABLE RENTAL HOUSING FACILITY IN THE CITY, AND TO REIMBURSE CERTAIN EXPENDITURES RELATING TO THE DEVELOPMENT OF SUCH FACILITY FROM PROCEEDS OF SAID BONDS; AND AUTHORIZING AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE TO PERMIT THE ISSUANCE OF SAID BONDS.

WHEREAS, LINC Housing Corporation, a California not-for-profit public benefit corporation (the "Sponsor") has requested the assistance of the City of Ontario (the "City") in connection with the financing of the acquisition, rehabilitation and equipping of an 80-unit affordable rental housing facility to be occupied in whole or in part by low-income and very low-income families, located in the City at 955 N. Palmetto Avenue (the "Project"); and

WHEREAS, in order to provide financing assistance for the Project, the Sponsor has requested that the City issue its multifamily housing revenue bonds or other tax-exempt obligations in an aggregate principal amount not to exceed \$8,000,000 (the "Bonds"), and loan the proceeds thereof to a limited partnership (the "Borrower") created by the Sponsor or an affiliate of the Sponsor; and

WHEREAS, the Borrower expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of the Bonds for the purpose of financing costs associated with the Project on a long term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the City to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, it is in the public interest and for the public benefit that the City declare its official intent to reimburse the expenditures referenced herein; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California governs the allocation in the State of California of the State Ceiling established by Section 146 of the Code among governmental units in the State having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application for a portion of the state ceiling with or upon the direction of the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of private activity bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The City declares its official intent to issue the Bonds in an aggregate principal amount not to exceed \$8,000,000 for the purpose of paying the costs of financing the acquisition, rehabilitation and equipping of the Project.

SECTION 2. The City hereby declares that it reasonably expects that a portion of the proceeds of the Bonds will be used for reimbursement of expenditures for the acquisition, rehabilitation, development and equipping of the Project that are paid before the date of initial execution and delivery of the Bonds. It is intended that this Resolution shall constitute "some other similar official action" towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended.

SECTION 3. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Bonds, including, but not limited to, any fees and expenses incurred by the City in anticipation of the issuance of the Bonds, the City's financing fee with respect to the issuance of the Bonds, the City's annual administration fee with respect to administering the provisions of a regulatory agreement with respect to the Project, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Bonds. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Bonds shall be solely the responsibility of the Borrower. The Bonds shall not constitute a debt or obligation of the City.

SECTION 4. This City Council hereby further determines that it is appropriate for the City to issue the Bonds to finance the acquisition, construction, development and equipping of the Project, subject to the following conditions: (a) the City and the Borrower shall have first agreed to mutually acceptable terms for the Bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of the bond indenture, trust agreement, loan agreement, regulatory agreement and/or other related documents for the financing of the Project; (b) all requisite governmental approvals shall have first been obtained; (c) a resolution approving the issuance of the Bonds and the execution and delivery of the financing documents to which the City will be a party shall have been adopted by the City Council; and (d) an allocation of tax-exempt bond authority with respect to the Bonds shall have been received from the California Debt Limit Allocation Committee ("CDLAC").

SECTION 5. The officers and agents of the City are hereby authorized to submit an application to CDLAC for an allocation of a portion of the State Ceiling (as that term is used in the California Government Code) in an amount not to exceed \$8,000,000 for application towards the issuance of the Bonds by the City to finance the Project. The officers and agents of, and financial advisors to, the City are hereby authorized, on behalf of the City, to submit to CDLAC all such other documents as may be required pursuant to the California Government Code in furtherance of the

application. A cash deposit equal to one-half of one percent of the amount of allocation requested (not to exceed the maximum deposit pursuant to CDLAC guidelines), to be provided by or on behalf of the Borrower, is hereby authorized to be placed into an escrow account, and the officers of the City are hereby authorized to execute a deposit agreement with the Borrower as may be required with respect to such deposit, and to certify to CDLAC that such funds are available.

SECTION 6. The firm of CSG Advisors is hereby appointed as financial advisor to the City in connection with the issuance of the Bonds. The law firm of Jones Hall, A Professional Law Corporation, is hereby appointed as bond counsel to the City in connection with the issuance of the Bonds. The fees and expense of the financial advisor and of bond counsel are to be paid solely from the proceeds of the Bonds or directly by the Borrower.

SECTION 7. The appropriate officers and staff of the City are hereby authorized, for and in the name of and on behalf of the City, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

SECTION 8. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and the Treasury Regulations and shall not be construed in any other manner. Neither the City nor its staff have fully reviewed or considered the financial feasibility of the Project or the expected operation of the Project with regards to any State of California statutory requirements. Such adoption shall not obligate without further formal action to be taken by this City Council, including, but not limited to, the approval of the financing documents by the City Council by resolution, (i) the City to provide financing to the Borrower for the acquisition, construction, development and equipping of the Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, development or equipping of the Project.

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

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 their regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: SECOND AMENDMENT TO THE ACQUISITION, DISPOSITION AND DEVELOPMENT AGREEMENT FOR MISSION/GROVE BUSINESS CENTER

RECOMMENDATION: That City Council approve the Second Amendment to the Acquisition, Disposition and Development Agreement (“Second Amendment”) between the City of Ontario (“City”) and Mission Grove Partners, L.P. (“Developer”) (on file with the Records Management Department); and authorize the City Manager to execute the Second Amendment and all documents necessary or desirable to implement said Second Amendment.

COUNCIL GOALS: Invest in the Growth and Evolution of the City’s Economy

FISCAL IMPACT: The Mission/Grove Business Center is anticipated to generate approximately \$2.4 million from the sale of Part 150 parcels for the development of the Mission/Grove Business Center. Federal Aviation Administration (FAA) and Los Angeles World Airports (LAWA) noise mitigation guidelines require that properties purchased with Part 150 funds be sold for the development of compatible land uses at the earliest practicable time. The proceeds from the land sales are to be either reinvested into the Quiet Home Program and/or returned to the funding agency base upon instructions from FAA.

If the Second Amendment is not approved, the City will be required to pay promptly, with Part 150 funds, the sum of \$31,350 for the strip parcel located within the Phase 2 of the Mission/Grove Business Center pursuant to the City’s Promissory Note, dated December 18, 2013, and modified on June 29, 2015. There is no impact to the General Fund.

BACKGROUND: On December 3, 2013, City Council approved an Acquisition, Disposition and Development Agreement between the City and Developer (the “Agreement”) for the construction of a two phased industrial development named Mission/Grove Business Center. The Mission/Grove Business Center, is located just southeast of the corner of Mission Boulevard and Grove Avenue and consisted of six development parcels and approximately 250,000 square foot of new industrial

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

Prepared by: Julie Bjork
Department: Housing/Municipal Services

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

Continued to: _____

Denied: _____

10

development. A large portion of the site was originally purchased by the City of Ontario as part of the Quiet Home Program utilizing Part 150 funds from FAA and LAWA.

On July 15, 2014, City Council approved the First Amendment to the Acquisition, Disposition and Development Agreement, which authorized the inclusion of buildings and parcels to be moved from Phase 2 into Phase 1 of the project. Phase 1 has been completed, Phase 2 cannot be implemented unless and until the property located at 954 S. Peach Avenue can be acquired from its third-party owner. To date, that owner has declined all offers extended by the City and the Developer.

As part of the Second Amendment, the Developer agrees that the City has made all efforts required by the Acquisition, Disposition and Development Agreement to acquire that property. The Second Amendment extends, until June 30, 2018, the time allowed for the Developer to enter into a binding contract to acquire that property. The Second Amendment also extends the maturity date on the City's note held by the Developer in the amount of \$31,350.

If the Developer is unable to enter into a binding contract for the acquisition of that property, either party may terminate the Agreement.

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: ACCEPT A WRITTEN PETITION TO CREATE A COMMUNITY FACILITIES DISTRICT; ADOPT A RESOLUTION OF INTENT TO ESTABLISH CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES); AND TO AUTHORIZE THE ASSOCIATED LEVY OF SPECIAL TAXES AND ADOPT A RESOLUTION TO INCUR BONDED INDEBTEDNESS


RECOMMENDATION: That the City Council:

- (A) Accept a written petition (on file with the Records Management Department) from Forestar Countryside, L.L.C located in Newport Beach, California, to create a Community Facilities District, and to waive certain procedural matters, under the Mello-Roos Community Facilities Act of 1982;
- (B) Adopt a Resolution of Intention to establish City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities); authorize the associated levy of special taxes therein; and set a public hearing for the formation of the CFD as part of the regularly scheduled City Council meeting scheduled for Tuesday, October 17, 2017; and
- (C) Adopt a Resolution to Incur Bonded Indebtedness of proposed Community Facilities District No. 35 (Countryside Phase 2 South – Facilities).

COUNCIL GOALS: Focus Resources in Ontario's Commercial and Residential Neighborhoods
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony

FISCAL IMPACT: The use of Mello-Roos financing for facilities in the residential development of the Countryside Phase 2 South - Facilities project is estimated to generate approximately \$7 million, which will be used to help fund a portion of the public infrastructure improvements that will serve the project. Since Mello-Roos bonds are not a direct obligation of the City, and are paid from special taxes

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

Prepared by: Bob Chandler
Department: Management Services
City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

11

levied on each taxable parcel in the district, there is no general fund impact from the issuance of Mello-Roos bonds.

BACKGROUND: The Mello-Roos Community Facilities Act of 1982 provides local government, with the consent from a majority of the property owners, the authority to establish community facilities districts for the purpose of levying special taxes to fund governmental services and to finance various kinds of public infrastructure facilities. With the adoption of Resolution 2014-117 on December 2, 2014, the City Council authorized the levy of special taxes to fund various city services for the district. Under the Mello-Roos Act, the initial steps in the formation of a community facilities district to finance public improvements are adopting resolutions declaring the City's intention to establish a community facilities district and levy special taxes, and to issue bonds.

In the First Amended and Restated Agreement for the Financing and Construction of Limited Infrastructure Improvements to Serve an Easterly Portion of the New Model Colony ("First Amended and Restated Construction Agreement") between the City and NMC Builders, LLC, the City agreed to cooperate with the members of NMC Builders, LLC in the formation of community facilities districts. Forestar Development Company, an NMC Builders member, has provided a written petition to the City requesting formation of a community facilities district for the Countryside Phase 2 South - Facilities project in Ontario Ranch. The Countryside Phase 2 South - Facilities project addresses the development of approximately 34 gross acres located East of the Cucamonga Creek Channel, west of Archibald Avenue, south of Chino Avenue and generally north of Schaefer Avenue. At build out, the development is projected to include 235 single-family units.

Included, as part of the resolution of intention for each of the proposed districts, is the proposed Rate and Method of Apportionment of Special Tax for the District. The terms of the Rate and Method of Apportionment of Special Tax are consistent with the City Council's adopted Mello-Roos Local Goals and Policies in all aspects, except that the percentage of assessed value of the total annual tax obligation plus the annual Homeowners Association (HOA) fee exceeds the adopted policy thresholds, in aggregate, by .42% for each detached unit. However, as was previously authorized for previous developers in the Ontario Ranch, and as is consistent with the "enhanced level of amenities" provisions of the Memorandum of Understanding executed between the City and NMC Builders on July 21, 2015 (the MOU), it is recommended that the policy threshold limitations be waived in this instance in recognition of the enhanced level of amenities and services to be provided by the project's HOA, which are of the type contemplated by the MOU. The community facilities district is being formed pursuant to the provisions of the Forestar Development Company's Development Agreement, and the First Amended and Restated Construction Agreement between the City and NMC Builders.

Under the proposed Rate and Method of Apportionment, **the portion of the maximum annual special tax rates which will be used to fund debt service payments on the bonds is fixed and will not increase over time.** The amount of bonds authorized \$27 million under the resolution is set intentionally higher than the current proposed bond amount approximately \$7 million in order to allow future City Councils the option, without increasing the amount of the annual special taxes, to issue additional bonds to replace and/or construct new public infrastructure improvements in the future, or to fund City services. The term and structure of the Rates and Methods of Apportionment of Special Tax for the Countryside Phase 2 South - Facilities projects are consistent with those of the previously adopted Rates and Methods of Apportionment for Ontario Ranch community facilities districts. This will ensure that the special tax rates levied on all residential property owners in community facilities districts in Ontario Ranch be developed in a consistent and equivalent manner. In addition, under the

provisions of the Mello-Roos Act, to ensure that home buyers are making an informed decision, all residential builders in Ontario Ranch community facilities districts will be required to disclose the maximum annual special tax amount to each homeowner before entering into a sales contract.

City staff members have discussed the proposed Rate and Method of Apportionment of Special Tax with the landowner. As proposed, the resolution of intention to establish the district and to levy special taxes will set the public hearing date on the formation of the community facilities district for the regularly scheduled City Council meeting on Tuesday, October 17, 2017 to consider the matter.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, OF INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT, PROPOSED TO BE NAMED CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES), AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES.

WHEREAS, Section 53318 of the Mello-Roos Community Facilities Act of 1982 (the "Act") provides that proceedings for the establishment of a Community Facilities District shall be instituted by a legislative body of a local agency when a petition requesting the institution of the proceedings signed by the owners of not less than 10% of the area of land proposed to be included in the community facilities district and not proposed to be exempt from the special tax, describing the boundaries of the territory that is proposed for inclusion in the community facilities district and specifying the types of facilities and services to be financed by the community facilities district is filed with the clerk of the legislative body; and

WHEREAS, Section 53318 of the Act further provides that such a petition is not required to be acted upon until the payment of a fee in an amount that the legislative body determines, within 45 days of receiving such petition, is sufficient to compensate the legislative body for all costs incurred in conducting proceedings to create a community facilities district pursuant to the Act; and

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") has received a written petition (the "Petition") from Forestar Countryside, L.L.C. (the "Landowner") requesting the institution of proceedings for the establishment of a community facilities district (the "Community Facilities District"), describing the boundaries of the territory that is proposed for inclusion in the Community Facilities District and specifying the types of facilities and services to be financed by the Community Facilities District; and

WHEREAS, the Landowner has represented and warranted to the City Council that the Landowner is the owner of 100% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax; and

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district; and

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds; and

WHEREAS, the City and the Landowner entered into a Deposit and Reimbursement Agreement, dated as of September 1, 2017 (the "Deposit Agreement"), relating to the Community Facilities District, that provides for the advancement of funds by the Landowner to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby, and provides for the reimbursement to the Landowner of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

WHEREAS, the City desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement.

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

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The City Council hereby finds that the Petition is signed by the requisite number of owners of land proposed to be included in the Community Facilities District.

SECTION 3. The City Council proposes to establish a community facilities district under the terms of the Act. The boundaries of the territory proposed for inclusion in the Community Facilities District are described in the map showing the proposed Community Facilities District (the "Boundary Map") on file with the City Clerk of the City (the "City Clerk"), which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to sign the original Boundary Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon in the office of the San Bernardino County Recorder within 15 days of the date of adoption of this Resolution, all as required by Section 3111 of the California Streets and Highways Code.

SECTION 4. The name proposed for the Community Facilities District is "City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities)".

SECTION 5. The public facilities (the "Facilities") proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption "Facilities" on Exhibit A hereto, which is by this reference incorporated herein. Those Facilities proposed to be purchased as completed public facilities are described under the caption "Facilities to be Purchased" on Exhibit A hereto. The services (the "Services") proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption "Services" on Exhibit A hereto. The incidental expenses proposed to be incurred are identified under the caption "Incidental Expenses" on Exhibit A hereto. All or any portion of the Facilities may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or installment-purchase arrangement.

SECTION 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities and Services, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the "Rate and Method"), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax to pay for Facilities may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property owners.

SECTION 7. The special tax may only finance the Services to the extent that they are in addition to those provided in the territory of the Community Facilities District before the Community Facilities District is created. The Services may not supplant services already available within that territory when the Community Facilities District is created.

SECTION 8. The tax year after which no further special tax to pay for Facilities will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax to pay for Facilities in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

SECTION 9. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and

to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

SECTION 10. The City Council hereby fixes Tuesday, October 17, 2017, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at 303 East B Street, Ontario, California, as the time and place when and where the City Council will conduct a public hearing on the establishment of the Community Facilities District.

SECTION 11. The City Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said hearing. Said notice shall contain the information prescribed by Section 53322 of the Act.

SECTION 12. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

SECTION 13. Each officer of the City who is or will be responsible for providing one or more of the proposed types of Facilities or Services is hereby directed to study, or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the City Council containing a brief description of the Facilities and Services by type which will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of providing the Facilities and Services. Such officers are hereby also directed to estimate the fair and reasonable cost of the Facilities proposed to be purchased as completed public facilities and of the incidental expenses proposed to be paid. Such report shall be made a part of the record of said public hearing.

SECTION 14. The Landowner has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

SECTION 15. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 16. This Resolution shall take effect immediately upon its adoption.

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

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 their regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

FACILITIES AND INCIDENTAL EXPENSES

Facilities

The types of facilities to be financed by the Community Facilities District are street and bridge improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, domestic and recycled water distribution facilities, sewer collection facilities, solid waste facilities, storm drainage facilities, park and recreation facilities and equipment, aquatic facilities and equipment, fire facilities and equipment, police facilities and equipment, library facilities and equipment, fiber optic telecommunication system facilities, general governmental office, administrative and meeting facilities, and land, rights-of-way and easements necessary for any of such facilities.

Facilities to be Purchased

The types of facilities to be purchased as completed facilities are street and bridge improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, domestic and recycled water distribution facilities, sewer collection facilities, solid waste facilities, storm drainage facilities, park and recreation facilities and equipment, aquatic facilities and equipment, fire facilities and equipment, police facilities and equipment, library facilities and equipment, fiber optic telecommunication system facilities, general governmental office, administrative and meeting facilities, and land, rights-of-way and easements necessary for any of such facilities.

Services

The types of services to be financed by the Community Facilities District are police protection services, fire protection and suppression services, ambulance and paramedic services, maintenance and lighting of parks, parkways, streets, roads and open space, flood and storm protection services and maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

EXHIBIT B

CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH – FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied on all Assessor's Parcels in the City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South – Facilities) ("CFD No. 35") and collected each Fiscal Year, commencing in Fiscal Year 2018-19, in an amount determined by the City Council of the City of Ontario through the application of the Rate and Method of Apportionment, as described below. All of the real property in CFD No. 35, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 35: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 35 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City or CFD No. 35 of complying with arbitrage rebate requirements; the costs to the City or CFD No. 35 of complying with City, CFD No. 35, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 35 related to the analysis and reduction, if any, of the Special Tax on Single Family Property in accordance with Section C.1 herein; the costs of the City or CFD No. 35 related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead relating to CFD No. 35; and amounts estimated or advanced by the City or CFD No. 35 for any other

administrative purposes of the CFD, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.2 below.

"Backup Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.3 below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act) issued by CFD No. 35 under the Act and payable from Special Taxes.

"Buildable Lot" means an individual lot, within a Final Subdivision Map or an area expected by CFD No. 35 to become Final Mapped Property, such as the area within a Tentative Tract Map, for which a building permit may be issued without further subdivision of such lot.

"CFD Administrator" means an official of the City responsible for determining the Special Tax Requirement, providing for the levy and collection of the Special Taxes, and performing the other duties provided for herein.

"CFD No. 35" means City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South – Facilities).

"City" means the City of Ontario, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 35.

"County" means the County of San Bernardino.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City as of the date of calculation of the Backup Special Tax.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Final Mapped Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a building permit or other applicable permit for new construction was issued after January 1, 2017, and before May 1 of the prior Fiscal Year.

“Expected Residential Lot Count” means 235 Buildable Lots of Single Family Property or, as determined by the CFD Administrator, the number of Buildable Lots of Single Family Property based on the most recent Tentative Tract Map(s) or most recently recorded Final Subdivision Map(s) or modified Final Subdivision Map(s).

“Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 35.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision Map. The term Final Mapped Property shall include any parcel map or Final Subdivision Map, or portion thereof, that creates individual lots for which a building permit may be issued, including Parcels that are designated as a remainder Parcel (i.e., one where the size, location, etc., precludes any further subdivision or taxable use).

“Final Subdivision Map” means a final tract map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or a condominium plan recorded pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time.

“Land Use Class” means any of the classes listed in Table 1 below.

“Maximum Special Tax” means, with respect to an Assessor’s Parcel of Taxable Property, the Maximum Special Tax determined in accordance with Section C.1 below that can be levied in any Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Minimum Sale Price” means the minimum price at which Units of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such Units that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued by the City permitting the construction of one or more non-residential structures or facilities.

“Other Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued by the City for purposes of constructing Units, excluding Single Family Attached Property and Single Family Detached Property.

“Outstanding Bonds” means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“PACE Charges” means a contractual assessment or special tax as established by a public agency pursuant to AB 811 or SB 555, respectively, levied on an Assessor’s Parcel to fund eligible improvements to private property and entered into voluntarily by the property owner.

“Price Point Consultant” means any consultant or firm of such consultants selected by CFD No. 35 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for residential units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 35 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 35, (ii) the City, (iii) any owner of real property in CFD No. 35, or (iv) any real property in CFD No. 35, and (e) is not connected with CFD No. 35 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 35 or the City.

“Price Point Study” means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 35 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

“Proportionately” means (a) for Developed Property in the first step of Section D below, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property; however, for Developed Property in the fourth step of Section D below, Proportionately means that the amount of the increase above the Assigned Special Tax, if necessary, is equal for all Assessor’s Parcels of Developed Property, except that if the Backup Special Tax limits the increase on any Assessor’s Parcel(s), then the amount of the increase shall be equal for the remaining Assessor’s Parcels; (b) for Final Mapped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Final Mapped Property; (c) for Undeveloped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property; (d) for Taxable Property Owner Association Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Property Owner Association Property; and (e) for Taxable Public Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property.

“Public Property” means, for each Fiscal Year, property within the boundaries of CFD No. 35 that is (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency or (b) encumbered by an easement for purposes of public right-of-way that makes

impractical its use for any purpose other than that set forth in such easement, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Tax.

“Residential Floor Area” means all of the Square Footage of living area within the perimeter of a Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be as set forth in the building permit(s) issued for such Assessor’s Parcel, or as set forth in other official records maintained by the City’s Building Department or other appropriate means selected by CFD No. 35. The actual Square Footage shall be rounded up to the next whole square foot. Once such determination has been made for an Assessor’s Parcel, it shall remain fixed in all future Fiscal Years unless an appeal pursuant to Section F below is approved that results in a change in the actual Square Footage.

“Services” means the services authorized to be financed, in whole or in part, by CFD No. 35.

“Single Family Attached Property” means all Assessor’s Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued for construction of a Unit, on one legal lot, that does not share a common wall with another Unit.

“Single Family Property” means all Assessor’s Parcels of Single Family Attached Property and Single Family Detached Property.

“Special Tax” means the special tax authorized by the qualified electors of CFD No. 35 to be levied within the boundaries of CFD No. 35.

“Special Tax Requirement” means for any Fiscal Year that amount required, after taking into account available amounts held in the funds and accounts established under the Indenture, for CFD No. 35 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the Bonds, including, but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) provide any amounts required to establish or replenish any reserve fund for the Bonds; (v) pay directly for acquisition or construction of Facilities, or the cost of Services, to the extent that the inclusion of such

amounts does not increase the Special Tax levy on Final Mapped Property or Undeveloped Property; (vi) provide an amount equal to Special Tax delinquencies based on the historical delinquency rate for the Special Tax as determined by the CFD Administrator.

“Square Footage” or **“Sq. Ft.”** means the floor area square footage reflected on the original construction building permit, or as set forth in other official records maintained by the City’s Building Department or other appropriate means selected by CFD No. 35, issued for construction of Single Family Property, Other Residential Property, or Non-Residential Property, plus any square footage subsequently added to a building of Non-Residential Property after issuance of a building permit for expansion or renovation of such building.

“State” means the State of California.

“Taxable Property” means, for each Fiscal Year, all of the Assessor’s Parcels within the boundaries of CFD No. 35 that are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner Association Property” means, for each Fiscal Year, all Assessor’s Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E below.

“Taxable Public Property” means, for each Fiscal Year, all Assessor’s Parcels of Public Property that are not exempt from the Special Tax pursuant to law or Section E below.

“Tentative Tract Map” means a map: (i) showing a proposed subdivision of an Assessor’s Parcel(s) and the conditions pertaining thereto; (ii) that may or may not be based on a detailed survey; and (iii) that is not recorded by the County to create legal lots.

“Total Tax Burden” means for any Unit, the annual Special Tax, together with *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees, and charges which are levied and imposed on such Unit and the real property on which it is located and collected by the County on *ad valorem* tax bills and which are secured by such Unit and the real property on which it is located, assuming such Unit had been completed, sold, and subject to such levies and impositions, excluding service charges such as those related to sewer and trash and excluding PACE Charges levied on individual Assessor’s Parcels.

“Trustee” means the trustee or fiscal agent under the Indenture.

“TTM 17449” means Tentative Tract Map No. 17449, the area of which is located within CFD No. 35.

“TTM 17450” means Tentative Tract Map No. 17450, the area of which is located within CFD No. 35.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property, or Taxable Property Owner Association Property.

“Unit” means an individual single-family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, beginning with Fiscal Year 2018-19, all Taxable Property within CFD No. 35 shall be classified as Developed Property, Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below. Assessor’s Parcels of Single Family Property shall be assigned to Land Use Classes 1 through 13, as listed in Table 1 below based on the Residential Floor Area of the Units on such Assessor’s Parcels. Other Residential Property shall be assigned to Land Use Class 14, and Non-Residential Property shall be assigned to Land Use Class 15.

C. MAXIMUM SPECIAL TAX

1. Special Tax

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax on Developed Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, CFD No. 35 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within CFD No. 35 exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units.

Each Assigned Special Tax reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax, the Backup Special Tax shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax revenues within the Tentative Tract Map area(s) where the Assigned Special Tax reductions occurred. Upon determining the reductions, if any, in the Assigned Special Tax and Backup Special Tax required pursuant to this Section C, the CFD Administrator shall complete the Certificate of Modification of Special Tax substantially in the form attached hereto as Exhibit A (the “Certificate of

Modification”), shall execute such completed Certificate of Modification, and shall deliver such executed Certificate of Modification to CFD No. 35. Upon receipt thereof, if in satisfactory form, CFD No. 35 shall execute such Certificate of Modification. The reduced Assigned Special Tax and Backup Special Tax specified in such Certificate of Modification shall become effective upon the execution of such Certificate of Modification by CFD No. 35.

The Special Tax reductions required pursuant to this section shall be reflected in an amended notice of Special Tax lien, which CFD No. 35 shall cause to be recorded with the County Recorder as soon as practicable after execution of the Certificate of Modification by CFD No. 35. The reductions in this section apply to Single Family Property, but not to Other Residential Property or Non-Residential Property.

a. *Developed Property*

1) *Maximum Special Tax*

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor’s Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax. The Maximum Special Tax shall not increase in future years, other than as calculated pursuant to Section C.1.a.3 below.

2) *Assigned Special Tax*

The Assigned Special Tax that may be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

**TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY**

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Property	< 1,701	\$2,272 per Unit
2	Single Family Property	1,701 – 1,900	\$2,399 per Unit
3	Single Family Property	1,901 – 2,100	\$2,526 per Unit
4	Single Family Property	2,101 – 2,300	\$2,652 per Unit
5	Single Family Property	2,301 – 2,500	\$2,780 per Unit
6	Single Family Property	2,501 – 2,700	\$2,781 per Unit
7	Single Family Property	2,701 – 2,900	\$2,896 per Unit

8	Single Family Property	2,901 – 3,100	\$3,028 per Unit
9	Single Family Property	3,101 – 3,300	\$3,151 per Unit
10	Single Family Property	3,301 – 3,500	\$3,282 per Unit
11	Single Family Property	3,501 – 3,700	\$3,405 per Unit
12	Single Family Property	3,701 – 3,900	\$3,537 per Unit
13	Single Family Property	> 3,900	\$3,660 per Unit
14	Other Residential Property		\$34,443 per Acre
15	Non-Residential Property		\$34,443 per Acre

3) *Backup Special Tax*

The Backup Special Tax shall be \$2,504 per Unit for Single Family Property. However, if the Expected Residential Lot Count does not equal 235 for Single Family Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated according to the following formula:

$$\text{Backup Special Tax} = \$588,364 \div \text{Expected Residential Lot Count for Single Family Property}$$

If any portion of a Final Subdivision Map, or any area expected by CFD No. 35 to become Final Mapped Property, such as the area within TTM 17449, TTM 17450, or any other Tentative Tract Map, changes any time after the City has issued Bonds, causing an adjustment to the number of Designated Buildable Lots, then the Backup Special Tax for all Designated Buildable Lots of Single Family Property subject to the change shall be calculated according to the following steps:

Step 1: Determine the total Backup Special Taxes that could have been collected from Designated Buildable Lots of Single Family Property prior to the Final Subdivision Map or expected Final Mapped Property change.

Step 2: Divide the amount determined in Step 1 by the number of Designated Buildable Lots of Single Family Property that exists after the Final Subdivision Map or expected Final Mapped Property change.

Step 3: Apply the amount determined in Step 2 as the Backup Special Tax per Unit for Single Family Property.

The Backup Special Tax for an Assessor's Parcel shall not change once an Assessor's Parcel is classified as Developed Property.

b. Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property

The Maximum Special Tax for Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property shall be \$34,443 per Acre, and shall not be subject to increase or reduction and, therefore, shall remain the same in every Fiscal Year.

2. Multiple Land Use Classes on an Assessor's Parcel

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax for all Units of Single Family Property and Acres of Other Residential Property and Non-Residential Property (based on the pro rata share of Square Footage between Other Residential Property and Non-Residential Property, according to the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Each Fiscal Year, beginning with Fiscal Year 2018-19, the CFD Administrator shall determine the Special Tax Requirement for such Fiscal Year. The Special Tax shall then be levied as follows:

First: If needed to satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property up to 100% of the Maximum Special Tax for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the

application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax for Taxable Property Owner Association Property;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied in any Fiscal Year on any Assessor's Parcel of Single Family Property or Other Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within CFD No. 35 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

E. EXEMPTIONS

No Special Tax shall be levied on up to 2.44 Acres of Public Property and up to 14.12 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth or sixth step, respectively, in Section D above, up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property and Taxable Public Property. No Special Tax shall be levied in any Fiscal Year on Assessor's Parcels that have fully prepaid the Special Tax obligation pursuant to the formula set forth in Section H.

F. APPEALS

Any property owner may file a written appeal of the Special Tax with CFD No. 35 claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the Special Taxes may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means \$7,497,000 each Prepayment Period, or such lower number as determined by the City Council to be sufficient to fund the Facilities and Services to be provided by CFD No. 35.

"Expenditures Fund" means funds or accounts, regardless of their names, that are established to hold moneys that are available to acquire or construct Facilities and to fund Services.

"Future Facilities Costs" means the CFD Public Facilities minus (i) Facilities and Services costs previously paid from the Expenditures Fund during the Prepayment Period in which the prepayment is being made, (ii) moneys currently on deposit in the Expenditures Fund from deposits made during the Prepayment Period in which the prepayment is being made, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance Facilities costs. In no event shall the amount of Future Facilities Costs be less than zero.

"Prepayment Period" means one of three periods of time during which a Special Tax prepayment may be made.

"Prepayment Period 1" means July 1, 2018, through June 30, 2052.

"Prepayment Period 2" means July 1, 2052, through June 30, 2085.

"Prepayment Period 3" means July 1, 2085, through June 30, 2119.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels for which a building permit for new construction was issued after January 1, 2017, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel, and determine the Prepayment Period for the proposed prepayment.
2. Compute the Assigned Special Tax and Backup Special Tax for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax which is, or could be, charged in the current Fiscal Year. For Assessor's Parcels of Final Mapped Property (for which a building permit has been issued but which is not yet classified as Developed Property) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to Paragraph 2 by the total estimated Assigned Special Tax for CFD No. 35 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all

expected development through buildout of CFD No. 35, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to Paragraph 2 by the estimated total Backup Special Tax at buildout of CFD No. 35, excluding any Assessor's Parcels which have been prepaid.

4. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to Paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the Future Facilities Costs for the applicable Prepayment Period.
7. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the amount determined pursuant to Paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Add the amounts computed pursuant to Paragraphs 8 and 9 to determine the "Defeasance Amount".
11. Verify the administrative fees and expenses of CFD No. 35, including the costs to compute the prepayment, the costs to invest the prepayment proceeds, the costs to redeem Bonds, and the costs to record any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.
13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Paragraphs 4, 5, 7, 10, and 11, less the amount computed pursuant to Paragraph 12 (the "Prepayment Amount").

14. From the Prepayment Amount, the amounts computed pursuant to Paragraphs 4, 5, 10, and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Paragraph 7 shall be deposited into the Expenditures Fund. The amount computed pursuant to Paragraph 11 shall be retained by CFD No. 35.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000, or integral multiple thereof, will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under Paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid during Prepayment Period 3, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been prepaid and that the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

With respect to the Special Tax for any Assessor's Parcel that is prepaid during Prepayment Period 1 or Prepayment Period 2, the obligation of such Assessor's Parcel to pay the Special Tax shall be tolled, or suspended, through the end of such Prepayment Period, but shall resume in the first Fiscal Year of the subsequent Prepayment Period. The CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been satisfied for the remainder of the applicable Prepayment Period but has not been permanently satisfied and the obligation to pay the Special Tax will resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on Taxable Property within CFD No. 35 (after excluding 2.44 Acres of Public Property and 14.12 acres of Property Owner Association Property) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel for which a building permit for new construction was issued after January 1, 2017, may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1, except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = (PF - AE) \times \% + AE.$$

The terms above have the following meaning:

PP = the partial prepayment

PF = the Prepayment Amount (full prepayment) for the Special Tax calculated according to Section H.1

AE = the Administrative Fees and Expenses determined pursuant to paragraph 11 above

% = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the remitted prepayment funds according to Section H.1, and (ii) indicate in the records of CFD No. 35 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (100% - "%", as defined above) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D during the Prepayment Period in which the partial prepayment is made.

For partial prepayments made during Prepayment Period 1 or Prepayment Period 2, the full amount of the Special Tax shall resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the partial prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

I. TERM OF SPECIAL TAX

The Fiscal Year after which no further Special Tax shall be levied or collected is Fiscal Year 2118-2119, except that the Special Tax that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years.

EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 1 OF 2)**

CFD No. 35 CERTIFICATE

1. Pursuant to Section C.1 of the Rate and Method of Apportionment of Special Tax (the “Rate and Method”) for City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South – Facilities) (“CFD No. 35”), the Assigned Special Tax and the Backup Special Tax for Developed Property within CFD No. 35 has been modified.
 - a. The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 35, as stated in Section C.1.a.2 of the Rate and Method of Apportionment, has been modified as follows:

**TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY**

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Property	< 1,701	\$[] per Unit
2	Single Family Property	1,701 – 1,900	\$[] per Unit
3	Single Family Property	1,901 – 2,100	\$[] per Unit
4	Single Family Property	2,101 – 2,300	\$[] per Unit
5	Single Family Property	2,301 – 2,500	\$[] per Unit
6	Single Family Property	2,501 – 2,700	\$[] per Unit
7	Single Family Property	2,701 – 2,900	\$[] per Unit
8	Single Family Property	2,901 – 3,100	\$[] per Unit
9	Single Family Property	3,101 – 3,300	\$[] per Unit
10	Single Family Property	3,301 – 3,500	\$[] per Unit
11	Single Family Property	3,501 – 3,700	\$[] per Unit
12	Single Family Property	3,701 – 3,900	\$[] per Unit
13	Single Family Property	> 3,900	\$[] per Unit
14	Other Residential Property		\$[] per Acre
15	Non-Residential Property		\$[] per Acre

EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 2 OF 2)**

- b. The Backup Special Tax for Developed Property, as stated in Section C.1.a.3, shall be modified as follows:

The Backup Special Tax shall be \$[] per Unit for Single Family Property. However, if the Expected Residential Lot Count does not equal 235 for Single Family Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated according to the following formula:

$$\text{Backup Special Tax} = \$[] \div \text{Expected Residential Lot Count for Single Family Property}$$

2. The Special Tax for Developed Property may only be modified prior to the first issuance of CFD No. 35 Bonds.
3. Upon execution of this Certificate by CFD No. 35, CFD No. 35 shall cause an amended notice of Special Tax lien for CFD No. 35 to be recorded reflecting the modifications set forth herein.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Rate and Method. The modifications set forth in this Certificate have been calculated by the CFD Administrator in accordance with the Rate and Method.

GOODWIN CONSULTING GROUP, INC.
CFD ADMINISTRATOR

By: _____ Date: _____

The undersigned acknowledges receipt of this Certificate and of the modification of the Assigned Special Tax and the Backup Special Tax for Developed Property as set forth in this Certificate.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 35
(COUNTRYSIDE PHASE 2 SOUTH – FACILITIES)

By: _____ Date: _____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, TO INCUR BONDED INDEBTEDNESS OF THE PROPOSED CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 35 (COUNTRYSIDE PHASE 2 SOUTH - FACILITIES).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), has this date adopted its Resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Establish a Community Facilities District, Proposed to be Named City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities), and to Authorize the Levy of Special Taxes," stating its intention to establish City of Ontario Community Facilities District No. 35 (Countryside Phase 2 South - Facilities) (the "Community Facilities District") for the purpose of financing certain public facilities (the "Facilities") and services, as further provided in said Resolution; and

WHEREAS, in order to finance the Facilities it is necessary to incur bonded indebtedness in the amount of up to \$27,000,000;

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

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The City Council hereby declares that in order to finance the Facilities, it is necessary to incur bonded indebtedness.

SECTION 3. The purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay the costs of the Facilities, including all costs and estimated costs incidental to, or connected with, the accomplishment of said purpose and of the financing thereof, as permitted by Section 53345.3 of the Act.

SECTION 4. The maximum amount of the proposed debt is \$27,000,000.

SECTION 5. The City Council hereby fixes Tuesday, October 17, 2017, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at 303 East B Street, Ontario, California, as the time and place when and where the City Council will conduct a public hearing on the proposed debt authorization.

SECTION 6. The City Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said

hearing. Said notice shall contain the information prescribed by Section 53346 of the Act.

SECTION 7. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

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

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 their regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: APPROVAL OF ALLOCATION AND SPENDING PLAN FOR THE BUREAU OF JUSTICE ASSISTANCE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FOR FY 2017

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute all documents necessary to participate in the Bureau of Justice Assistance (BJA) Edward Byrne Memorial Justice Assistance Grant (JAG) Program; and approve the proposed \$34,745 grant spending plan.

COUNCIL GOALS: Maintain the Current High Level of Public Safety
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: Upon approval and receipt of the grant award, a separate Grant Identification Number will be established to record, monitor and report on the financial activities of this grant award. The total grant award is \$36,574, of which 5% (\$1,829) will be assigned to the Law & Justice Group of San Bernardino County for administrative fees, resulting in a net award to the City in the amount of \$34,745. This is a one-time allocation with no local matching funds requirement, and grant expenditures must be completed within the four-year grant period. If approved, budget adjustments for appropriations and revenue will be included in the next budget update report to the City Council.

BACKGROUND: The Bureau of Justice Assistance has announced the availability of grant funds through the Edward Byrne Memorial JAG Program. Ontario has participated in the JAG Program (formerly the Local Law Enforcement Block Grant) since 1997. Grant allocations are predetermined through a formula based on population and crime statistics. Ontario has been allocated \$36,574 for FY 2017-18. Under the JAG legislation, the County of San Bernardino will act as the fiscal agent for disbursement of the funds.

Based on current law enforcement operational needs, the Police Department proposes the following grant spending plan: Body-Worn Cameras - \$34,745

STAFF MEMBER PRESENTING: Brad Kaylor, Chief of Police

Prepared by: Donna Bailey
Department: Police

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

12

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
CONSENT CALENDAR

SUBJECT: PURCHASE OF FURNISHINGS FOR THE POLICE HEADQUARTERS RENOVATION PROJECT

RECOMMENDATION: That the City Council authorize the purchase of furniture from G&M Business Interiors, Inc. of Riverside, California, for the Police Headquarters Renovation Project in the amount of \$204,835. Consistent with pricing and terms of the County of San Bernardino Contract #16-156.

COUNCIL GOALS: Operate in a Businesslike Manner
Maintain the Current High Level of Public Safety

FISCAL IMPACT: The Police Headquarters Renovation Project was approved as part of the Third Quarter Fiscal Year 2015-16 Budget Report and carryover appropriations existing to cover the contract value of \$204,835 for the purchase of new furnishings for renovated areas of the building.

BACKGROUND: The Police Headquarters Renovation Project involves significant renovations to approximately 11,000 square feet of the interior of the existing Police Headquarters Facility. The Project objectives include, relocation of the current Dispatch Center from a second floor location, co-located with the Watch Commander's Office, remodeling of the Watch Commander and Patrol Briefing areas to accommodate the relocation of the Dispatch Center. Additionally, the Sergeants Offices, IT server room, and ancillary staff spaces including, break areas, rest quarters, restrooms, ready-rooms, equipment storage space and general office or open-space operating areas will be relocated or remodeled. When complete, this renovation will provide a state-of-the-art communications center with the most advanced 911 technology available.

The purchase requisition from G&M will provide all office and ancillary space furnishings for the new, or remodeled areas of the building, aside from dispatch consoles. The Police Department will be piggy-backing on the County of San Bernardino Contract #16-156. In general conformance with the provisions of Government Code Section 54201 through 54204 and the Ontario Municipal Code, Section 2-6.11(b)(3), allows for the purchase of supplies and equipment through cooperative purchasing with

STAFF MEMBER PRESENTING: Brad Kaylor, Chief of Police

Prepared by: Christine Booker
Department: Police Department

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

13

another governmental agency. Cooperative purchasing allows the City to pool its procurement power with other public agencies to obtain pricing lower than might otherwise be possible.

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
PUBLIC HEARINGS

SUBJECT: AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 3031 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 28 (NEW HAVEN FACILITIES – AREA A)

RECOMMENDATION: That the City Council introduce and waive further reading of an ordinance amending and restating Ordinance No. 3031 levying special taxes within City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A).

COUNCIL GOALS: Focus Resources in Ontario’s Commercial and Residential Neighborhoods Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony

FISCAL IMPACT: Amending and restating Ordinance No. 3031 will reduce some of the special tax rates levied for the financing of facilities in the residential development of the New Haven Facilities - Area A project. Since the special taxes assessed for debt service on Mello-Roos bonds are not a direct obligation of the City, and are paid from special taxes levied on each taxable parcel in the district, there is no general fund impact from amending and restating the ordinance.

BACKGROUND: On October 20, 2015, the City Council, pursuant to the Mello-Roos Community Facilities Act of 1982, established City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A) to finance certain public facilities. As part of the formation of the district, the City Council, on November 3, 2015, adopted Ordinance No. 3031 levying special taxes in the district at the rates and in accordance with the method of apportionment adopted during the formation process (the Initial RMA). The Initial RMA provided that at least 30 days prior to the issuance of bonds, the assigned special tax on developed property was to be analyzed by an updated price point study to determine if, based on the results of the study, the total tax burden applicable to some or all of the units to be constructed within the district exceeded 1.95% of the minimum sales prices of the units. In which event, the assigned special tax was to be reduced to the extent necessary to cause the total tax burden applicable to such units not to exceed 1.95% of the minimum sales prices of such units. The back-up

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

Prepared by: Bob Chandler
Department: Management Services

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

Continued to: _____

Denied: _____

14

special tax for the district was to be similarly analyzed and adjusted, if necessary. In addition, an amended notice of special tax lien was to be recorded by execution of a Certificate of Modification of Special Tax in substantially the form attached to the Initial RMA.

Accordingly, pursuant to these provisions of the Initial RMA, an updated price point study was prepared at least 30 days prior to the issuance of bonds for the district. The study disclosed that the total tax burden applicable to some units within the district did then exceed 1.95% of the minimum sales prices in effect at that time. As such, the assigned special tax for such units, as well as the back-up tax, would need to be reduced in order to comply with the Initial RMA. Goodwin Consulting Group, the CFD Administrator for the district, has completed a Certificate of Modification of Special Tax, the form of which was attached to the Initial RMA, to reflect the reduced assigned special tax and back-up special tax as required.

To complete the process of reducing the special tax rates in the district to comply with the Initial RMA, it is recommended that the City Council approve the proposed ordinance amending and restating Ordinance No. 3031 for the levying of special taxes within City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A). The reduced tax rates authorized by the approval of the proposed ordinance will be reflected in an amended notice of special tax lien which the district will cause to be recorded by execution of the Certificate of Modification of Special Tax, as called for by the Initial RMA. The provisions of the amended and restated ordinance authorizing the revised levying of special taxes have been discussed with the developer of the New Haven Facilities - Area A project, BrookCal Ontario, LLC.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3031, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 28 (NEW HAVEN FACILITIES - AREA A).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), established City of Ontario Community Facilities District No. 28 (New Haven Facilities - Area A) (the "Community Facilities District") to finance certain public facilities (the "Facilities") and services (the "Services"); and

WHEREAS, pursuant to the Act, the qualified electors of the Community Facilities District authorized the levy of special taxes (the "Special Taxes") within the Community Facilities District to finance the Facilities and Services; and

WHEREAS, pursuant to Section 53340 of the Act, the City Council, on November 3, 2015, adopted Ordinance No. 3031, entitled "An Ordinance of the City of Ontario, California, Levying Special Taxes Within the City of Ontario Community Facilities District No. 28 (New Haven Facilities - Area A)" (the "Levy Ordinance"), levying the Special Taxes at the rates and in accordance with the method of apportionment attached thereto and incorporated therein (the "Initial Rate and Method") (capitalized undefined terms used herein have the meanings ascribed thereto in the Initial Rate and Method); and

WHEREAS, the Initial Rate and Method provides that at least 30 days prior to the issuance of Bonds, the Assigned Special Tax on Developed Property (set forth in Table 1 to the Rate and Method) is to be analyzed in accordance with and subject to the conditions set forth therein, that at such time, the Community Facilities District is to select and engage a Price Point Consultant and the CFD Administrator is to request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class, that if, based upon such Price Point Study, the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within the Community Facilities District exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax is to be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units, that each Assigned Special Tax reduction for a Land Use Class is to be calculated by the CFD Administrator separately, and such reduction is not required to be proportionate among Land Use Classes, that in connection with any reduction in the Assigned Special Tax, the CFD Administrator is to also reduce the Backup Special Tax based on the percentage reduction in the Maximum Special Tax revenues within the Tentative Tract Map area(s) where the Assigned Special Tax reductions occurred, that the Special Tax reductions so required

are to be reflected in an amended notice of Special Tax lien which the Community Facilities District is to cause to be recorded by executing a Certificate of Modification of Special Tax in substantially the form attached therein as Exhibit A, and that such reductions apply to Single Family Property, but not to Other Residential Property or Non-Residential Property; and

WHEREAS, such Price Point Study has been prepared, the CFD Administrator has calculated that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within the Community Facilities District exceeds 1.95% of the Minimum Sale Price of such Units, the CFD Administrator has reduced the Assigned Special Tax for such Land Use Classes in accordance with the Initial Rate and Method, the CFD Administrator has reduced the Backup Special Tax in accordance with the Initial Rate and Method, the CFD Administrator has completed a Certificate of Modification of Special Tax, the form of which is attached to the Initial Rate and Method as Exhibit A, to reflect the Assigned Special Tax and the Backup Special Tax as so modified and the Community Facilities District has executed the same (such Certificate of Modification of Special Tax, as so completed and executed, the "Amendment Certificate"); and

WHEREAS, the City Council desires to amend and restate the Levy Ordinance in order to reflect the amendments to the Initial Rate and Method made thereto pursuant to the Amendment Certificate.

THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The Levy Ordinance is hereby amended and restated to read in full as set forth herein.

SECTION 2. The City Council hereby authorizes and levies Special Taxes within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rates and in accordance with the method of apportionment set forth in the Initial Rate and Method, as amended by the Amendment Certificate (as so amended, the "Rate and Method"), a copy of which is attached hereto as Exhibit A. The Special Taxes are hereby levied commencing in fiscal year 2015-16 and in each fiscal year thereafter until the last fiscal year in which such Special Taxes are authorized to be levied pursuant to the Rate and Method.

SECTION 3. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the Special Tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the Special Tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified therefor in the Rate and Method.

SECTION 4. The Special Tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Rate and

Method.

SECTION 5. The proceeds of the Special Tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and Services and incidental expenses pursuant to the Act.

SECTION 6. The Special Tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

SECTION 7. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the Community Facilities District shall not be affected.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 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 Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held September 5, 2017 and adopted at the regular meeting held _____, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

SHEILA MAUTZ, CITY CLERK

(SEAL)

RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:
City Clerk
City of Ontario
303 East B Street
Ontario, California 91764

**AMENDMENT NO. 1
TO
NOTICE OF SPECIAL TAX LIEN**

**CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 28
(NEW HAVEN FACILITIES - AREA A)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and Section 53328.3 of the Mello-Roos Community Facilities Act of 1982 (the "Act"), a Notice of Special Tax Lien with respect to City of Ontario Community Facilities District No. 28 (New Haven Facilities - Area A) (the "Community Facilities District") was recorded in the Office of the County Recorder of the County of San Bernardino (the "County") on October 22, 2015, as Instrument No. 2015-0458715.

Pursuant to the provisions of the Act, the qualified electors of the Community Facilities District approved the levy of a special tax (the "Special Tax") within the Community Facilities District in accordance with the rate and method of apportionment therefor (the "Initial Rate and Method"). The Initial Rate and Method provides that, prior to the first issuance of bonds by the Community Facilities District, certain of the Special Tax rates specified in the Initial Rate and Method are to be analyzed and, if such Special Tax rates cause the total tax burden on the parcels on which such Special Taxes are to be levied to exceed the limitations specified in the Initial Rate and Method, the Initial Rate and Method is to be amended so that such Special Tax rates are reduced to levels that will not cause such total tax burden to exceed such limitations. The Initial Rate and Method provides that any such amendment is effected by the Community Facilities District administrator (the "CFD Administrator") completing a Certificate of Modification of Special Tax, the form of which is attached to the Initial Rate and Method as Exhibit A, to reflect the modified Special Tax rates and the Community Facilities District executing the same. Such Special Tax rates have been so analyzed and, in accordance with the Initial Rate and Method, certain of such Special Tax rates have been reduced. In accordance with the Initial Rate and Method, the CFD Administrator has completed a Certificate of Modification of Special Tax to reflect the modified Special Tax rates and the Community Facilities District has executed the same (such Certificate of Modification of Special Tax, as so completed and executed, the "Amendment Certificate"). The Initial Rate and Method, as amended by the Amendment Certificate, is attached hereto as Exhibit A. Pursuant to the requirements of Section 3117.5 of the California Streets and Highways Code and Section 53338 of the Act, the undersigned City Clerk of the City hereby gives notice of such changes in the authorization to levy the Special Tax.

Reference is made to the boundary map of the Community Facilities District recorded at Book 86 of Maps of Assessment and Community Facilities Districts at Page 97, in the office of the County Recorder for the County of San Bernardino, State of California, which map is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Management Analyst, Management Services, City of Ontario, 303 East B Street, Ontario, California 91764, (909) 395-2341.

Dated: _____, 2017

By: _____
Sheila Mautz, City Clerk

EXHIBIT A

**CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT No. 28
(NEW HAVEN FACILITIES – AREA A)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied on all Assessor's Parcels in the City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A) ("CFD No. 28") and collected each Fiscal Year, commencing in Fiscal Year 2015-16, in an amount determined by the City Council of the City of Ontario through the application of the Rate and Method of Apportionment, as described below. All of the real property in CFD No. 28, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 28: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 28 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City or CFD No. 28 of complying with arbitrage rebate requirements; the costs to the City or CFD No. 28 of complying with City, CFD No. 28, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 28 related to the analysis and reduction, if any, of the Special Tax on Single Family Property in accordance with Section C.1 herein; the costs of the City or CFD No. 28 related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead relating to CFD No. 28; and amounts estimated or advanced by the City or CFD No. 28 for any other

administrative purposes of the CFD, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.2 below.

"Backup Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.3 below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act) issued by CFD No. 28 under the Act and payable from Special Taxes.

"Buildable Lot" means an individual lot, within a Final Subdivision Map or an area expected by CFD No. 28 to become Final Mapped Property, such as the area within a Tentative Tract Map, for which a building permit may be issued without further subdivision of such lot.

"CFD Administrator" means an official of the City responsible for determining the Special Tax Requirement, providing for the levy and collection of the Special Taxes, and performing the other duties provided for herein.

"CFD No. 28" means City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A).

"City" means the City of Ontario, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 28.

"County" means the County of San Bernardino.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City as of the date of calculation of the Backup Special Tax.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Final Mapped Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a building permit or other applicable permit for new construction was issued after January 1, 2014, and before May 1 of the prior Fiscal Year.

“Expected Residential Lot Count” means 332 Buildable Lots of Single Family Property or, as determined by the CFD Administrator, the number of Buildable Lots of Single Family Property based on the most recent Tentative Tract Map(s) or most recently recorded Final Subdivision Map(s) or modified Final Subdivision Map(s).

“Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 28.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision Map. The term Final Mapped Property shall include any parcel map or Final Subdivision Map, or portion thereof, that creates individual lots for which a building permit may be issued, including Parcels that are designated as a remainder Parcel (i.e., one where the size, location, etc., precludes any further subdivision or taxable use).

“Final Subdivision Map” means a final tract map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or a condominium plan recorded pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time.

“Land Use Class” means any of the classes listed in Table 1 below.

“Maximum Special Tax” means, with respect to an Assessor’s Parcel of Taxable Property, the Maximum Special Tax determined in accordance with Section C.1 below that can be levied in any Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Minimum Sale Price” means the minimum price at which Units of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such Units that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued by the City permitting the construction of one or more non-residential structures or facilities.

“Other Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued by the City for purposes of constructing Units, excluding Single Family Attached Property and Single Family Detached Property.

“Outstanding Bonds” means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“Price Point Consultant” means any consultant or firm of such consultants selected by CFD No. 28 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for residential units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 28 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 28, (ii) the City, (iii) any owner of real property in CFD No. 28, or (iv) any real property in CFD No. 28, and (e) is not connected with CFD No. 28 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 28 or the City.

“Price Point Study” means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 28 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

“Proportionately” means (a) for Developed Property in the first step of Section D below, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property; however, for Developed Property in the fourth step of Section D below, Proportionately means that the amount of the increase above the Assigned Special Tax, if necessary, is equal for all Assessor’s Parcels of Developed Property, except that if the Backup Special Tax limits the increase on any Assessor’s Parcel(s), then the amount of the increase shall be equal for the remaining Assessor’s Parcels; (b) for Final Mapped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Final Mapped Property; (c) for Undeveloped Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property; (d) for Taxable Property Owner Association Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Property Owner Association Property; and (e) for Taxable Public Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property.

“Public Property” means, for each Fiscal Year, property within the boundaries of CFD No. 28 that is (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency or (b) encumbered by an easement for purposes of public right-of-way that makes impractical its use for any purpose other than that set forth in such easement, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Tax.

“Residential Floor Area” means all of the Square Footage of living area within the perimeter of a Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be as set forth in the building permit(s) issued for such Assessor’s Parcel, or as set forth in other official records maintained by the City’s Building Department or other appropriate means selected by CFD No. 28. The actual Square Footage shall be rounded up to the next whole square foot. Once such determination has been made for an Assessor’s Parcel, it shall remain fixed in all future Fiscal Years unless an appeal pursuant to Section F below is approved that results in a change in the actual Square Footage.

“Services” means the services authorized to be financed, in whole or in part, by CFD No. 28.

“Single Family Attached Property” means all Assessor’s Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued for construction of a Unit, on one legal lot, that does not share a common wall with another Unit.

“Single Family Property” means all Assessor’s Parcels of Single Family Attached Property and Single Family Detached Property.

“Special Tax” means the special tax authorized by the qualified electors of CFD No. 28 to be levied within the boundaries of CFD No. 28.

“Special Tax Requirement” means for any Fiscal Year that amount required, after taking into account available amounts held in the funds and accounts established under the Indenture, for CFD No. 28 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the Bonds, including, but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) provide any amounts required to establish or replenish any reserve fund for the Bonds; (v) pay directly for acquisition or construction of Facilities, or the cost of Services, to the extent that the inclusion of such amounts does not increase the Special Tax levy on Final Mapped Property or Undeveloped Property; (vi) provide an amount equal to Special Tax delinquencies based on the historical delinquency rate for the Special Tax as determined by the CFD Administrator.

“Square Footage” or “Sq. Ft.” means the floor area square footage reflected on the original construction building permit, or as set forth in other official records maintained by the City’s Building Department or other appropriate means selected by CFD No. 28, issued for construction of Single Family Property, Other Residential Property, or Non-Residential Property, plus any square footage subsequently added to a building of Non-Residential Property after issuance of a building permit for expansion or renovation of such building.

“State” means the State of California.

“Taxable Property” means, for each Fiscal Year, all of the Assessor’s Parcels within the boundaries of CFD No. 28 that are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner Association Property” means, for each Fiscal Year, all Assessor’s Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E below.

“Taxable Public Property” means, for each Fiscal Year, all Assessor’s Parcels of Public Property that are not exempt from the Special Tax pursuant to law or Section E below.

“Tentative Tract Map” means a map: (i) showing a proposed subdivision of an Assessor’s Parcel(s) and the conditions pertaining thereto; (ii) that may or may not be based on a detailed survey; and (iii) that is not recorded by the County to create legal lots.

“Total Tax Burden” means for any Unit, the annual Special Tax, together with *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees, and charges which are levied and imposed on such Unit and the real property on which it is located and collected by the County on *ad valorem* tax bills and which are secured by such Unit and the real property on which it is located, assuming such Unit had been completed, sold, and subject to such levies and impositions, excluding service charges such as those related to sewer and trash.

“Trustee” means the trustee or fiscal agent under the Indenture.

“TTM 18991” means Tentative Tract Map No. 18991, the area of which is located within CFD No. 28.

“TTM 18992” means Tentative Tract Map No. 18992, the area of which is located within CFD No. 28.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property, or Taxable Property Owner Association Property.

“Unit” means an individual single-family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, beginning with Fiscal Year 2015-16, all Taxable Property within CFD No. 28 shall be classified as Developed Property, Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below. Assessor’s Parcels of Single Family Detached Property shall be assigned to Land Use Classes 1 through 17, and Assessor’s Parcels of Single Family Attached Property shall be assigned to Land Use Classes 18 through 27, as listed in Table 1 below based on the Residential Floor Area of the Units on such Assessor’s Parcels. Other Residential Property shall be assigned to Land Use Class 28, and Non-Residential Property shall be assigned to Land Use Class 29.

C. MAXIMUM SPECIAL TAX

1. Special Tax

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax on Developed Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, CFD No. 28 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within CFD No. 28 exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units. Each Assigned Special Tax reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax, the Backup Special Tax shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax revenues within the Tentative Tract Map area(s) where the Assigned Special Tax reductions occurred. The Special Tax reductions required pursuant to this paragraph shall be reflected in an amended notice of Special Tax lien which CFD No. 28 shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit A. The reductions in this section apply to Single Family Property, but not to Other Residential Property or Non-Residential Property.

a. Developed Property

1) *Maximum Special Tax*

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax. The Maximum Special Tax shall not increase in future years, other than as calculated pursuant to Section C.1.a.3 below.

2) *Assigned Special Tax*

The Assigned Special Tax that may be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

**TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY**

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Detached Property	< 1,701	\$1,823 per Unit
2	Single Family Detached Property	1,701 – 1,900	\$2,061 per Unit
3	Single Family Detached Property	1,901 – 2,100	\$2,133 per Unit
4	Single Family Detached Property	2,101 – 2,300	\$2,324 per Unit
5	Single Family Detached Property	2,301 – 2,500	\$2,483 per Unit
6	Single Family Detached Property	2,501 – 2,700	\$2,632 per Unit
7	Single Family Detached Property	2,701 – 2,900	\$2,935 per Unit
8	Single Family Detached Property	2,901 – 3,100	\$3,114 per Unit
9	Single Family Detached Property	3,101 – 3,300	\$3,214 per Unit
10	Single Family Detached Property	3,301 – 3,500	\$3,429 per Unit
11	Single Family Detached Property	3,501 – 3,700	\$3,591 per Unit
12	Single Family Detached Property	3,701 – 3,900	\$3,770 per Unit
13	Single Family Detached Property	3,901 – 4,100	\$3,956 per Unit
14	Single Family Detached Property	4,101 – 4,300	\$4,141 per Unit
15	Single Family Detached Property	4,301 – 4,500	\$4,326 per Unit
16	Single Family Detached Property	4,501 – 4,700	\$4,512 per Unit
17	Single Family Detached Property	> 4,700	\$4,697 per Unit
18	Single Family Attached Property	< 801	\$943 per Unit
19	Single Family Attached Property	801 – 950	\$984 per Unit

20	Single Family Attached Property	951 – 1,100	\$1,100 per Unit
21	Single Family Attached Property	1,101 – 1,300	\$1,185 per Unit
22	Single Family Attached Property	1,301 – 1,500	\$1,377 per Unit
23	Single Family Attached Property	1,501 – 1,700	\$1,628 per Unit
24	Single Family Attached Property	1,701 – 1,900	\$1,678 per Unit
25	Single Family Attached Property	1,901 – 2,100	\$1,900 per Unit
26	Single Family Attached Property	2,101 – 2,300	\$1,993 per Unit
27	Single Family Attached Property	> 2,300	\$2,154 per Unit
28	Other Residential Property		\$32,777 per Acre
29	Non-Residential Property		\$32,777 per Acre

3) *Backup Special Tax*

The Backup Special Tax shall be \$2,585 per Unit for Single Family Detached Property and \$1,509 per Unit for Single Family Attached Property. However, if the Expected Residential Lot Count does not equal 240 for Single Family Detached Property or 92 for Single Family Attached Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated separately for Single Family Detached Property and Single Family Attached Property according to the following formula:

$$\text{Backup Special Tax} = \$620,475 \div \text{number of Designated Buildable Lots of Single Family Detached Property}$$

$$\text{or } \$138,832 \div \text{number of Designated Buildable Lots of Single Family Attached Property}$$

If any portion of a Final Subdivision Map, or any area expected by CFD No. 28 to become Final Mapped Property, such as the area within TTM 18991, TTM 18992, or any other Tentative Tract Map, changes any time after the City has issued Bonds, causing an adjustment to the number of Designated Buildable Lots, then the Backup Special Tax for all Designated Buildable Lots of Single Family Detached Property or Single Family Attached Property subject to the change shall be calculated according to the following steps:

Step 1: Determine the total Backup Special Taxes that could have been collected from Designated Buildable Lots, separately for Single Family Detached Property and Single Family Attached

Property, prior to the Final Subdivision Map or expected Final Mapped Property change.

Step 2: Divide the amount(s) determined in Step 1 by the number of Designated Buildable Lots, separately for Single Family Detached Property and Single Family Attached Property, that exists after the Final Subdivision Map or expected Final Mapped Property change.

Step 3: Apply the amount(s) determined in Step 2 as the Backup Special Tax per Unit for Single Family Detached Property or Single Family Attached Property.

The Backup Special Tax for an Assessor's Parcel shall not change once an Assessor's Parcel is classified as Developed Property.

b. *Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property*

The Maximum Special Tax for Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property shall be \$32,777 per Acre, and shall not be subject to increase or reduction and, therefore, shall remain the same in every Fiscal Year.

2. Multiple Land Use Classes on an Assessor's Parcel

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax for all Units of Single Family Property and Acres of Other Residential Property and Non-Residential Property (based on the pro rata share of Square Footage between Other Residential Property and Non-Residential Property, according to the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Each Fiscal Year, beginning with Fiscal Year 2015-16, the CFD Administrator shall determine the Special Tax Requirement for such Fiscal Year. The Special Tax shall then be levied as follows:

First: If needed to satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property up to 100% of the Maximum Special Tax for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax for Taxable Property Owner Association Property;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied in any Fiscal Year on any Assessor's Parcel of Single Family Property or Other Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within CFD No. 28 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

E. EXEMPTIONS

No Special Tax shall be levied on up to 18.62 Acres of Public Property and up to 8.88 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth or sixth step, respectively, in Section D above, up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property and Taxable Public Property. No Special Tax shall be levied in any

Fiscal Year on Assessor's Parcels that have fully prepaid the Special Tax obligation pursuant to the formula set forth in Section H.

F. APPEALS

Any property owner may file a written appeal of the Special Tax with CFD No. 28 claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the Special Taxes may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means \$8,627,000 for each Prepayment Period, or such lower number as determined by the City Council to be sufficient to fund the Facilities and Services to be provided by CFD No. 28.

"Expenditures Fund" means funds or accounts, regardless of their names, that are established to hold moneys that are available to acquire or construct Facilities and to fund Services.

“Future Facilities Costs” means the CFD Public Facilities minus (i) Facilities and Services costs previously paid from the Expenditures Fund during the Prepayment Period in which the prepayment is being made, (ii) moneys currently on deposit in the Expenditures Fund from deposits made during the Prepayment Period in which the prepayment is being made, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance Facilities costs. In no event shall the amount of Future Facilities Costs be less than zero.

“Prepayment Period” means one of three periods of time during which a Special Tax prepayment may be made.

“Prepayment Period 1” means July 1, 2015, through June 30, 2049.

“Prepayment Period 2” means July 1, 2049, through June 30, 2082.

“Prepayment Period 3” means July 1, 2082, through June 30, 2116.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels for which a building permit for new construction was issued after January 1, 2014, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel, and determine the Prepayment Period for the proposed prepayment.
2. Compute the Assigned Special Tax and Backup Special Tax for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax which is, or could be, charged in the current Fiscal Year. For Assessor's Parcels of Final Mapped Property (for which a building permit has been issued but which is not yet classified as Developed Property) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to Paragraph 2 by the total estimated Assigned Special Tax for CFD No. 28 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 28, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to Paragraph 2 by the estimated total Backup Special Tax at buildout of CFD No. 28, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to Paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the Future Facilities Costs for the applicable Prepayment Period.
7. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the amount determined pursuant to Paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Add the amounts computed pursuant to Paragraphs 8 and 9 to determine the "Defeasance Amount".

11. Verify the administrative fees and expenses of CFD No. 28, including the costs to compute the prepayment, the costs to invest the prepayment proceeds, the costs to redeem Bonds, and the costs to record any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.
13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Paragraphs 4, 5, 7, 10, and 11, less the amount computed pursuant to Paragraph 12 (the "Prepayment Amount").
14. From the Prepayment Amount, the amounts computed pursuant to Paragraphs 4, 5, 10, and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Paragraph 7 shall be deposited into the Expenditures Fund. The amount computed pursuant to Paragraph 11 shall be retained by CFD No. 28.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000, or integral multiple thereof, will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under Paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid during Prepayment Period 3, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been prepaid and that the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

With respect to the Special Tax for any Assessor's Parcel that is prepaid during Prepayment Period 1 or Prepayment Period 2, the obligation of such Assessor's Parcel to pay the Special Tax shall be tolled, or suspended, through the end of such Prepayment Period, but shall resume in the first Fiscal Year of the subsequent Prepayment Period. The CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that the Special Tax has been satisfied for the remainder of the applicable Prepayment Period but has not been permanently satisfied and the obligation to pay the Special Tax will resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the prepayment was made. Once the

obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on Taxable Property within CFD No. 28 (after excluding 18.62 Acres of Public Property and 8.88 acres of Property Owner Association Property) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel for which a building permit for new construction was issued after January 1, 2014, may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1, except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = PF \times \%$$

The terms above have the following meaning:

PP = the partial prepayment

PF = the Prepayment Amount (full prepayment) for the Special Tax calculated according to Section H.1

% = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the remitted prepayment funds according to Section H.1, and (ii) indicate in the records of CFD No. 28 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (100% - "%", as defined above) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D during the Prepayment Period in which the partial prepayment is made.

For partial prepayments made during Prepayment Period 1 or Prepayment Period 2, the full amount of the Special Tax shall resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the partial prepayment was made. Once the obligation of an Assessor's Parcel to pay the Special Tax resumes, the Special Tax for the then applicable Prepayment Period may be prepaid.

I. TERM OF SPECIAL TAX

The Fiscal Year after which no further Special Tax shall be levied or collected is Fiscal Year 2115-2116, except that the Special Tax that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years.

EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 1 OF 3)**

CITY OF ONTARIO AND CFD NO. 28 CERTIFICATE

1. Pursuant to Section C.1 of the Rate and Method of Apportionment of Special Tax for City of Ontario Community Facilities District No. 28 (New Haven Facilities – Area A) (“CFD No. 28”), the Assigned Special Tax and the Backup Special Tax for Developed Property within CFD No. 28 has been modified.
 - a. The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 28, as stated in Section C.1.a.2 of the Rate and Method of Apportionment, has been modified as follows:

**TABLE 1
ASSIGNED SPECIAL TAX – DEVELOPED PROPERTY**

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax
1	Single Family Detached Property	< 1,701	\$1,725 per Unit
2	Single Family Detached Property	1,701 – 1,900	\$1,818 per Unit
3	Single Family Detached Property	1,901 – 2,100	\$2,005 per Unit
4	Single Family Detached Property	2,101 – 2,300	\$2,201 per Unit
5	Single Family Detached Property	2,301 – 2,500	\$2,354 per Unit
6	Single Family Detached Property	2,501 – 2,700	\$2,501 per Unit
7	Single Family Detached Property	2,701 – 2,900	\$2,694 per Unit
8	Single Family Detached Property	2,901 – 3,100	\$2,769 per Unit
9	Single Family Detached Property	3,101 – 3,300	\$2,910 per Unit
10	Single Family Detached Property	3,301 – 3,500	\$3,083 per Unit
11	Single Family Detached Property	3,501 – 3,700	\$3,184 per Unit
12	Single Family Detached Property	3,701 – 3,900	\$3,323 per Unit
13	Single Family Detached Property	3,901 – 4,100	\$3,462 per Unit
14	Single Family Detached Property	4,101 – 4,300	\$3,600 per Unit
15	Single Family Detached Property	4,301 – 4,500	\$3,739 per Unit
16	Single Family Detached Property	4,501 – 4,700	\$3,877 per Unit
17	Single Family Detached Property	> 4,700	\$4,016 per Unit

EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 2 OF 3)**

18	Single Family Attached Property	< 801	\$773 per Unit
19	Single Family Attached Property	801 – 950	\$854 per Unit
20	Single Family Attached Property	951 – 1,100	\$896 per Unit
21	Single Family Attached Property	1,101 – 1,300	\$1,098 per Unit
22	Single Family Attached Property	1,301 – 1,500	\$1,260 per Unit
23	Single Family Attached Property	1,501 – 1,700	\$1,422 per Unit
24	Single Family Attached Property	1,701 – 1,900	\$1,594 per Unit
25	Single Family Attached Property	1,901 – 2,100	\$1,747 per Unit
26	Single Family Attached Property	2,101 – 2,300	\$1,910 per Unit
27	Single Family Attached Property	> 2,300	\$2,072 per Unit
28	Other Residential Property		\$32,777 per Acre
29	Non-Residential Property		\$32,777 per Acre

- b. The Backup Special Tax for Developed Property, as stated in Section C.1.a.3, shall be modified as follows:

The Backup Special Tax shall be \$2,380 per Unit for Single Family Detached Property and \$1,298 per Unit for Single Family Attached Property. However, if the Expected Residential Lot Count does not equal 240 for Single Family Detached Property or 92 for Single Family Attached Property, and the City has not issued Bonds, then the Backup Special Tax for Designated Buildable Lots of Single Family Property shall be calculated separately for Single Family Detached Property and Single Family Attached Property according to the following formula:

$$\text{Backup Special Tax} = \$583,127 \div \text{number of Designated Buildable Lots of Single Family Detached Property}$$

Or $\$118,092 \div \text{number of Designated Buildable Lots of Single Family Attached Property}$


EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX
(PAGE 3 OF 3)**

2. The Special Tax for Developed Property may only be modified prior to the first issuance of CFD No. 28 Bonds.
3. Upon execution of this certificate by CFD No. 28, CFD No. 28 shall cause an amended notice of Special Tax lien for CFD No. 28 to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledge, on behalf of the City and CFD No. 28, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 28 (NEW HAVEN FACILITIES – AREA A)

By:  _____

Date: 7/25/17

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
PUBLIC HEARINGS

SUBJECT: AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 3020 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 31 (CARRIAGE HOUSE / AMBERLY LANE)

RECOMMENDATION: That the City Council introduce and waive further reading of an ordinance amending and restating Ordinance No. 3020 levying special taxes within City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane).

COUNCIL GOALS: Focus Resources in Ontario's Commercial and Residential Neighborhoods
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony

FISCAL IMPACT: Amending and restating Ordinance No. 3020 will reduce some of the special tax rates levied for the financing of facilities in the residential development of the Carriage House / Amberly Lane project. Since the special taxes assessed for debt service on Mello-Roos bonds are not a direct obligation of the City, and are paid from special taxes levied on each taxable parcel in the district, there is no general fund impact from amending and restating the ordinance.

BACKGROUND: On June 2, 2015, the City Council, pursuant to the Mello-Roos Community Facilities Act of 1982, established City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane) to finance certain public facilities (Special Tax A) and City services (Special Tax B). As part of the formation of the district, the City Council, on June 16, 2015, adopted Ordinance No. 3020 levying special taxes in the district at the rates and in accordance with the method of apportionment adopted during the formation process (the Initial RMA). The Initial RMA provided that at least 30 days prior to the issuance of bonds, the Assigned Special Tax A on developed property was to be analyzed by an updated price point study to determine if, based on the results of the study, the total tax burden applicable to some or all of the units to be constructed within the district exceeded 1.95% of the minimum sales prices of the units. In which event, the Assigned Special Tax A was to be reduced to the extent necessary to cause the total tax burden

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

Prepared by: Bob Chandler
Department: Management Services

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

15

applicable to such units not to exceed 1.95% of the minimum sales prices of such units. The Back-Up Special Tax A for the district was to be similarly analyzed and adjusted, if necessary. In addition, an amended notice of special tax lien was to be recorded by execution of a Certificate of Modification of Special Tax A in substantially the form attached to the Initial RMA.

Accordingly, pursuant to these provisions of the Initial RMA, an updated price point study was prepared at least 30 days prior to the issuance of bonds for the district. The study disclosed that the total tax burden applicable to some units within the district did then exceed 1.95% of the minimum sales prices in effect at that time. As such, the Assigned Special Tax A for such units, as well as the Back-Up Special Tax A, would need to be reduced in order to comply with the Initial RMA. Goodwin Consulting Group, the CFD Administrator for the district, has completed a Certificate of Modification of Special Tax A, the form of which was attached to the Initial RMA, to reflect the reduced Assigned Special Tax A and Back-Up Special Tax A as required.

To complete the process of reducing the special tax rates in the district to comply with the Initial RMA, it is recommended that the City Council approve the proposed ordinance amending and restating Ordinance No. 3020 for the levying of special taxes within City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane). The reduced tax rates authorized by the approval of the proposed ordinance will be reflected in an amended notice of special tax lien which the district will cause to be recorded by execution of the Certificate of Modification of Special Tax A, as called for by the Initial RMA. The provisions of the amended and restated ordinance authorizing the revised levying of special taxes have been discussed with the developer of the Carriage House / Amberly Lane project, Lennar Homes of California, Inc.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3020, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 31 (CARRIAGE HOUSE / AMBERLY LANE).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), established City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane) (the "Community Facilities District") to finance certain public facilities (the "Facilities") and services (the "Services"); and

WHEREAS, pursuant to the Act, the qualified electors of the Community Facilities District authorized the levy of special taxes (the "Special Taxes") within the Community Facilities District to finance the Facilities and Services; and

WHEREAS, pursuant to Section 53340 of the Act, the City Council, on June 16, 2015, adopted Ordinance No. 3020, entitled "An Ordinance of the City of Ontario, California, Levying Special Taxes Within the City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane)" (the "Levy Ordinance"), levying the Special Taxes at the rates and in accordance with the method of apportionment attached thereto and incorporated therein (the "Initial Rate and Method") (capitalized undefined terms used herein have the meanings ascribed thereto in the Initial Rate and Method); and

WHEREAS, the Initial Rate and Method provides that at least 30 days prior to the issuance of Bonds, the Assigned Special Tax A on Developed Property (set forth in Table 1 to the Rate and Method) is to be analyzed in accordance with and subject to the conditions set forth therein, that at such time, the Community Facilities District is to select and engage a Price Point Consultant and the CFD Administrator is to request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class, that if, based upon such Price Point Study, the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Detached Property to be constructed within the Community Facilities District exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax A is to be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units, that each Assigned Special Tax A reduction for a Land Use Class is to be calculated by the CFD Administrator separately, and such reduction is not required to be proportionate among Land Use Classes, that in connection with any reduction in the Assigned Special Tax A, the CFD Administrator is to also reduce the Backup Special Tax A based on the percentage reduction in the Maximum Special Tax A revenues within the Tentative Tract Map

area(s) where the Assigned Special Tax A reductions occurred, that the Special Tax A reductions so required are to be reflected in an amended notice of Special Tax lien which the Community Facilities District is to cause to be recorded by executing a Certificate of Modification of Special Tax A in substantially the form attached therein as Exhibit A, and that such reductions apply to Single Family Detached Property, but not to Other Residential Property or Non-Residential Property; and

WHEREAS, such Price Point Study has been prepared, the CFD Administrator has calculated that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Detached Property to be constructed within the Community Facilities District exceeds 1.95% of the Minimum Sale Price of such Units, the CFD Administrator has reduced the Assigned Special Tax A for such Land Use Classes in accordance with the Initial Rate and Method, the CFD Administrator has reduced the Backup Special Tax A in accordance with the Initial Rate and Method, the CFD Administrator has completed a Certificate of Modification of Special Tax A, the form of which is attached to the Initial Rate and Method as Exhibit A, to reflect the Assigned Special Tax A and the Backup Special Tax A as so modified and the Community Facilities District has executed the same (such Certificate of Modification of Special Tax A, as so completed and executed, the "Amendment Certificate"); and

WHEREAS, the City Council desires to amend and restate the Levy Ordinance in order to reflect the amendments to the Initial Rate and Method made thereto pursuant to the Amendment Certificate.

THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The Levy Ordinance is hereby amended and restated to read in full as set forth herein.

SECTION 2. The City Council hereby authorizes and levies Special Taxes within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rates and in accordance with the method of apportionment set forth in the Initial Rate and Method, as amended by the Amendment Certificate (as so amended, the "Rate and Method"), a copy of which is attached hereto as Exhibit A. The Special Taxes are hereby levied commencing in fiscal year 2015-16 and in each fiscal year thereafter until the last fiscal year in which such Special Taxes are authorized to be levied pursuant to the Rate and Method.

SECTION 3. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the Special Tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the Special Tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified therefor in the Rate and Method.

SECTION 4. The Special Tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Rate and Method.

SECTION 5. The proceeds of the Special Tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and Services and incidental expenses pursuant to the Act.

SECTION 6. The Special Tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

SECTION 7. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the Community Facilities District shall not be affected.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 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 Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held September 5, 2017 and adopted at the regular meeting held _____, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

SHEILA MAUTZ, CITY CLERK

(SEAL)

RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:
City Clerk
City of Ontario
303 East B Street
Ontario, California 91764

**AMENDMENT NO. 1
TO
NOTICE OF SPECIAL TAX LIEN**

**CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 31
(CARRIAGE HOUSE / AMBERLY LANE)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and Section 53328.3 of the Mello-Roos Community Facilities Act of 1982 (the "Act"), a Notice of Special Tax Lien with respect to City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane) (the "Community Facilities District") was recorded in the Office of the County Recorder of the County of San Bernardino (the "County") on June 4, 2015, as Instrument No. 2015-0233892.

Pursuant to the provisions of the Act, the qualified electors of the Community Facilities District approved the levy of a special tax (the "Special Tax") within the Community Facilities District in accordance with the rate and method of apportionment therefor (the "Initial Rate and Method"). The Initial Rate and Method provides that, prior to the first issuance of bonds by the Community Facilities District, certain of the Special Tax rates specified in the Initial Rate and Method are to be analyzed and, if such Special Tax rates cause the total tax burden on the parcels on which such Special Taxes are to be levied to exceed the limitations specified in the Initial Rate and Method, the Initial Rate and Method is to be amended so that such Special Tax rates are reduced to levels that will not cause such total tax burden to exceed such limitations. The Initial Rate and Method provides that any such amendment is effected by the Community Facilities District administrator (the "CFD Administrator") completing a Certificate of Modification of Special Tax A, the form of which is attached to the Initial Rate and Method as Exhibit A, to reflect the modified Special Tax rates and the Community Facilities District executing the same. Such Special Tax rates have been so analyzed and, in accordance with the Initial Rate and Method, certain of such Special Tax rates have been reduced. In accordance with the Initial Rate and Method, the CFD Administrator has completed a Certificate of Modification of Special Tax A to reflect the modified Special Tax rates and the Community Facilities District has executed the same (such Certificate of Modification of Special Tax A, as so completed and executed, the "Amendment Certificate"). The Initial Rate and Method, as amended by the Amendment Certificate, is attached hereto as Exhibit A. Pursuant to the requirements of Section 3117.5 of the California Streets and Highways Code and Section 53338 of the Act, the undersigned City Clerk of the City hereby gives notice of such changes in the authorization to levy the Special Tax.

Reference is made to the boundary map of the Community Facilities District recorded at Book 86 of Maps of Assessment and Community Facilities Districts at Page 50, in the office of the County Recorder for the County of San Bernardino, State of California, which map is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Management Analyst, Management Services, City of Ontario, 303 East B Street, Ontario, California 91764, (909) 395-2341.

Dated: _____, 2017

By: _____
Sheila Mautz, City Clerk

EXHIBIT A

**CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 31
(CARRIAGE HOUSE / AMBERLY LANE)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes shall be levied on Assessor's Parcels of Taxable Property in the City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane) ("CFD No. 31") and collected each Fiscal Year, commencing in Fiscal Year 2015-16, in an amount determined by the City Council of the City of Ontario through the application of the Rate and Method of Apportionment, as described below. The real property in CFD No. 31, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 31: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 31 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City or CFD No. 31 of complying with arbitrage rebate requirements; the costs to the City or CFD No. 31 of complying with City, CFD No. 31, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 31 related to the analysis and reduction, if any, of the Special Tax A on Single Family Detached Property in accordance with Section C.1 herein; the costs of the City or CFD No. 31 related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead relating to CFD No. 31; and amounts estimated or advanced by the City or CFD No. 31 for any other

administrative purposes of the CFD, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax A" means the Special Tax A for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.2 below.

"Backup Special Tax A" means the Special Tax A for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.3 below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act) issued by CFD No. 31 under the Act and payable from Special Tax A.

"Buildable Lot" means an individual lot, within a Final Subdivision Map or an area expected by CFD No. 31 to become Final Mapped Property, such as the area within a Tentative Tract Map, for which a building permit may be issued without further subdivision of such lot.

"CFD Administrator" means an official of the City responsible for determining the Special Tax A Requirement and Special Tax B Requirement, providing for the levy and collection of the Special Taxes, and performing the other duties provided for herein.

"CFD No. 31" means City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane).

"City" means the City of Ontario, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 31.

"County" means the County of San Bernardino.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City as of the date of calculation of the Backup Special Tax A.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Final Mapped Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a building permit or other applicable permit for new construction was issued after January 1, 2014, and before May 1 of the prior Fiscal Year.

“Expected Residential Lot Count” means 143 Buildable Lots of Single Family Detached Property or, as determined by the CFD Administrator, the number of Buildable Lots of Single Family Detached Property based on the most recent Tentative Tract Map(s) or most recently recorded Final Subdivision Map(s) or modified Final Subdivision Map(s).

“Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 31.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision Map. The term Final Mapped Property shall include any parcel map or Final Subdivision Map, or portion thereof, that creates individual lots for which a building permit may be issued, including Parcels that are designated as a remainder Parcel (i.e., one where the size, location, etc., precludes any further subdivision or taxable use).

“Final Subdivision Map” means a final tract map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or a condominium plan recorded pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Gated Apartment Community Property” means, with respect to Special Tax B, Multiple Family Property within a gated community that, within such community, is primarily served by private interior streets.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time.

“Land Use Class” means any of the classes listed in Table 1 and Table 2 below.

“Maximum Special Tax A” means, with respect to an Assessor’s Parcel of Taxable Property, the Maximum Special Tax A determined in accordance with Section C.1 below that can be levied in any Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Maximum Special Tax B” means, with respect to an Assessor’s Parcel of Taxable Property, the Maximum Special Tax B determined in accordance with Section C.2 below that can be levied in any Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Minimum Sale Price” means the minimum price at which Units of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such Units that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

“Multiple Family Property” means, with respect to Special Tax B, all Assessor’s Parcels of Developed Property for which a building permit was issued by the City for any residential building containing two or more Units, including attached condominiums, townhomes, duplexes, triplexes, and apartments, but excluding Gated Apartment Community Property.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued by the City permitting the construction of one or more non-residential structures or facilities.

“Other Residential Property” means, with respect to Special Tax A, all Assessor’s Parcels of Developed Property for which a building permit was issued by the City for purposes of constructing Units, excluding Single Family Detached Property.

“Outstanding Bonds” means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“Price Point Consultant” means any consultant or firm of such consultants selected by CFD No. 31 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for residential units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 31 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 31, (ii) the City, (iii) any owner of real property in CFD No. 31, or (iv) any real property in CFD No. 31, and (e) is not connected with CFD No. 31 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 31 or the City.

“Price Point Study” means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 31 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

“Proportionately” means (a) for Developed Property in the first step of Section D.1 below, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor’s Parcels of Developed Property; however, for Developed Property in the fourth step of Section D.1 below, Proportionately means that the amount of the increase above the Assigned Special Tax A, if necessary, is equal for all Assessor’s Parcels of Developed Property, except that if the Backup Special Tax A limits the increase on any Assessor’s Parcel(s), then the amount of the increase shall be equal for the remaining Assessor’s Parcels; (b) with respect to Special Tax B, that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor’s Parcels of Developed Property; (c) for Final Mapped Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor’s Parcels of Final Mapped Property; (d) for Undeveloped Property, that the ratio of the actual Special

Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Undeveloped Property; (e) for Taxable Property Owner Association Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Taxable Property Owner Association Property; and (f) for Taxable Public Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Taxable Public Property.

“Public Property” means, for each Fiscal Year, property within the boundaries of CFD No. 31 that is (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency or (b) encumbered by an easement for purposes of public right-of-way that makes impractical its use for any purpose other than that set forth in such easement; provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Tax.

“Residential Floor Area” means all of the Square Footage of living area within the perimeter of a Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be as set forth in the building permit(s) issued for such Assessor's Parcel, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 31. The actual Square Footage shall be rounded up to the next whole square foot. Once such determination has been made for an Assessor's Parcel, it shall remain fixed in all future Fiscal Years unless an appeal pursuant to Section F below is approved that results in a change in the actual Square Footage.

“Residential Property” means, for each Fiscal Year, an Assessor's Parcel for which a building permit for new construction of one or more Units was issued after January 1, 2014, and before May 1 of the prior Fiscal Year.

“Services” means the services authorized to be financed, in whole or in part, by CFD No. 31.

“Single Family Detached Property” means all Assessor's Parcels of Developed Property for which a building permit was issued for construction of a Unit, on one legal lot, that does not share a common wall with another Unit.

“Special Taxes” means, collectively, Special Tax A and Special Tax B.

“Special Tax A” means the special tax authorized by the qualified electors of CFD No. 31 to be levied within the boundaries of CFD No. 31 to pay for Facilities and Services.

“Special Tax A Requirement” means for any Fiscal Year that amount required, after taking into account available amounts held in the funds and accounts established under the Indenture, for CFD No. 31 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on

the Bonds, including, but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay a pro rata share of Administrative Expenses; (iv) provide any amounts required to establish or replenish any reserve fund for the Bonds; (v) pay directly for acquisition or construction of Facilities, or the cost of Services, to the extent that the inclusion of such amounts does not increase the Special Tax A levy on Final Mapped Property or Undeveloped Property; and (vi) provide an amount equal to Special Tax A delinquencies based on the historical delinquency rate for Special Tax A as determined by the CFD Administrator.

“Special Tax B” means the special tax authorized by the qualified electors of CFD No. 31 to be levied within the boundaries of CFD No. 31 to pay for Services.

“Special Tax B Requirement” means for any Fiscal Year that amount required, after taking into account available amounts in any funds and accounts established to pay for Services, to pay the cost of Services, a pro rata share of Administrative Expenses, and an amount equal to Special Tax B delinquencies based on the historical delinquency rate for Special Tax B as determined by the CFD Administrator.

“Square Footage” or **“Sq. Ft.”** means the floor area square footage reflected on the original construction building permit, or as set forth in other official records maintained by the City’s Building Department or other appropriate means selected by CFD No. 31, issued for construction of Residential Property or Non-Residential Property, plus any square footage subsequently added to a building of Non-Residential Property after issuance of a building permit for expansion or renovation of such building.

“State” means the State of California.

“Taxable Property” means, for each Fiscal Year, all of the Assessor’s Parcels within the boundaries of CFD No. 31 that are not exempt from the Special Taxes pursuant to law or Section E below.

“Taxable Property Owner Association Property” means, for each Fiscal Year, all Assessor’s Parcels of Property Owner Association Property that are not exempt from the Special Taxes pursuant to Section E below.

“Taxable Public Property” means, for each Fiscal Year, all Assessor’s Parcels of Public Property that are not exempt from the Special Taxes pursuant to law or Section E below.

“Tentative Tract Map” means a map: (i) showing a proposed subdivision of an Assessor’s Parcel(s) and the conditions pertaining thereto; (ii) that may or may not be based on a detailed survey; and (iii) that is not recorded by the County to create legal lots.

“Total Tax Burden” means, for any Unit, the annual Special Taxes, together with *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees, and charges which are levied and imposed on such Unit and the real property on which it is located and collected by the County on *ad valorem* tax bills and which are secured by such Unit and the real property on which it is located, assuming such Unit had been completed, sold, and subject to such

levies and impositions, excluding service charges such as those related to sewer and trash.

“**Trustee**” means the trustee or fiscal agent under the Indenture.

“**TTM 18476**” means Tentative Tract Map No. 18476, the area of which is located within CFD No. 31.

“**Undeveloped Property**” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property, or Taxable Property Owner Association Property.

“**Unit**” means an individual single-family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, beginning with Fiscal Year 2015-16, all Taxable Property within CFD No. 31 shall be classified as Developed Property, Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below. Assessor’s Parcels of Developed Property shall be further classified as Single Family Detached Property, Other Residential Property (for Special Tax A), Multiple Family Property or Gated Apartment Community Property (for Special Tax B), or Non-Residential Property. Assessor’s Parcels of Single Family Detached Property shall be organized by Square Footage.

C. MAXIMUM SPECIAL TAX

1. Special Tax A

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax A on Developed Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, CFD No. 31 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Detached Property to be constructed within CFD No. 31 exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax A shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units. Each Assigned Special Tax A reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax A, the

Backup Special Tax A shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax A revenues within the Tentative Tract Map area(s) where the Assigned Special Tax A reductions occurred. The Special Tax A reductions required pursuant to this paragraph shall be reflected in an amended notice of Special Tax lien which CFD No. 31 shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit A. The reductions in this section apply to Single Family Detached Property, but not to Other Residential Property or Non-Residential Property.

a. Developed Property

1) *Maximum Special Tax A*

The Maximum Special Tax A that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax A or (ii) the amount derived by application of the Backup Special Tax A. The Maximum Special Tax A shall not increase in future years, other than as calculated pursuant to Section C.1.a.3 below.

2) *Assigned Special Tax A*

The Assigned Special Tax A that may be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

**TABLE 1
ASSIGNED SPECIAL TAX A – DEVELOPED PROPERTY**

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax A
1	Single Family Detached Property	< 2,101	\$2,282 per Unit
2	Single Family Detached Property	2,101 – 2,400	\$2,424 per Unit
3	Single Family Detached Property	2,401 – 2,700	\$2,849 per Unit
4	Single Family Detached Property	2,701 – 3,000	\$2,960 per Unit
5	Single Family Detached Property	3,001 – 3,300	\$3,286 per Unit
6	Single Family Detached Property	3,301 – 3,600	\$3,550 per Unit
7	Single Family Detached Property	> 3,600	\$4,153 per Unit
8	Other Residential Property		\$25,379 per Acre
9	Non-Residential Property		\$25,379 per Acre

3) *Backup Special Tax A*

The Backup Special Tax A shall be \$3,216 per Unit for Single Family Detached Property. However, if the Expected Residential Lot Count does not equal 143 Units of Single Family Detached Property, and the City has not issued Bonds, then the Backup Special Tax A for Designated Buildable Lots of Single Family Detached Property shall be calculated according to the following formula:

$$\text{Backup Special Tax A} = \$459,875 \div \text{number of Designated Buildable Lots of Single Family Detached Property}$$

If any portion of a Final Subdivision Map, or any area expected by CFD No. 31 to become Final Mapped Property, such as the area within TTM 18476 or any other Tentative Tract Map, changes any time after the City has issued Bonds, causing an adjustment to the number of Designated Buildable Lots, then the Backup Special Tax A for all Designated Buildable Lots of Single Family Detached Property subject to the change shall be calculated according to the following steps:

Step 1: Determine the total Backup Special Tax A that could have been collected from Designated Buildable Lots of Single Family Detached Property prior to the Final Subdivision Map or expected Final Mapped Property change.

Step 2: Divide the amount determined in Step 1 by the number of Designated Buildable Lots of Single Family Detached Property that exists after the Final Subdivision Map or expected Final Mapped Property change.

Step 3: Apply the amount determined in Step 2 as the Backup Special Tax A per Unit for Single Family Detached Property.

The Backup Special Tax A for an Assessor's Parcel shall not change once an Assessor's Parcel is classified as Developed Property.

b. Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property

The Maximum Special Tax A for Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and

Undeveloped Property shall be \$25,379 per Acre, and shall not be subject to increase or reduction and, therefore, shall remain the same in every Fiscal Year.

2. Special Tax B

The Maximum Special Tax B for each Assessor’s Parcel classified as Developed Property shall be determined by reference to Table 2 below.

**TABLE 2
MAXIMUM SPECIAL TAX B – DEVELOPED PROPERTY**

Land Use Class	Maximum Special Tax B Fiscal Year 2015-16
Residential Property:	
Single Family Detached Property	\$1,442 per Unit
Multiple Family Property	\$1,250 per Unit
Gated Apartment Community Property	\$1,048 per Unit
Non-Residential Property	\$0.27 per Sq. Ft.

On January 1 of each Fiscal Year, commencing January 1, 2016, the Maximum Special Tax B to be applied in the next Fiscal Year shall be subject to an automatic increase at a rate equal to 4.0% of the amount in effect for the prior Fiscal Year.

3. Multiple Land Use Classes on an Assessor’s Parcel

In some instances an Assessor’s Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax A levied on such Assessor’s Parcel shall be the sum of the Maximum Special Tax A for all Units of Single Family Detached Property and Acres of Other Residential Property and Non-Residential Property (based on the pro rata share of Square Footage between Other Residential Property and Non-Residential Property, according to the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor’s Parcel. The Maximum Special Tax B levied on such Assessor’s Parcel shall be the sum of the Maximum Special Tax B for all Units of Residential Property and all Square Footage of Non-Residential Property (based on the applicable building permit, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor’s Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Special Tax A

Each Fiscal Year, beginning with Fiscal Year 2015-16, the CFD Administrator shall determine the Special Tax A Requirement for such Fiscal Year. The Special Tax A shall then be levied as follows:

First: If needed to satisfy the Special Tax A Requirement, Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax A;

Second: If additional monies are needed to satisfy the Special Tax A Requirement after the first step has been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property up to 100% of the Maximum Special Tax A for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax A Requirement after the first two steps have been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax A Requirement after the first three steps have been completed, then the levy of Special Tax A on each Assessor's Parcel of Developed Property whose Maximum Special Tax A is determined through the application of the Backup Special Tax A shall be increased Proportionately from the Assigned Special Tax A up to the Maximum Special Tax A for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax A Requirement after the first four steps have been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax A for Taxable Property Owner Association Property;

Sixth: If additional monies are needed to satisfy the Special Tax A Requirement after the first five steps have been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax A for Taxable Public Property.

Notwithstanding the above, under no circumstances shall Special Tax A levied in any Fiscal Year on any Assessor's Parcel of Single Family Detached Property or Other Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within CFD No. 31 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

2. Special Tax B

Each Fiscal Year, beginning with Fiscal Year 2015-16, the CFD Administrator shall determine the Special Tax B Requirement. The Special Tax B shall then be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax B for such Assessor's Parcel, until the Special Tax B Requirement is satisfied.

E. EXEMPTIONS

No Special Tax shall be levied on up to 8.08 Acres of Public Property and up to 2.69 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax A under this section shall be subject to the levy of Special Tax A and shall be taxed Proportionately as part of the fifth or sixth step, respectively, in Section D above, up to 100% of the applicable Maximum Special Tax A for Taxable Property Owner Association Property and Taxable Public Property. No Special Tax A shall be levied in any Fiscal Year on Assessor's Parcels that have fully prepaid the Special Tax A obligation pursuant to the formula set forth in Section H.

F. APPEALS

Any property owner may file a written appeal of the Special Tax with CFD No. 31 claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the Special Taxes may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

H. PREPAYMENT OF SPECIAL TAX A

The following definitions apply to this Section H:

“CFD Public Facilities” means \$5,094,000 for each Prepayment Period, or such lower number as determined by the City Council to be sufficient to fund the Facilities and Services to be provided by CFD No. 31.

“Expenditures Fund” means funds or accounts, regardless of their names, that are established to hold moneys that are available to acquire or construct Facilities and to fund Services.

“Future Facilities Costs” means the CFD Public Facilities minus (i) Facilities and Services costs previously paid from the Expenditures Fund during the Prepayment Period in which the prepayment is being made, (ii) moneys currently on deposit in the Expenditures Fund from deposits made during the Prepayment Period in which the prepayment is being made, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance Facilities costs. In no event shall the amount of Future Facilities Costs be less than zero.

“Prepayment Period” means one of three periods of time during which a Special Tax prepayment may be made.

“Prepayment Period 1” means July 1, 2015, through June 30, 2049.

“Prepayment Period 2” means July 1, 2049, through June 30, 2082.

“Prepayment Period 3” means July 1, 2082, through June 30, 2116.

Only Special Tax A may be prepaid; Special Tax B shall continue to be levied on an annual basis on all Developed Property in CFD No. 31.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax A may be prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels for which a building permit for new construction was issued after January 1, 2014, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax A obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt

of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax A Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total	Prepayment Amount

As of the proposed date of prepayment, the Special Tax A Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel, and determine the Prepayment Period for the proposed prepayment.
2. Compute the Assigned Special Tax A and Backup Special Tax A for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax A which is, or could be, charged in the current Fiscal Year. For Assessor's Parcels of Final Mapped Property (for which a building permit has been issued but which is not yet classified as Developed Property) to be prepaid, compute the Assigned Special Tax A and Backup Special Tax A for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax A computed pursuant to Paragraph 2 by the total estimated Assigned Special Tax A for CFD No. 31 based on the Developed Property Special Tax A which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 31, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax A computed pursuant to Paragraph 2 by the estimated total Backup Special Tax A at buildout of CFD No. 31, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").

5. Multiply the Bond Redemption Amount computed pursuant to Paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the Future Facilities Costs for the applicable Prepayment Period.
7. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the amount determined pursuant to Paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Tax A levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Add the amounts computed pursuant to Paragraphs 8 and 9 to determine the "Defeasance Amount".
11. Verify the administrative fees and expenses of CFD No. 31, including the costs to compute the prepayment, the costs to invest the prepayment proceeds, the costs to redeem Bonds, and the costs to record any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.
13. The Special Tax A prepayment is equal to the sum of the amounts computed pursuant to Paragraphs 4, 5, 7, 10, and 11, less the amount computed pursuant to Paragraph 12 (the "Prepayment Amount").
14. From the Prepayment Amount, the amounts computed pursuant to Paragraphs 4, 5, 10, and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Paragraph 7 shall be deposited into the Expenditures Fund. The amount computed pursuant to Paragraph 11 shall be retained by CFD No. 31.

The Special Tax A Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000, or integral multiple

thereof, will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax A levy as determined under Paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax A levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid during Prepayment Period 3, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that Special Tax A has been prepaid and that the obligation of such Assessor's Parcel to pay Special Tax A shall cease.

With respect to Special Tax A for any Assessor's Parcel that is prepaid during Prepayment Period 1 or Prepayment Period 2, the obligation of such Assessor's Parcel to pay Special Tax A shall be tolled, or suspended, through the end of such Prepayment Period, but shall resume in the first Fiscal Year of the subsequent Prepayment Period. The CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that Special Tax A has been satisfied for the remainder of the applicable Prepayment Period but has not been permanently satisfied and the obligation to pay Special Tax A will resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the prepayment was made. Once the obligation of an Assessor's Parcel to pay Special Tax A resumes, Special Tax A for the then applicable Prepayment Period may be prepaid.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the amount of Maximum Special Tax A that may be levied on Taxable Property within CFD No. 31 (after excluding 8.08 Acres of Public Property and 2.69 acres of Property Owner Association Property) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax A on an Assessor's Parcel for which a building permit for new construction was issued after January 1, 2014, may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1, except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = PF \times \%$$

The terms above have the following meaning:

PP = the partial prepayment

PF = the Prepayment Amount (full prepayment) for Special Tax A calculated according to Section H.1

% = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying Special Tax A

The Special Tax A partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay Special Tax A and the percentage by which Special Tax A shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of Special Tax A for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the remitted prepayment funds according to Section H.1, and (ii) indicate in the records of CFD No. 31 that there has been a partial prepayment of Special Tax A and that a portion of Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage (100% - "%", as defined above) of the Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel pursuant to Section D during the Prepayment Period in which the partial prepayment is made.

For partial prepayments made during Prepayment Period 1 or Prepayment Period 2, the full amount of Special Tax A shall resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the partial prepayment was made. Once the obligation of an Assessor's Parcel to pay Special Tax A resumes, Special Tax A for the then applicable Prepayment Period may be prepaid.

I. TERM OF SPECIAL TAX

The Fiscal Year after which no further Special Tax A shall be levied or collected is Fiscal Year 2115-2116, except that Special Tax A that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years. Special Tax B shall continue to be levied indefinitely on an annual basis on all Developed Property in CFD No. 31.

EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX A
(PAGE 1 OF 2)**

CITY OF ONTARIO AND CFD NO. 31 CERTIFICATE

1. Pursuant to Section C.1 of the Rate and Method of Apportionment of Special Tax for City of Ontario Community Facilities District No. 31 (Carriage House / Amberly Lane) ("CFD No. 31"), the Assigned Special Tax A and the Backup Special Tax A for Developed Property within CFD No. 31 has been modified.
 - a. The information in Table 1 relating to Assigned Special Tax A for Developed Property within CFD No. 31, as stated in Section C.1.a.2 of the Rate and Method of Apportionment, has been modified as follows:

**TABLE 1
ASSIGNED SPECIAL TAX A – DEVELOPED PROPERTY**

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax A
1	Single Family Detached Property	< 2,101	\$2,282 per Unit
2	Single Family Detached Property	2,101 – 2,400	\$2,424 per Unit
3	Single Family Detached Property	2,401 – 2,700	\$2,849 per Unit
4	Single Family Detached Property	2,701 – 3,000	\$2,960 per Unit
5	Single Family Detached Property	3,001 – 3,300	\$3,116 per Unit
6	Single Family Detached Property	3,301 – 3,600	\$3,285 per Unit
7	Single Family Detached Property	> 3,600	\$3,670 per Unit
8	Other Residential Property		\$25,379 per Acre
9	Non-Residential Property		\$25,379 per Acre

- b. The Backup Special Tax A for Developed Property, as stated in Section C.1.a.3, shall be modified as follows:

The Backup Special Tax A shall be \$2,979 per Unit for Single Family Detached Property. However, if the Expected Residential Lot Count does not equal 143 Units of Single Family Detached Property, and the City has not issued Bonds, then the Backup Special Tax A for Designated Buildable Lots of Single Family Detached Property shall be calculated according to the following formula:

EXHIBIT A

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX A
(PAGE 2 OF 2)**

Backup Special Tax A = $\$425,938 \div$ number of Designated
Buildable Lots of Single Family
Detached Property

2. The Special Tax A for Developed Property may only be modified prior to the first issuance of CFD No. 31 Bonds.
3. Upon execution of this certificate by CFD No. 31, CFD No. 31 shall cause an amended notice of Special Tax lien for CFD No. 31 to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledge, on behalf of the City and CFD No. 31, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 31 (CARRIAGE HOUSE /
AMBERLY LANE)

By: _____



Date: _____

8/16/2017

CITY OF ONTARIO

Agenda Report
September 5, 2017

**SECTION:
PUBLIC HEARINGS**

SUBJECT: A PUBLIC HEARING TO CONSIDER A RESOLUTION REGARDING THE FORMATION OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 39 (NEW HAVEN FACILITIES - AREA C); INTRODUCTION OF AN ORDINANCE LEVYING SPECIAL TAXES; AND ADOPTION OF A RESOLUTION TO INCUR BONDED INDEBTEDNESS

**ITEM CONTINUED TO
SEPTEMBER 19, 2017**

CITY OF ONTARIO

Agenda Report
September 5, 2017

SECTION:
PUBLIC HEARINGS

SUBJECT: A PUBLIC HEARING TO CONSIDER A PLANNED UNIT DEVELOPMENT (FILE NO. PUD17-002) TO ESTABLISH LAND USE DESIGNATIONS AND DEVELOPMENT STANDARDS AND GUIDELINES, WHICH WILL GOVERN THE DEVELOPMENT OF 4.18 ACRES OF LAND BORDERED BY HOLT BOULEVARD ON THE SOUTH, NOCTA STREET ON THE NORTH, AND VIRGINIA AVENUE ON THE WEST, WITHIN THE MU-2 (EAST HOLT MIXED-USE) ZONING DISTRICT (APNS: 1048-472-01, 1048-472-02, 1048-472-03, 1048-472-04, AND 1048-472-11)

RECOMMENDATION: That the City Council introduce and waive further reading of an ordinance approving a Planned Unit Development, File No. PUD17-002, establishing development standards and guidelines to facilitate the development of a medium density residential apartment project.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: None.

BACKGROUND: The project site is comprised of five City-owned contiguous parcels of land totaling 4.18 acres, bordered by Holt Boulevard on the south, Nocta Street on the north, Virginia Avenue on the west, and residentially developed properties on the east, and lies within the Center City Redevelopment Project Area. While the practice of redevelopment was eliminated by the State, the Center City Redevelopment Project Area Plan is still in effect and envisions revitalization of the City's East Holt Mixed Use Area, in part, by infusing medium and high density residential and mixed-use developments into the area. The Ontario Plan ("TOP") Policy Plan furthers this vision through establishment of the East Holt Mixed Use Area, with the intention to create low-rise developments (up to 5 stories in height) consisting of a mixture of retail, office and residential uses, for the purpose of creating identity and place along the Holt Corridor and to connect the Downtown Mixed Use Area with the Ontario Airport Metro Center.

STAFF MEMBER PRESENTING: Scott Murphy, Planning Director

Prepared by: Charles Mercier
Department: Planning

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017
Approved: _____
Continued to: _____
Denied: _____

17

The Policy Plan specifies that the East Holt Mixed Use Area is to be implemented through the approval of an Area Plan or Planned Unit Development (“PUD”) prior to any development occurring. In compliance with this requirement, the Applicant, National Community Renaissance of California, has submitted a PUD document that is consistent with this vision and the goals and policies of the Policy Plan.

The PUD establishes standards and guidelines to facilitate the development of apartment units (101 units in total) in a stacked-flat configuration. A Development Plan (File No. PDEV17-031) was submitted for concurrent processing with the PUD, which is designed with medium density, three-story buildings focused along the Holt Boulevard frontage. The overall residential density of the project is 24.1 dwelling units per acre, which is consistent with the density range of 14 to 40 dwelling units per acre required on the project site by the Policy Plan.

The PUD proposes parking ratios that are below the standards specified in the Development Code if the project provides affordability restrictions. Market rate projects (without affordability restrictions) would be required to fully comply with the Development Code’s parking standards.

The proposed parking reduction is based on the PUD’s proximity to major transportation corridors, including Metrolink lines, multiple bus lines in the area, and the future West Valley Connector Bus Rapid Transit, or BRT, line on Holt Boulevard, as-well-as a study prepared by the City of San Diego, which surveyed more than 2,700 households in existing affordable projects, assessing the number of vehicles available to each household, vehicle use, travel patterns, number of persons per household, and demographic characteristics of each household. The San Diego study concluded that:

- The need for parking in an affordable housing project is about half that of market-rate projects;
- Vehicle availability substantially decreases based on overall household income; and
- Neighborhood characteristics influence vehicle ownership levels in affordable projects, because residents may not need cars if transit is available, or they can walk to destinations.

Based on study results, the City of San Diego created a parking model for four types of affordable housing (Family, SRO, Senior, and Studio/One-bedroom) and three different scenarios, based on the availability of transit and area walkability. Based on parking model results, reduced parking ratios have been proposed for affordable housing projects, which average 1.6.spaces per dwelling unit.

A comparison of the proposed reduced off-street parking standards and current Development Code requirements, as they would apply to the proposed project, is shown below. The proposed parking ratios are based on the results of the City of San Diego parking model for affordable housing projects.

<i>Development Code Requirement</i>		<i>Projects With Affordability Restrictions</i>	
<u>One-Bedroom:</u>	1.75 spaces per dwelling, including one space in a garage or carport	<u>One-Bedroom:</u>	1.0 spaces per dwelling, including one space in a garage or carport
<u>2-Bedrooms:</u>	2.0 spaces per dwelling, including one space in a garage or carport	<u>2-Bedrooms:</u>	1.3 spaces per dwelling, including one space in a garage or carport

<u>3 or more Bedrooms:</u> 2.5 spaces per dwelling, including one space in a garage or carport	<u>3 or more Bedrooms:</u> 1.75 spaces per dwelling, including one space in a garage or carport
<u>Visitor Parking:</u> Portion < 50 dwellings: 0.25 spaces per dwelling 50 to 100 dwellings: 0.20 spaces per dwelling Portion > 100 dwellings: 0.17 spaces per dwelling A minimum of 3 guest spaces shall be provided regardless of the number of dwellings proposed.	<u>Visitor Parking:</u> 0.15 spaces per dwelling
<u>Staff Parking:</u> N/A	<u>Staff Parking:</u> 0.05 spaces per dwelling

On August 22, 2017, the Planning Commission conducted a public hearing to consider the above-described PUD and concluded the hearing on that date. After considering all public testimony on the application, the Planning Commission voted (6-0) to approve a resolution recommending that the City Council approve the PUD document.

HOUSING ELEMENT COMPLIANCE: The project is consistent with the Housing Element of the Policy Plan (General Plan) component of The Ontario Plan. The project site contains one property listed in the Available Land Inventory contained in Table A-3 (Available Land by Planning Area) of the Housing Element Technical Report Appendix and the proposed project is consistent with the number of dwelling units (101 low income dwelling units required, 101 low income dwelling units proposed) and density (a minimum of 24.1 du/acre required, 24.1 du/acre proposed) specified in the Available Land Inventory.

AIRPORT LAND USE COMPATIBILITY PLAN (ALUCP) COMPLIANCE: The project site is located within the Airport Influence Area of the Ontario International Airport, and has been found to be consistent with the policies and criteria set forth within the Ontario International Airport Land Use Compatibility Plan (ALUCP).

ENVIRONMENTAL REVIEW: The proposed project is categorically exempt from the requirements of the California Environmental Quality Act of 1970 (CEQA), as amended, and the Guidelines promulgated thereunder, pursuant to Section 15332 (Class 32, Infill Development Projects) of the CEQA Guidelines. Class 32 consists of projects characterized as infill development, meeting the following conditions:

1. The Project is consistent with the applicable general plan designation and all applicable general plan policies, as well as the applicable zoning designation and regulations;
2. The proposed development occurs within city limits, on a project site of no more than five acres, and is substantially surrounded by urban uses;
3. The project site has no value as habitat for endangered, rare, or threatened species;
4. Approval of the Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and
5. The Project site can be adequately served by all required utilities and public services.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PUD17-002, A PLANNED UNIT DEVELOPMENT ESTABLISHING LAND USE DESIGNATIONS AND DEVELOPMENT STANDARDS AND GUIDELINES GOVERNING THE DEVELOPMENT OF 4.18 ACRES OF LAND BORDERED BY HOLT BOULEVARD ON THE SOUTH, NOCTA STREET ON THE NORTH, AND VIRGINIA AVENUE ON THE WEST, WITHIN THE MU-2 (EAST HOLT MIXED USE) ZONING DISTRICT, AND MAKING FINDINGS IN SUPPORT THEREOF—APN: 1048-472-01, 1048-472-02, 1048-472-03, 1048-472-04, AND 1048-472-11.

WHEREAS, National Community Renaissance of California ("Applicant") has filed an Application for the approval of a Planned Unit Development, File No. PUD17-002, as described in the title of this Ordinance (hereinafter referred to as "Application" or "Project"); and

WHEREAS, the Application applies to 4.18 acres of land generally bordered by Holt Boulevard on the south, Nocta Street on the north, Virginia Avenue on the west, and residentially developed properties on the east, within the MU-2 (East Holt Mixed-Use) zoning district, and is presently unimproved; and

WHEREAS, the property to the north of the Project site, across Nocta Street, is within the MDR-18 (Medium Density Residential – 11.1 to 18.0 DU/Acre) zoning district and is developed with a mix of single-family and multiple-family uses. The property to the east is within the MU-2 (East Holt Mixed-Use) zoning district and is developed with a mix of single-family and multiple-family uses. The property to the south, across Holt Boulevard, is within the MU-2 (East Holt Mixed-Use) zoning district and is developed with a motel and vacant property. The property to the west, across Virginia Avenue, is within the MU-2 (East Holt Mixed-Use) zoning district and includes undeveloped property and a mix of residential uses; and

WHEREAS, the project site is located within the Center City Redevelopment Project Area, established in 1983. While the redevelopment practice was eliminated by the State, the Center City Redevelopment Project Area Plan is still in effect. The plan encourages the development of a high intensity, multi-use central business district. In addition, The Ontario Plan ("TOP") Policy Plan (General Plan) contains goals and policies for the City's Downtown and East Holt Mixed Use Areas, which further support the goals of the Center City Redevelopment Project Area Plan; and

WHEREAS, the Center City Redevelopment Project Area Plan envisions revitalization of the City's East Holt Mixed Use Area, in part, by infusing medium and high density residential and mixed-use developments into the area. The Policy Plan was established to further this vision and provides for the creation of low-rise developments (up to 5 stories in height) consisting of a mixture of retail, office and residential uses. The intent is to create identity and place along the Holt Corridor and connect the Downtown

Mixed Use Area with the Ontario Airport Metro Center. Furthermore, within the East Holt Mixed Use Area, the Policy Plan specifies a residential density range of 14 to 40 dwelling units per acre and a maximum floor area ratio ("FAR") of 2.0 for office developments and 1.0 for retail developments; and

WHEREAS, the Policy Plan specifies that the East Holt Mixed Use Area is to be implemented through the approval of an Area Plan or Planned Unit Development (PUD) prior to the development of properties within the Area. In compliance with this requirement, the Applicant has submitted the Virginia + Holt PUD (included as Attachment "A"), which is consistent with this vision and the goals and policies of the Policy Plan; and

WHEREAS, the purpose of the PUD is to secure a fuller realization of the Policy Plan than would result from the strict application of present zoning district regulations and to:

- Promote high standards in urban design;
- Encourage the development of exceptionally high quality, mixed-use, medium to high intensity projects, while establishing regulations and standards for uses with unique regulatory and design needs;
- Ensure harmonious relationships with surrounding land uses; and

WHEREAS, the Application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"); and

WHEREAS, the Project is exempt from CEQA pursuant to a categorical exemption (listed in CEQA Guidelines Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

WHEREAS, Ontario Development Code Table 2.02-1 (Review Matrix) grants the City Council the responsibility and authority to review and act on the subject Application; and

WHEREAS, the Project is located within the Airport Influence Area of Ontario International Airport ("ONT"), which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and is subject to, and must be consistent with, the policies and criteria set forth in the Ontario International Airport Land Use Compatibility Plan (ALUCP), which applies only to jurisdictions within San Bernardino County, and addresses the noise, safety, airspace protection, and overflight impacts of current and future airport activity; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed and all such notifications and procedures have been completed; and

WHEREAS, on August 22, 2017, the Planning Commission of the City of Ontario conducted a hearing to consider the Project and concluded said hearing on that date, voting to issue its Resolution No. PC17-061 recommending the City Council approve the Application; and

WHEREAS, on September 5, 2017, the City Council of the City of Ontario conducted a hearing to consider the Project and concluded said hearing on that date; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND ORDAINED by the City Council of the City of Ontario, as follows:

SECTION 1: *Environmental Determination and Findings.* As the decision-making body for the Project, the City Council has reviewed and considered the information contained in the administrative record for the Project. Based upon the facts and information contained in the administrative record, including all written and oral evidence presented to the City Council, the City Council finds as follows:

(1) The administrative record have been completed in compliance with CEQA, the State CEQA Guidelines, and the City of Ontario Local CEQA Guidelines; and

(2) The proposed project is categorically exempt from the requirements of the California Environmental Quality Act of 1970 (CEQA), as amended, and the Guidelines promulgated thereunder, pursuant to Section 15332 (Class 32, Infill Development Projects) of the CEQA Guidelines. Class 32 consists of projects characterized as infill development, meeting the following conditions:

- (a) The Project is consistent with the applicable general plan designation and all applicable general plan policies, as well as the applicable zoning designation and regulations;
- (b) The proposed development occurs within city limits, on a project site of no more than five acres, and is substantially surrounded by urban uses;
- (c) The project site has no value as habitat for endangered, rare, or threatened species;
- (d) Approval of the Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and
- (e) The Project site can be adequately served by all required utilities and public services.

(3) The application of the categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2; and

(4) The determination of CEQA exemption reflects the independent judgment of the City Council.

SECTION 2: *Housing Element Compliance.* Pursuant to the requirements of California Government Code Chapter 3, Article 10.6, commencing with Section 65580, as the approving body for the Project, the City Council finds that, based on the facts and information contained in the Application and supporting documentation at the time of Project implementation, the project will be consistent with the Housing Element of the Policy Plan (General Plan) component of The Ontario Plan. The project site is one of the

properties listed in the Available Land Inventory contained in Table A-3 (Available Land by Planning Area) of the Housing Element Technical Report Appendix and the proposed project is consistent with the number of dwelling units (101 low income dwelling units required, 101 low income dwelling units proposed) and density (a minimum of 24.1 du/acre required, 24.1 du/acre proposed) specified in the Available Land Inventory.

SECTION 3: *Ontario International Airport Land Use Compatibility Plan (“ALUCP”) Compliance.* The California State Aeronautics Act (Public Utilities Code Section 21670 et seq.) requires that an Airport Land Use Compatibility Plan be prepared for all public use airports in the State; and requires that local land use plans and individual development proposals must be consistent with the policies set forth in the adopted Airport Land Use Compatibility Plan. On April 19, 2011, the City Council of the City of Ontario approved and adopted the Ontario International Airport Land use Compatibility Plan (“ALUCP”), establishing the Airport Influence Area for Ontario International Airport (“ONT”), which encompasses lands within parts of San Bernardino, Riverside, and Los Angeles Counties, and limits future land uses and development within the Airport Influence Area, as they relate to noise, safety, airspace protection, and overflight impacts of current and future airport activity. As the approving body for the Project, the City Council has reviewed and considered the facts and information contained in the Application and supporting documentation against the ALUCP compatibility factors, including [1] Safety Criteria (ALUCP Table 2-2) and Safety Zones (ALUCP Map 2-2), [2] Noise Criteria (ALUCP Table 2-3) and Noise Impact Zones (ALUCP Map 2-3), [3] Airspace protection Zones (ALUCP Map 2-4), and [4] Overflight Notification Zones (ALUCP Map 2-5). As a result, the City Council, therefore, finds and determines that the Project, when implemented in conjunction with the conditions of approval, will be consistent with the policies and criteria set forth within the ALUCP.

SECTION 4: *Concluding Facts and Reasons.* Based upon the substantial evidence presented to the City Council during the above-referenced hearing, and upon the specific findings set forth in Section 1 through 3, above, the City Council hereby concludes as follows:

(1) ***The proposed PUD is consistent with the goals, policies, plans and exhibits of the Vision, Policy Plan (General Plan), and City Council Priorities components of The Ontario Plan.*** The proposed project is located within the East Holt Mixed Use land use district of the Policy Plan Land Use Map, and the MU-2 (East Holt Mixed-Use zoning district. The development standards and conditions under which the proposed project will be constructed and maintained, is consistent with the goals, policies, plans, and exhibits of the Vision, Policy Plan (General Plan), and City Council Priorities components of The Ontario Plan.

(2) ***The proposed PUD would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.*** The City Council has required certain safeguards and has required certain changes, which have been established to ensure that: [i] the purposes of the Planned Unit Development are maintained; [ii] the project will not endanger the public health, safety or general welfare; [iii] the project will not result in any significant environmental impacts; [iv] the project will be in harmony with the area in which it is located; and [v] the project will be in full

conformity with the Vision, City Council Priorities and Policy Plan components of The Ontario Plan.

(3) ***The proposed PUD will not adversely affect the harmonious relationship with adjacent properties and land uses.*** A thorough review and analysis of the proposed project and its potential to adversely impact properties surrounding the subject site was completed by City staff. As a result of this review, certain design considerations were incorporated into the project to mitigate identified impacts to an acceptable level, including the use of upgraded materials, the inclusion of certain architectural design elements on building exteriors, intensified landscape elements, and decorative hardscape elements.

(4) ***The subject site is physically suitable, including, but not limited to, parcel size, shape, access, and availability of utilities, for the request and anticipated development.*** In preparing the proposed PUD, a thorough review and analysis of the proposed project and the project site's physical suitability for the proposed project was completed, including analysis of the project size, shape, intensity of development, building height, building setbacks, site access, site landscaping and drainage, fences and walls, vehicle circulation, pedestrian connections, availability of mass transit, necessary street dedication and easements, public right-of-way improvements, availability of utilities and other infrastructure needs, off-street parking and circulation, building orientation and streetscapes, architectural character, building materials and color, and site signage.

(5) ***The proposed PUD is superior to that which could be obtained through the application of the Development Code or a specific plan.*** The proposed PUD addresses aspects of the project that are specifically related to the Development Plan proposed in conjunction with the PUD application, including necessary building setbacks, site access points, off-street parking and site circulation, and architectural character.

SECTION 5: City Council Action. Based upon the findings and conclusions set forth in Sections 1 through 4, above, the City Council hereby APPROVES the herein described Virginia + Holt Planned Unit Development, attached hereto as "Attachment A," and incorporated herein by this reference, subject to inclusion of the following:

(1) Correct description of Nocta Street throughout document; 33 foot half width section with 18 foot half roadway width with 15 parkway.

(2) Provide cross sections of Virginia Avenue and Nocta Street in Section 5, similar to the Holt Boulevard cross section provided in Exhibit 5.1.

(3) Modify section 5.6 Infrastructure to include a discussion of water service on Virginia Avenue and proposed connection to the existing storm drain in Holt Boulevard.

(4) Add Fiber Optics discussion in accordance to the attached Fiber Team Exhibit A—Fiber Optics Corrections and Figure 1.0.

SECTION 6: *Indemnification.* The Applicant shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void, or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action, or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 7: *Custodian of Records.* The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 East "B" Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 8: *Severability.* If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The People of the City of Ontario hereby declare that they would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 9: *Effective Date.* This Ordinance shall become effective 30 days following its adoption.

SECTION 10: *Publication and Posting.* The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California, within 15 days following the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this ____ day of _____ 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 Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held _____ and adopted at the regular meeting held _____, 2017 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A—Fiber Optics Corrections

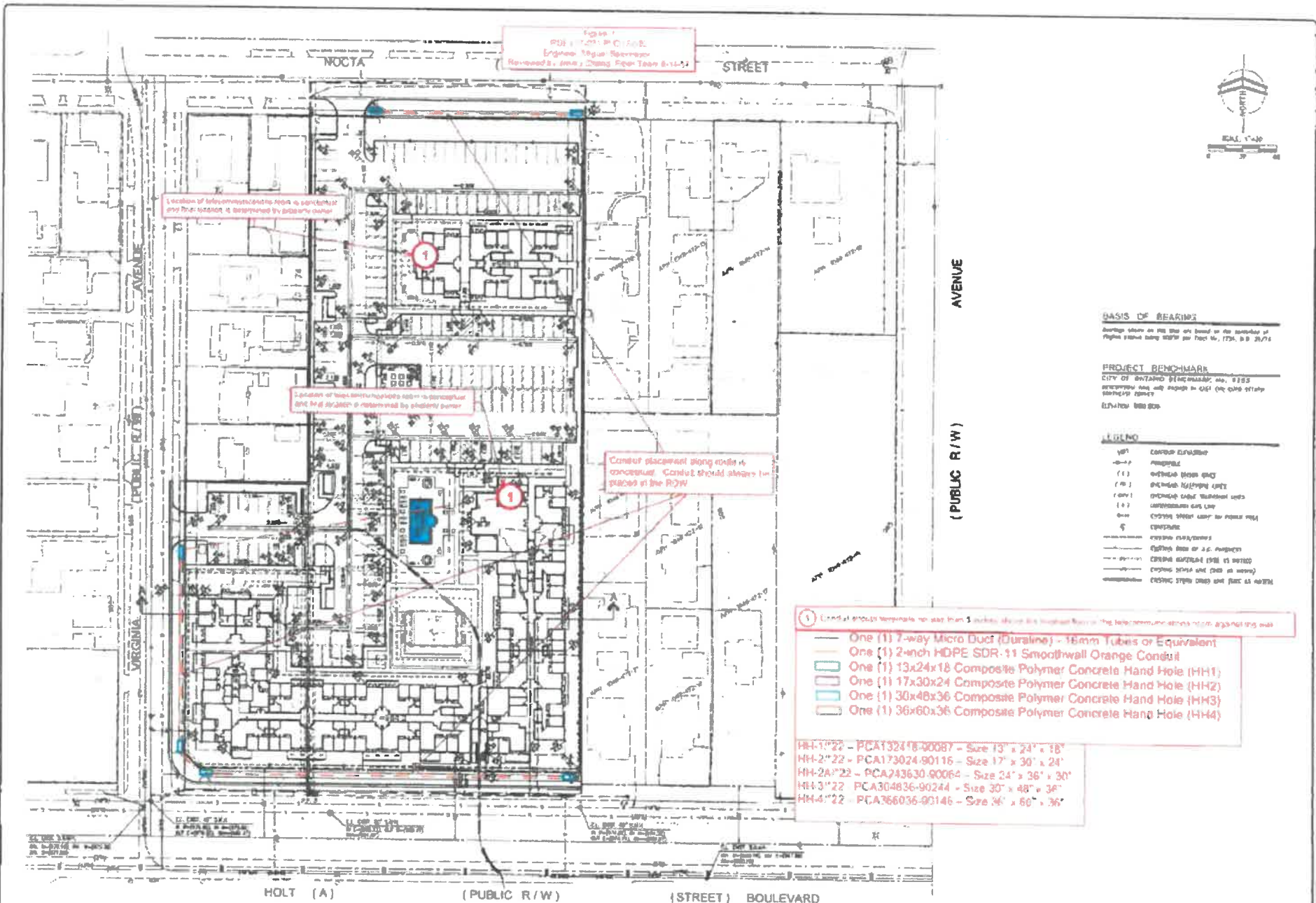


Figure 1
 0101 - 12/01 - R.O. 1500E
 Engineer: Yegor Sidorov
 Reviewed by: Anna Zhang, Fiber Team 8/14/24

Location of telecommunications room is highlighted and fiber location is determined by building owner

Location of base antenna location is highlighted and fiber location is determined by antenna owner

Conduit placement along walls is concealed. Conduit should always be placed in the ROW

- ① Conduit should terminate no less than 3 inches above the finished floor in the telecommunications room, against the wall
- One (1) 7-way Micro Duct (Duraline) - 16mm Tubes or Equivalent
 - One (1) 2-inch HDPE SDR-11 Smoothwall Orange Conduit
 - One (1) 13x24x18 Composite Polymer Concrete Hand Hole (HH1)
 - One (1) 17x30x24 Composite Polymer Concrete Hand Hole (HH2)
 - One (1) 30x48x36 Composite Polymer Concrete Hand Hole (HH3)
 - One (1) 36x60x36 Composite Polymer Concrete Hand Hole (HH4)

- HH-1"22 - PCA132418-00087 - Size 13" x 24" x 18"
- HH-2"22 - PCA173024-90116 - Size 17" x 30" x 24"
- HH-2A"22 - PCA243630-00064 - Size 24" x 36" x 30"
- HH-3"22 - PCA304836-90244 - Size 30" x 48" x 36"
- HH-4"22 - PCA366036-90146 - Size 36" x 60" x 36"



BASIS OF BEARING
 Bearings shown on this plan are based on the meridian of High Water Bay, 82°50' and True N. 172° 5' 20.74"

PROJECT BENCHMARK
 CITY OF BOSTON BENCHMARK, etc. 8182
 (elevation may vary slightly in case the spot state boundary exists)
 GDA-NAD 83 82 82

LEGEND

---	EXISTING ELEVATION
---	PROPOSED
(1)	OPENING THROUGH WALL
(2)	OPENING THROUGH ROOF
(3)	OPENING THROUGH EXISTING WALL
(4)	CONCRETE CURB CURB
(5)	CONCRETE STREET CURB FOR PUBLIC ROW
(6)	CONCRETE
(7)	CONCRETE CURB/CONCRETE
(8)	CONCRETE CURB OF P.C. PAVEMENT
(9)	CONCRETE CURB/CONCRETE (SHELF) CURB
(10)	CONCRETE CURB AND CURB ON CURB
(11)	CONCRETE CURB AND CURB ON CURB
(12)	CONCRETE CURB AND CURB ON CURB

DATE	
REVISION	
NO.	
DESCRIPTION	

City of Boston
 Office of Planning Agency
 & Office Housing Authority
 10 National Community Renaissance
 Boston, MA 02128

TENTATIVE PARCEL MAP NO. 19877
VIRGINIA - HOLT
 CONCEPTUAL GRADING PLAN

City of Boston
 Office of Planning Agency
 & Office Housing Authority
 10 National Community Renaissance
 Boston, MA 02128



ATTACHMENT A:

**File No. PUD17-002;
Virginia + Holt Planned Unit Development**

(Document follows this page)

ATTACHMENT A

VIRGINIA + HOLT PLANNED UNIT DEVELOPMENT

FILE No. PUD17-002

August 9, 2017



PREPARED BY:

National Community Renaissance @
9421 Haven Avenue
Rancho Cucamonga, CA 91730

ONYX ARCHITECTS
316 N. Sierra Madre Blvd.
Pasadena, CA 91107





TABLE OF CONTENTS

1. INTRODUCTION.....	1
1.1 Overview.....	1
2. PROJECT OBJECTIVES	3
2.1 General Plan Consistency.....	3
2.2 CENTER CITY REDEVELOPMENT PLAN OBJECTIVES.....	7
2.3 PUD DISTRICT PURPOSE AND OBJECTIVES	8
3. LAND USE PLAN	9
3.1 Land Use Designation.....	9
3.2 Permitted Uses.....	10
4. DEVELOPMENT REGULATIONS	13
4.1 Intensity	13
4.2 Building Height	13
4.3 Setbacks	13
4.4 Access.....	14
4.5 Landscaping + Drainage Plan	14
4.6 Equipment Screening	15
4.7 Fences And Walls	15
5. CIRCULATION & PARKING.....	17

5.1 Vehicle Circulation.....	17
5.2 Pedestrian Connections	17
5.3 Mass Transit	17
5.4 Street Dedications And Easements	18
5.5 Public Right-Of-Way Improvements	18
5.6 Infrastructure	19
5.7 Parking.....	19
6. DESIGN GUIDELINES	21
6.1 Building Orientation And Streetscapes	21
6.2 Architectural Character	21
6.3 Materials And Color	22
6.4 Signs	22
6.5 Service Facilities	22
7. ADMINISTRATION	23
7.1 Items Not Addressed In PUD	23
7.2 Development Applications.....	23
7.3 Administrative Exceptions	23



INTRODUCTION

1.1 OVERVIEW

The Virginia + Holt Planned Unit Development (PUD) is intended to function as a set of planning and design principles, development regulations and performance standards to guide and govern the development of five parcels within one block area bounded by Holt Boulevard to the south, Grove Avenue to the west, Nocta Street to the North, and Virginia Avenue to the east [see Exhibit 1-1, Project Location Map], as a high quality residential use development on the parcels that face Holt Blvd, Virginia Ave, and Nocta Street. The Virginia + Holt Planned Unit Development (PUD) will replace the existing zone district designations and zoning standards that apply to the affected properties. Unless otherwise defined herein, definitions and interpretations contained in the Development Code shall apply. City staff and private developers will rely on this PUD to determine whether precise plans for development ("Development Plans") will adequately meet the City's land use and design objectives.

Located at the northwest corner of East Holt Boulevard and North Virginia Avenue, the 3.84-acre site is situated along the Holt Commercial Corridor and within the East Holt Mixed Use Area. Through these designations, the Ontario Plan seeks to encourage the redevelopment of Holt Avenue into medium-density residential uses integrated with commercial, workplace, and urban facades.

EXHIBIT 1-1: PUD LOCATION MAP



 PUD Area

2

PROJECT OBJECTIVES

2.1 GENERAL PLAN CONSISTENCY

Within the Ontario Plan Policy Plan (General Plan) the Virginia + Holt PUD site is designated Mixed Use. The Ontario Plan describes the Mixed Use designations as “an intense mixture of uses that, when concentrated, create focal points for community activity and identity and facilitate the use of transit.” The Mixed Use land use category accommodates a horizontal and/or vertical mixture of retail, service, office, restaurant, entertainment, cultural, and residential uses.

The Virginia Apartments is consistent with the principles, goals and policies contained within the components that make up the Ontario Policy Plan, including: (1) Vision, (2) Policy Plan, (3) Implementation Programs, and (4) City Council Priorities. The policies implemented by this PUD are as follows:

1. VISION

On February 13, 2007, the Ontario City Council adopted The Ontario Vision. The central theme that motivates the Vision is – “A sustained, community-wide prosperity which continuously adds value and yields benefits.” Everything the City does and every action the City takes is done with this simple yet comprehensive theme in mind, from the design quality of the built environment, to the intent of designing socio-economic programs, to the way in which its leaders govern as a community. In discussing a Vision that would endure for the lifetime of The Ontario Plan (30 years

or more), the City Council recognized that there are four components that serve as the basic building blocks that set the foundation for a unified and prosperous community. These foundational blocks must be expressed and widely accepted throughout the Plan's lifetime. They are:

1. A **Dynamic Balance** that enables our community to confront the continued dynamic growth of the region and technological change with confidence and a sense of opportunity.
2. A **Prosperous Economy** that sustains the perception and reality of prosperity across our entire community that positively impacts all the people of Ontario and is broadly – though not uniformly – shared.
3. **Distinctive Development** that integrates our varied and diverse focal points, districts, villages, and neighborhoods to provide a feeling of coherence without sacrificing uniqueness.
4. **Recognized Leadership** in local governance that stimulates excellence and serves to unify the people of Ontario in support of best practices in conducting public endeavors.

The Virginia + Holt PUD will implement the Ontario Vision in several ways that will further the City's desire to be a sustainable and prosperous community.

COMMERCIAL AND RESIDENTIAL DEVELOPMENT

- The PUD allows for the development of multifamily housing on a site in close proximity to schools, recreation and cultural facilities, places of worship, places of employment and shopping, and a future high quality public transportation line.
- The development standards encourage multifamily residential development, further diversifying the City's housing stock and balancing the City's jobs-to-housing ratio that is essential to maintain quality of life within the community.
- The PUD encourages a comprehensive and diverse housing stock that offers broad choices for the diverse workforce and local families, by introducing new affordable multifamily housing units.

DEVELOPMENT QUALITY

- The PUD requires a well-designed project with high-quality materials that are complementary of the existing neighborhood and will enhance the distinctive architectural styles found within the City.

- The development standards require future projects to take into account the existing built environment and open spaces ensuring careful attention to detail at every scale, including public and private spaces and structures.

MOBILITY

- The PUD is located along the future West County Connector bus rapid transit (BRT) line and encourages the development of higher density development near high frequency transportation facilitating an exceptional degree of movement and connectivity.
- Within the development standards, proposed projects will provide features and amenities to encourage the use of alternative forms of transportation including bicycles, buses and walking.

PUBLIC SAFETY

- The PUD will ensure that the project is integrated into the existing neighborhood and that connections are made to residential neighborhoods, schools, parks, community centers and cultural facilities in the surrounding area.

LEISURE AND CULTURAL ACTIVITIES

- The PUD will require recreational amenities, community facilities and programs that offer ample recreation and cultural involvement by a diverse resident population.

RESOURCE CONSERVATION AND ENHANCEMENT

- The location of the PUD on the future West County Connector line provides a unique opportunity to reduce vehicle trips and air pollutants, resulting in improved air quality in Ontario and the region.

2. POLICY PLAN

Goal LU1: Balance. A community that has a spectrum of housing types and price ranges that match the jobs in the City and that make it possible for people to live and work in Ontario and maintain a quality of life.

- The PUD allows for the development of a multifamily residential project on an infill parcel preserving open space and ensuring access to necessary services and infrastructure. The proposed project will be affordable to households earning less than 60 percent of the area median income (AMI) which will provide opportunities for lower income families to live close to work, commute via public transportation, and maintain a decent quality of life. The

PUD will also encourage sustainable development practices and LEED certification within all applicable projects.

Goal LU2: Compatibility. Compatibility between a wide range of uses.

- The PUD takes into account the existing uses surrounding the property and buffers new development through setbacks and step backs.

Goal LU3: Flexibility. Staff, regulations and processes that support and allow flexible response to conditions and circumstances in order to achieve the Vision.

- The establishment of the PUD allows for clear development standards which allow flexibility to achieve the Ontario Vision, improves livability, reduces vehicular trips, creates community gathering places and activity nodes, and helps create identity.

Goal LU4: Phased Growth. Development that provides short-term value only when the opportunity to achieve our Vision can be preserved.

- The establishment of the PUD allows for long term value through the development of affordable multifamily housing on an infill site that is surrounded by existing development.

Goal H1: Neighborhoods + Housing Development Standards. Stable neighborhoods of quality housing, ample community services and public facilities, well-maintained infrastructure, and public safety that foster a positive sense of identity

- The PUD will improve the long-term sustainability of neighborhoods through comprehensive planning, provision of neighborhood amenities, rehabilitation and maintenance of housing, and community building efforts. The PUD will also ensure that adequate public services, infrastructure, open space, parking and traffic management, pedestrian and bicycle routes and public safety for related to the project are provided consistent with City master plans and neighborhood plans.

Goal H2: Housing Supply & Diversity. Diversity of types of quality housing that are affordable to a range of household income levels, accommodate changing demographics, and support and reinforce the economic sustainability of Ontario.

- The PUD will revitalize the Holt Boulevard corridor, in anticipation of the West County Connector by encouraging the production of higher density residential uses that are architecturally, functionally and aesthetically suited to corridors. The PUD also encourages infill development on a vacant parcel that is identified within the City's 2014-2021 Housing Element as an opportunity site to meet the City's Regional Housing Needs Allocation (RHNA). A proposed project on the site will be affordable to households earning less than

60 percent of the area median income (AMI) which will provide opportunities for lower income families to live close to work, commute via public transportation, and maintain a decent quality of life.

Goal H4: Housing Assistance. Increased opportunities for low and moderate income households and families to afford and maintain quality ownership and rental housing opportunities, including move-up opportunities.

- The PUD is a collaborative partnership with a nonprofit affordable housing developer to produce affordable housing and supports the City's goal to provide rental assistance for individuals and families earning extremely low, very low, and low income with funding from the state and federal government.

Goal H5: Special Needs Housing. A full range of housing types and community services that meet the special housing needs for all individuals and families in Ontario, regardless of income level, age or other status.

- The PUD allows for and encourages the development of larger rental apartments that are appropriate for families with children, including, as feasible, the provision of supportive services, recreation and other amenities.

3. CITY COUNCIL PRIORITIES

The Virginia + Holt PUD is consistent with the City Council's desire to:

- Invest in the Growth and Evolution of the City's Economy.
- Focus Resources in Ontario's Commercial and Residential Neighborhoods
- Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony

5. IMPLEMENTATION

The Virginia + Holt PUD implements the Ontario Plan as the Plan is a public-private partnership proposing a multifamily Development Project on a site identified within the City's Housing Element land inventory and furthers the City's goal to become a Transformative Climate Community.

2.2 CENTER CITY REDEVELOPMENT PLAN OBJECTIVES

The Center City Project Area encompasses the historic Euclid Avenue District, as well as East Holt Boulevard. Ontario's City Hall and surrounding Civic Center, Senior Center, Main Library, the

Museum of History and Art, Ontario Town Square, and the Law School of the University of La Verne are all within the Center City project area. Development is designed to create an immediate and positive identity transforming the area into a comfortable place to stroll and be seen. Specifically along the Holt Boulevard Corridor and surrounding neighborhoods the Plan encourages development of low-rise buildings to include residential uses and mixture of retail in order to maximize the economic productivity of the commercial areas by increasing the housing opportunities of the residential areas, improving aesthetics on major corridors. Create an urban environment, with the ability to live, work, in the neighborhood. While offering a variety of goods and services to serve the surrounding neighborhood, the District will also take advantage of the area's excellent regional access.

The current goals of the Center City Project include:

- Improving aesthetics on major corridors;
- Promoting the creation of a mixed-use urban village in the Civic Center area; and
- Preserving the City's historic commercial structures, neighborhoods and housing stock.

2.3 PUD DISTRICT PURPOSE AND OBJECTIVES

The purpose of the Virginia + Holt PUD as part of the East Holt Mixed-Use MU-1 District is to secure the residential uses of the general plan; promoting high quality design standards in urban design; encouraging the development of mixed-use residential communities while establishing regulations and standards appropriate to the specific need for affordable housing for working families in the area.

The intent of the Virginia + Holt PUD is to:

- Promote development projects that are consistent with the land use/downtown revitalization objectives of the Center City Redevelopment Project area.
- Establish a sense of place and identity along the Holt Boulevard Corridor and provide a connection between the Downtown Mixed Use Area and the Ontario Airport Metro Center.
- Achieve high density residential development or mixed use development, and diversification of housing types, while maintaining high quality in design and construction.
- Encourage clustering of structures to preserve a maximum amount of continuous open space.

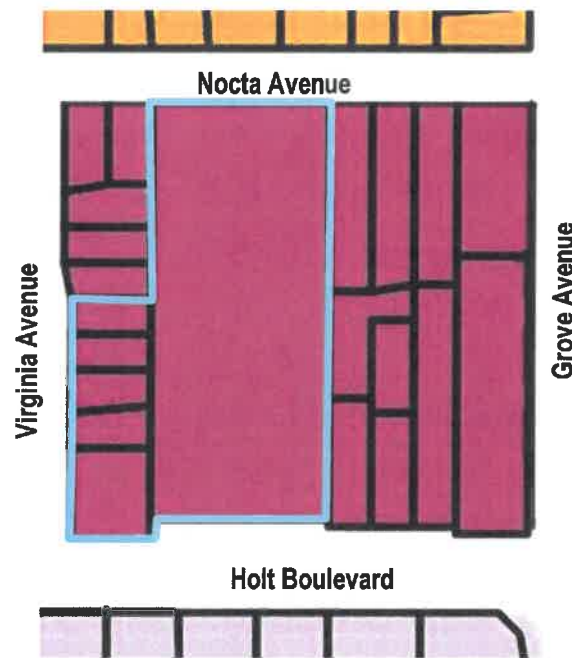


LAND USE PLAN

3.1 LAND USE DESIGNATION

The Virginia + Holt Planned Unit Development (PUD) includes 5 parcels that are designated Mixed Use (MU-2) within the Ontario Plan and on the City's Zoning Map. The MU-2 zoning district was established to accommodate the intensification of the Holt Boulevard Corridor with low-rise (up to 5 stories) buildings accommodating a mix of retail and office uses at a development intensity of up to 2.0 FAR and 1.0 FAR, respectively, and residential uses at a density of 14 to 40 DU/AC. The intent of MU-2 zoning district is to create identity and place along the Holt Boulevard Corridor and provide a connection between the Downtown Mixed Use Area and the Ontario Airport Metro Center. The MU-2 zoning district is consistent with and implements the East Holt Mixed Use Area land use designation of the Policy Plan component of The Ontario Plan.

EXHIBIT 3-1: LAND USE DISTRICT MAP [EXHIBIT LU-01 LAND USE PLAN]



Project Area: Mixed Use

Adjacent Uses: Business Park (0.6 FAR) Medium Density (11.1 - 25 du / ac)

3.2 PERMITTED USES

Virginia + Holt Planned Unit Development does not deviate from the permitted uses as shown in Table 5.02-1, *Land Use Matrix* of the City of Ontario Development Code.

TABLE 5.02-1, LAND USE MATRIX

2012 NAICS Code	Land Uses	MU-1	MU-2	MU-11
	Multiple Family Dwellings	P	P	P
	Second Dwellings	...	...	...
	Senior Citizen Housing Developments	C	...	...
	Single-Family Dwellings	P	...	...
	Single Room Occupancy Facilities	P	...	...
	Supportive Housing	C	...	...
	Work/Live Units	C	C	

P – Per section 5.02.010 of the Ontario Zoning Code, **Permitted** shall mean the land use, activity, or facility within the specified district is permitted by right of bring in the proper zoning district, and is subject to each Development Code provision applicable to the specified zoning district and the standards for specific uses, activities, and facilities contained in division 5.03 (Standards for Specific Uses, Activities, and Facilities) of the City's Development Code.

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DEVELOPMENT REGULATIONS

4.1 INTENSITY

Residential land uses within the Virginia + Holt Planned Unit Development will be consistent with the Mixed Use-2 zoning district allowing for residential uses at a density of 14 to 40 dwelling units per acre (DUA) or non-residential development at an FAR of up to 2.0.

4.2 BUILDING HEIGHT

Development within the Virginia + Holt Planned Unit Development will be consistent with the Mixed Use-2 zoning district allowing for a maximum of five (5) stories or fifty feet (50') in height.

4.3 SETBACKS

Street front and side setbacks within the Virginia + Holt Planned Unit Development shall be maintained at a minimum of ten feet (10') front yard setback along Holt Boulevard to allow for the future West Valley Connector Bus Rapid Transit (BRT) line. Side yard setbacks to the east will be maintained at ten feet (10') along Virginia Avenue. The interior side yard setback to the east property line (adjacent to existing commercial property) will be five feet (5') minimum for any building structures and three feet (3') minimum for carports or parking stalls. The interior "rear"

north property line setback (adjacent to single family dwelling), will be maintained at a minimum of nine feet (9') to any parking areas. Along Nocta Street, to the north, a twenty foot (20') minimum rear yard setback is required. All setbacks shall be measured from the ultimate property lines after all dedications to develop streets to the ultimate right-of-way width. Placement of buildings, structures, fences, walls, utility facilities, yards, etc. will be based on the street rights-of-way and property line dimensions. Allowable encroachments in yards include (maximum 6' high) property line fences and gates, landscaping, paving, and public utilities.

4.4 ACCESS

Along Virginia Avenue, one access driveway is allowed, providing primary access to the site. A secondary access point is permitted along Nocta Street, at the northern end of the PUD area, for emergency vehicle access, only. Use of the secondary access point along Nocta Street by project residents for normal ingress and/or egress shall first require review and approval by the Planning Director and City Engineer.

4.5 LANDSCAPING + DRAINAGE PLAN

A conceptual landscape plan and preliminary drainage plan shall be submitted with each Development Plan proposed within the Virginia + Holt Planned Unit Development area. The plan shall specify all landscape and hardscape elements for the development plan site and indicate how the improvements will coordinate with the other sites within the PUD. The landscape plans and/or civil plans shall show the location of all ground mounted utility structures such as transformers, back flow prevention devices, trash enclosures, and HVAC equipment and indicate the methods for screening these items. All utility structures and equipment shall be screened from view of the public streets and adjacent development.

Water conservation shall be provided through low water using plant materials, hydro zones, water efficient irrigation and weather based controllers. Landscaped areas may be used for storm water infiltration through vegetated swales, retention basins, or dry wells as needed with the use of appropriate planting materials. Broad canopy shade trees shall be used to reduce heat gain on buildings, paving and parking areas. The plan shall identify all existing trees on site and preserve them where possible. The landscape design shall meet the requirements of the Landscape Development Standards and shall create well-functioning spaces within a sustainable design.

Within the entire PUD area, parkways shall be installed adjacent to the curb with the public sidewalk located adjacent to the property line. Along Holt Boulevard, the right-of-way section will vary in width to accommodate the future BRT Plan requirements. At the time of this application,

the most recent BRT plans show the Holt parkway (landscape + sidewalk) to be a consistent ten and a half feet (10.5') width. Along Virginia Avenue, the right-of way section is sixty feet (60') wide with a half street section of thirty feet (30') that includes a twelve foot (12') wide parkway [7 foot landscape parkway + 5 foot sidewalk]. Along Nocta Street, the right-of way section is required to be sixty-six (66') feet wide with a half street section of thirty-three feet (33') that includes a thirteen foot (13') wide parkway [8 foot landscape parkway + 5 foot sidewalk]. Parkway landscaping and irrigation within the public right-of-way shall be installed and maintained by each development. Trees along street frontages shall comply with the variety, size, and spacing as directed by the City of Ontario Master Street Tree Plan.

4.6 EQUIPMENT SCREENING

All roof mounted and ground mounted equipment shall be fully screened from view of the public street and adjacent developments. The location of items shall be designed to allow screening with landscape materials, walls, architectural features, parapet walls, etc. Screening shall be designed to be integrated into the design of a proposed Development Project.

4.7 FENCES AND WALLS

Fences and walls for a proposed Development Project shall be made of decorative materials which are compatible with the overall architectural character of the development within the PUD area. All fences and walls shall be in scale with the development to fulfill such needs as screening and security. Fences, walls and hedges within the PUD area shall comply with Engineering Corner Sight Distance Standards and other applicable standards. A fifteen foot (15') radius corner dedication is provided at the corner of Holt Boulevard and Virginia Avenue. All decorative walls, monuments and/or other similar features shall not encroach into the public street right-of-way. Within the PUD area, fences and walls shall be limited to a maximum of 4 feet (4') in height within any front yard area. Interior or rear walls shall be a maximum of 6 feet (6') in height consistent with the requirements of the Mixed Use-2 land use district.

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CIRCULATION & PARKING

5.1 VEHICLE CIRCULATION

For any proposed Development Project within the PUD area, the developer shall be responsible to improve Holt Boulevard and Virginia Avenue to their ultimate widths. These streets will provide primary vehicular access to the site. On-site circulation will be provided from Virginia Avenue and Nocta Street.

5.2 PEDESTRIAN CONNECTIONS

Proposed Development Projects within the PUD area are required to ensure adequate pedestrian connections from potential buildings to the public street. This can be achieved through pedestrian gates along street frontages and/or access gates near driveways.

5.3 MASS TRANSIT

Proposed Development Project within the PUD area should encourage the use of existing bus stops by providing pedestrian connections to westbound lines [Omnitrans 61 + 80] with bus stops located on the northwest corner of Holt Boulevard.

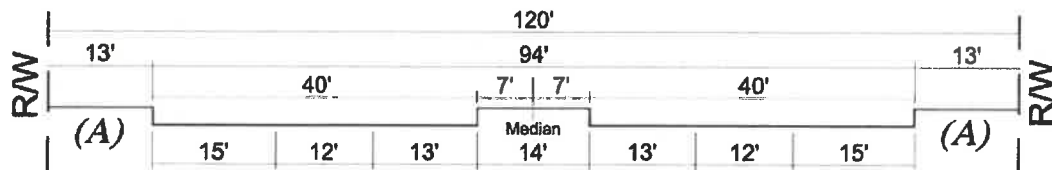
5.4 STREET DEDICATIONS AND EASEMENTS

Proposed Development Projects within the PUD area shall dedicate right-of-way along all street frontages as necessary to increase the right-of-way to ultimate width, including corner cutbacks per City Standard Drawing No. 1051 (Virginia Avenue and Nocta Street) and No. 1058 with modified parkway section (Holt Boulevard). The ultimate right-of-way widths for roadways surrounding the PUD area are as follows:

- **Holt Boulevard:** 120 feet – 60 feet half width
- **Virginia Avenue:** 60 feet – 30 feet half width
- **Nocta Street:** 66 feet – 33 feet half width

Exhibit 5-1 shows the anticipated ultimate right-of-way for Holt Boulevard as shown in the City of Ontario Master Plan of Streets and Highways. Development projects will also ensure that all proposed right-of-ways can accommodate the future development of the West Valley Connector BRT line.

EXHIBIT 5.1 – ULTIMATE RIGHT-OF-WAY - HOLT BOULEVARD



HOLT BLVD + GROVE AVE

[Per City of Ontario Master Plan of Streets and Highways - November 2015]

5.5 PUBLIC RIGHT-OF-WAY IMPROVEMENTS

As development projects are proposed within the PUD area, prospective developers are responsible for improving the public right-of-way to be consistent with the City's General Plan and Municipal Code. Public right-of-way improvements are required to include, but are not limited to the following: street pavement, curb & gutter, parkway landscaping, parkway irrigation, raised landscape median with irrigation on Holt Boulevard, public sidewalks, traffic signage and striping, street lights, bus stop, bus shelter and amenities. The extent of the required improvements shall be determined for each development plan. At a minimum the improvements shall incorporate all items along the street frontages of the properties to be developed with proper transitioning if the

entire block frontage is not being installed simultaneously. Improvements along the street frontage for the entire block may be required at the time of development plan review.

5.6 INFRASTRUCTURE

Water service for the PUD site will be provided by existing water lines under Holt Boulevard. Waste water flows for the PUD will also be designed to connect to existing sewer lines in Holt Boulevard. On-site stormwater drainage facilities shall be provided to capture and infiltrate a 2-year, 1 hour storm event, consistent with the San Bernardino County Stormwater Program's Water Quality Management Plan (WQMP) requirements for new development projects. Stormwater capture and infiltration facilities may include the utilization of vegetated swales, depressed landscaped basins, pervious concrete pavement or underground stormwater retention/infiltration vaults. All building roof and paved area runoff shall be directed into depressed landscaped swales, trenches or basins, within the development, in order to comply with the requirement to capture and infiltrate the 2-year, 1 hour storm event runoff. All proposed Development Plans are required to prepare a Preliminary Water Quality Management Plan.

All utility lines (electric, communications, TV, etc.) along Virginia Avenue that are currently overhead will be placed underground. The exiting overhead utility lines and utility pole along Nocta Street may remain. Existing overhead utility lines on-site along Virginia Avenue shall be undergrounded at or before the time of development by the developer or property owner.

Street lighting shall be installed along the public right-of-way of Holt Boulevard in accordance with City of Ontario Standards. The type of street lighting will be determined at the time of development.

5.7 PARKING

Given the PUD area's location along a major transportation corridor, with access to multiple bus lines and the future West Valley Connector BRT line, future projects should consider a parking ratio that is below the parking standards included in the City of Ontario Zoning Code. Based on recent legislation (AB 744), best practices in the region, and the PUD location and proximity to transit, a Development Plan that proposes multifamily residential development that has affordability restrictions in place will be required to provide parking based on the following ratios:

- 1 bedroom unit/studio – 1.0 spaces per unit
- 2 bedroom unit – 1.3 spaces per unit
- 3+bedroom unit – 1.75 spaces per unit

- Visitor parking - 0.15 spaces per unit
- Staff parking – 0.05 spaces per unit

Market rate residential projects or mixed use projects that do not require affordability restrictions on the housing units, are subject to the City of Ontario parking standards as shown in the Municipal Code.

A proposed Development Plan may propose secured resident and guest parking within the PUD site. A Development Project will ensure that a parking management plan is in place by a property manager.

On-street parking will be allowed on Virginia Avenue and Nocta Avenue only. No street parking will be allowed on Holt Boulevard. On-street parking may not be used to meet the requirements for on-site parking as indicated in the Development Code.



DESIGN GUIDELINES

6.1 BUILDING ORIENTATION AND STREETSCAPES

By blending residential and on-site community amenities, the design of development projects should promote increased walkability. Whenever feasible, Development Projects should locate building edges near the property line along Holt and Virginia to strengthen and define the urban edge and encourage pedestrian activity. Development Projects should create interest and interact with the streetscape when appropriate and feasible.

6.2 ARCHITECTURAL CHARACTER

Due to the size and scale of the PUD project area, virtually all sides of the buildings will be visible from the public street, common access drives, common parking areas or adjacent parcels with commercial uses. As such the architectural treatments should be carried around to the visible portions of all sides of the buildings. All towers or raised elements should be fully finished on all sides to appear as three-dimensional features.

The architecture for the buildings should feature articulation of the walls with offsets a minimum of two feet (2') in depth. Enhanced materials such as stone, or tile should be used as a base treatment and to highlight architectural features such as columns or popped-out tower elements. All enhanced materials shall terminate at logical points, such as an interior corner, and shall incorporate cap treatments to provide a transition between materials.

6.3 MATERIALS AND COLOR

A variety of durable high quality materials with a range of texture and pattern that is naturally inherent in the materials is used. The proposed color scheme for developments within the PUD area should be neutral whites, cool greys, contrasted with warm terracotta earth tones or complementary of these materials and color tones.

6.4 SIGNS

Signs shall comply with the requirements of the City of Ontario Development Code and shall be coordinated through a comprehensive sign program.

6.5 SERVICE FACILITIES

Service facilities such as trash enclosures, parking areas shall be designed, located and oriented to have a minimal visual impact on the development within the PUD area. Trash enclosures shall be designed to coordinate with the architecture, colors and materials of the style of the development and shall be located to provide adequate access for trash pickup without encroaching on access drives or landscaped areas. Trash enclosures shall be designed and constructed with a solid roof cover which shall also be designed to match the architecture of the development.



ADMINISTRATION

7.1 ITEMS NOT ADDRESSED IN PUD

Any terms, requirements, or regulations not addressed within the PUD document shall be governed by the City of Ontario Development Code, the regulations of the General Mixed Use zones and City Standards.

7.2 DEVELOPMENT APPLICATIONS

Development Plans for projects within the Virginia + Holt PUD area, along with fees and other required items, shall be submitted for review and approval per the requirements contained in Article 8 of the City of Ontario Development Code and the General Application.

7.3 ADMINISTRATIVE EXCEPTIONS

Deviation from the development standards set forth in this document may be granted up to a maximum of ten percent (10%) by the Zoning Administrator. Any deviations from the City of Ontario's development standards will be considered an incentive/concession in lieu of a variance.

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CITY OF ONTARIO

Agenda Report
September 5, 2017

**SECTION:
ADMINISTRATIVE REPORTS/
DISCUSSION/ACTION**

SUBJECT: A RESOLUTION MAKING AN AT-LARGE APPOINTMENT TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY BOARD OF COMMISSIONERS

RECOMMENDATION: That the City Council adopt a resolution designating an at-large member of the Ontario International Airport Authority (OIAA) Commission.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: There is no fiscal impact associated with the appointment of an OIAA Commission member.

BACKGROUND: In accordance with the terms and conditions of the OIAA Joint Powers Agreement, the City Council must appoint to the OIAA Commission two members of the business community serving the airport's four-county catchment area. On September 4, 2012, the Ontario City Council appointed Ronald O. Loveridge and Lucy Dunn to represent the business community on the OIAA Commission.

On June 16, 2017, Lucy Dunn resigned from the OIAA, leaving one seat open on the Commission representing the business community.

The City Council appointees to the Commission have reviewed and evaluated a potential candidate and now recommend Ms. Julia Gouw for consideration and approval. Biographical information on Ms. Gouw is provided for reference.

STAFF MEMBER PRESENTING: OIAA Commission Appointees:

Mayor pro Tem Alan D. Wapner
Council Member Jim W. Bowman

Prepared by: Al C. Boling
Department: City Administration

City Manager
Approval: 

Submitted to Council/O.H.A. 09/05/2017

Approved: _____

Continued to: _____

Denied: _____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DESIGNATING AN AT-LARGE APPOINTEE TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION.

WHEREAS, the Ontario International Airport (the "Airport") is located within the City of Ontario (the "City") and the County of San Bernardino (the "County") in the State of California; and

WHEREAS, the City and County have a strong interest in the success of the Airport as a main driver of economic development in the Inland Empire region of Southern California as a whole, and Ontario and San Bernardino County in particular; and

WHEREAS, the City and County are each empowered by law to acquire, construct, improve, develop, repair, maintain, operate, administer, and lease airports or airport-related facilities; and

WHEREAS, the City Council has approved a Joint Powers Agreement creating a public entity, separate and apart from the City and the County, referred to as the Ontario International Airport Authority ("OIAA") to operate, maintain, manage, develop, and market the Airport; and

WHEREAS, the Joint Powers Agreement requires the City Council to appoint two members from the business community serving the airport's four-county catchment area to serve on the board of the Authority; and

WHEREAS, on September 4, 2012 the City of Ontario appointed Ronald O. Loveridge and Lucy Dunn to represent the business community; and

WHEREAS, Lucy Dunn resigned from the OIAA on June 16, 2017, leaving one seat open on the Commission representing the business community.

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

SECTION 1. The City Council, in accordance with the Joint Powers Agreement, hereby determines that Julia Gouw shall serve as an appointee to the Ontario International Airport Authority Commission representing the business community.

SECTION 2. Effective Date. This Resolution will take effect immediately upon its adoption.

SECTION 3. Certification. The City Clerk shall certify as to the adoption of this Resolution and forward copies of this Resolution to the Ontario International Airport Authority and the Clerk of the Board, County of San Bernardino.

PASSED, APPROVED, AND ADOPTED this 5th day of September 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 regular meeting held September 5, 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 their regular meeting held September 5, 2017.

SHEILA MAUTZ, CITY CLERK

(SEAL)



ABOUT JULIA GOUW

Julia Gouw is a distinguished banking industry executive recognized for her professional accomplishments and philanthropic endeavors over her 33-year career.

Ms. Gouw retired as president and chief operating officer of East West Bank in 2016 after 27 years of service in a variety of senior leadership positions, a remarkable accomplishment in today's marketplace.

She joined the Pasadena-based bank, which includes 130 branch locations in the U.S. and China, in 1989 as controller and served as executive vice president and chief financial officer from 1994 to 2008.

Prior to her move into the banking industry, Ms. Gouw, a certified public accountant, was a senior audit manager for the financial services consulting firm KPMG where she led teams of fellow accountants in performing financial and regulatory audits of enterprises in the financial, real estate and construction industries.

Ms. Gouw was ranked among *American Banker* magazine's "25 Most Powerful Women in Banking" five times and recognized by the *Los Angeles Business Journal* as one of "L.A.'s Top Women in Finance." She twice received the *Business Journal's* "Women Making a Difference" award and was named "Philanthropist of the Year" by the National Association of Women Business Owners in Los Angeles.

Ms. Gouw has also been an active member of a dozen non-profit boards and committees related to such organizations as the Carter Center, Los Angeles Philharmonic, Huntington Hospital, UCLA Foundation and John Wayne Cancer Institute.

Ms. Gouw was born and raised in Surabaya, Indonesia. Following her graduation from high school, she moved to the United States and attended the University of Illinois – Urbana Champaign where she earned a bachelor's degree in accounting.

Ms. Gouw is currently a member of the board of directors of Newport Beach-based Pacific Life insurance company, a position she has occupied since 2011.