



GOODWIN CONSULTING GROUP

**CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICTS
OLD MODEL COLONY BONDED FACILITIES CFD**

**CFD TAX ADMINISTRATION REPORT
FISCAL YEAR 2024-25**

June 14, 2024

City of Ontario
Old Model Colony Bonded Facilities CFD
CFD Tax Administration Report

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I. INTRODUCTION

City of Ontario Community Facilities Districts

In 2008, the City of Ontario (the “City”) formed a Mello-Roos Community Facilities District (“CFD”) for a specific project located in the more-developed part of the City to the north of Ontario Ranch, in an area known as the Old Model Colony. This development required the City to provide additional public facilities, which are described in greater detail below. This CFD Tax Administration Report (“Report”) provides information regarding the City’s CFD within the Old Model Colony that has issued bonds to pay for public facilities on or prior to June 1, 2024 (the “Old Model Colony Bonded Facilities CFD”). All references to CFDs in the remainder of this report refer to the Old Model Colony Bonded Facilities CFD, specifically.

City of Ontario Community Facilities District No. 13

On May 6, 2008, the City of Ontario (the “City”) City Council (the “City Council”) adopted Resolution No. 2008-32, which established the City of Ontario Community Facilities District No. 13 (California Commerce Center - Phase IV). A successful landowner election authorized the levy of a Mello-Roos special tax on property within CFD No. 13 to fund certain public facilities. The landowners also voted to incur bonded indebtedness, secured by special taxes levied in CFD No. 13. On July 16, 2008, the City, on behalf of CFD No. 13, issued special tax bonds (the “Series 2008 Bonds”) in the aggregate principal amount of \$4,635,000 to finance public improvements. On June 16, 2021, the City, on behalf of CFD No. 13, issued refunding special tax bonds (the “Series 2021 Bonds” or “Bonds”) in the aggregate principal amount of \$3,205,000 to refund the outstanding Series 2008 Bonds. The types of facilities to be funded by bond proceeds and special tax revenues include street improvements, water and sewer facilities, storm drain facilities, and other public infrastructure improvements for the benefit of residents within CFD No. 13.

CFD No. 13 is located in the eastern portion of the City, approximately one mile southeast of the Ontario International Airport. CFD No. 13 encompasses a 103-acre site between Milliken Avenue and Haven Avenue, south of Francis Street. The development plan for the area within CFD No. 13 includes the construction of six industrial buildings and one commercial office building.

The Mello-Roos Community Facilities Act of 1982

The California State Legislature (the “Legislature”) approved the Mello-Roos Community Facilities Act of 1982 that provides for the levy of a special tax within a defined geographic area (i.e., a community facilities district) if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities and eligible services. These services include police protection services, fire protection and suppression services, library services, recreation program services, flood and storm protection services, street lighting services, and maintenance of roads, parks, parkways, and open space. Special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue tax-exempt bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency's general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

II. PURPOSE OF REPORT

This Report presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2024-25 special tax levies for the Old Model Colony Bonded Facilities CFD. The Report is intended to provide information to interested parties regarding this CFD, including the special taxes to be levied in fiscal year 2024-25, the status of development in the CFD, and information regarding special tax delinquencies within the CFD.

The remainder of the Report is organized as follows:

- **Section III** provides general information about the CFD including the status of construction. Additionally, information on the special tax bonds is provided in this section.
- **Section IV** identifies the financial obligations, in particular, the Special Tax Requirement for the CFD for fiscal year 2024-25.
- **Section V** provides a summary of the methodologies used to apportion special taxes among parcels in the CFD.
- **Section VI** describes delinquencies in payment of the special taxes in prior fiscal years.
- **Section VII** provides information regarding state reporting requirements applicable to the CFD.

III. STATUS OF CFD

The table below summarizes the Old Model Colony Bonded Facilities CFD and provides the outstanding principal amount of special tax bonds. The table also shows whether all of the anticipated units and/or non-residential buildings have been issued building permits. The summary table in Appendix A shows the amounts levied in the CFD for fiscal year 2024-25. See the map included in Appendix C for the specific boundaries of the CFD.

Status of CFDs Fiscal Year 2024-25

CFD No.	CFD Name	First FY Levied	Bond Series	Outstanding Principal*	CFD Built Out**
13	California Commerce Center – Phase IV	2008-09	2021	\$2,930,000	Yes

* As of June 30, 2024.

** Indicates that all anticipated residential units and/or non-residential square footage have had building permits issued as of May 1, 2024.

IV. FISCAL YEAR 2024-25 SPECIAL TAX REQUIREMENT

The special tax for the Old Model Colony Bonded Facilities CFD is levied according to the methodology set forth in the Rate and Method of Apportionment of Special Tax (the “RMA”) for that CFD. The RMA was adopted as an exhibit to the Resolution of Formation for the CFD. Pursuant to the RMA, the special tax levied must be equal to the Special Tax Requirement for that fiscal year. Generally, the Special Tax Requirement means the amount necessary in any fiscal year (i) to pay principal and interest on bonds, (ii) to pay periodic costs on bonds, (iii) to pay the administrative expenses of the CFD, (iv) to replenish any reserve fund for the bonds, (v) to pay directly for acquisition or construction of facilities when there are no outstanding bonds, and (vi) to provide an amount equal to special tax delinquencies based on the historical delinquency rate for the special taxes as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual special tax levy. For fiscal year 2024-25, the Special Tax Requirement was based on estimated costs for each CFD provided by the City. The table in Appendix B shows the Special Tax Requirement for the Old Model Colony Bonded Facilities CFD.

V. SPECIAL TAX LEVY

Special Tax Categories

Pursuant to the adopted RMA, all property within the CFD is assigned to a special tax category. The various special tax categories each have a maximum special tax rate per building square foot or per parcel. Additionally, the category will determine the priority in which each parcel will be taxed. Categories created for one CFD do not pertain to any other CFD. The table in Appendix A of this report shows the amount of property in each category, the maximum special tax rates, and the actual amount of special tax levied in fiscal year 2024-25. A more detailed description of the special tax categories is included below.

CFD No. 13

Special taxes within CFD No. 13 are levied pursuant to the methodology set forth in the RMA, which defines Taxable Property as all parcels within the boundaries of CFD No. 13 that are not exempt from the Special Taxes. Each fiscal year, parcels of Taxable Property are classified as either Industrial Property or Commercial Property.

- Industrial Property means Taxable Property, designated as Parcels 2 through 7 of Parcel Map No. 18334, as shown in the CFD boundary map.
- Commercial Property means Taxable Property, designated as Parcel 1 of Parcel Map No. 18334, as shown in the CFD boundary map.

Maximum Special Tax Rates

The maximum special tax rates applicable to each category of property are set forth in Section C of the RMA. The percentage of the maximum special tax that will be levied on each land use category in fiscal year 2024-25 is determined by the method of apportionment included in Section D of the RMA. The table in Appendix A identifies the maximum annual special taxes that can be levied on property in the CFD.

Apportionment of Special Taxes

The amount of special tax levied on each parcel in each fiscal year will be determined by application of Section D of the RMA. Pursuant to this section, the Special Tax Requirement will be allocated by levying the special tax proportionally on each parcel or portion of each parcel of Taxable Property up to 100% of the maximum special tax, until the Special Tax Requirement is satisfied. The actual special tax rates and the number of units of Taxable Property for fiscal year 2024-25 are shown in the table in Appendix A.

VI. SPECIAL TAX DELINQUENCIES

The special taxes for the CFD are collected via the annual secured property tax bills issued by San Bernardino County. Annually, around July 1 of each year, the San Bernardino County Auditor-Controller's Office reports on the special taxes that are delinquent. As of the date of this Report, the Auditor-Controller's Office has not yet provided delinquency information. This Report will be revised once that information is available.

VII. STATE REPORTING REQUIREMENTS

Assembly Bill No. 1666

On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code (“GC”). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency’s web site. Pursuant to Section 53343.2, a local agency that has a web site shall, within seven months after the last day of each fiscal year of the district, display prominently on its web site the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes CFD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the web site would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller’s Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency’s Financial Transactions Report that is prepared for the State Controller’s Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

Assembly Bill No. 1483

On October 9, 2019, Governor Gavin Newsom signed Assembly Bill No. 1483, adding Section 65940.1 to the California Government Code. The law requires that a city, county, or special district that has an internet website, maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the public agency on all housing development projects. Pursuant to Section 65940.1, the definition of an exaction includes a special tax levied pursuant to the Mello-Roos Community Facilities Act.

Assembly Bill No. 1483 defines a housing development project as consisting of (a) residential units only; or (b) mixed-use developments consisting of residential and non-residential land uses with at least two-thirds of the square footage designated for residential use; or (c) transitional housing or supportive housing. Assembly Bill No. 1483 also requires a city, county, or special district to update this information on their website within 30 days of any changes made to the information.

Senate Bill No. 165

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to the Sections 50075.3 and 53411, the “chief fiscal officer” of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the City setting forth (i) the amount of special taxes that have been collected and expended; (ii) the status of any project required or authorized to be funded by the special taxes; (iii) if bonds have been issued, the amount of bonds that have been collected and expended; and (iv) if bonds have been issued, the status of any project required or authorized to be funded from bond proceeds

APPENDIX A

Summary of Fiscal Year 2024-25 Special Tax Levy

City of Ontario
Community Facilities District No. 13
(California Commerce Center - Phase IV)
Fiscal Year 2024-25 Special Tax Levy Summary

Land Use	Number of Parcels	Total Sq. Ft.	FY 2024-25 Maximum Special Tax	FY 2024-25 Actual Special Tax	FY 2024-25 Special Tax Levy
Taxable Property:					
Industrial Property	6	1,936,142	\$0.2111 per Sq. Ft.	\$0.1550 per Sq. Ft.	\$300,158.78
Commercial Property	1	N/A	\$11,275.00 per Parcel	\$8,280.23 per Parcel	\$8,280.23
Total Fiscal Year 2024-25 Special Tax Levy					\$308,439.01

Goodwin Consulting Group, Inc.

APPENDIX B

*Fiscal Year 2024-25
Special Tax Requirement*

**City of Ontario
Community Facilities District No. 13
(California Commerce Center - Phase IV)**

Special Tax Requirement for Fiscal Year 2024-25

<u>Debt Service</u>	
Interest Due March 1, 2025	\$55,700.00
Interest Due September 1, 2025	\$55,700.00
Principal Due September 1, 2025	<u>\$150,000.00</u>
Total Debt Service	\$261,400.00
 <u>Administrative Costs</u>	
District Administration	\$37,039.00
Tax Consultant/Professional Services	<u>\$10,000.00</u>
Total Administrative Expenses	\$47,039.00
 <u>Delinquencies</u>	 \$0.00
 <u>Direct Funding of Facilities</u>	 \$0.00
 <u>Rounding Adjustment</u>	 \$0.01
 Special Tax Requirement for Fiscal Year 2024-25	 \$308,439.01

APPENDIX C

Boundary Map of Community Facilities District

PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 13
OF THE CITY OF ONTARIO
(CALIFORNIA COMMERCE CENTER PHASE IV)
COUNTY OF SAN BERNARDINO
STATE OF CALIFORNIA

(1) Filed in the office of the Clerk of the City of Ontario this 2nd day of April, 2008.

Trace R. McKinley
Trace R. McKinley, Assistant
Clerk of the City of Ontario,
California



(2) I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 13 of the City of Ontario (California Commerce Center Phase IV), County of San Bernardino, State of California, was approved by the City Council of the City of Ontario at a regular meeting thereof, held on the 1st day of April, 2008, by its Resolution No. 2008-018.

Trace R. McKinley
Trace R. McKinley, Assistant
Clerk of the City of Ontario,
California



(3) San Bernardino County Recorder's Certificate
This map has been filed under Document Number 2008-049287, this 17th day of April, 2008, at 8:05 A.M., in Book 83 of Maps of Assessment and Community Facilities Districts at page 26, at the request of the City of Ontario in the amount of \$ 10.00.

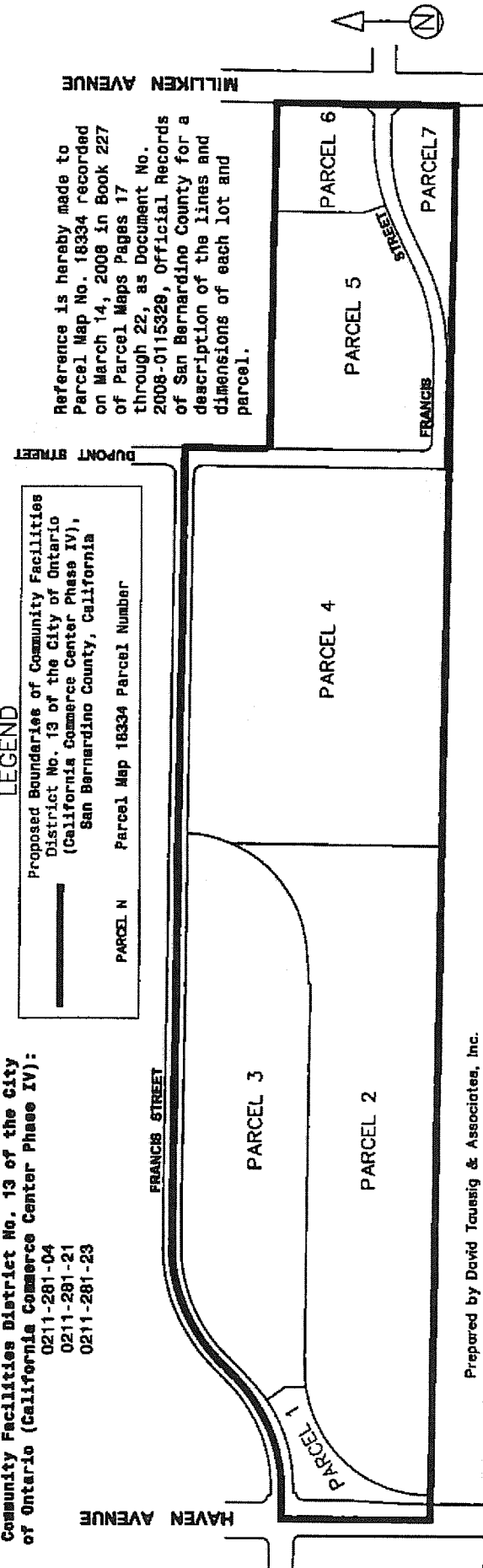
Larry Walker
Auditor/Controller-Recorder
County of San Bernardino

By: Diana T. Hernandez
Deputy Recorder

Assessor Parcel Numbers within the Boundaries of Community Facilities District No. 13 of the City of Ontario (California Commerce Center Phase IV):
0211-281-04
0211-281-21
0211-281-23

LEGEND
Proposed Boundaries of Community Facilities District No. 13 of the City of Ontario (California Commerce Center Phase IV), San Bernardino County, California
PARCEL N Parcel Map 18334 Parcel Number

Reference is hereby made to Parcel Map No. 18334 recorded on March 14, 2008 in Book 227 of Parcel Maps Pages 17 through 22, as Document No. 2008-015329, Official Records of San Bernardino County for a description of the lines and dimensions of each lot and parcel.



APPENDIX D

*Fiscal Year 2024-25
Special Tax Levy for
Individual Assessor's Parcels*

City of Ontario
Community Facilities District No. 13
(California Commerce Center - Phase IV)
Fiscal Year 2024-25 Special Tax Levy

Assessor's Parcel Number	Land Use Class	Lot Acreage	Square Footage	FY 2024-25 Actual Special Tax
0211 - 281 - 56 - 0000	Commercial	2.05		\$8,280.23
0211 - 281 - 57 - 0000	Industrial	26.49	562,089	\$87,140.28
0211 - 281 - 58 - 0000	Industrial	19.34	369,086	\$57,219.15
0211 - 281 - 59 - 0000	Industrial	30.29	680,925	\$105,563.34
0211 - 281 - 60 - 0000	Industrial	11.49	241,367	\$37,418.96
0211 - 281 - 61 - 0000	Industrial	3.48	52,387	\$8,121.52
0211 - 281 - 62 - 0000	Industrial	3.10	30,288	\$4,695.53
Total Special Tax Levy for FY 2024-25				\$308,439.01

Goodwin Consulting Group, Inc.; City of Ontario

4/1/2024