

**CITY OF ONTARIO  
CITY COUNCIL AND HOUSING AUTHORITY  
AGENDA  
DECEMBER 19, 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



**Scott Ochoa**  
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 54957.6, CONFERENCE WITH LABOR NEGOTIATOR: Scott Ochoa regarding Ontario Police Officers Association, Ontario Police Management Group, Ontario Professional Firefighters Association, Ontario Fire Management Group.
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: APN: 1048-551-01 through 1048-551-09, 1048-552-13 through 1048-552-19, 1048-553-01, 1048-553-05 through 1048-553-15; 110-128 North Euclid Avenue, 115-127 East Holt Boulevard, 115 North Lemon Avenue, 116 East “C” Street, 116 East “D” Street, 127 East “C” Street, 200-240 North Euclid Avenue, 275 North Lemon Avenue, 308 North Euclid Avenue, 334 North Euclid Avenue; City/Authority Negotiator: Scott Ochoa or his designee; Negotiating parties: Kendrew Development, LLC, a Limited Liability Corporation; Under negotiation: Price and terms of payment.

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

***PLEDGE OF ALLEGIANCE***

Council Member Bowman

**INVOCATION**

Pastor Reegis Richard, The Joshua Center International

**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 November 21, 2017, approving same as on file in the Records Management Department.

**2. BILLS/PAYROLL**

**Bills** October 22, 2017 through November 4, 2017 and **Payroll** October 22, 2017 through November 4, 2017, when audited by the Finance Committee.

**3. PROFESSIONAL SERVICES AGREEMENTS FOR ON-CALL MATERIAL TESTING AND GEOTECHNICAL ENGINEERING SERVICES/GROUP DELTA CONSULTANTS, INC./KLEINFELDER, INC.**

That the City Council approve Professional Services Agreements (on file in the Records Management Department) with Group Delta Consultants, Inc., of Ontario, California, and Kleinfelder, Inc., of Ontario, California, to provide on-call Geotechnical Consulting, Material Testing, and Compaction Testing Services, and authorize the City Manager to execute the contracts and to extend the agreements for up to four (4) additional one (1) year periods at the City's discretion, consistent with future budgets approved by the City Council.

**4. A RESOLUTION APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 18419 LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND SCHAEFER AVENUE**

That the City Council adopt a resolution approving an improvement agreement, improvement security and Final Tract Map No. 18419 located at the southeast corner of Archibald Avenue and Schaefer Avenue within The Avenue 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. 18419, LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND SCHAEFER AVENUE.

**5. AN ARCHITECTURAL SERVICES AGREEMENT WITH WLC ARCHITECTS, INC. TO COMPLETE CONSTRUCTION DOCUMENTS AND SERVICES FOR THE ONTARIO FIRE TRAINING FACILITY**

That the City Council authorize the City Manager to execute an Architectural Services Agreement (on file with the Records Management Department) with WLC Architects, Inc., of Rancho Cucamonga, California, in the amount of \$507,925, which includes a 10% contingency of \$46,175, for the Fire Training Facility to be located on the southeast corner of Francis Street and Parco Avenue at 1408 East Francis Street - Fire Station No. 3.

**6. RESOLUTION APPROVING THE FILING OF AN APPLICATION FOR GRANT FUNDS FROM THE AFFORDABLE HOUSING SUSTAINABLE COMMUNITIES PROGRAM AND AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS AND AGREEMENTS**

That the City Council adopt a resolution approving the filing of an application for up to \$5,270,675 of grant funds through the Affordable Housing Sustainable Communities Program, and authorize the City Manager to execute any documents or agreements, such as memorandums of understanding, necessary to complete the application and implement the program.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING THE FILING OF AN APPLICATION FOR GRANT FUNDS FROM THE AFFORDABLE HOUSING SUSTAINABLE COMMUNITIES PROGRAM AND AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS AND AGREEMENTS.

**7. A WATER PURCHASE AGREEMENT WITH AMERON INTERNATIONAL CORPORATION**

That the City Council approve and authorize the City Manager to execute a water purchase agreement (on file with the Records Management Department) subject to non-substantive changes with Ameron International Corporation, a wholly owned subsidiary of National Oilwell Varco, Inc., a Delaware corporation, for the permanent transfer of overlying groundwater rights and stored water in the amount of \$1,108,161.

**8. A RESOLUTION ADOPTING THE MULTI-FAMILY HOUSING BOND POLICIES AS REQUIRED BY CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

That the City Council adopt a resolution approving the Multi-Family Housing Bond Policies (the "Policies"), authorize the submission of the Policies to CDLAC, and authorize the City Manager to execute any and all documents necessary to implement the Policies.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE MULTI-FAMILY HOUSING BOND POLICIES AS REQUIRED BY CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC).

**9. EVERY 15 MINUTES GRANT PROGRAM FROM THE DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**

That the City Council authorize the acceptance of grant funds in the amount of up to \$6,000 for the Every 15 Minutes Grant Program from the Department of California Highway Patrol.

**10. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH SECURITAS SECURITY SERVICES USA, INC. FOR UNARMED SECURITY GUARD SERVICES**

That the City Council authorize the City Manager to execute an amendment (on file with the Records Management Department) to the existing Professional Services Agreement with Securitas Security Services USA, Inc., of Ontario, California, extending the agreement for five years with the option of two one-year extensions, at an estimated annual cost of \$271,563 for FY 2017-18. Additional appropriations of \$8,570 are necessary for the remainder of FY 2017-18 based on the new annual cost.

## **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.**

### **II. A PUBLIC HEARING TO CONSIDER A RESOLUTION CALLING A SPECIAL ELECTION TO LEVY A SPECIAL TAX WITHIN TERRITORY PROPOSED TO BE ANNEXED TO CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES)**

That City Council:

- (A) Adopt a resolution calling a special election for Community Facilities District No. 23 (Park Place Services) to levy a special tax within territory proposed to be annexed to the community facilities district;
- (B) Adopt a resolution declaring results of special election, determining that certain territory is added to and part of City of Ontario Community Facilities District No. 23 (Park Place Services), approving of a consolidated boundary map and directing recording of a notice of annexation; and
- (C) Introduce and waive further reading of an ordinance levying special taxes within certain territory annexed to City of Ontario Community Facilities District No. 23 (Park Place Services).

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

Written communication.

Oral presentation.

Public hearing closed.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING A SPECIAL ELECTION TO LEVY A SPECIAL TAX WITHIN TERRITORY PROPOSED TO BE ANNEXED TO CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES).

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION, DETERMINING THAT CERTAIN TERRITORY IS ADDED TO AND PART OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES), APPROVING OF A CONSOLIDATED BOUNDARY MAP AND DIRECTING RECORDING OF A NOTICE OF ANNEXATION.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN CERTAIN TERRITORY ANNEXED TO CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES).

**STAFF MATTERS**

City Manager Ochoa

**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)  
**December 19, 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 54957.6, CONFERENCE WITH LABOR NEGOTIATOR: Scott Ochoa regarding Ontario Police Officers Association, Ontario Police Management Group, Ontario Professional Firefighters Association, Ontario Fire Management Group.

**No Reportable Action      Continue      Approved**

/ /                                  / /                                  / /

Disposition: \_\_\_\_\_

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

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: APN: 1048-551-01 through 1048-551-09, 1048-552-13 through 1048-552-19, 1048-553-01, 1048-553-05 through 1048-553-15; 110-128 North Euclid Avenue, 115-127 East Holt Boulevard, 115 North Lemon Avenue, 116 East "C" Street, 116 East "D" Street, 127 East "C" Street, 200-240 North Euclid Avenue, 275 North Lemon Avenue, 308 North Euclid Avenue, 334 North Euclid Avenue; City/Authority Negotiator: Scott Ochoa or his designee; Negotiating parties: Kendrew Development, LLC, a Limited Liability Corporation; Under negotiation: Price and terms of payment.

**No Reportable Action      Continue      Approved**

/ /                                  / /                                  / /

Disposition: \_\_\_\_\_

Reported by:

\_\_\_\_\_  
City Attorney / City Manager / Executive Director



# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: PROFESSIONAL SERVICES AGREEMENTS FOR ON-CALL MATERIAL TESTING AND GEOTECHNICAL ENGINEERING SERVICES**

**RECOMMENDATION:** That the City Council approve Professional Services Agreements (on file in the Records Management Department) with Group Delta Consultants, Inc., of Ontario, California, and Kleinfelder, Inc., of Ontario, California, to provide on-call Geotechnical Consulting, Material Testing, and Compaction Testing Services, and authorize the City Manager to execute the contracts and to extend the agreements for up to four (4) additional one (1) year periods at the City's discretion, consistent with future budgets approved by the City Council.

**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:** In an effort to reduce costs for necessary outside professional services, staff has negotiated favorable fee structures for these two proposed agreements. Both firms have agreed to billing rates that are competitive in the current market and comply with the State of California Department of Industrial Relations' prevailing wage and benefits guidelines. Rates will be evaluated annually to ensure continued compliance. Funding for these services is included in the individual approved Capital Improvement Project budgets. Annual estimated costs are \$100,000 based upon the current year work program. Future year costs will be based upon actual usage for project-related activities.

**BACKGROUND:** There is a need for the Engineering Department to have on-call contracts with geotechnical and material testing companies to assure compliance with approved plans and specifications. The current on-call contracts expire at the end of 2017.

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

Prepared by: Ariana Kern  
Department: Engineering

City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017

Approved: \_\_\_\_\_

Continued to: \_\_\_\_\_

Denied: \_\_\_\_\_

3

The City solicited proposals from qualified firms; and responses from the following were evaluated:

COMPANY	LOCATION
Kleinfelder, Inc.	Ontario, CA
Group Delta Consultants, Inc.	Ontario, CA
American Engineering Laboratories, Inc.	La Habra, CA
Converse Consultants	Redlands, CA
Fenagh Engineering & Testing, LLC	Rancho Cucamonga, CA
Hushmand Associates Inc.	Irvine, CA
Koury Engineering & Testing, Inc.	Chino, CA
Leighton Consulting, Inc.	Rancho Cucamonga, CA
Moore Twining Associates, Inc.	Fresno, CA
MTGL	Anaheim, CA
RMA Group	Rancho Cucamonga, CA
United-Heider Inspection Group	Moreno Valley, CA

Using a qualifications-based selection process, a panel of City staff reviewed the proposals. Group Delta Consultants, Inc. and Kleinfelder, Inc. were judged to be the most qualified firms. As such, they are being recommended based on their broad range of expertise as demonstrated by their services provided to municipal agencies and capability to perform the work in a timely manner.

# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: A RESOLUTION APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 18419 LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND SCHAEFER AVENUE**

**RECOMMENDATION:** That the City Council adopt a resolution approving an improvement agreement, improvement security and Final Tract Map No. 18419 located at the southeast corner of Archibald Avenue and Schaefer Avenue within The Avenue 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 Ontario Ranch

**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. 18419, consisting of two hundred twenty nine (229) residential lots and thirty (30) lettered lots on 50.28 acres as shown on Exhibit A, has been submitted by the developer Western Pacific Housing Inc., of Delaware (Ms. Barbara M. Murakami, Vice President and Mr. Todd Funk, Assistant Vice President).

Tentative Tract Map No. 18419 was approved by the Planning Commission (7 to 0) on May 22, 2007 and is consistent with the adopted The Avenue 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 improvements in parkway landscaping will be consistent with current City approved drought measures.

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

Prepared by: Miguel Sotomayor  
Department: Engineering

City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017

Approved: \_\_\_\_\_

Continued to: \_\_\_\_\_

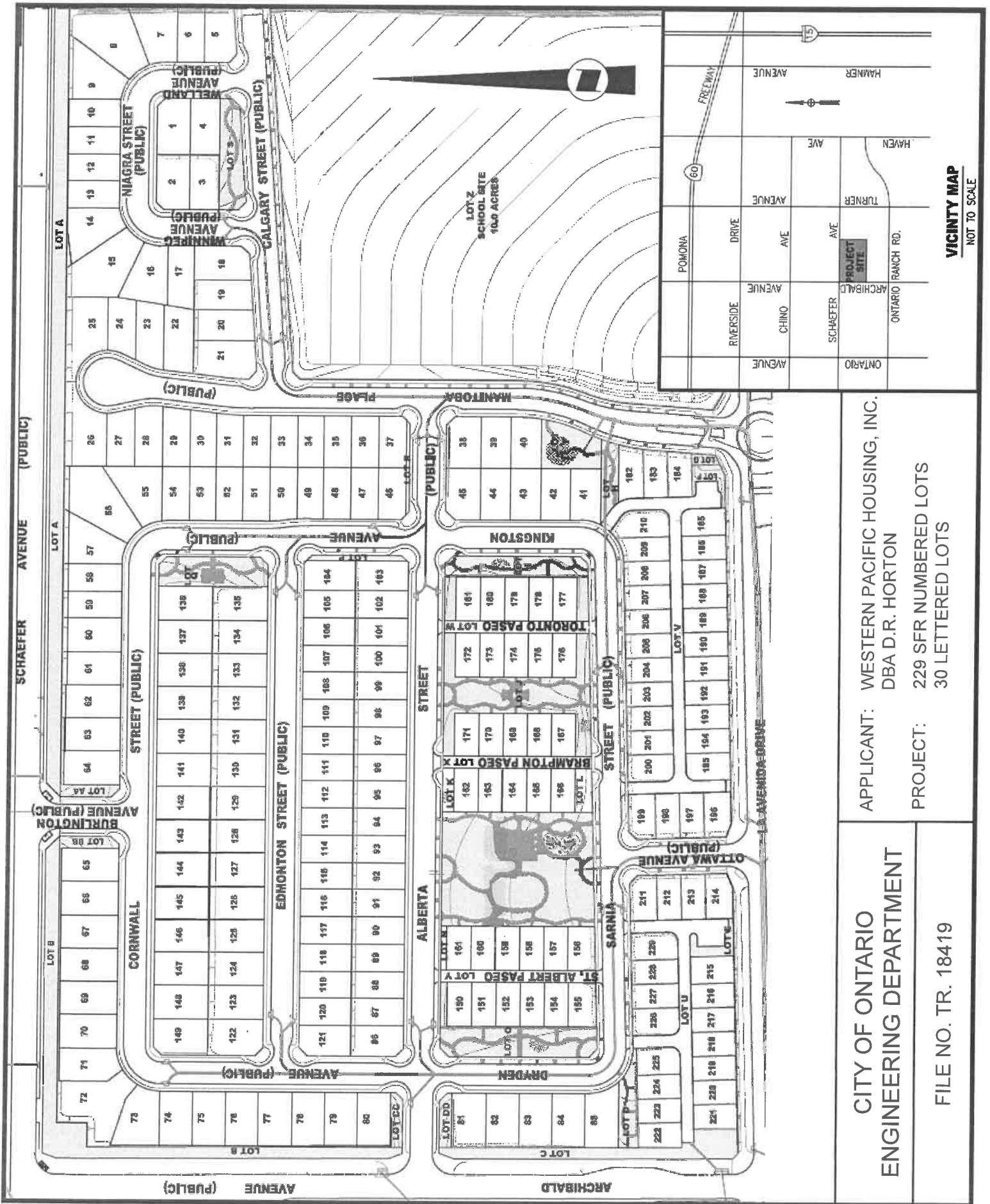
Denied: \_\_\_\_\_

4

The developer has entered into an improvement agreement with the City for Final Tract Map No. 18419 and has posted adequate security to ensure construction of the required public improvements.

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



APPLICANT: WESTERN PACIFIC HOUSING, INC.  
 DBA D.R. HORTON

PROJECT: 229 SFR NUMBERED LOTS  
 30 LETTERED LOTS

CITY OF ONTARIO  
 ENGINEERING DEPARTMENT

FILE NO. TR. 18419

VICINITY MAP  
 NOT TO SCALE

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. 18419, LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND SCHAEFER AVENUE.

WHEREAS, Tentative Tract Map No. 18419, submitted for approval by the developer, Western Pacific Housing Inc., of Delaware (Ms. Barbara M. Murakami, Vice President and Mr. Todd Funk, Assistant Vice President) was approved by the Planning Commission of the City of Ontario on May 22, 2007; and

WHEREAS, Tentative Tract Map No. 18419 consists of two hundred twenty nine (229) numbered lots and thirty (30) lettered lots, being a subdivision of a portion of parcel 1 of Parcel Map 14273, as per map recorded in book 169, pages 63 and 64, inclusive, of maps, in the Office of the Recorder of San Bernardino County and a portion of the south half of the north half of the west half of the northwest quarter of Section 14, Township 2 South, Range 7 West, S.B.M, according to the official plat of said land approved by the Surveyor General, dated December 30, 1881; and

WHEREAS, to meet the requirements established as prerequisite to final approval of Final Tract Map No. 18419, 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, said developer has prepared Covenants, Conditions and Restrictions (CC&R's), approved by the City Attorney's Office, to ensure the right to mutual ingress and egress and continued maintenance of common facilities by commonly affected property owners.

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

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. 18419 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 19<sup>th</sup> day of December 2017.

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PAUL S. LEON, MAYOR

ATTEST:

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SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

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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 December 19, 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 December 19, 2017.

\_\_\_\_\_  
SHEILA MAUTZ, CITY CLERK

(SEAL)



# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: AN ARCHITECTURAL SERVICES AGREEMENT WITH WLC ARCHITECTS, INC. TO COMPLETE CONSTRUCTION DOCUMENTS AND SERVICES FOR THE ONTARIO FIRE TRAINING FACILITY**

**RECOMMENDATION:** That the City Council authorize the City Manager to execute an Architectural Services Agreement (on file with the Records Management Department) with WLC Architects, Inc., of Rancho Cucamonga, California, in the amount of \$507,925, which includes a 10% contingency of \$46,175, for the Fire Training Facility to be located on the southeast corner of Francis Street and Parco Avenue at 1408 East Francis Street - Fire Station No. 3.

**COUNCIL GOALS:** Invest in the Growth and Evolution of the City's Economy  
Maintain the Current High Level of Public Safety

**FISCAL IMPACT:** The Adopted FY 2017-18 Budget includes appropriations in the amount \$461,750 plus a 10% contingency of \$46,175 for design and construction administration services for the project. It has been the City's practice to include a contingency fund in all construction related agreements to accommodate unforeseen project changes for a total contract amount of \$507,925.

**BACKGROUND:** The original Ontario Fire Department Training Facility, built in 1973, was located at 1408 East Francis Street. While in operation, the facility was used extensively by numerous public safety organizations, but due to severe deterioration over the years, the training facility was demolished many years back to allow for the construction of a new state-of-the-art facility in its place. The new training facility will include a multi-story/multi-functional training building and ancillary classroom space.

Staff previously evaluated professional qualifications limited to architectural services for the Training Facility Project and entered an agreement for services. The firm/s selected were unable to deliver the work product that met the City's expectations and the agreement was subsequently terminated.

Staff has reexamined the scope of the project and determined that the economics of scale could be realized by employing WLC Architect, Inc. ("WLC") for the project. WLC is currently under contract

**STAFF MEMBER PRESENTING:** Rob Elwell, Fire Chief

Prepared by: Mike Pelletier  
Department: Fire  
City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

5

for design services for the new Fire Station No. 9 in Ontario Ranch and design and construction administration services for the renovation of Fire Station No. 132. WLC was selected for these projects based on a multi-departmental evaluation process in response to solicitations for professional services.

WLC possesses unparalleled qualifications due to WLC's capability to provide unique and specialized design and construction administration services for public safety and essential service facilities. WLC has demonstrated success in similar City projects over the last several years and the ability to deliver quality work product in timely manner. As a result, staff recommends approval of an architectural services agreement with WLC.

# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: RESOLUTION APPROVING THE FILING OF AN APPLICATION FOR GRANT FUNDS FROM THE AFFORDABLE HOUSING SUSTAINABLE COMMUNITIES PROGRAM AND AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS AND AGREEMENTS**

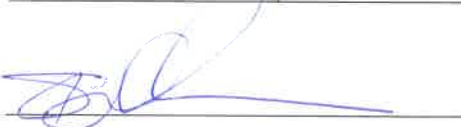
**RECOMMENDATION:** That the City Council adopt a resolution approving the filing of an application for up to \$5,270,675 of grant funds through the Affordable Housing Sustainable Communities Program, and authorize the City Manager to execute any documents or agreements, such as memorandums of understanding, necessary to complete the application and implement the program.

**COUNCIL GOALS:** Invest in the Growth and Evolution of the City's Economy  
Pursue City's Goals and Objectives by Working with Other Governmental Agencies  
Focus Resources in Ontario's Commercial and Residential Neighborhoods  
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)  
Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Healthy City Programs, Policies and Activities

**FISCAL IMPACT:** If awarded, the grant will provide up to \$5.3 million for projects and programs in greater downtown Ontario. The projects and programs will be administered by the City along with Omnitrans. The City will serve as the fiscal agent and will be responsible for the administration of the funds, principally through an invoice-reimbursement agreement with the State. The grant term is 5 years, commencing with the execution of a grant agreement, likely in June 2018. The potential fiscal impacts to the City include staff time for administering the grant, which will be accounted for in future budgets, and the use of City funds to front costs.

**BACKGROUND:** In 2014, the California Legislature approved at least 10% of ongoing revenue from the Greenhouse Gas Reduction Fund for the creation of the Affordable Housing and Sustainable Communities (AHSC) Program, developed and administered by the Strategic Growth Council. A Notice of Funding Availability was issued in October 2017, announcing the availability of approximately \$255 million in funding for the AHSC Program.

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

Prepared by: Katryna Gonzalez  
Department: Housing and Municipal Services  
City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

6

The AHSC Program will provide grants and/or loans to projects that will achieve Green House Gas (GHG) reductions and benefit Disadvantaged Communities and Low-income Communities through increasing accessibility of affordable housing, employment centers and key destinations via low-carbon transportation. This results in fewer vehicle miles traveled through shortened or reduced vehicle trip length or mode shift to transit, bicycling or walking.

Staff is seeking authorization to submit an application for grant funds through the AHSC Program. The City will submit a joint application with National Community Renaissance of California (National CORE). In a collaborative effort with community based organizations, strategic governmental partners, and affordable housing developers, staff developed several potential projects which further the objective of the AHSC Program. These projects include: a 101-unit affordable housing project in partnership with National CORE, a transit pass program in partnership with Omnitrans, installation of bus shelters, the Grove Connector, and pedestrian and bicycle infrastructure improvements in collaboration with our local school districts, Safe Routes to Schools, and San Bernardino County Transportation Authority (SBCTA).

The AHSC Program is one component of the Transformative Climate Communities (TCC) Program application that Council authorized on August 15, 2017 and was submitted on December 6, 2017. TCC funding is not anticipated to be awarded until after the due date for the AHSC Program application. To strategically position the City and its partners in the event the City is not awarded TCC funds as a result of the TCC Program application, authorization is being sought to submit an application through the AHSC Program.

Staff along with National CORE, are currently receiving “technical assistance” from the Strategic Growth Council to fine tune each of the proposed projects and to develop the highest scoring application possible. The AHSC application due date is January 16, 2018 and award announcements are expected in June 2018.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING THE FILING OF AN APPLICATION FOR GRANT FUNDS FROM THE AFFORDABLE HOUSING SUSTAINABLE COMMUNITIES PROGRAM AND AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS AND AGREEMENTS.

(Resolution for Virginia-Holt Apartments, Ontario, CA)

WHEREAS, the State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) issued a Notice of Funding Availability dated October 2, 2017 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, the City of Ontario (City) desires to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program; and

WHEREAS, The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program; and

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

SECTION 1. The City is hereby authorized and directed to apply for and submit to the Department the AHSC Program Application as detailed in the NOFA dated October 2, 2017, for Round 3 in a total amount not to exceed \$5,270,675 for a grant of Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities (AHSC Grant) as defined the AHSC Program Guidelines adopted by SGC on July 17, 2017 errata August 14, 2017.

SECTION 2. If the application is approved, the City, is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$5,270,675 for the AHSC Grant, and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the "AHSC Documents").

SECTION 3. The City acknowledges that the City shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard

Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application will be enforceable through the Standard Agreement. The City hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

SECTION 4. The City Manager or his designee is authorized to execute in the name of the City the AHSC Program Application Package and, subject to review of the City Attorney, the AHSC Program Documents as required by the Department for participation in the AHSC Program.

SECTION 5. This Resolution shall become effective immediately upon its passage.

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

PASSED, APPROVED, AND ADOPTED this 19<sup>th</sup> day of December 2017.

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PAUL S. LEON, MAYOR

ATTEST:

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SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

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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 December 19, 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 December 19, 2017.

\_\_\_\_\_  
SHEILA MAUTZ, CITY CLERK

(SEAL)

# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: A WATER PURCHASE AGREEMENT WITH AMERON INTERNATIONAL CORPORATION**

**RECOMMENDATION:** That the City Council approve and authorize the City Manager to execute a water purchase agreement (on file with the Records Management Department) subject to non-substantive changes with Ameron International Corporation, a wholly owned subsidiary of National Oilwell Varco, Inc., a Delaware corporation, for the permanent transfer of overlying groundwater rights and stored water in the amount of \$1,108,161.


**COUNCIL GOALS:** Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

**FISCAL IMPACT:** The total purchase price of \$1,108,161 will acquire approximately 55 acre-feet of permanent Chino Basin Overlying Non-Agricultural Pool groundwater rights and approximately 443 acre-feet of stored water from Ameron International Corporation. The Fiscal Year 2017-18 Water Operating and Water Capital budgets include appropriations for water purchases. The Agreement compensation is based on current market rates for similar transactions. There is no impact to the General Fund.

**BACKGROUND:** The City obtains a majority of its water resources from the Chino Groundwater Basin (Basin). The Basin has been adjudicated since 1978 (*Superior Court Case RCV 51010*), which allocated shares of the Basin safe operating yield. The City's Basin rights are less than its long-term water demand, and the City has supplemented its supplies through the investment of imported water, Chino Basin Desalter water, recycled water, one-time purchases from other Basin parties, and the purchase of permanent Basin overlying groundwater rights from Aqua Capital Management LP, Sunkist, Koll, Praxair and Southern California Edison.

This agreement will transfer approximately 55 acre-feet per year of permanent Chino Basin Overlying Non-Agricultural Pool water rights plus approximately 443 acre-feet of stored water to the City, subject to the requirements of the Chino Basin Judgment, Peace Agreements, subsequent amendments, and

**STAFF MEMBER PRESENTING:** Scott Burton, Utilities General Manager

Prepared by: Katie Gienger  
Department: MU/Administration  
City Manager:   
Approval: \_\_\_\_\_

Submitted to Council/O.H.A. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

7



Watermaster approval. These Basin rights are a local, sustainable resource that provide additional water supply reliability to the existing community and help meet the future needs of The Ontario Plan.

# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: A RESOLUTION ADOPTING THE MULTI-FAMILY HOUSING BOND POLICIES AS REQUIRED BY CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

**RECOMMENDATION:** That the City Council adopt a resolution approving the Multi-Family Housing Bond Policies (the "Policies"), authorize the submission of the Policies to CDLAC, and authorize the City Manager to execute any and all documents necessary to implement the Policies.

**COUNCIL GOALS:** Invest in the Growth and Evolution of the City's Economy  
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

**FISCAL IMPACT:** None at this time. However, approval of future requests for allocation from the State Ceiling Pool requires the submission of approved bond policies.

**BACKGROUND:** In February 2017, in accordance with SB 1029 (California Government Code Section 8855(i)), the City Council adopted a Debt Policy to facilitate the issuance of bonds by the City and other entities in which the Council serves as the governing body. The State has since enacted CDLAC Regulation 5031(c) (Division 9.5 of Title 4 of the California Code of Regulations) which requires all issuers of multi-family revenue bonds to submit policies setting forth the applicant's bond issuance procedures and post-issuance compliance procedures for each State Ceiling Pool from which a bond allocation is requested. The guidelines set forth by CDLAC for such policies require a broad array of matters to be addressed within such policies which are unique to multi-family revenue bonds, and are not addressed in the City's Debt Policy. The Policies attached supplement the Debt Policy previously adopted by the City Council. The CDLAC regulation was implemented on January 1, 2017, and although the City of Ontario received a 2017 bond allocation, a waiver was issued by CDLAC that required bond policies to be adopted by December 31, 2017.

The proposed bond policies have been prepared by CSG Advisors Incorporated, the City's municipal advisor for bond issuances, and has been reviewed and accepted by CDLAC staff.

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

Prepared by: Katryna Gonzalez  
Department: Housing & Municipal Services

City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE MULTI-FAMILY HOUSING BOND POLICIES AS REQUIRED BY CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC).

WHEREAS, on February 21, 2017, in accordance with SB 1029 (Cal. Gov. Code § 8855(i)), the City Council adopted, by minute order, a Debt Policy to facilitate the issuance of bonds by the City and other entities in which the Council serves as the governing body; and

WHEREAS, the California Debt Limit Allocation Committee has adopted CDLAC Regulation 5031(c) (4 C.C.R. § 5031(c)), effective January 1, 2017, which requires all issuers of multi-family revenue bonds to submit policies setting forth the applicant's bond issuance procedures and post-issuance compliance procedures for each State Ceiling Pool from which a bond allocation is requested; and

WHEREAS, the CDLAC's guidelines for such policies require certain matters to be addressed specific to multi-family revenue bonds, which are not presently addressed in the City's Debt Policy; and

WHEREAS, when CDLAC issued the City its bond allocation for 2017, the CDLAC issued the City a waiver that required the City to adopt the appropriate bond policies by December 31, 2017; and

WHEREAS, the Multi-Family Housing Bond Policies ("Policies") attached to the agenda report accompanying this Resolution and incorporated herein by reference ("Policies") supplement the City's Debt Policy to address the appropriate CDLAC requirements; and

WHEREAS, the Policies were prepared by CSG Advisors Incorporated, the City's municipal advisor for bond issuances, and were reviewed and accepted by CDLAC staff.

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

SECTION 1. The Policies are hereby approved.

SECTION 2. The City is authorized and directed to submit this Resolution and the Policies to the CDLAC.

SECTION 3. The City Manager, or his designee, is hereby authorized, subject to City Attorney review, to execute any and all documents to implement the Policies.

SECTION 4. The recitals above are true and correct and are incorporated into this Resolution by reference, and are expressly made a part hereof.

SECTION 5. This Resolution shall become effective immediately upon its passage.

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

PASSED, APPROVED, AND ADOPTED this 19<sup>th</sup> day of December 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 December 19, 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 December 19, 2017.

\_\_\_\_\_  
SHEILA MAUTZ, CITY CLERK

(SEAL)

## MULTIFAMILY HOUSING BOND POLICIES

The City Council (the "Governing Body") of the City of Ontario (the "Issuer") adopted these Multifamily Housing Bond Policies (the "Policies") on \_\_\_\_\_, 20\_\_ to establish policies and procedures in connection with tax-exempt and taxable bonds (the "Bonds") issued by the Issuer for multifamily rental housing projects (the "Projects") located in the jurisdiction of the Issuer. The purpose of the Policies is to help ensure that the Applicable Requirements (defined below) are satisfied.

These Policies supplement the Debt Policy the City Council previously adopted and as may be amended from time to time to satisfy the requirements under Section 8855(i) of the California Government Code.

These Policies may be amended, and waivers from the requirements of these Policies may be granted, by the Governing Body as it deems appropriate from time to time in the discretion of the Issuer with the advice of counsel. Any applicant seeking a waiver must request the waiver in writing and state the reason or reasons why the waiver is necessary and appropriate.

### I. DEFINITIONS

The following terms, when capitalized herein, shall have the following meanings:

"Accredited Investor" has the meaning given in Rule 501 of Reg. D promulgated under the Securities Act of 1933.

"Act" means the Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code.

"Applicable Requirements" means certain requirements of the Act, the California Debt and Investment Advisory Commission (Section 8855(i) of the California Government Code), and the California Debt Limit Allocation Committee (Division 9.5 of Title 4 of the California Code of Regulations).

"Approved Buyer" means an Accredited Investor or a Qualified Institutional Buyer.

"Bonds" means tax-exempt and taxable bonds, notes or any other evidence of indebtedness authorized to be issued pursuant to the Act for Projects.

"Borrower" means the owner, developer or Project sponsor of a Project.

"CDLAC" means the California Debt Limit Allocation Committee, or any successor entity.

"CDLAC Regulations" means the regulations of the California Debt Limit Allocation Committee, consisting of Division 9.5 of Title 4 of the California Code of Regulations, as the same may be amended from time to time.

"CDLAC Resolution" means a resolution of CDLAC granting private activity bond volume cap to a Project.

"Compliance Manager" has the meaning given in Section V.E. of these Policies.

"Compliance Team" has the meaning given in Section V.E. of these Policies.

“Governing Body” means the Issuer’s City Council.

“Investor Letter” means a certification from the initial investor(s) of a Bond offering containing representations that (i) they are an Accredited Investor or a Qualified Institutional Buyer, (ii) they have no present intention of reoffering the Bonds in a subsequent offering, but may be allow to subsequently transfer the Bonds in a limited offering to another permitted transferee subject to the provisions of the Bond documents, and (iii) such other representations, warranties and agreements as may be required by the Issuer.

“Issuer” means the City of Ontario, a municipal corporation and general law city, organized and existing pursuant to the Constitution and the laws of the state of California as applicable as issuer of bonds, notes or other obligations for the purposes of funding the acquisition, construction or improvement of multifamily rental housing projects (the “Projects”) located in the jurisdiction of the Issuer.

“Minimum Qualified Credit Rating” means (a) If the Bonds are to be variable rate Bonds, the short-term rating shall be no less than “A1” by Standard & Poor’s, “VMIG1” by Moody’s, or “F-1” by Fitch IBCA, Inc. or the equivalent or (b) If the Bonds are to be fixed rate Bonds, the Bond rating shall be no less than an “A” category or the equivalent as rated by a Nationally Recognized Statistical Rating Organization.

“Policies” means these Multifamily Housing Bond Policies, as they may be amended from time to time.

“Project” means a multifamily rental housing development or developments situated in the jurisdiction of the Issuer, as well as other appurtenant facilities authorized to be financed by Bonds pursuant to the Act.

“Qualified Institutional Buyer” has the meaning given in Rule 144A promulgated under the Securities Act of 1933.

“Regulatory Agreement” means a regulatory agreement executed by the Issuer and the Borrower upon the issuance of Bonds, contains the relevant CDLAC resolution as an attachment thereto, and which is recorded in the official records of the county in which the Project is located.

“State” means the State of California.

“Sponsor” means the Sponsor of a Project.

“TCAC” means the California Tax Credit Allocation Committee, or any successor entity.

“Travelling Investor Letter” means a certification from each investor(s) of a Bond offering containing representations that (i) they are an Accredited Investor or a Qualified Institutional Buyer, (ii) they have no present intention of reoffering the Bonds in a subsequent offering, but may be allow to subsequently transfer the Bonds in a limited offering to another permitted transferee provided the transferee agrees to provide the same representation letter and subject to the other conditions of the Bond documents, and (iii) such other representations, warranties and agreements as may be required by the Issuer.

“Underwriting Statement” means a written statement from the firm contracted to market the

Bonds that includes a brief paragraph on the firm's history and principals, a summary of the firm's initial underwriting review, an overview of proposed issuance structure including anticipated debt service coverage ratio, and a statement certifying that the proposed transaction has been initially underwritten and meets the firm's standards for participation

## **II. GENERAL DEBT POLICIES**

### **A. Findings**

(1) The Issuer hereby recognizes that a prudent multifamily housing bond policy is required in order to:

(a) Protect the Issuer's creditworthiness and exposure to financial and legal liabilities.

(b) Ensure that the government-subsidized financing represented by tax-exempt and taxable bonds furthers the policy goals of preserving and expanding affordable rental housing and other policy goals for which they were intended.

(c) Ensure that all debt is structured in order to protect the Issuer, its citizens, its current and future taxpayers, residents of facilities owned or financed by the Issuer, investors in the Issuer's bonds, the Issuer's borrowers and other stakeholders.

(d) Ensure the Issuer has the flexibility to respond to changes in future service priorities and market conditions.

(e) Promote and enhance the safety, welfare or betterment of the City and its citizens.

(f) Ensure that the Issuer's debt is consistent with the Issuer's planning goals and objectives and capital improvement program or budget, as applicable.

(2) This Section II is intended to comply with the requirements of Section 8855(i) of the California Government Code and shall be construed accordingly.

### **B. Purposes of Debt**

(1) Debt may be issued to finance the acquisition, construction, rehabilitation and improvement of real and personal property, equipment, furnishings and any other capital facilities to be owned and operated by the Issuer or by third parties as rental housing facilities and related uses as may be authorized under the Act and any other applicable laws of the State of California.

(2) Long term debt financings are appropriate when one or more of the following conditions exist:

(a) The debt is intended to assist the Issuer or a third party in financing or providing rental housing facilities, programs or services in its jurisdiction or have other public benefits, all as authorized by the Act or other applicable law.

(b) The debt will be used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt or legal covenant restructuring.



(3) Short-term debt may be issued to provide financing for the Issuer's or a third-party owner or operator's operational cash flows in order to improve or maintain cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Issuer may undertake lease-purchase financing for equipment.

(4) All debt financings must satisfy the following requirements:

(a) The issuance of the debt will comply with the Act and any other applicable state and federal law;

(b) The debt does not impose an unreasonable burden to the Issuer, as determined by the Governing Body;

(c) The debt must be approved by the Governing Body; and

(d) The debt must comply with these Policies, or a waiver must be obtained by the Governing Body.

### **C. Types of Debt**

(1) The following types of debt are allowable under this Debt Policy:

(a) conduit revenue Bonds or notes; and

(b) any other type of debt authorized by the Act or other applicable law.

(2) The Issuer may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of these Policies.

(3) Subject to the Act and any other applicable law, Bonds may bear current interest at fixed or variable rates, with or without credit or liquidity enhancement, or may be sold at a discount or premium, and with or without current interest.

### **D. Relationship of Debt to Capital Improvement Program and Budget**

Bonds for Projects are intended to be non-recourse conduit financing in which the Issuer will not be responsible for the repayment of the debt. The Issuer's own capital improvement plans and budgets should not be impacted by Bond financing of Projects.

### **E. Policy Goals Related to Planning Goals and Objectives**

(1) Among other policy objectives, the Issuer desires to preserve, protect, increase and improve the supply of affordable housing in its jurisdiction. These Policies will help the Issuer to function in an efficient and effective manner, to the benefit of the Issuer, its citizens, residents of facilities financed by the Issuer, and investors in the Issuer's debt issuances.

(2) The Issuer's purpose in adopting these Policies is to provide for a fair, efficient and effective process for facilitating the issuance of its Bonds, providing substantial flexibility in structuring its transactions while striking a balance in protecting the interests of the Issuer, its citizens, residents of facilities financed by the Issuer, and investors in the Issuer's Bonds.

## **F. Internal Control Procedures**

(1) When issuing debt, in addition to complying with the terms of these Policies, the Issuer shall comply with (i) any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance legal compliance, and investment of bond proceeds, and (ii) all applicable laws including the Act and federal tax and securities laws, to the extent applicable.

(2) The Issuer will periodically review the requirements of and will remain in compliance with the following:

(a) any continuing disclosure undertakings under SEC Rule 15c2-12,

(b) any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and

(c) any requirements of State agencies such as the California Debt and Investment Advisory Commission, CDLAC and TCAC.

(3) In issuing conduit revenue debt, the Issuer shall require its borrower or the lender to provide such information as may be needed by the Issuer to comply with Section 8855(k) of the California Government Code, as the same may be amended from time to time, and any regulations or guidance promulgated with respect thereto by any governmental body with authority over the matter.

(4) With respect to conduit revenue debt with respect to which the Issuer is not responsible for repayment, the Issuer shall not hold the proceeds of debt and shall not be authorized to requisition such proceeds, whenever reasonably possible.

## **III. ISSUANCE POLICIES**

**A. Borrower & Ownership Requirements.** The Issuer shall have sole discretion regarding the suitability of the Borrower to participate in the Issuer bond program based on information required to be provided by the Borrower as described herein. Such information includes not just an evaluation of the Borrower, but also the property management plan and the property manager. With respect to a specific Borrower, the Issuer may request additional information than specified herein if needed to complete its evaluation.

**B. General Bond Requirements.** The requirements in this Section apply to all Bonds issued by the Issuer for Projects.

(1) Bonds shall satisfy the applicable requirements of Article 6 of Chapter 2 of the CDLAC Regulations, including, without limitation, Sections 5061-5063, inclusive, and Section 5193 (relating to debt service coverage) thereof. The Governing Body, in its discretion, reserves the right to impose more restrictive requirements on any Bond issuance by the Issuer. Additionally, the final maturity of the Bonds and the interest rate on the Bonds shall not exceed any limitations imposed by law, including federal tax law.

(2) The Borrower shall agree to defend and indemnify the Issuer and to reimburse the Issuer for all expenses incurred by the Issuer in issuing the Bonds and monitoring the Project. The Issuer reserves the right to require a parent company or personal guaranty of such indemnification and expense reimbursement obligations.

(3) The Issuer shall retain a financial advisor shall conduct a review of the financing structure and the associated public benefits, the cost of which shall be borne by the Borrower.

(4) The Issuer shall retain a law firm with experience as bond counsel in tax-exempt mortgage revenue bonds for rental residential facilities to conduct a legal review of the financing documents and to render a final opinion with respect to the Bonds.

(5) Any offering material or disclosure document shall contain language to the effect that the Issuer will take no responsibility for the disclosures contained therein (except for information under the sections titled "THE ISSUER" and "LITIGATION" to the extent such information pertains to the Issuer);

(6) For certain financings as may be determined by the Issuer and its counsel, the Borrower shall have its counsel deliver an opinion at closing to the effect that nothing has come to the attention of such counsel that would cause such counsel to believe that the disclosure statements relating to the Bonds contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The contents of such opinion shall be to the satisfaction of the Issuer and its counsel.

(7) The Issuer shall have the discretion to select and determine the finance team participants with respect to each transaction.

### **C. Minimum Credit Requirements.**

(1) Subject to the exceptions in Sections III.C. and III.D. below, Bond sale structures that include a credit rating shall be subject to the following minimum requirements:

(a) Bonds with recourse to the corporate parent entity of the Borrower via a corporate guarantee must have a Minimum Qualified Credit Rating for the Project or for the source of the guarantee.

(b) Bonds without a governmental or corporate guarantee shall provide a Minimum Qualified Credit Rating specifically for the transaction.

(c) Bond issues with limited recourse (i.e. project-specific recourse) may provide either a Minimum Qualified Credit Rating specifically for the transaction or provide evidence of a current Minimum Qualified Credit Rating for an existing outstanding Bond with the same source of debt repayment.

(d) All Bond ratings shall include evidence that the credit rating has been provided within the last six (6) months, or that the current credit rating for outstanding Bond(s) has been substantiated via the most recent updated surveillance review completed by a rating agency within the last thirty-six (36) months.

(2) Notwithstanding the requirements set forth in these Policies, the Issuer may apply more stringent requirements and thresholds for a given Project based upon factors such as, but not limited to the size of the Bond issue and/or the specific ratings of the Borrower and/or the Sponsor.

### **D. Credit Enhanced Bonds.**

(1) Bonds to be issued and sold through a public sale with credit enhancement will be

deemed to have satisfied Section III.B., above, if the following conditions are satisfied:

(a) The credit enhancer provides a commitment, signed by both the credit enhancer and the Borrower, to provide credit enhancement for the Bonds. The commitment letter shall include the salient terms and conditions of the agreement, including but not limited to the fee structure, term, rate, security, collateral, guarantee, and recourse of the commitment and evidence that the credit enhancer is committed to move forward with the transaction if the terms and conditions in the commitment letter are met.

(b) If Fannie Mae, (a government-sponsored enterprise) or any additional or successor entity possessing a similar federal government charter is providing the credit enhancement, the commitment issued by a qualified lender under the Delegated Underwriting and Servicing (DUS) program of Fannie Mae will constitute acceptable proof of credit enhancement.

(2) The bonds upon issuance shall carry a Minimum Qualified Credit Rating. If the Bond rating is below the Minimum Qualified Credit Rating, they will be evaluated pursuant to Section III.D. below.

#### **E. Privately Placed Bonds.**

(1) Bonds to be issued and sold through a private placement will be deemed to have satisfied Section III.B., above, if the private placement purchaser provides a commitment, signed by both the bond purchaser and the Borrower, to purchase the Bonds in a private placement. The commitment letter shall include the salient terms and conditions of the agreement, including but not limited to the fee structure, term, rate, security, collateral, guarantee, and recourse of the commitment and evidence that the bond purchaser is committed to move forward with the transaction if the terms and conditions in the commitment letter are met.

(2) Cash Flow Permanent Bonds (as defined in the CDLAC Regulations) to be issued and sold through a private placement including, without limitation, bonds purchased by a property seller in consideration of the provisions of a purchase and sale agreement, will be deemed to have satisfied the requirements of Section III.B, above, if the provisions of paragraph (1) of this Section III.D. have been satisfied and, additionally, if the bond purchaser agrees to:

(a) submit a Traveling Investor Letter from an Approved Buyer due prior to Bond issuance; and

(b) ensure a minimum Bond denomination of not less than \$100,000.

#### **F. Additional Requirements with Unenhanced Minimum Qualified Credit Rating.**

Bonds to be issued with an unenhanced credit rating equivalent to the Minimum Qualified Credit Rating or higher will be deemed to have satisfied the minimum Bond sale requirements required in Section III.B. if the following are provided to the Issuer:

(1) an Underwriting Statement; and

(2) Certifications of no current defaults under any bond-related agreements by the Borrower.

#### **G. Additional Requirements for Privately Placed Without Minimum Qualified Credit Rating.**

(1) Bonds to be issued unrated or with unenhanced non-investment grade credit ratings will be deemed to have satisfied the minimum Bond sale requirements required in Section III.D. if the following are provided to the Issuer:

- (a) an Underwriting Statement;
- (b) Certifications of no current defaults under any bond-related agreements by the Borrower, the guarantor (if any) and the Sponsor; and
- (c) a complete marketing plan.

(2) In addition, Bonds described in subdivision (1) of this Section will be subject to the following conditions:

- (a) The submission of a Traveling Investor Letter due prior to Bond issuance; or
- (b) Minimum Bond denominations as follows:
  - (i) not less than \$100,000 for Bond issues equal to or less than \$100,000,000; or
  - (ii) not less than \$250,000 for Bond issues over \$100,000,000.

(3) The offering material or disclosure document shall prominently indicate on the cover that bonds can only be sold to such Approved Buyers.

(4) The face of each bond shall contain a legend stating to the effect that such Bond can only be sold to Approved Buyers.

(5) The bond documents shall contain provisions that restrict the ability to transfer the Bonds only to Approved Buyers.

(6) Bonds may be issued and sold through a private placement or limited public offering with appropriate disclosure or offering materials.

(7) Bonds may be delivered in book-entry form or in physical form as approved by and at the discretion of the Issuer.

**H. Borrower and Ownership Requirements.** The Issuer shall have sole discretion regarding the suitability of the Borrower to participate in the Issuer bond program based on information required to be provided by the Borrower as described herein. Such information includes not just an evaluation of the Borrower, but also the property management plan and the property manager. With respect to a specific Borrower, the Issuer may request additional information than specified herein if needed to complete its evaluation. The Compliance Manager of the Issuer, in consultation with the Issuer's bond counsel, shall have discretion over whether the owner or user of the Project (including a tax credit investor or other party that will be a majority owner of the owner of the Project) may be a party related to the purchaser of the Bonds.

**I. Bond Defaults.** Bond Applications on behalf of a Project's Sponsor with a bond-related

default or bankruptcy shall be subject to Section 5066 of the CDLAC Regulations and the Issuer's discretion.

#### **IV. ISSUANCE PROCEDURES**

**A. Application for Bond Financing.** In order to apply for Bond financing of a Project, the Borrower shall provide (1) a description of the Project (including, without limitation, street address, parcel size, tenant population, unit mix and affordability restrictions), (2) a breakdown of the Project costs, (3) a breakdown of the sources of funds for the Project, including the names of each lender, equity investor or other funding source, (4) a description of the Bond structure, (5) a description of the ownership entity, including the true corporate name and organization of the entity, an organization chart and federal tax identification number, and a description of the default history of any member of the ownership entity with respect to multifamily or other commercial real estate projects, (6) information concerning the property management plan and the identity of the property manager, (7) the developer fee proposed for the Project, and (8) such other information as the Issuer may request. The foregoing information shall be provided on such form or in such format as the Issuer may request.

The application for Bond financing shall be accompanied by a non-refundable application fee of \$15,000 (or higher if deemed by the Compliance Manager to be an amount necessary to evaluate or administer the Project through the approval process). The application will not be processed until such application fee is received. The application fee shall be credited, however, against the issuance fee described below in Section III.F.(1).

**B. Issuer Approval Process.** The Issuer shall complete the following approval process before any Bond is issued for a Project:

(1) Issuer staff shall review the application and shall make a determination that the Project and the Borrower will satisfy all Issuer requirements for Bond financing, and that staff is prepared to recommend approval of the Bonds and the Project to the Governing Body. Prior to making such a determination, the Issuer shall review (i) the ownership structure and any related defaults, as mentioned in Section iii.A. above, (ii) the property management plan and the qualifications of the proposed property manager, and shall also ascertain whether any proposed developer fee exceeds the amount that would be allowed by TCAC for a similar project.

(2) The Governing Body shall conduct a public hearing regarding the Bonds and the Project after publication of a notice of such hearing, which shall occur a minimum of 14 days prior to the hearing or such other date as may be applicable under federal tax law. The Governing Body may delegate the responsibility of conducting the hearing to Issuer staff.

(3) The Governing Body shall grant preliminary approval for the Project for purposes of Section 147(f) of the Internal Revenue Code, shall declare its official intent to issue tax-exempt Bonds to reimburse Project expenditures, for purposes of Section 1.150-2 of the U.S. Treasury Regulations, and shall authorize the Issuer's staff to submit an application to the State for an allocation of private activity bond volume cap for the Bonds. The Governing Body may delegate or accede these responsibilities to authorized elected representatives or officers of the Issuer, to the extent permitted by applicable law.

(4) After receipt of preliminary approval from the Governing Body, the Issuer's staff, with the Borrower's cooperation and at the Borrower's expense, shall submit an application to the State for an allocation of private activity bond volume cap for the Bonds.

(5) After receipt of an allocation of private activity bond volume cap for the Bonds, the Governing Body shall adopt a resolution at a regular meeting thereof granting final approval of the issuance of the Bonds for the Project, including authorizing substantially final forms of any offering documents for the Bonds and of the principal legal documents to be executed and delivered by the Issuer.

This Section III.B. is descriptive of the Issuer approvals that must be obtained prior to the issuance of the Bonds. Notwithstanding any mandatory language used in this Section III.B., the Issuer is under no obligation to the Borrower to consider or grant any such approval. Each of the foregoing approvals shall be considered and granted at the sole discretion of the Issuer. Any approval described herein shall not be construed to be an approval of the Project or the Bonds for any other purpose, and shall not obligate the Issuer to grant any other approval of the Project or the Bonds.

**C. Issuer Fees.** The Borrower will pay to the Issuer the following Issuer fees:

(1) An issuance fee equal to 0.125% of the maximum principal amount of the Bonds, payable upon issuance of the Bonds. The application fee paid pursuant to Section III.D., above, shall be credited against the issuance fee payable on the issuance of the Bonds.

(2) An annual monitoring fee in the amount of 0.125% of the initial maximum principal amount of the Bonds fixed on each annual due date (with a minimum annual monitoring fee of \$2,500), payable in advance on the issuance date and on each anniversary thereof, and subject to any applicable federal tax law limitations. For purposes of the annual monitoring fee for draw-down Bonds, the maximum authorized principal amount of the Bonds shall be deemed to be outstanding from the issuance date until the conversion to a permanent loan. *In order to ensure the Issuer receives the full amount of its annual monitoring fee, the Issuer generally will not permit a tax credit investor or affiliate thereof to be the same as the lender in the case of a private placement of bonds or a loan.*

## **V. POST ISSUANCE TAX-EXEMPT BOND COMPLIANCE**

### **A. External Advisors / Documentation**

(1) The Issuer and the Borrower shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the arbitrage certificate, use of proceeds certificate, indenture, loan agreement, bond regulatory agreement and/or other related documents (collectively, the "Tax Documents") finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

(2) The Borrower shall also consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of Bond-financed or refinanced assets.

(3) The Issuer shall require the Borrower to engage expert advisors ("Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, unless the Tax Documents specify that arbitrage rebate will not be applicable to an issue of Bonds.

(4) Unless otherwise provided by the indenture or other authorizing documents relating to the Bonds, unexpended Bond proceeds shall be held by a trustee, and the investment of Bond proceeds shall be managed by the Borrower. The Borrower shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Issuer if it so requests.

**B. Arbitrage Rebate and Yield.** Unless the Tax Documents state that arbitrage rebate will not be applicable to an issue of Bonds, it is the Issuer's policy that the Borrower shall be responsible for:

(1) Engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing the trustee or other account holder to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;

(2) Providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;

(3) Monitoring efforts of the Rebate Service Provider;

(4) Assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;

(5) During the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds; and

(6) Retaining copies of all arbitrage reports and account statements as described below under Section V.D., "Record Keeping Requirements," and, upon request, providing such copies to the Issuer.

The Borrower, in the Tax Documents relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above (unless the Tax Documents provided that arbitrage rebate will not be applicable to an issue of Bonds).

**C. Use of Bond Proceeds and Bond-Financed or Refinanced Assets.** It is the Issuer's policy that the Borrower shall be responsible for:

(1) Monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Documents relating to the Bonds;

(2) Maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under Section V.D., "Record Keeping Requirements";



(3) Consulting with bond counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Documents relating to the Bonds;

(4) Maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under Section V.D., "Record Keeping Requirements";

(5) Conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Documents relating to the Bonds; and

(6) To the extent that the Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consult promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

The Borrower, in the Tax Documents relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the responsibilities listed above.

**D. Record Keeping Requirement.**

(1) It is the Issuer's policy that the Borrower shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

(a) A copy of the Bond closing transcript(s) and other relevant documentation delivered to the Borrower at or in connection with closing of the issue of Bonds, including any elections made by the Issuer or Borrower in connection therewith;

(b) A copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;

(c) A copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets; and

(d) A copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

(2) For housing bond financings subject to the requirements of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), it is the Issuer's policy that the Borrower shall be responsible for maintaining the following additional documents until the end of the "qualified project period" within the meaning of Section 142(d)(2)(A) of the Code, plus at least three years:

(a) A copy of all records evidencing compliance with the requirements of Section 142(d) of the Code, including income verifications, leases, and rental records.

(3) The Borrower, in the Tax Documents relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to the foregoing records retention requirements and procedures.

**E. Post-Issuance Compliance Team.** The Issuer shall form a "Compliance Team" that may include Issuer staff and/or outside consultants and which shall be headed by a Compliance Manager. The Housing & Municipal Services Director of the Issuer shall be the Compliance Manager and the Compliance Team shall be designated by the Compliance Manager from the staff of Housing and Municipal Services or outside consultants and may be changed at any time by the Issuer. The Compliance Team is responsible for all aspects of monitoring the Bonds for compliance with post-issuance requirements. The Compliance Team will meet annually to review any regulation or policy changes.

## **VI. POST ISSUANCE PROJECT COMPLIANCE**

### **A. Background**

(1) When CDLAC provides a private activity bond volume cap for a Project, a Regulatory Agreement between the Issuer and the Borrower is recorded upon the issuance of the Bonds. The regulatory agreement summarizes several important use restrictions, including:

- Project compliance period;
- Total units;
- Total common area units;
- Total housing units in low-income housing commitment, and the particular set aside requirement (20% at 50% or 40% at 60%);
- Percent of area median gross income for qualified low-income housing units; and
- Any additional low-income housing commitments.

(2) In order for an multifamily housing project to remain in compliance with the Regulatory Agreement and CDLAC's requirements, the Issuer must collect, review and monitor documents outlined in the Regulatory Agreement and CDLAC's Regulations. These certifications and forms provide the information that exhibits the project maintaining its tax-exempt status. The Issuer is required to collect and store these forms. The process of collecting, reviewing and monitoring these forms is outlined in Section VI.B., "Affordable Housing Post Issuance Compliance Procedures."

(3) The Issuer and the Borrower shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Documents for the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirement of federal tax law beyond the term of the Bonds.

(4) The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Issuer also reserves the right to change these policies and procedures from time to time.

## **B. Affordable Housing Post Issuance Compliance Procedures**

(1) The Issuer is required to collect, review and monitor the Certification of Compliance I, Certification of Compliance II, CDLAC Completion Certificate, Regulatory Completion Certificate, TCAC Project Status Report (PSR), Certification as to Commencement of Qualified Project Period, and Certificate of Continuing Program Compliance for each issuance of Bonds, when applicable. The Issuer is also required to review 20% of management files associated with Bond – restricted units listed in the PSR upon project completion, and every 3 years thereafter for projects receiving allocation after December 31, 2016. This section reviews the compliance certifications and forms set forth under Federal, State, Regulatory and IRS regulations. The Borrower must certify under penalty of perjury that the Project was in compliance with certification provisions set forth under Federal, State and IRS regulations for the preceding 12-month period. The failure of the Borrower to comply with those provisions may result in a revocation of the tax-exempt status of the Bonds by the IRS. The Issuer relies exclusively on the representations, warranties and agreements of the Borrower made in the Tax Documents (as defined below) relating to the Bonds.

### (2) Record Keeping & Document Retention:

(a) It is the Issuer's policy that the following tax-exempt Bond documents will be retained for the compliance period term plus an additional three years. For each closed affordable housing transaction, a digital compliance folder is filed in the Compliance Database. The digital Compliance folders will contain a copy of the Regulatory Agreement, CDLAC and other documents and certificates the Issuer or its Bond Counsel deem important or relevant. A spreadsheet labeled "Compliance" is updated with the appropriate project information which is found in the Regulatory Agreement and CDLAC Resolutions. The Regulatory Agreement and CDLAC Resolution outline the certifications and forms that will need to be collected, reviewed and sent to the appropriate parties.

(b) The Bond closing transcripts and other relevant documentation will be retained in the form delivered to the Issuer for the applicable compliance period plus three years. Issuer's Affordable Housing record retention policy is consistent with IRS section 1.148-5(d)(6)(iii)(E) requirements and CDLAC Regulations.

### (c) The applicable records to be maintained include:

- These Policies (updated as deemed necessary by the Issuer)
- *Certification of Compliance I (CDLAC)*
- *Certification of Compliance II (CDLAC)*
- *Annual Applicant Public Benefits & On-Going Compliance Self Certification (CDLAC)*
- *CDLAC Completion Certification (CDLAC)*
- *Regulatory Completion Certification (where applicable)*
- *Certification as to Commencement of Qualified Project Period (where applicable)*
- *Certificate of Continuing Program Compliance (where applicable)*

(d) The Borrower is also required to submit IRS Form 8703 annually to the Internal Revenue Service on or before March 31. Form 8703 provides annual information to the IRS to help them determine whether a project continues to be a qualified residential rental project

under section 142(d). While the Issuer is not required to collect Form 8703 from the Borrower, we include a copy of Form 8703 with our annual Compliance request and ask for a confirmation from the Borrower that the Form has been submitted to the IRS.

(e) The following procedures outline the process for collecting and reviewing the required documents or certifications:

(i) *Certification of Compliance I & II (CDLAC)*: the *Certification of Compliance I* document is provided to the Issuer in the CDLAC Resolution for projects receiving allocation prior to December 31, 2016. The *Certification of Compliance II* document is provided to the Issuer in the CDLAC Resolution for projects receiving allocation after December 31, 2016. These certifications are to be completed by the Borrower in which the Borrower certifies that the Project is in compliance with all of the terms and conditions set forth in the CDLAC Resolution.

(A) All Housing Projects that receive an Allocation from CDLAC and an award of low income housing tax credits are subject to the provisions of section 10337 of Title 4 of the California Code of Regulations. These projects shall be monitored for compliance by the terms and conditions of the CDLAC Resolution by the Issuer. The certification must be submitted by the Borrower on the Borrower's letterhead to the Issuer by February 1st of each year. The Issuer will then verify receipt of the Certification of Compliance I & II for all housing projects that have received CDLAC allocation to the California Debit Limit Allocation Committee's online certification system no later than one week before March 1st of each year for the Certification of Compliance I and every three years after project completion for the Certificate of Compliance II.

(B) It is the responsibility of the Borrower's asset management group to complete the Certification of Compliance I or Certificate of Compliance II, as applicable on a timely basis. Detailed instructions on how to complete the certification is contained in Exhibit A.

(ii) *Annual Applicant Public Benefits & On-Going Compliance Self Certification (CDLAC)*: The Annual Applicant Public Benefits & On-Going Compliance Self Certification document is located on CDLAC's online certification system. This certification is to be completed by the Issuer in which the Issuer certifies that the Project is in compliance with all of the terms and conditions set forth in the CDLAC Resolution.

(A) All projects that receive an allocation of private activity bond volume cap from CDLAC are subject to the provisions of section 10337 of Title 4 of the California Code of Regulations. These projects shall be monitored for compliance by the terms and conditions of the CDLAC volume cap resolution by the Issuer. The Issuer shall submit an annual Applicant Public Benefits & On-Going Compliance Self Certification to CDLAC on March 1st for projects receiving allocation prior to December 16, 2016. For projects receiving allocation after December 16, 2016, the Issuer shall submit an annual Applicant Public Benefits & On-Going Compliance Self Certification to CDLAC on March 1st until project completion, and then every 3 years thereafter. The Issuer will submit all Certifications from all projects that have received allocation to the California Debit Limit Allocation Committee's online certification system no later than one week before March 1st of each year.

(B) CDLAC does not expect to hold the Issuer responsible for conditions that the Issuer is not aware of; only for the Issuer to confirm its understanding of the status of the project based upon its own post-issuance compliance procedures. CDLAC will not review the Issuer's procedures, and in good faith, will assume that the Issuer has in-place procedures that the Issuer judges adequate to satisfy its post-issuance responsibilities as defined under the Internal Revenue Code and CDLAC Regulations. The Issuer is free to request project information from the Sponsor and rely on that information. That information can then serve as the basis for the Issuer's response to the questions within this certification.

(iii) *Completion Certification (CDLAC)*: The Completion Certification is required by CDLAC to be delivered by the Borrower to the Issuer when the project is completed or substantially completed.

(A) The term completed in this case refers to a new construction project. The Borrower certifies that all construction work on the Project was completed and all units in the project are available for occupancy. On the Completion Date of the project, the Borrower will submit to the Issuer a duly executed and completed Completion Certificate.

(B) The term substantially completed is a reference to a project that is a rehabilitation of an existing housing complex. The Borrower certifies that all construction work on the Project was substantially completed and all units in the Project are available for occupancy. On the Completion Date of the project, the Borrower will submit to the Issuer a duly executed and completed Completion Certificate.

(iv) *TCAC (PSR) Project Status Report (CDLAC)*: For projects receiving allocation after December 31, 2016, Borrowers are required to utilize TCAC's Compliance Manual Section VI: Qualify Tenants for Low Income Housing Tax Credit Units, to verify tenant income in conjunction with initial occupancy. Specifically, the TCAC Project Status Report (PSR) is required by CDLAC to be delivered to the Issuer in the year the project is completed. The PSR is to be completed by the Sponsor in which the Sponsor verifies tenant income for Federally Bond-Restricted Units in conjunction with initial occupancy.

(v) *Completion Certification (Regulatory Agreement & CDLAC)*: The Completion Certification is required by CDLAC and the Regulatory Agreement to be delivered by the Borrower to the Issuer when the Project is completed or substantially completed.

(A) The term completed in this case refers to a new construction project. The Borrower certifies that all construction work on the Project was completed and all units in the project are available for occupancy. On the Completion Date of the project, the Borrower will submit to the Issuer a duly executed and completed Completion Certificate.

(B) The term substantially completed is a reference to a project that is a rehabilitation of an existing housing complex. The Borrower certifies that all

construction work on the Project was substantially completed and all units in the Project are available for occupancy. On the Completion Date of the project, the Borrower will submit to the Issuer a duly executed and completed Completion Certificate.

(C) Not all projects are required by their Regulatory Agreements to submit Completion Certificates. Some Completion Certificates require the borrower to submit a trailing form when a project is 50% occupied. It is the Issuer policy to require Completion Certification forms for all projects and a trailing document at 50% occupancy for new construction projects only. Once the Bond has been issued the Issuer's staff will inquire as to the completion date. It is the Borrower's responsibility to provide the Completion Certification.

(vi) *Certification as to Commencement of Qualified Project Period (Regulatory Agreement)*: The Commencement of Qualified Project Period also known as the Affordability Period is defined in the regulatory agreement of each Project financed by Bonds. For new construction, the Qualified Project Period begins on the first day on which at least ten percent of the residential units are first occupied, and for rehabilitated projects, on the later of a) the date the bond funds are disbursed to the Borrower, or b) the date ten percent of the units are first reoccupied. The Qualified Project Period ends on the latest of a) the date which is a specified number of years (typically 15) after the date on which 50% of the residential units in the project were first occupied, b) the last day on which any Bond remains outstanding or c) a date specified by the regulatory agreement.

(A) Although the end of the Qualified Project Period is set by federal code, CDLAC has specified an additional Affordability Period for all Projects.

(B) For the Qualified Project Period the Borrower will obtain, complete and maintain on file Verification of Income forms for each Qualified Tenant, including (a) Verification of Income document for each tenant before the occupancy of each unit, (b) if requested by the Issuer an annual Verification of Income for tenant that is due to the Issuer on March 1st (the reporting period ends December 31st of each year).

(C) It is the Issuer policy to require Certifications as to Commencement of Qualified Project Periods forms for all Projects.

(vii) *Certificate of Continuing Program Compliance (Regulatory Agreement)*: All regulatory agreements require that for the duration of the Qualified Project Period, Borrower must periodically submit a Certificate of Continuing Program Compliance (generally, Section 4(e)). The reporting periods may vary and are specified in each regulatory agreement. The certificate reflects the changes that have occurred in the occupancy of the Bond-financed units over the reporting period, commencement, termination of occupancy, vacancies, changes in household size and changes in rents charged. The Borrower further states whether the project has or has not been in default of the terms and provisions of the agreement and if a determination of taxability has occurred. In the event of a default or determination of taxability, the Borrower certifies that the necessary remedial actions have been taken or initiated, or alternatively, explains the material facts obviating the need for action. This Certificate generally requires the Borrower to attach a rent roll or occupancy summary together with

certificates of tenant eligibility of new or recertifying tenants. This Certificate must be signed by the Borrower or a duly designated representative. The Compliance Team shall date stamp the certificate and all the attached documents upon receipt in order to demonstrate compliance and identify the reporting period.

(A) Borrowers may be required by the regulatory agreement to file, every February 15th of each bond year, a copy of Internal Revenue Service Form 8703 with the Issuer through the Compliance Team. The Borrower must also submit the Certificate of Continuing Program Compliance to CDLAC on the anniversary of issuance date. The Issuer is not responsible for overseeing the borrower's compliance with CDLAC on this process.

(B) Some Regulatory Agreements dictated that the Certificate of Continuing Program Compliance be filed quarterly during construction and then annually at completion. All Issuer Regulatory Agreements should request this form to be filed annually. In the case where a project's Regulatory Agreement dictated a quarterly filing the Issuer reserved the right to update the filing requirements to coincide with the policy of requesting annual filings. Not all Regulatory Agreements require a Certificate of Continuing Program Compliance to be filed with the Issuer. All Issuer Regulatory Agreements should request this form to be filed with the Issuer. These projects shall be monitored for compliance by the terms and conditions of the Regulatory Agreement by the Issuer. The Issuer shall collect and retain the Certificate of Continuing Program Compliance by March 1st of each year.

(viii) *Arbitrage Rebate Forms:* As provided in Section V.B., it is the Issuer's policy that the Borrower shall be responsible for compliance with all requirements under Federal arbitrage regulations. Per the Regulatory Agreement of each Bond issuance the Borrower shall be responsible to determine (or obtain expert advice to determine) whether Arbitrage Rebate calculations will be submitted to the IRS. If it is determined that such calculations are likely to be required, the Borrower shall engage expert advisors ("Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, or else ensure that it has adequate financial and legal resources of its own to make such calculations. Borrowers shall make any rebate payments required on a timely basis.

(ix) *On Site Audit:* The Issuer's policy is that an onsite audit of each Project should take place no later than 3 years from date of the Completion Certification and every 3 years thereafter. Even though doing an onsite audit is the policy of the Issuer it is not required that the Issuer conduct audits. These audits will be performed as a matter of best practices.

The Issuer's Compliance Team or a designee will take a tour of the Project grounds and visit at least one selected unit. Notes will be taken of the site's general upkeep. The Issuer will report to the lender if the upkeep is not being maintained. As a best practice, the Compliance Team will report to the Governing Board (or in the case of on-behalf of issuers, to the local jurisdiction) if there are problems with the Project. If the Compliance Team finds that the Project is out of compliance for reasons such as individuals have been assisted who do not meet the income limits, or the facility is unsafe, the Compliance Team will report the compliance violations to the appropriate

oversight entities. Reporting to appropriate oversight entities is done after the Issuer gives the Borrower an opportunity to remedy the oversights.

(x) *CDLAC Compliance Audit*: For projects receiving allocation after December 31, 2016, CDLAC requires that a review of 20% of all management files associated with Federally Bond-Restricted units either on site or electronically be performed upon project completion and every 3 years thereafter. The Issuer will send an email requesting the files to be tested the first week of January. A sample will be taken from the TCAC PSR report and the files will be submitted electronically to the Issuer.

The Issuer will verify the following information for each sample unit:

- Unit Location
- Size of the Unit
- Unit Income Level
- Initial and Subsequent occupant income verification documents to support the Tax Income Calculation (TIC) and to determine whether the unit is in compliance with the income and affordability. This number should tie to the TCAC Project Status Report (PSR).
- An executed Lease Agreement for each unit sampled.

This review, in conjunction with the collection of a valid Certificate of Compliance II will permit the Issuer to report the project is in compliance with Federally Bond-Restricted unit restrictions.

**C. Amendments.** Unless otherwise specifically addressed in the financing documents (including applicable regulatory agreements) pertaining to a specific Project, the Issuer shall consider and evaluate any requests for amendments to such financing documents on a case-by-case basis at its sole discretion. The costs of such amendments, including staff time of the Issuer, shall be solely at the cost of the Borrower, and the Issuer may request an up-front deposit prior to consideration of such request.

**D. Post-Issuance Compliance Team.** In addition to monitoring the Bonds for compliance with post-issuance requirements, the Compliance Team is also responsible for all aspects of monitoring the Project for compliance with post-issuance requirements.

## **VII. DEFAULT PROCEDURES**

When an apparent problem is identified through audits or collection of documents; the Compliance Team will bring said problem to the attention of the Borrower by informal contact. The Borrower is given a reasonable period to demonstrate that no noncompliance exists, and the nature of the noncompliance determines the grace period for the Borrower's response. The Borrower can usually resolve the matter by providing clarification and/or additional documentation. However, if the project is actually out of compliance with its regulatory agreement or CDLAC Resolution then the Compliance Team responds according to the nature of the violation.

If there is an infraction of the Regulatory Agreement or CDLAC Resolution that would jeopardize the tax-exempt status of the Bonds, the Issuer will respond within five (5) working days by sending a



formal notice of Noncompliance and Need to Cure with copies to all parties to the Regulatory Agreement. The Notice defines the instance of noncompliance and states the period in which to correct it according to the provisions of the Regulatory Agreement.

## EXHIBIT A: COMPLETION PROCESS FOR CERTIFICATION OF COMPLIANCE I & II (CDLAC):

### **Process for Monitoring the *Certification of Compliance*:**

- Projects that received CDLAC allocation prior to December 31, 2016 are required to submit a yearly *Certification of Compliance I*.
- Projects that received CDLAC allocation after December 31, 2016 are required to submit a yearly *Certification of Compliance II* until the project is completed, and then every 3 years thereafter.
- An email reminder will be sent the first week of January stating that the *Certification of Compliance* form is due to the Issuer on February 1<sup>st</sup>.
- The preformatted email will contain a list of instructions on how to complete the certification and an attached draft copy of the certification.
- The *Certifications of Compliance* are due to CDLAC March 1<sup>st</sup>. Issuer intends to send a complete package of all certifications to CDLAC one week early.
- The *Certification of Compliance I* will have the following information completed:
  - Certifications will be on the Borrower's or Sponsor's Letterhead
  - Project name
  - Bond Issuer Name
  - CDLAC Application number
  - CDLAC Resolution and Adoption Date
  - A check mark or N/A filled in on the two appropriate lines
    - If the project received points for Title 24 then attach the Energy Performance Certificate
      - This is due the first year the project is in service
      - Borrower collects the certificate from the Project's architect
  - Signatures and dates
- The *Certification of Compliance II* will have the following information completed:
  - Certifications will be on the Borrower's or Sponsor's letterhead
  - Project name
  - CDLAC Application number
  - If there has been a change in Issuer, Regulatory Agreement, Borrower, and/or Management Company.
  - Status of Qualified Project Period
  - Status of Project Construction
  - If the project has been placed in service
  - Any significant events affecting the Bond Allocation
  - If the project is providing the required service amenities
  - CDLAC Resolution and Adoption Date
  - Signatures and dates
- Update the *Compliance* spreadsheet in the compliance database once a certification is received.
  - Receipt of the *Certification of Compliance I* or *II* is reported on the CDLAC Self Certification and submitted online through the CDLAC Compliance web site.

[ADD COMPANY LETTERHEAD]

**CERTIFICATION OF COMPLIANCE I**

Project Name: XXXXXXXX Apartments  
*(If project has changed named since the award of allocation please note the original project name as well as the new project name)*

Name of Bond Issuer: \_\_\_\_\_

CDLAC Application No.: XX-XXX  
*(if more than one award was awarded please list all the applications numbers)*

Pursuant to Section 13 of Resolution No. XX-XXX (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on XXXX XX, 20XX (Meeting date) I, \_\_\_\_\_, an Officer of the Project Sponsor, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with all of the terms and conditions set forth in the Resolution.

I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Bonds are issued, the terms and conditions set forth in the Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, with holding future allocation or any other available remedy.

*Please check or write N/A to the items list below:*

- \_\_\_\_\_ The project is currently in the Construction or Rehabilitation phase.
- \_\_\_\_\_ The project has incorporated the minimum specifications into the project design for all new construction and rehabilitation projects as evidenced by attached the applicable thirty party certification (HERS Rater, Green Point Rater or US Green Building Council). For projects under construction or rehabilitation, the information is due following receipt of the verification but in no event shall the documentation be submitted more than two years after the issuance of bonds.
- \_\_\_\_\_ For projects that received point for exceeding the minimum requirements please attach the appropriate California Energy Commission Compliance form for the project which shows the necessary percentage improvement better than the appropriate standards. The compliance form must be signed by a California Association of Building Consultants, Certified Energy Plans Examiner of HERS Rater as applicable.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Officer

\_\_\_\_\_  
Title of Officer

\_\_\_\_\_  
Phone Number

**CERTIFICATION OF COMPLIANCE II  
FOR QUALIFIED RESIDENTIAL RENTAL PROJECT**

- 1. Project Name Change?**  Yes  No  
*(If project name has changed since the award of allocation, please note the new project name as well as the original project name.)*

New: \_\_\_\_\_ Original: \_\_\_\_\_

- 2. CDLAC Application Number:** \_\_\_\_\_

- 3. Bond Issuer Change?**  Yes  No  
*(If Bond Issuer has changed since the award as a result of refinancing or refunding of an allocation, please note the new Issuer as well as the original Issuer.)*

New Issuer: \_\_\_\_\_ Original: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

- 4. Has a termination of the Regulatory Agreement occurred or is a termination planned in the next year? Has proper noticing occurred?**  Yes  No  
*If yes, please describe and explain:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you answered Yes, there is no need to complete the rest of the form. Please submit the form completed through Question 4.

- 5. Change in Borrower?**  Yes  No  
*(If Borrower has changed since the award affecting the CDLAC Resolution, please provide the new Borrower information as well as the original Borrower.)*

New Borrower: \_\_\_\_\_ Original: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

- 6. Change in Management Company?**  Yes  No  
*(If yes, please provide the following information for the new Management Company.)*

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

- 7. Has the Qualified Project Period commenced?**  Yes  No  
*(If yes, please submit the Certificate of Qualified Project Period [one time only].)*

Certificate of Qualified Project already submitted

8. Has the project been completed and placed in service?  Yes  No

9. Have any of the following events occurred associated with the bond allocation including, but not limited to, notices of defaults associated with rents and income requirements, Bond Default or a Qualified Bond Default?  Yes  No

If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10.

<u>Federally Bond Restricted Units (Reflected in PSR)</u>	<u>Other Restrictions (Reflected in PSR)</u>	<u>Total (Reported in CDLAC Resolution)</u>
_____ at 50% AMI	_____ at 50% AMI	_____ at 50% AMI
_____ at 60% AMI	_____ at 60% AMI	_____ at 60% AMI

Please attach a copy of the Project's TCAC Project Status Report (PSR) or equivalent documentation.

11. Please indicate the distribution of the CDLAC restricted 10% of the 50% AMI units.

<u>Bedroom Type</u>	<u># of Units in PSR</u>	<u># of Units in CDLAC Resolution</u>
1 Bedroom	_____	_____
2 Bedroom	_____	_____
3 Bedroom	_____	_____

12. If the Project has committed to and is currently providing the service amenities for a term as specified in the CDLAC Resolution, please verify the services are being provided: on a regular and ongoing basis and are provided free of charge and all hour requirements are being met:

- \_\_\_\_\_ After-school programs
- \_\_\_\_\_ Education, health and wellness or skill development classes
- \_\_\_\_\_ Health and wellness services and programs (not group classes)
- \_\_\_\_\_ Licensed childcare provided for a minimum of 20 hours per week (Monday-Friday)
- \_\_\_\_\_ Bona Fide service coordinator/social worker

Is the service being offered on an ongoing basis and provided free of charge (excluding childcare)?  
 Yes  No

Are all hour requirements being met?  
 Yes  No

Attach evidence demonstrating that the above listed services are being provided and have met the requirements in the CDLAC Resolution. Including but not limited to MOUs and/or contracts associated with the services rendered, a 12-month schedule (current reporting year) of the services offered, flyers, sign-up sheets, etc.

Pursuant to Section 13 of Resolution No. \_\_\_\_\_ (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on \_\_\_\_\_, \_\_\_\_\_, an Officer of the Borrower, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with the terms and conditions set forth in the Resolution as outlined above. I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Bonds are issued, the terms and conditions set forth in the Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Officer

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Title of Officer

## **EXHIBIT B: ISSUER SELF CERTIFICATION (ISSUER SC):**

### **Process for Monitoring the *Issuer SC*:**

- Borrowers are required to submit a yearly *Issuer SC* form
- An email reminder will be sent the first week of January stating that the *Issuer SC* form is due to the Issuer on February 1<sup>st</sup>
- The preformatted email will contain a list of instructions on how to complete the certification and an attached draft copy of the certification.
- The *Issuer SC* will have the following information completed:
  - Project name
  - Resolution Number
  - Application Number
  - Property Address
  - Completion Date
- The Project Sponsor will complete questions 1-5
- Update the *Compliance* spreadsheet in the compliance database once a certification is received.

**ANNUAL BORROWER PUBLIC BENEFITS AND ONGOING COMPLIANCE SELF-CERTIFICATION FORM**

Project Name: XXXXXX Project  
CDLAC Resolution No.: XXXX-XX  
CDLAC Application No.: XXXX-XX  
Property Address:  
Completion Date:

The undersigned, on behalf of XXXXXXXXXXXX (the "Borrower") and not in an individual capacity, hereby certifies to the following:

(1) I am an officer of the Borrower holding the office set forth under my signature below.

(2) The Project was completed on XXXXXXXX. If the Project has not yet been completed or placed in operation, please only respond to question (3) below and mark "N/A" for all other questions).

(3) There have been no changes to the ownership entity, principals or property management of the Project since the Bonds were issued, or since the last certification was provided, except as described below: [If there have been changes, please attach a request to revise the CDLAC Resolution noting all pertinent information regarding the change]

(4) There have been no changes of use for the Project except as described below:

(5) The Project has satisfied all of the requirements memorialized in the Exhibit A of the CDLAC Resolution (i.e. qualifying project completion, qualifying depreciable asset purchase, qualifying loan originations, the use of public funds, etc.; as applicable), and thus achieving all public benefit requirements as presented to the CDLAC. (If there is more than one resolution for this Project, the most recent resolution will supersede all previous resolutions).

The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief, and the undersigned acknowledges and agrees that the Issuer will be relying solely on the foregoing certifications and accompanying documentation, if any, in making its certification to CDLAC pursuant to Section 5144 of the CDLAC Regulations, and agrees to provide to the Issuer such documentation or evidence, in support of the foregoing certifications, as the Issuer or CDLAC may request.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Officer

\_\_\_\_\_  
Title of Officer

[attach current CDLAC resolution prior to submitting]



**EXHIBIT C: COMPLETION PROCESS FOR ANNUAL APPLICANT PUBLIC BENEFITS AND ON-GOING COMPLIANCE SELF CERTIFICATION (CDLAC):**

**Process for Monitoring the *Annual Applicant Public Benefits and On-going Compliance Self Certification*:**

- For all Projects that received allocation, Issuer is required to submit a yearly *Annual Applicant Public Benefits and On-going Compliance Self Certification* form
- An email reminder will be sent the first week of January stating that the *Annual Applicant Public Benefits and On-going Compliance Self Certification* form is due to the Issuer on February 1<sup>st</sup>
- The preformatted email will contain a list of instructions on how to complete the certification and an attached draft copy of the certification.
- The *Annual Applicant Public Benefits and On-going Compliance Self Certification* form are due to CDLAC March 1<sup>st</sup>. Issuer intends to send a complete package of all certifications to CDLAC one week early.
- The *Annual Applicant Public Benefits and On-going Compliance Self Certification* form will have the following information completed:

**Certification of Delivery of Public Benefits Section:**

- Issuer's Name:
- Project name:
- Application Number:
- Resolution Number:
- Property Address:
- Project Completion Date:
- All other information required by CDLAC

**QRRP Certification of Post-Issuance Compliance Section:**

- Submit the completed Sponsor certification that is provided in the Committee Resolution (CDLAC Resolution)
  - Complete questions in Section 1.
  - Section 1. A) – Brief description of documents used to complete this form
  - Section 1. B) – NA or brief description of follow up corrective actions
- Update the Compliance spreadsheet in the compliance database once a certification is received.
    - Print the certificate and prepare a package to send to CDLAC one week before March 1<sup>st</sup>  
CDLAC/ *Certification of Compliance*  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

## Annual Applicant Public Benefits and On-Going Compliance Self Certification

**ACKNOWLEDGMENT:** The California Debt Limit Allocation Committee (“CDLAC” or “Committee”) does not expect to hold an Applicant (Issuer) responsible for conditions they are not aware of; only for the Applicant to confirm their understanding of the status of the project/program based upon their own post-issuance compliance procedures. CDLAC will not review the Applicant’s procedures, and in good faith, will assume that the Applicant has in-place procedures they judge to adequately satisfy their post-issuance responsibilities as defined under the Internal Revenue Code and CDLAC Regulations. An Applicant is free to request project information from the Project Sponsor and rely on that information if they believe it satisfies their own compliance procedures and responsibilities. That information can then serve as the basis for the Applicant’s response to the questions within this certification.

**INSTRUCTIONS:** Per the CDLAC Regulations, all Projects/Programs within an existing bond regulatory period and/or CDLAC compliance period shall be monitored for compliance with the terms and conditions of the Committee Resolution by the Applicant (Issuer). Mortgage Credit Certificate Single Family Housing Programs with outstanding authority shall be monitored for the same requirements. The Applicant shall complete and submit the Annual Applicant Public Benefits and On-going Compliance Self Certification via the CDLAC Online Compliance Certification System. The self-certification must be submitted by the Applicant to CDLAC no later than March 1 of each year (or at such other time as defined in the CDLAC Regulations or requested by the Committee).

**ALL APPLICANTS: Applicant/Issuer Certification of Delivery of Public Benefits (All)  
Applicant/Issuer Name:**

**(All) Project Name (N/A for Single Family Housing Programs): (All) Program Type (QRRP, SFH, EXEMPT, IDB, Etc.):**

**(All) Application Number(s): (All) Resolution Number(s):**

**(All) Property Address (N/A for Single Family Housing Programs):**

**(All Prior to 2017) Project Completion Date** (Enter Placed in Service Date or program completion date):

**(QRRP 2017 and BEYOND) Commencement of Qualified Project Period Date** (Enter the date of the Qualified Project Period commenced)

**(NON-QRRP 2017 and BEYOND) Project Completion Date** (Enter Placed in Service Date or program completion date).

(QRRP PRIOR TO 2017) Has the Applicant received the Project Sponsor’s complete Compliance Certification for this reporting period? (Applicable to projects awarded allocation after 2000) If no, please explain or indicate “Not Applicable”.

(All 2017 and BEYOND) Has the Applicant received the Project Sponsor’s complete Compliance Certification II for this reporting period?

(All 2017 and BEYOND) If the Project Sponsor/Borrower indicated in the Certification of Compliance II or like form:

- a. A change in project name, please provide the new project name
- b. A change in ownership affecting the CDLAC resolution, please provide contact information for the new owner
- c. A change in Issuer, please provide the new Issuer name
- d. All bonds have been redeemed, please provide the redemption notice
- e. A notice or event of default or of foreclosure has occurred, please explain

**(ALL 2017 AND BEYOND) \*Please note if any of these circumstances have occurred, request revision to the CDLAC resolution**

(QRRP PRIOR TO 2017) Has the project satisfied the following requirements as memorialized in the Exhibit A of the CDLAC Resolution and bond regulatory agreement?

1. QRRP PRIOR TO 2017 ONLY: Has the project satisfied all of the income rent requirements memorialized in the Exhibit A (Applicable to projects awarded allocation after 2000)? If no, please explain or indicate "Not Applicable".
2. ALL QRRP ONLY: Has the project satisfied all of the income rent requirements memorialized in the bond regulatory agreement? If no, please explain.
3. QRRP PRIOR TO 2017 ONLY: Is the Project currently providing service amenities on a regular and ongoing basis? (Note: services must be provided for the minimum committed term beginning after the project has been placed in service) If no, please explain or indicate "Project did not commit to Service amenities; or Project has completed term of commitment".
4. ALL PRIOR TO 2017: Has the project/program satisfied all other requirements as memorialized in the Exhibit A? If no, please explain.
5. QRRP ONLY 2017 and BEYOND: If the Project Sponsor/Borrower indicated in the Certification of Compliance II or like form:
  - a. Has the regulatory agreement has been terminated, if yes please explain
  - b. Are the number of Federal Bond Restricted Units and Other Restricted Units consistent with the CDLAC resolution, if not please explain
  - c. Is the 10% at 50% general distribution requirement being met in a manner consistent with the CDLAC resolution, if no please explain.
  - d. Are the service amenities being provided in a manner consistent with the CDLAC resolution, if no please explain.
6. IDB 2017 and BEYOND ONLY: If the Project Sponsor/Borrower indicated jobs had been created or retained, please report on how many jobs were created or retained.
7. SINGLE FAMILY 2017 and BEYOND ONLY: Has the single family program met the income and geographical targets identified in the CDLAC resolution? If no, please explain.

**EXHIBIT D: COMPLETION PROCESS FOR COMPLETION CERTIFICATION (REGULATORY AGREEMENT and CDLAC):**

**Process for Monitoring the *Completion Certification*:**

- Issuer should send an email reminder one month before anticipated completion day of construction
- The preformatted email will contain a list of instructions on how to complete certification and an attached draft copy of the certification
- The certification will be filed with the Issuer on completion day (this form is filed once per project)
- Update the *Compliance* spreadsheet in the compliance database once a certification is received.
  - Update official completion date
  - Mark the appropriate box with green that the Issuer has received the certificate
  - Save a copy of the *Completion Certification* in the Compliance database
  - Print a copy of the *Completion Certification* and file the document in the compliance filing cabinet
- The Completion Certificate should have the following information completed:
  - Project Completion date
  - For a new construction project the date is the day the project is completed, for an acquisition rehab project the form is dated when the project is “substantially completed” and all units are available to be occupied
  - Some Regulatory Agreements specify that an updated form should be filed with the Issuer at 50% occupancy
  - Aggregate amount of loan disbursed on completion date
    - It is not Issuer’s role to verify the dollar amount that will be filled in on line (a)
  - Authorized Signature

**EXHIBIT X  
COMPLETION CERTIFICATE (REGULATORY)**

The undersigned hereby certifies that all construction work on the Project was substantially completed and all units in the Project were available either for occupancy or use by tenants in the Project as of \_\_\_\_\_.

The undersigned hereby further certifies that:

(a) the aggregate amount disbursed on the Loan to date is \$\_\_\_\_\_;

(b) all amounts disbursed from proceeds of the Bonds have been applied to pay or reimburse the undersigned for the payment of Project Costs, and none of the amounts disbursed from the proceeds of the Bonds have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) at least 97 percent of the amounts disbursed from the proceeds of the Bonds have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as those terms are used in the Regulatory Agreement) and less than 25 percent of the amounts disbursed from the proceeds of the Bonds, exclusive of amounts applied to pay the costs of issuing the Bonds, have been applied to pay or reimburse the Borrower for the cost of acquiring land.

**PROJECT NAME, L.P.,**  
a California limited partnership

By: Project Name, LLC,  
a California limited liability company,  
its general partner

By: Non-Profits Name,  
Incorporated, a California nonprofit public  
benefit corporation, its sole member/manager

By: \_\_\_\_\_  
Authorized Signer  
Title

**CERTIFICATE OF COMPLETION (CDLAC)  
FOR QUALIFIED RESIDENTIAL RENTAL PROJECTS**

**1. Project Name:**

*(If Project Name has changed since the award of allocation, please note the original project name and request a change in the CDLAC Resolution.)*

Original Project Name: \_\_\_\_\_

**2. CDLAC Application Number:**

**3. Name of Bond Issuer:**

**4. Name of Borrower:**

*(If Borrower has changed name since the award, please note the original Borrower and request a change in the CDLAC Resolution.)*

Original Borrower Name: \_\_\_\_\_

**5. The undersigned hereby certifies that all work on the Project was substantially completed as of \_\_\_\_\_, 20\_\_\_\_\_.**

The undersigned hereby further certifies that:

- a. The aggregate amount disbursed on the Loan to date is \$\_\_\_\_\_.
- b. All amounts disbursed from proceeds of the Bonds have been applied to pay or reimburse the undersigned for the payment of Project Costs and none of the amounts disbursed from the proceeds of the Bonds have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and
- c. At least 95 percent of the amount disbursed from the proceeds of the Bonds have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25 percent of the amount disbursed from the proceeds of the Bonds, exclusive of amounts applied to pay the costs of issuing the Bonds, have been applied to pay or reimburse the Borrower for the cost of acquiring land.

**6. The undersigned hereby certifies that the project meets the general federal rule for a Qualified Project Period.       Yes     No**

- a. 10% of the dwelling units in the project financed in part from the proceeds of the captioned Bonds were first occupied on \_\_\_\_\_, 20\_\_\_\_\_;
- b. 50% of the dwelling units in the project financed in part from the proceeds of the captioned Bonds were first occupied on \_\_\_\_\_, 20\_\_\_\_\_.

**7. If the answer to #6 is NO, the undersigned hereby certifies the project meets the special federal rule for a Qualified Project Period.       Yes  No**

*(Project qualified if it is an acquisition/rehabilitation where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the project acquisition or the Bond Issuance Date.)*

- a. Bonds were issued on \_\_\_\_\_, 20\_\_\_\_\_;
- b. Property was acquired on \_\_\_\_\_, 20\_\_\_\_\_;

c. The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or Bond Issuance) \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Officer

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Title of Officer

**EXHIBIT E: COMPLETION PROCESS FOR CERTIFICATION AS TO COMMENCEMENT OF QUALIFIED PROJECT PERIOD (REGULATORY AGREEMENT):**

**Process for Monitoring the *Commencement of Qualified Project Period*:**

- An email reminder will be sent one month after the Issuer receives the *Completion Certification*
- The preformatted email will contain a list of instructions on how to complete certification and an attached draft copy of the certification.
- Some project's Regulatory Agreement did not require the *Certification as to the Commencement of Qualified Project Period* to be completed. The Issuer is now requiring this form regardless of the requirements stated in the Regulatory Agreement
- The certification should be filed with the Issuer at 50% occupancy
- Update the *Compliance* spreadsheet in the compliance database once a certification is received
  - Mark the appropriate box with green that the Issuer has received the certificate
  - Save a copy of the *Certification as to Commencement of Qualified Project Period* in the Compliance database
  - Print a copy of the *Certification as to Commencement of Qualified Project Period* and file the document in the compliance filing cabinet
- The *Certification as to Commencement of Qualified Project Period* should have the following information filled in:
  - 10% Occupancy Date
  - 50% Occupancy Date (if stipulated by the Regulatory Agreement)
  - Document Completion Date
  - Authorized Signature



**EXHIBIT X**

**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**

[Name of Issuer]

[Mailing Address of Issuer]

**CERTIFICATE AS TO COMMENCEMENT OF QUALIFIED PROJECT PERIOD**

[Name of Issuer]  
Multifamily Housing Revenue Bonds  
(Project Name Apartments)  
Series 201XA

The undersigned, on behalf of Project Name, L.P., hereby certifies that: (complete blank information):

10% of the dwelling units in the Project Name Apartments, financed in part from the proceeds of the captioned Bonds, were first occupied on \_\_\_\_\_, 20\_\_.

50% of the dwelling units in the Project Name Apartments, financed in part from the proceeds of the captioned Bonds, were first occupied on \_\_\_\_\_, 20\_\_.

DATED: \_\_\_\_\_, 20\_\_

Project Name, L.P.,  
a California limited partnership

By: Project Name LLC,  
a California limited liability company,  
its general partner

By: Company Name,  
Incorporated, a California nonprofit public  
benefit corporation, its sole member/manager

By: \_\_\_\_\_  
Authorized Signer  
Title

**EXHIBIT F: COMPLETION PROCESS FOR CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE (REGULATORY AGREEMENT):**

**Process for Monitoring the *Certificate of Continuing Program Compliance*:**

- An email reminder will be sent January 1<sup>st</sup> reminding the borrower that the *Certificate of Continuing Program Compliance* period ends January 1<sup>st</sup> and is due on February 1<sup>st</sup> to the Issuer
- The preformatted email will contain a list of instructions on how to complete the certification and an attached draft copy of the certification
- Some projects Regulatory Agreements did not require the *Certificate of Continuing Program Compliance* to be completed. The Issuer is now requiring this form regardless of the requirements stated in the Regulatory Agreement
- For some earlier projects this certificate was filed quarterly during construction and then annually at completion.
  - As of 2009 all *Certificate of Continuing Program Compliance* are filed with the Issuer annually regardless of the requirements stated in the Regulatory Agreement
- Update the *Compliance* spreadsheet in the compliance database once a certification is received
  - Mark the appropriate box with green that the Issuer has received the certificate
  - Save a copy of the *Certificate of Continuing Program Compliance* in the Compliance database
  - Print a copy of the *Certificate of Continuing Program Compliance* and file the document in the compliance filing cabinet
- The *Certificate of Continuing Program Compliance* should have the following information filled in:
  - Date
  - Section "A": N/A or Updates
  - Section "B": % of units occupied by qualified tenants
  - Section "C": 1-5 Completed
  - Section "D": Yes or No
  - Section "E": N/A or filled in and actions taken
  - Section "F": N/A or description
  - Section "G": N/A or description
  - Section "H": N/A or Check Mark
    - 1&2: N/A or description
  - Section "I": Date
  - Borrower (authorized representative) signature
- The borrower must keep rent roles onsite. The Issuer does not keep these records

**EXHIBIT X  
CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE  
(PROJECT NAME APARTMENTS)**

Witnesseth that on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, the undersigned, having borrowed certain funds from the \_\_\_\_\_ (the "Issuer") for the purpose of financing a multifamily rental housing development (the "Project"), does hereby certify that:

A. Have there been any changes to the ownership entity, principals or property management of the Project since the Bonds were issued, or since the last certification was provided?

(If so please attach a request to revise the resolution noting all pertinent information regarding the change)

B. During the preceding twelve-months (i) such Project was continually in compliance with the Regulatory Agreement executed in connection with such loan from the Issuer, (ii) \_\_\_% of the units in the Project were occupied by Qualified Tenants (minimum of 20%).

C. Set forth below is certain information regarding occupancy of the Project as of the date hereof.

1. Total Units: \_\_\_\_\_

2. Total Units Occupied: \_\_\_\_\_

3. Total Units Held Vacant  
and Available for Rent to Qualified Tenants \_\_\_\_\_

4. Total Qualified Units Occupied: \_\_\_\_\_

5. % of Qualified Units to Total Units \_\_\_\_\_%  
(equals the Total of Lines 3 and 4, divided by the lesser of Line 1 or Line 2)

D. The units occupied by Qualified Tenants are of similar size and quality to other units and are dispersed throughout the Project.

E. *Select appropriate certification:* [No unremedied default has occurred under this Regulatory Agreement, the Note, Loan Agreement or the Deed of Trust.] [A default has occurred under the \_\_\_\_\_. The nature of the default and the measures being taken to remedy such default are as follows: \_\_\_\_\_.]

F. Has there been a change of use for the project? (if so, please describe)

G. *Select appropriate certification:* The undersigned hereby certifies that the project [has satisfied all] [except as described below, has satisfied all] of the requirements memorialized in the Exhibit A of the CDLAC Resolution (i.e. qualifying project completion, qualifying depreciable asset purchase, qualifying loan originations, the use of public funds, QRRP manager units, QRRP income rent restrictions, QRRP sustainable building methods, etc.; as applicable), and thus has achieved all public benefit requirements (excluding QRRP service amenities) as presented to CDLAC.

[Describe any requirements not satisfied: \_\_\_\_\_]

H. As captured in Exhibit A of the Resolution, the Project has committed to and is currently providing the following service amenities for a minimum of ten years, on a regular and ongoing basis, which are provided free of charge (with the exception of day care services):

Please check the services that apply or write N/A where appropriate:

\_\_\_\_\_ After-school Programs

\_\_\_\_\_ Educational, health and wellness, or skill building classes

\_\_\_\_\_ Health and Wellness services and programs (not group classes)

\_\_\_\_\_ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)

\_\_\_\_\_ Bona-Fide Service Coordinator/ Social Worker

1) For this reporting period, attached is evidence (i.e. MOUs, contracts, schedules, calendars, flyers, sign-up sheets, etc.) confirming that the above listed services are being provided and have met the requirements of Exhibit A of the Resolution.

2) If any of the above services requirements were not met, what corrective action is being taken to comply?

(Please also attach the completed Sponsor certification form as provided in the CDLAC Resolution)

I. The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief, and the undersigned acknowledges and agrees that the Issuer will be relying solely on the foregoing certifications and accompanying documentation, if any, in making its certification to CDLAC pursuant to Section 5144 of the CDLAC Regulations, and agrees to provide to the Issuer such documentation or evidence, in support of the foregoing certifications, as the Issuer or CDLAC may request.

Date: \_\_\_\_\_

**PROJECT NAME, L.P.,**  
a California limited partnership

By: Project Name LLC,  
a California limited liability company,  
its general partner

By: Company Name,  
Incorporated, a California nonprofit public  
benefit corporation, its sole member/manager

By: \_\_\_\_\_  
Authorized Signer  
Title

# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: EVERY 15 MINUTES GRANT PROGRAM FROM THE DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**

**RECOMMENDATION:** That the City Council authorize the acceptance of grant funds in the amount of up to \$6,000 for the Every 15 Minutes Grant Program from the Department of California Highway Patrol.

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


**FISCAL IMPACT:** In October 2017, the Department of California Highway Patrol (CHP) invited the Ontario Police Department to apply for participation in the Every 15 Minutes Program. CHP will provide reimbursement of materials, supplies, motivational speakers, lodging costs and transportation as needed to implement a successful program. The approximate grant funding reimbursement is \$6,000. Appropriations for this program will be presented in the next quarterly Budget Report to the City Council. The City is not required to provide matching funds for the grants.

**BACKGROUND:** The Every 15 Minutes Program is a nationwide program dedicated to raising the awareness of high school students about the dangers of drinking and driving. The program's name was derived from the fact that every fifteen minutes someone in the United States dies in an alcohol-related traffic collision.

This program has been successful over the past twelve years in Ontario's public high schools. Using these grant funds, the Every 15 Minutes Program will be conducted at Ontario High School on March 20-21, 2018.

The two-day event will include demonstrations of automobile extrication, rescue, and victim medical treatment. The program challenges high school juniors and seniors to think about the consequences of drinking/distracted driving, personal safety, and the responsibility of making mature decisions. The Police Department on one of many agencies participating in this event. Other agencies invited include

**STAFF MEMBER PRESENTING:** Brad Kaylor, Chief of Police

Prepared by: Douglas Sorel  
Department: Police  
City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

9

the Ontario Fire Department, American Medical Response, CHP, Coroner's Office, District Attorney's Office, local hospitals, and various civic and business entities.

# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
CONSENT CALENDAR

**SUBJECT: AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH SECURITAS SECURITY SERVICES USA, INC. FOR UNARMED SECURITY GUARD SERVICES**


**RECOMMENDATION:** That the City Council authorize the City Manager to execute an amendment (on file with the Records Management Department) to the existing Professional Services Agreement with Securitas Security Services USA, Inc., of Ontario, California, extending the agreement for five years with the option of two one-year extensions, at an estimated annual cost of \$271,563 for FY 2017-18. Additional appropriations of \$8,570 are necessary for the remainder of FY 2017-18 based on the new annual cost.

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

**FISCAL IMPACT:** The estimated annual cost for citywide security services is \$271,563 for FY 2017-18, \$289,284 for FY 2018-19, \$310,666 for FY 2019-20, \$335,122 for FY 2020-21, and \$359,439 for FY 2021-22. The proposed Professional Services Agreement Amendment incorporates negotiated hourly billing rates in response to the scheduled minimum wage increases for the State of California effective January 2016 through 2022. The new rates are fixed for the five-year term with no escalation of CPI permitted. Appropriations are included in the Police Department's FY 2017-18 current operating budget to cover these services; however, based on the new annual cost, additional appropriations of \$8,570 are necessary. If approved, the additional appropriations of \$8,570 will be included in the Mid-Year Budget Report to the City Council. Funding for the subsequent years will be included in the proposed operating budgets of the respective fiscal years subject to City Council approval.

**BACKGROUND:** In December 2006, the City Council approved a Professional Services Agreement with Securitas Security Services USA, Inc. for unarmed security guard services as a result of a competitive proposal process. The general locations patrolled by Securitas include the Civic Center area

**STAFF MEMBER PRESENTING:** Brad Kaylor, Chief of Police

Prepared by: Christine Booker  
Department: Police Department  
City Manager Approval: 

Submitted to Council/O.H.A. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

10

(City Hall, Senior Center, and Library interior and exterior), the Museum, Ontario Town Square, and the East Ontario Metrolink Station.

The current agreement term was through January 2018. Staff recommends amending the current agreement for an additional five years based on Securitas Security Services' satisfactory performance; and authorize the option to extend for up to two additional years.



# CITY OF ONTARIO

Agenda Report  
December 19, 2017

SECTION:  
PUBLIC HEARINGS

**SUBJECT: A PUBLIC HEARING TO CONSIDER A RESOLUTION CALLING A SPECIAL ELECTION TO LEVY A SPECIAL TAX WITHIN TERRITORY PROPOSED TO BE ANNEXED TO CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES)**


**RECOMMENDATION:** That City Council:

- (A) Adopt a resolution calling a special election for Community Facilities District No. 23 (Park Place Services) to levy a special tax within territory proposed to be annexed to the community facilities district;
- (B) Adopt a resolution declaring results of special election, determining that certain territory is added to and part of City of Ontario Community Facilities District No. 23 (Park Place Services), approving of a consolidated boundary map and directing recording of a notice of annexation; and
- (C) Introduce and waive further reading of an ordinance levying special taxes within certain territory annexed to City of Ontario Community Facilities District No. 23 (Park Place Services).

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

**FISCAL IMPACT:** The use of Mello-Roos financing for City services is critical in achieving the City Council's goal of "**Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch.**" The use of Mello-Roos financing for the Park Place development will not generate funds for facilities, and bonds will not be issued as part of this formation. Annexation of the territory to the CFD is in conformance with the provisions of the Park Place project's Development Agreement, and the First Amended and Restated Construction Agreement between the City and NMC Builders.

**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. 12/19/2017  
Approved: \_\_\_\_\_  
Continued to: \_\_\_\_\_  
Denied: \_\_\_\_\_

11

**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 finance various kinds of public infrastructure facilities and government services. Government services that may be included in a community facilities district include police protection services, fire protection and suppression services, ambulance and paramedic services, maintenance and lighting of parks, parkways, streets, roads, open space and flood and storm drain protection services, and maintenance and operation of any real property or tangible property with an estimated useful life of five or more years that is owned by the governmental entity.

On March 18, 2014, the City Council approved Resolution No. 2014-019, a Resolution of the City of Ontario, California, of Formation to establish City of Ontario Community Facilities District No. 23 (Park Place Services) and to authorize the levy of special taxes within the district. As requested by the Landowner, on November 7, 2017, the City Council approved a Resolution of Intention to annex Additional Territory to the existing CFD and to levy special taxes within the Additional Territory to pay for City Services. The CFD is within a residential development of approximately 80 acres located north of Parkview Street, generally south of Eucalyptus Avenue, east of Celebration Avenue and generally west of Haven Avenue.

Included, as part of the Resolution of Intention, is the proposed Rate and Method of Apportionment of Special Tax for City of Ontario Community Facilities District No. 23 (Park Place Services). 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, and City staff have discussed the proposed Rate and Method of Apportionment of Special Tax with the landowner. The Resolution of Intention set the public hearing on the authorization to levy a special tax within territory to be annexed to the community facilities district for December 19, 2017. In accordance with requirements of the resolution, the City Clerk has published a notice of the time and place of this hearing pursuant to Section 53322 of the California Government Code at least seven days before the hearing. Additionally, the City gave notice of the time and place of the meeting to each registered voter and to each landowner within the district's boundaries at least fifteen days before the hearing, and the district boundary map was recorded on November 15, 2017. The election will be held immediately after the close of the public hearing in order for the City Council to be presented with the results of the election during the meeting. The City Council may then adopt a resolution declaring the results of the election after receiving a statement from the City Clerk as to the canvass of ballots.

Attached are two resolutions and an ordinance. The first resolution calls a special election to levy a special tax within territory proposed to be annexed to the Community Facilities District. The second resolution declares the results of the special election, determining that certain territory is added to and part of the City of Ontario Community Facilities District No. 23 (Park Place Services), approving of a consolidated boundary map and directing recording of a notice of annexation. The ordinance authorizes the levying of special taxes within certain territory annexed to City of Ontario Community Facilities District No. 23 (Park Place Services). As noted, the issuance of bonds is not being contemplated for this project, so there is no resolution to issue bonds as part of this formation.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING A SPECIAL ELECTION TO LEVY A SPECIAL TAX WITHIN TERRITORY PROPOSED TO BE ANNEXED TO CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES).

WHEREAS, on November 7, 2017, 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"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Annex Territory to City of Ontario Community Facilities District No. 23 (Park Place Services) and to Authorize the Levy of Special Taxes Therein" stating its intention to annex certain territory (the "Additional Territory") to City of Ontario Community Facilities District No. 23 (Park Place Services) (the "Community Facilities District"), and to authorize the levy of special taxes (the "Special Taxes") within the Additional Territory to provide certain public services (the "Services"), and setting December 19, 2017 as the date for a public hearing to be held on the proposed annexation of the Additional Territory to the Community Facilities District; and

WHEREAS, on this date, the City Council opened, conducted and closed said public hearing; and

WHEREAS, at said public hearing, the testimony of all interested persons or taxpayers for or against the annexation of the Additional Territory to the Community Facilities District or the levying of the Special Taxes within the Additional Territory were heard, written protests, if any, were received and a full and fair hearing was held; and

WHEREAS, at said public hearing, evidence was presented to the City Council on the matters before it, and the City Council at the conclusion of the hearing was fully advised as to all matters relating to the proposed annexation of the Additional Territory to the Community Facilities District and the levying of the Special Taxes therein; and

WHEREAS, pursuant to Section 53339.7 of the Act, the proposition to levy the Special Taxes within the Additional Territory, the territory proposed to be annexed to the Community Facilities District, is to be submitted to the qualified electors of the Additional Territory at a special election; and

WHEREAS, the City Council desires to designate the City Clerk of the City (the "City Clerk") as the election official for the special election provided for herein; and

WHEREAS, there has been filed with the City Clerk a certificate from the office of the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the Additional Territory as of November 17, 2017, and, accordingly, that 12 or more persons have not been registered to vote within the Additional Territory for each of the 90 days preceding the close of said public hearing; and

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Additional Territory waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, consenting to the holding of said special election on December 19, 2017 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act; and

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on December 19, 2017.

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.

SECTION 2. Pursuant to Sections 53339.7 of the Act, the proposition to levy the Special Taxes in the Additional Territory, the territory proposed to be annexed to the Community Facilities District, shall be submitted to the qualified electors of the Additional Territory at a special election for the Additional Territory called therefor as provided herein.

The City Council hereby finds and determines that no persons were registered to vote within the Additional Territory as of November 17, 2017, and, accordingly, that 12 or more persons have not been registered to vote within the Additional Territory for each of the 90 days preceding the close of the public hearing on the proposed annexation of the Additional Territory to the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Additional Territory and each person who is the owner land within the Additional Territory as of the close of said public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Additional Territory not exempt from the Special Taxes. The voting procedure shall be by mailed or hand-delivered ballot.

SECTION 3. The City Clerk is hereby designated as the official to conduct said election.

SECTION 4. The City Council hereby finds and determines that the qualified electors of the Additional Territory have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, (b) to the holding of said election on December 19, 2017, and (c) to the waiver of any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act. The City Council hereby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on December 19, 2017.

SECTION 5. The City Council hereby calls a special election to submit to the qualified electors of the Additional Territory the proposition to levy the Special Taxes within the Additional Territory to pay for the Services, which election shall be held at 303 East B Street, Ontario, California, on December 19, 2017.

The City Council has caused to be provided to the City Clerk, as the official to conduct said election, the Resolution of Intention, a certified map of sufficient scale and clarity to show the boundaries of the Additional Territory, and a sufficient description of the Additional Territory to allow the City Clerk to determine the boundaries of the Additional Territory.

The voted ballots shall be returned to the City Clerk not later than 7:30 p.m. on December 19, 2017; provided, however, that if all of the qualified electors of the Additional Territory have voted prior to such time, the election for the Additional Territory may be closed with the concurrence of the City Clerk.

SECTION 6. Pursuant to Section 53339.8 of the Act, the above proposition shall become effective upon the affirmative vote of two-thirds of the votes cast upon the proposition.

SECTION 7. Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballot pursuant to Section 4000 *et seq.* of the California Elections Code. Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election.

SECTION 8. The form of the ballot for said election is attached hereto as Exhibit A and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause a ballot in said form to be distributed to each qualified elector by mail with return postage prepaid or by personal service. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

SECTION 9. The City Clerk shall accept the ballots of the qualified electors in the office of the City Clerk at 303 East B Street, Ontario, California, to and including 7:30 p.m. on December 19, 2017, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots which may be marked at said location on the election day by said qualified electors.

SECTION 10. 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 11. 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 19<sup>th</sup> day of December 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 December 19, 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 December 19, 2017.

\_\_\_\_\_  
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

FORM OF OFFICIAL BALLOT

CITY OF ONTARIO  
COMMUNITY FACILITIES DISTRICT NO. 23  
(PARK PLACE SERVICES)

SPECIAL ELECTION

December 19, 2017

This ballot is for a special, landowner election. The number of votes to be voted pursuant to this ballot is \_\_\_\_\_.

INSTRUCTIONS TO VOTERS:

To vote on each proposition, mark a cross (+) or (X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Ontario and obtain another.

PROPOSITION: Shall City of Ontario Community Facilities District No. 23 (Park Place Services) (the "Community Facilities District") be authorized to levy a special tax in the additional territory proposed to be annexed to the Community Facilities District to provide certain public services, all as specified in the resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Annex Territory to City of Ontario Community Facilities District No. 23 (Park Place Services) and to Authorize the Levy of Special Taxes Therein," adopted by the City Council of the City of Ontario on November 7, 2017, and the resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election to Levy a Special Tax Within Territory Proposed to be Annexed to City of Ontario Community Facilities District No. 23 (Park Place Services)," adopted by the City Council of the City of Ontario on December 19, 2017?

Yes:

No:



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION, DETERMINING THAT CERTAIN TERRITORY IS ADDED TO AND PART OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES), APPROVING OF A CONSOLIDATED BOUNDARY MAP AND DIRECTING RECORDING OF A NOTICE OF ANNEXATION.

WHEREAS, on November 7, 2017, 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"), adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Annex Territory to City of Ontario Community Facilities District No. 23 (Park Place Services) and to Authorize the Levy of Special Taxes Therein" stating its intention to annex certain territory (the "Additional Territory") to City of Ontario Community Facilities District No. 23 (Park Place Services) (the "Community Facilities District"), and to authorize the levy of special taxes (the "Special Taxes") within the Additional Territory to provide certain public services (the "Services"), and setting December 19, 2017 as the date for a public hearing to be held on the proposed annexation of the Additional Territory to the Community Facilities District; and

WHEREAS, on December 19, 2017, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election to Levy a Special Tax Within Territory Proposed to be Annexed to City of Ontario Community Facilities District No. 23 (Park Place Services)" (the "Resolution Calling Election"), calling for a special election to submit to the qualified electors of the Additional Territory the proposition to levy the Special Taxes within the Additional Territory to pay for the Services; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Act, the special election was held on December 19, 2017; and

WHEREAS, the City Clerk of the City (the "City Clerk") has certified the canvass of the returns of the election and has filed a Canvass and Statement of Results of Election for the election (the "Canvass"), a copy of which is attached hereto as Exhibit A;

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.

SECTION 2. The City Council has received, reviewed and hereby accepts the Canvass.

SECTION 3. The City Council hereby finds and declares that the ballot proposition submitted to the qualified electors of the Additional Territory pursuant to the Resolution Calling Election have been passed and approved by such electors in accordance with Section 53339.8(a) of the Act.

SECTION 4. The City Council hereby determines that the Additional Territory is added to and part of the Community Facilities District with full legal effect.

SECTION 5. The boundaries of the Additional Territory added to and made a part of the Community Facilities District are described in the map recorded as Instrument No. 2017-0486555 in the County of San Bernardino in Book 87 at Page 70 of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of San Bernardino.

The boundaries of the territory of the Community Facilities District, including the Additional Territory, are described in the consolidated boundary map of the Community Facilities District (the "Consolidated Boundary Map") on file with the City Clerk, which map is hereby approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to sign the Consolidated Boundary Map and record, or cause to be recorded, the Consolidated Boundary Map with all proper endorsements thereon in the office of the County Recorder of the County of San Bernardino within 15 days of the date of adoption of this Resolution, all as required by Sections 3113 and 3113.5 of the California Streets and Highways Code.

SECTION 6. The City Clerk is hereby directed to prepare and record in the office of the County Recorder of the County of San Bernardino a notice of annexation of the Additional Territory pursuant to Section 3117.5 of the California Streets and Highways Code.

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 5<sup>th</sup> day of December 2017.

---

PAUL S. LEON, MAYOR

ATTEST:

---

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

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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 December 19, 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 December 19, 2017.

\_\_\_\_\_  
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

[See attached.]

CITY OF ONTARIO

COMMUNITY FACILITIES DISTRICT NO. 23  
(PARK PLACE SERVICES)

CANVASS AND STATEMENT OF RESULTS OF ELECTION

I hereby certify that on December 19, 2017, I canvassed the returns of the special election held on December 19, 2017 for the territory (the "Additional Territory") proposed to be annexed to City of Ontario Community Facilities District No. 23 (Park Place Services), that the total number of ballots cast in the Additional Territory and the total number of votes cast for and against the proposition are as follows and that the totals as shown for and against the proposition are true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Ontario Community Facilities District No. 23 (Park Place Services), Special Election, December 19, 2017	6	_____	_____	_____

PROPOSITION: Shall City of Ontario Community Facilities District No. 23 (Park Place Services) (the "Community Facilities District") be authorized to levy a special tax in the additional territory proposed to be annexed to the Community Facilities District to provide certain public services, all as specified in the resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Annex Territory to City of Ontario Community Facilities District No. 23 (Park Place Services) and to Authorize the Levy of Special Taxes Therein," adopted by the City Council of the City of Ontario on November 7, 2017, and the resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election to Levy a Special Tax Within Territory Proposed to be Annexed to City of Ontario Community Facilities District No. 23 (Park Place Services)," adopted by the City Council of the City of Ontario on December 19, 2017?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 19<sup>th</sup> day of December, 2017.

By: \_\_\_\_\_  
Sheila Mautz, City Clerk  
City of Ontario

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN CERTAIN TERRITORY ANNEXED TO CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 23 (PARK PLACE SERVICES).

WHEREAS, on March 18, 2014, 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"), adopted resolutions, entitled "A Resolution of the City Council of the City of Ontario, California, of Formation of the City of Ontario Community Facilities District No. 23 (Park Place Services), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District" (the "Resolution of Formation") and "A Resolution of the City Council of the City of Ontario, California, Calling Special Election for City of Ontario Community Facilities District No. 23 (Park Place Services)," which resolutions, among other things, established City of Ontario Community Facilities District No. 23 (Park Place Services) (the "Community Facilities District") and called an election within the Community Facilities District on the proposition of levying special taxes (the "Special Taxes") within the Community Facilities District to pay for certain public services (the "Services") and establishing an appropriations limit for the Community Facilities District; and

WHEREAS, on March 18, 2014, an election was held in which the qualified electors of the Community Facilities District, by more than the two-thirds vote required by the Act, approved said proposition; and

WHEREAS, on April 1, 2014, the City Council, pursuant to the Act, adopted Ordinance No. 2988, entitled "An Ordinance of the City Council of the City of Ontario, California, Levying Special Taxes Within the City of Ontario Community Facilities District No. 23 (Park Place Services)" ("Ordinance No. 2988"), which, among other things, authorized and levied the Special Taxes within the Community Facilities District; and

WHEREAS, on November 7, 2017, the City Council, pursuant to the Act, adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Intention to Annex Territory to City of Ontario Community Facilities District No. 23 (Park Place Services) and to Authorize the Levy of Special Taxes Therein" (the "Resolution of Intention") stating its intention to annex certain territory (the "Additional Territory") to the Community Facilities District, and to authorize the levy of the Special Taxes within the Additional Territory to provide the Services, and setting December 19, 2017 as the date for a public hearing to be held on the proposed annexation of the Additional Territory to the Community Facilities District; and

WHEREAS, on December 19, 2017, the City Council opened, conducted and closed said public hearing; and

WHEREAS, on December 19, 2017, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election to Levy a Special Tax Within Territory Proposed to be Annexed to City of Ontario Community Facilities District No. 23 (Park Place Services)," calling for a special election to submit to the qualified electors of the Additional Territory the proposition to levy the Special Taxes within the Additional Territory to pay for the Services; and

WHEREAS, on December 19, 2017, an election was held in which the qualified electors of the Additional Territory approved said proposition by more than the two-thirds vote required by the Act; and

WHEREAS, on December 19, 2017, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Declaring Results of Special Election, Determining That Certain Territory is Added to and Part of City of Ontario Community Facilities District No. 23 (Park Place Services), Approving of a Consolidated Boundary Map and Directing Recording of a Notice of Annexation," declaring the results of said special election and determining that the Additional Territory is added to and part of the Community Facilities District; and

WHEREAS, Section 53339.8(a) of the Act provides that, if two-thirds of the votes cast on the proposition are in favor of levying the special tax, after the canvass of the returns of the election, the legislative body may levy any special tax within the annexed territory, as specified in the resolution of intention adopted pursuant to Section 53339.2 of the Act, and as specified in the ordinance adopted pursuant to Section 53340 of the Act; and

WHEREAS, Section 53340 of the Act provides that, after a community facilities district has been created and authorized to levy specified special taxes pursuant to Article 3.5 of the Act (commencing with Section 53339 of the Act), relating to the annexation of territory, the legislative body may, by ordinance, levy the taxes at the rate and apportion them in the manner specified in the resolution adopted pursuant to Article 3.5 of the Act (commencing with Section 53339 of the Act), such resolution being the resolution of intention to annex territory to a community facilities district; and

WHEREAS, the Community Facilities District has been authorized to levy the Special Taxes within the Additional Territory pursuant to Article 3.5 of the Act (commencing with Section 53339 of the Act); and

WHEREAS, the Resolution of Intention provides that the Special Taxes are to be levied within the Additional Territory in accordance with the rate and method of apportionment specified in the Resolution of Formation (the "Rate and Method");

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

SECTION 1. The foregoing recitals are true and correct.



SECTION 2. The City Council hereby authorizes and levies the Special Taxes within the Additional Territory pursuant to Sections 53339(a) and 53340 of the Act, at the rate and in accordance with the Rate and Method. The Special Taxes are hereby levied commencing in fiscal year 2018-19 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. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the Special Taxes 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 Taxes be levied on any parcel within the Additional Territory in excess of the maximum tax specified therefor in the Rate and Method. The Special Taxes shall be levied on all of the parcels in the Additional Territory, unless exempted by law or by the Rate and Method.

SECTION 3. The proceeds of the Special Taxes shall only be used to pay, in whole or in part, the cost of providing the Services and incidental expenses pursuant to the Act.

SECTION 4. The Special Taxes 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 5. If for any reason any portion of this Ordinance is found to be invalid, or if any Special Tax is found inapplicable to any particular parcel within the Additional Territory, as applicable, by a court of competent jurisdiction, the balance of this Ordinance and the application of such Special Tax to the remaining parcels within the Additional Territory shall not be affected.

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

SECTION 6. 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.

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PAUL S. LEON, MAYOR

ATTEST:

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SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

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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 December 19, 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.

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SHEILA MAUTZ, CITY CLERK

(SEAL)