

# **Five Year Implementation Plan (2009/10 -2013/14)**



## **CITY OF ONTARIO REDEVELOPMENT AGENCY**

Resolution No. \_\_\_\_\_

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## **I. INTRODUCTION**

Section 33490 of the California Community Redevelopment Law ("Law") requires that a redevelopment agency administering a redevelopment plan prepare and adopt a five year implementation plan for its project areas. The principal goal of the implementation plan is to guide an agency in implementing its redevelopment program to help eliminate blighting influences. In addition, the affordable housing component of the implantation plan provides a mechanism for a redevelopment agency to monitor its progress in meeting both its affordable housing obligations under the Law and the affordable housing needs of the community. In effect, the implementation plan is a guide, incorporating the goals, objectives, and potential programs of an agency for the five-year implementation plan period ("Planning Period"), while providing flexibility so the agency may adjust to changing circumstances and new opportunities.

This document constitutes the FY 2009/10 through FY 2013/14 Implementation Plan ("Plan") for the Ontario Redevelopment Agency ("Agency"). This Plan outlines the programs of revitalization, economic development, and affordable housing activities for the Agency during the Planning Period.

The Affordable Housing Production Plan is included in the Housing Component of the Plan and covers historical and projected housing production in the Project Areas, the Agency's affordable housing production obligation, and the Agency's plans to meet its housing production obligation.

### **A. Organization**

Generally, the Plan must contain the following information:

- Specific goals and objectives for the next five years for both housing and non-housing activities.
- Specific programs and expenditures for the next five years for both housing and non-housing activities.
- An explanation of how the goals, objectives, programs and expenditures will assist in the elimination of blight and in meeting affordable housing obligations.

Other information related to the provision of affordable housing, including the Agency's housing replacement plan, if applicable, and its housing production obligation throughout the life of the Project Areas.

Section I of the Plan provides a basic discussion of the requirements under the Law, Project Areas Descriptions and Background, as well as goals and objectives for the Project Areas.

Section II summarizes the Agency's proposed non-housing activities and corresponding revenues and expenditures for the next five years, and provides a description of the blighting conditions and how these conditions will be alleviated by the Agency's proposed activities.

Section III addresses the affordable housing activities and expenditures and charts the Agency's progress in providing affordable housing, along with the Affordable Housing Production Plan.

Section IV discusses the responsibilities and regulations governing the administration of the Implementation Plan.

## **B. Requirements by Law**

For redevelopment plans adopted prior to January 1, 1994, the first implementation plan for fiscal years 1995-1999 was adopted by the Agency on December 6, 1994. The next five year implementation plan was adopted on December 21, 1999 by the Agency for years 2000-2004 and in January 1, 2005 for the years 2005-2009. This Implementation plan represents the fourth implementation plan prepared by the Agency and will cover the planning period of 2009/10 through 2013/14.

### **Assembly Bill 1290 Requirements**

Assembly Bill 1290 ("AB 1290") added Section 33490 to the Health and Safety Code. This section requires agencies to produce implementation plans every five years, beginning in 1994. Section 33490 has been amended numerous times since its original adoption. In accordance with this section, the implementation plan must contain the following, if applicable to the Agency:

#### Redevelopment Requirements

- Specific goals and objectives for each project area.
- Specific programs, including potential projects, for each project area.
- Estimated expenditures to address the remaining blight in the project areas.
- Explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project areas.

#### Housing Requirements

An explanation of how the goals, objectives, programs will achieve the required housing production as well as an explanation of expenditures of the Low and Moderate Housing Set-Aside Fund ("Housing Funds") as set forth in the Law. This explanation must include a detailed annual implementation plan for each of the five years covered by the Plan in order for performance to be measured. Additionally, the following must be included:

- The amount of money available in the Housing Fund, the amount of money expected to be deposited during the next five years and how those annual deposits to the Housing Fund will be spent.

- The estimated number of units to be provided over the next five and ten years to meet the Agency's 15 percent inclusionary housing requirements, if applicable.
- The number of qualifying very low-, low-, and moderate-income units that have been produced in the project area, and the number of additional units that will be required to meet the inclusionary housing requirements.
- The number of units that will be developed by the Agency, if any, including the number of units that the Agency will make available for very low-, low- and moderate-income households.
- If a planned public improvement or development project will result in destruction of existing affordable housing, an identification of proposed locations for their replacement will be required (Health and Safety Code Section 33413).
- The affordable housing production plan (Health and Safety Code Section 33413(b)(4)).

### **Assembly Bill 637 Requirements**

Assembly Bill 637 ("AB 637") created additional housing requirements on redevelopment agencies. It eliminated the sunset for most of the provisions in AB 1290 which had been in effect since January 1, 1994. AB 1290 contained a number of modifications to the inclusionary and housing production requirements contained in Section 33413(b) of the Health and Safety Code. The issues addressed by AB 637 include:

- Agency must target housing funds to the different income and age groups.
- 100 percent of removed or destroyed affordable units need to be replaced instead of 75 percent.
- Agency must keep a list of those persons displaced and who are to be given priority in the replacement housing plan.
- Agency must establish regulations of how and where Housing Funds may be used for onsite or offsite improvements.
- Covenants increased from 10 to 45 years in the case of owner occupied units, and from 15 to 55 years in the case of rental housing.
- Housing Funds are to be used only to the extent other reasonable means of private or commercial financing is not reasonably available.

The Agency is required to spend the Housing Fund in at least the proportion of the total housing need for each of the income groups as determined for the City

pursuant to Section 65584 of the Government Code (Regional Housing Needs Assessment). In addition, the Agency shall expend, over the duration of each redevelopment implementation plan period, the Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the population under 65 years of age in relation to the total population of the community as reported by the United States Census Bureau.

In accordance with Section 33490(a)(2)(A)(iii), the first time period to implement the requirements for targeting of Housing Funds is on or before December 31, 2014, and each ten years thereafter.

### **Senate Bill 701 Requirements**

Senate Bill 701 clarifies how AB 637 is to be implemented. The Agency will have until 2014 to comply with the legal requirements outlined in AB 637.

## **C. Project Area Background**

In order to effectively plan for the future development and revitalization of the five Project Areas ("Project Areas"), it is important to first gain an understanding of their history. In addition to describing their location and physical condition, this section will also describe the Agency's goals, objectives, and activities for each of the five Project Areas.

### **History of the Agency**

The Ontario Redevelopment Agency ("Agency") was activated on November 16, 1971 through the adoption of City of Ontario Ordinance No. 1771. The Agency was formed to identify and eliminate blighting conditions and stimulate economic investment within the community. On July 18, 1978, the Agency created its first project area, Project Area 1, and has since successfully adopted four additional project areas individually described in greater detail below.

The Agency was created to address blighting influences within the City, create, maintain and attract private investment, foster job creation, maintain and increase the supply of housing for very-low, low and moderate income households, and renovate, remove or replace deteriorated or dilapidated structures.

The following table outlines the Project Areas main benchmarks including date of adoption, authority to initiate eminent domain proceedings, date of effectiveness, timeframe to incur debt, and the time limit to collect tax increment.

<b>Redevelopment Project Areas</b>					
<b>Project Area</b>	<b>Adoption Date</b>	<b>Eminent Domain Authority</b>	<b>Timeframe for Indebtedness</b>	<b>Timeframe for Effectiveness of PA</b>	<b>Timeframe to Collect Tax Increment</b>
Project Area No. 1	July 18, 1978	December 18, 1996	January 1, 2004	July 18, 2018	July 18, 2028
Project Area No. 2	October 5, 1982	December 20, 2006	December 20, 2025	October 5, 2028	October 5, 2032
Cimarron*	October 7, 1980	June 19, 2019*	January 1, 2004	June 20, 2027	June 21, 2052
Center City	November 1, 1983	July 15, 1998	July 15, 2027	November 1, 2023	November 1, 2033
Guasti	July 17, 2001	July 17, 2013	July 17, 2021	July 17, 2032	July 17, 2047

\* Applies only to added area in 2007

### Project Area No. 1

Project Area No. 1 was established as the Agency's first project area through the adoption of City Ordinance No. 2008 on July 18, 1978. Over the last 31 years, in an effort to stay current with the Law and to meet the community's evolving needs, the Project Area has been amended ten times.

The Project Area is located in the eastern portion of the City and encompasses approximately 3,799 acres of commercial and industrial property. Notable features of Project Area No. 1 include Interstate 15 Corridor, the Ontario Auto Center, Ontario Mills Shopping Center, and Citizens Business Bank Arena. Project Area No. 1 also includes Piemonte at the Ontario Center. This project fulfills the community's need for an urban lifestyle center and will serve as a regional destination. The Agency anticipates that this mixed-use neighborhood will meet residents' increasing demand for high quality housing, retail, restaurant, and entertainment amenities.

### Project Area No. 2

On October 5, 1972 the Agency established its second Project Area with the approval of City Ordinance No. 2194. Project Area No. 2 is unique in that it was established primarily to meet the housing needs of the community. Project Area No. 2 is comprised of 17 non-contiguous areas zoned primarily for residential use. Project Area No. 2 has been amended five times, most notably in December 20, 1994 to add commercial properties to the then solely residential project area and most recently on July 17, 2007 to meet the requirements set forth by Assembly Bill 53.

Though significant findings of blight are still present within Project Area No. 2, great strides have been made to provide residents with affordable housing units and improved amenities. Key redevelopment projects that have taken place within Project Area No. 2 include Mountain Village, a vibrant, pedestrian-oriented, mixed-use area and Edwards Cinema Center which includes entertainment and commercial uses served by a multi-level parking structure and Gateway at Mountain Village which includes a mix of restaurant, retail and neighborhood serving office uses. Project Area No. 2 also includes Ontario Plaza located at Mountain Avenue and Fourth Street

which includes a revitalized commercial project anchored by an Albertson's Grocery Store and a 80 unit senior residential project. Project Area No. 2 currently contains 526 acres of land.

#### Cimarron Project Area

The Cimarron Project Area was established on October 7, 1980 by the passage of City Ordinance No. 2107 and, similarly to Project Area No. 2, is made up of non-contiguous primarily residential areas. The nine non-contiguous areas were established in order to continue to address the community's demand for affordable housing units that are available to low and moderate income households.

Though a majority of the parcels within the Cimarron Project Area are zoned for residential use, there is also a considerable amount of land utilized for industrial uses as well as a limited amount of commercially zoned property. A majority of the non-residential properties were included in order to address the need to develop land-uses that will be compatible with the growth that has risen as a result of the neighboring Ontario International Airport. The Project Area was amended for the 7<sup>th</sup> time in 2007 increasing the Project Area to 681 acres.

#### Center City Project Area

Center City Project Area was established on November 1, 1983 through the approval of City Ordinance No. 2254. Center City encompasses approximately 594 acres of land and contains Ontario's Civic Center, Main Library, the Museum of History and Art, Ontario Town Square, and the Law School of the University of La Verne. In addition to serving as home to a number of cultural and municipal amenities, the Center City Project Area also serves as the gateway to Ontario International Airport and the Ontario Convention Center.

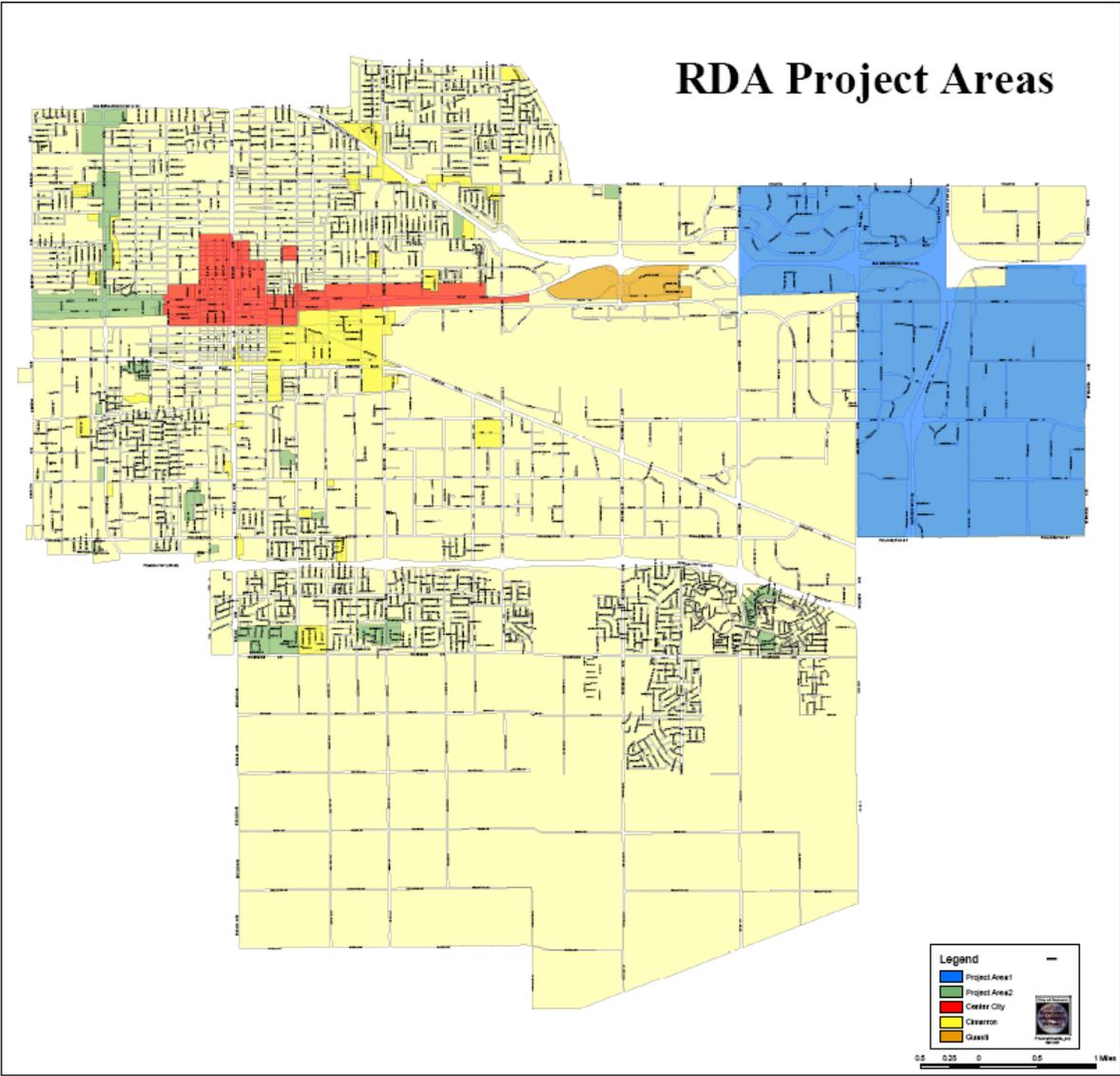
Though some residential properties are located along Holt Boulevard, the Project Area is predominantly occupied by commercial uses and encompasses most of the City's downtown. Due to the Project Area's close vicinity to the Ontario International Airport, compatible uses such as business parks, light industrial and commercial uses are encouraged along Holt Boulevard towards the Project Area's eastern edge. Along Euclid Avenue, however, more pedestrian-friendly uses are encouraged in order to create a district that will cater to the community's desire for entertainment, retail, restaurant, and professional services.

#### Guasti Redevelopment Project Area

The Guasti Redevelopment Project Area was established through the adoption of City Ordinance No. 2742 on July 17, 2001. The Project Area totals 182 acres in size and is sparsely developed with commercial and residential properties. The Project Area has been amended twice, on December 16, 2003 in response to Senate Bill 1045 and again on June 19, 2007 in response to Assembly Bill 53.

The Project Area contains a mix of preserved and rehabilitated structures associated with the historic Guasti vineyard and winery, a new compact district that will include retail, hospitality, entertainment, and possibly residential uses in a walkable community setting.

The largest development planned within the Guasti Redevelopment Project Area is the Ontario Airport Towers project. The three phase project includes a 150,000 square foot office building (completed in 2009), two six-story and one five-story office buildings and a retail building.



## SECTION II

### FIVE YEAR PLAN FOR THE ELIMINATION OF BLIGHT

## **II. FIVE YEAR PLAN FOR THE ELIMINATION OF BLIGHT**

### **A. Background**

This section describes the five year non-housing redevelopment program, including a summary of the deficiencies to be corrected, project and activity descriptions, and estimated revenues and costs. As they are implemented, these projects and activities may be modified over time to better serve the purposes of redevelopment and blight elimination. The cost estimates are preliminary and subject to refinement as the Agency's redevelopment activities, planning and implementation proceed. Some of these projects and activities may not be completed within the next five years, and thus, related costs may not be incurred in the next five years.

### **B. Agency's Goals**

Consistent with the Ontario Vision as adopted by the City Council which calls for "a sustained community-wide prosperity which continuously adds value and yields benefits" the Agency has identified the following general goals which are considered crucial to the success of the Project Areas:

#### **Agency Wide Administrative Goals**

- Eliminate blighted areas within the City of Ontario, which constitute physical, social, or economic liabilities requiring redevelopment in the interest of health, safety, and the general welfare of the City.
- Broaden and expand the economic base of the community, by fostering the vitality of the various Redevelopment Project Areas.
- Strengthen the relationship between the Agency and various City departments to standardize administrative processes and implement the General Plan and Development Code.
- Provide responsible fiscal management for Agency's activities.
- The Agency may also, during the 2009-2014 Planning Period, pursue a plan amendment that will possibly merge some or all of the Project Areas should benefits from such a merger be deemed appropriate by staff for the continued elimination of blight within the Project Areas. The merger will allow for the intra-agency transfer of funds from one redevelopment project area to another without finding of benefit resolutions and loan commitment resolutions that will allow the Agency to accomplish its goals and continue to address the blighting conditions within the Project Areas. The merger may include Project Area No. 1 and Guasti and/or Center City and Project area No. 2 and/or all Project Areas.

### **Project Area No. 1**

- Develop Piemonte at Ontario Center, a mixed-use urban lifestyle center and regional destination.
- Continue to encourage the addition of compatible uses within the Project Area that will compliment the Ontario Mills commercial complex and the Ontario Center office complex.
- Maximize the economic benefits to be received from the Ontario Mills Mall and the Ontario Center.
- Effectively manage the development of the Ontario Center.

### **Project Area No. 2**

- Continue to financially assist with public improvements in the Project Area.
- Support investment and improvements along the Holt Boulevard and Mountain Avenue corridors.
- Continue to cultivate Mountain Village as a pedestrian friendly destination that provides residents with day and night-time activities.

### **Cimarron Project Area**

- Maintain and improve the City's existing infrastructure and public improvements.
- Create opportunities for affordable housing within all of the non-contiguous sub-areas.
- Promote meeting the community's affordable housing needs as the primary focus of the Project Area.
- Upgrade the housing stock, reuse abandoned and vacant parcels, rezone parcels to conform to the Ontario General Plan, and consolidate parcels to drive economic investment.
- Facilitate the reuse of the Sunkist fruit packing plant, which is being abandoned because of the decline of agricultural production in the area. Reuse the plant site in conjunction with surrounding properties which are also blighted or contain obsolete or deteriorated structures.

### **Center City Project Area**

- Improve aesthetics on major corridors, promote the creation of a mixed-use urban village in the Civic Center area and preserve the City's historic commercial structures, neighborhoods, and housing stock.
- Continue to implement and monitor commercial uses along Holt Boulevard that will complement the Ontario Airport and provide services to travelers.

### **Guasti Redevelopment Project**

- Promote the creation of mixed-use urban centers in Guasti Plaza.
- Restore historic structures and develop complimentary new buildings.
- Create an entertainment district with a mix of hospitality, retail, entertainment and possibly residential uses in a compact walkable community setting.
- Develop strategies to address old warehouses, vacant fields, and unused workers housing east of Archibald Avenue.

In addition, the Agency aims to work, where feasible, with the City to achieve the following City Council goals:

- Develop strategies and take actions to minimize the negative impacts of the global financial downturn on Ontario's economy and the City's fiscal health.
- Invest in the growth and evolution of the City's economy.
- Maintain the current high level of public safety.
- Operate in a businesslike manner.
- 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, sewers, parks, storm drains and public facilities).
- Encourage, provide or support enhanced recreational, educational, cultural and healthy city programs, policies and activities.
- Ensure the development of a well planned, balanced, and self-sustaining community in the new Model Colony. Ontario's New Model Colony is the portion of the former San Bernardino County Agricultural Preserve annexed by the City in 1999. The New Model Colony encompasses approximately 8,200 acres and is

bounded by Riverside Drive to the north, Milliken Avenue and Hamner Avenue to the east, the Riverside County line and Merrill Avenue to the south, and Euclid Avenue to the west.

### **C. Agency's Objectives**

The Agency's objectives will help alleviate physical blighting conditions by addressing the use of unsafe buildings, physical obsolescence, a lack of parking, poor site conditions, shifting of uses, incompatible land uses, and irregularly shaped/inadequately sized parcels on properties throughout the Project Areas. These objectives will also help address economic blighting conditions by improving property values for properties that are suffering from depreciated and stagnant property values and any high crime activity within the Project Areas.

The following objectives are intended to provide a framework for efforts to attain the goals outlined above:

- Promote the vision of a "complete community".
- Encourage private investment in the Community.
- Promote quality new development and encourage renovation of existing residential and commercial structures.
- Provide affordable housing opportunities to City residents.
- Eliminate blighting conditions and revitalize deteriorating areas of the City.
- Expand the economic base, increasing revenues which help pay for local public services.
- Improve employment opportunities for local residents.
- Improve the overall quality of life.

### **D. Blight in the Project Areas**

The redevelopment tools contained in the Law are granted for use in a project area in order to eliminate and prevent the prevalence of blighting conditions. A blighted area is one that necessitates the creation of a redevelopment project area because the combination of conditions in an area constitute a burden on the community and cannot be alleviated by private enterprise, governmental action, or both. Law Section 33031 defines blight as follows:

## **Physical Conditions that Cause Blight**

- Unsafe, unhealthy and/or deteriorated buildings- Buildings and structures in which it is unsafe or unhealthy for people to live or work. Deferred maintenance that results in serious dilapidation and deterioration, faulty or, inadequate utilities, serious building code violations, and construction that is vulnerable to serious damage from seismic or geologic hazards.
- Physical conditions that substantially hinder the economic viability, use of Lots and/or buildings- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards
- Incompatible land uses- Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the Project Area.
- Lots of irregular shape, inadequate size and under multiple ownerships- The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and developments that are in multiple ownership, given present general plan and zoning standards and present market conditions.

## **Economic Conditions that Cause Blight**

- Depreciated, stagnant and/or impaired property values- Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of Agency authority as specified in Article 12.5 (commencing with Section 33459 of the Law).
- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots- Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots.
- Lack of neighborhood commercial facilities- A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Overcrowding- Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard reference in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.

- Excess of bars, liquor stores and/or excess of adult businesses- An excess of bars, liquor stores, or adult-oriented business that has resulted in significant public health, safety, or welfare problems.
- High crime rates- A high crime rate that constitutes a serious threat to the public safety and welfare of Project Area residents.

## **E. Blighting Conditions Present in the Project Areas**

### **Physical Blight Conditions Present in the Project Areas**

The Agency has been actively addressing all those physical blighting conditions present throughout the Project Areas as documented at the inception of the Project Areas, however, some physical blighting conditions remain. Those remaining blighting conditions present in the Project Areas include, to several degrees of severity, deteriorated buildings that are considered unsafe and unhealthy for persons to live, or work, to the extent that such conditions are caused by serious code violations, dilapidated and deteriorated buildings caused by long-term neglect, faulty and inadequate construction and public infrastructure. Other physical deterioration includes peeling paint, hazardous electrical wiring, leaking roofs, cracked plaster and other major structural deterioration that are deemed to be unhealthy and unsafe. In addition to structural deficiencies, there is also the presence of irregular and inadequate parcels for development.

The Agency has identified a high number of unsafe and/or obsolete structures as well as high number of incompatible, non conforming uses and irregular and inadequate parcels in Project Area No. 2 and Center City Project Area particularly along Mountain Avenue and Holt Boulevard respectively.

A recent blight survey completed during the last planning period as part of the plan amendment for the Cimarron Project Area found that on average 51% of the structures in the Project Area were deteriorated or exhibited deferred maintenance while approximately 19% of the parcels contained buildings that presented commercial obsolescence. Public infrastructure deficiencies affected approximately 28% of the Project Area. Incompatible land uses, subdivided lots of irregular form and shape and of inadequate size were also documented throughout the Project Area. Additionally, the Guasti Project Area presents obsolete and abandoned buildings.

### **Economic Blight Conditions Present in the Project Area**

Similarly, economic blight has been aggressively addressed by the Agency since the inception of the Project Areas. Conditions of economic blight addressed by the Agency include depreciated or stagnant property values, residential overcrowding and poverty, inadequate retail and commercial facilities, and crime and public safety risks. Economic blight can lead to an environment that creates diminished

economic opportunities to be undertaken by private entities or local government agencies.

In particular the Agency has identified a high prevalence of high vacancies in Project Area No. 1 and No. 2 as a result of the severe economic downturn. Center City Project Area has experienced some stagnant and/or impaired property values along with a high rate of business turnovers and vacancies, low lease rates.

In addition, Cimarron Project Area, as documented in the blight survey conducted during the previous planning period, continues to exhibit depreciated or stagnant property values, experience a high number of crimes along with a high concentration of adult business uses and overcrowding.

## **F. Redevelopment and Economic Development Activities during the Previous Planning Period (2004-2009)**

The Agency was extremely active during the previous planning period implementing a wide range of programs and projects throughout the Project Areas aimed at addressing blighting conditions in the Project Areas.

### **Project Area No. 1**

During the previous planning period the Agency undertook a diverse array of projects within Project Area No. 1. These activities include the conveyance of approximately 94 acres to improve land near the Ontario Center for an integrated mixed-use urban center and the conveyance of land for the development of a Mathis Brothers Furniture store, the financing of public parking to accommodate Citizen Business Bank Arena and to support the future mixed-use development in the area.



*Above: Citizens Bank Arena*

Additional projects included necessary infrastructure improvements in the form of street widening, storm drain improvements; curb and gutter; median improvements; median landscaping; traffic signals; street lighting; and signing and striping along Fourth Street. The Agency also contributed to construction costs of The Project Identity Sign located north of Interstate 10 Freeway between Haven and Milliken Avenues.

The following table shows key projects undertaken by the Agency in Project Area No. 1 and the blighting conditions addressed by those projects.

<b>Project Area No. 1 Programs/Activities</b>	<b>Blighting Conditions Addressed</b>
<p>The Agency entered into a Disposition and Development Agreement with Panattoni Development Company for the conveyance of approximately 94 acres located in the Ontario Center for the development of an integrated mixed-use urban center. Agency staff continues to implement the agreement with developer for the completion of the project.</p>	<ul style="list-style-type: none"> <li>- Depreciated, Stagnant, Impaired Property Values</li> <li>- Lack of neighborhood commercial facilities</li> <li>- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots</li> </ul>
<p>The Agency entered into a Disposition and Development Agreement with FF Realty, LLC and Regis Homes, LP for the conveyance of approximately 32 acres located in the Ontario Center for the development of high-quality multi-family housing.</p>	<ul style="list-style-type: none"> <li>- Depreciated, Stagnant, Impaired Property Values</li> </ul>



Above: 4<sup>th</sup> Street Improvements

<p>The Agency completed street improvements along Fourth Street between Haven and Milliken Avenues. Improvements included the widening of Fourth Street, replacing the existing earth channel with an underground concrete box structure, construction of a center median, median landscaping and irrigation, streetlights and traffic signals.</p>	<p>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</p>
<p>The Agency entered into a Disposition and Development Agreement and a Cooperation Agreement, on behalf of the City, with Mathis Brothers Oklahoma City, LLC for the conveyance of approximately 18 acres located in the Ontario Center for the development of a retail furniture store.</p>	<p>- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots</p>



Above: Mathis Brothers Furniture Store

**Project Area No. 2**

The primary goal of Project Area No. 2 is to meet the community’s need for affordable housing, thus a majority of the activities conducted during the last planning period revolve less around commercial development than those conducted in other Agency Project Areas. Additionally, funds were expended to relocate overhead utilities underground, improve streetscapes, and develop a mixed-use project at the intersection of Sixth Street and Mountain Avenue.

The following table shows additional key projects undertaken by the Agency in Project Area No. 2 and the blighting conditions addressed by them.

Project Area No. 2 Programs/Activities	Blighting Conditions Addressed
Gateway at Mountain Village redevelopment project located at the northeast corner of Sixth Street and Mountain Avenue was completed. The project includes a sit down family style restaurant, Starbucks coffee shop, retail, entertainment and quick food uses, and a neighborhood-serving office in a multi-story building, complete with ancillary landscaping and maintenance of common areas.	<ul style="list-style-type: none"> <li>- Depreciated, Stagnant, Impaired Property Values</li> <li>- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots</li> </ul>



Above: Gateway at Mountain Village

<p>The Agency acquired and demolished properties located north of Mountain Avenue for future redevelopment efforts along the Mountain Avenue Corridor.</p>	<ul style="list-style-type: none"> <li>- Unsafe, unhealthy and/or deteriorated buildings</li> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> <li>- Depreciated, Stagnant, Impaired Property Values</li> </ul>
<p>The Agency assisted with the redevelopment of Ontario Plaza, located at Mountain Avenue and Fourth Street. The project revitalized an existing commercial strip anchored by an Albertson's grocery store and includes sit down restaurants, retail and an 80 unit senior housing project.</p>	<ul style="list-style-type: none"> <li>- Depreciated, Stagnant, Impaired Property Values</li> <li>- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots</li> </ul>
<p>The Agency approved financing of the removal of overhead utilities and installation of underground utilities between G Street and Brooks Street.</p>	<ul style="list-style-type: none"> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> </ul>

### **Cimarron Project Area**

Similarly to Project Area No. 2, the Cimarron Project Area was established to provide safe and sanitary housing for persons of low and moderate income. However, Cimarron Project Area only encompasses approximately 15% of the land area that Project Area No. 2 does, and as a result experienced less activity during the previous planning period.

The following table shows additional key projects undertaken by the Agency in the Cimarron Project Area and the blighting conditions addressed by them.

<b>Cimarron Project Area Programs/Activities</b>	<b>Blighting Conditions Addressed</b>
The Agency successfully amended the Cimarron Redevelopment Project Area to add territory and address remaining blight in the Project Area by working with various City departments, legal counsel, and obtained community input with the creation of the Project Area Committee.	<ul style="list-style-type: none"> <li>- Unsafe/Unhealthy/Deteriorated Buildings</li> <li>- Incompatible Land Uses</li> <li>- Depreciated/Stagnant/Impaired Property Values</li> </ul>
The Agency entered into an Owner Participation Agreement for façade and site upgrades of property located at the southeast corner of Euclid Avenue and Philadelphia Street.	<ul style="list-style-type: none"> <li>- Depreciated, stagnant, Impaired Property Values</li> </ul>

### **Center City Project Area**

During the previous planning period Agency staff implemented a series of programs and development projects within the Center City Project Area. Most notable was the historic preservation and revitalization of Ontario Town Square as well as the expansion of the City’s Main Library and Civic Center. Additional activities include façade improvements to certain properties located along North Euclid Avenue and improvements to curbs, gutters, sidewalks, street lighting, utilities, traffic striping, and signing along East Holt Boulevard. A portion of East Holt Boulevard was also widened during the previous Planning Period.



Above: Main Library

The following table shows additional key projects undertaken by the Agency in the Center City Project Area and the blighting conditions addressed by them.

Center City Project Area Programs/Activities	Blighting Conditions Addressed
<p>The Agency completed a strategic plan, space plan, and design concepts for the Museum of History and Art, Ontario and surrounding area.</p>	<p>- Depreciated, stagnant, Impaired Property Values</p>
<p>The Agency acquired the properties located at:</p> <ul style="list-style-type: none"> <li>• 610 East Holt Boulevard</li> <li>• 205-209 South Vine Avenue</li> <li>• 603 North Euclid Avenue</li> </ul> <p>In addition it demolished the structures located at:</p> <ul style="list-style-type: none"> <li>• 114-128 East Holt Boulevard</li> <li>• 334 North Euclid</li> <li>• 211 West Transit Street</li> <li>• 228 West Emporia Avenue</li> <li>• 213 North Fern Avenue</li> </ul> <p>Conveyed an Agency owned historic structure located at 122 South Vine Avenue to the City of Ontario.</p> <p>The Agency undertook these actions to assist in the future redevelopment of Downtown Ontario.</p>	<p>- Unsafe, Unhealthy, Deteriorated Buildings</p> <p>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</p> <p>- Depreciated, stagnant, Impaired Property Values</p>

<p>The Agency has initiated and completed a number of actions for the redevelopment of the Emporia Arts District.</p> <p>These actions include the an amendment to a Disposition and Development Agreement with Arteco Partners for the conveyance and adaptive re-use of Agency owned structures as artists' work-live units. A Cooperation Agreement with the City of Ontario for the installation of streetlights in the Emporia Arts District.</p> <p>In addition, the Agency has collected all outstanding debt on Promissory Notes held by the Agency for the conveyance of Agency owned structures located at 119-125 West Transit Street and 223 and 301 West Emporia Street which are part of the Emporia Arts District.</p>	<ul style="list-style-type: none"> <li>- Incompatible Land Uses Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownerships</li> <li>- Depreciated/Stagnant/ Impaired Property Values</li> </ul>
<p>Assisted the Ontario Housing Authority with the acquisition and relocation Andy's Burger, formerly located at 405 East Holt Boulevard, in conjunction with overseeing the design of a new Andy's Burger located at 310 East Holt Boulevard.</p>	<ul style="list-style-type: none"> <li>- Incompatible Land Uses Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownerships</li> <li>- Depreciated/Stagnant/ Impaired Property Values</li> </ul>
<p>The Agency completed minor improvements of Agency owned historic structures located at 122 South Vine Avenue and 217 South Lemon Avenue to relocate the Code Enforcement and Fire Prevention Offices respectively.</p>	<ul style="list-style-type: none"> <li>- Unsafe, Unhealthy, Deteriorated Buildings</li> <li>- Depreciated/Stagnant/ Impaired Property Values</li> </ul>
<p>The Agency also completed public improvements in the Project Area including construction plans for public street improvement in connection with the widening of Holt Boulevard between 326 and 404-414 East Holt Boulevard and the relocation of utilities within the alley located at the southeast corner of Euclid Avenue and Holt Boulevard.</p>	<ul style="list-style-type: none"> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> </ul>
<p>The Agency assisted with grants for the façade improvements of Patton's Furniture located at 415 North Euclid Avenue for the installation of an "Anti-Graffiti" film designed to minimize storefront graffiti along Euclid Avenue. La Bamba Restaurant at 401 North Euclid Avenue received program funds for signage improvements as part of the Downtown Ontario Signage Program.</p>	<ul style="list-style-type: none"> <li>- Depreciated/Stagnant/ Impaired Property Values</li> </ul>
<p>The Agency also increased parking availability in the project area by creating an off-site parking lot at 101-125 South Vineyard Avenue in an effort to relieve overflow parking from the Ontario</p>	<ul style="list-style-type: none"> <li>- Depreciated/Stagnant/ Impaired Property Values</li> </ul>

Convention Center, a parking lot at 217 South Lemon Avenue to accommodate the relocation of the Ontario Fire Prevention Office and a parking lot at 401 West Holt Boulevard to accommodate the relocation Code Enforcement Offices.	
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**Guasti Project Area**

Since its inception in 2001, the Agency has focused efforts within the Guasti Redevelopment Project on supporting the rehabilitation of existing buildings and new development in the Project Area. The most notable action taken during the previous planning period was the completion of Phase 1 of the Ontario Airport Towers project, a three phase development that will continue into the Fiscal Year 2009/10 through 2013/14 planning period.

<b>Guasti Project Area Programs/Activities</b>	<b>Blighting Conditions Addressed</b>
Supported the effort of facilitating the rehabilitation of existing buildings and new development in the Guasti Project Area by entering into a Owner Participation Agreement to provide certain public improvements and structure protection.	<ul style="list-style-type: none"> <li>- Unsafe, Unhealthy, Deteriorated Buildings</li> </ul>
The Agency has negotiated terms for potential Agency participation for the comprehensive redevelopment of the former Guasti Winery property by the Oliver McMillan Company for a mixed-use urban center.	<ul style="list-style-type: none"> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> <li>- Unsafe, Unhealthy, Deteriorated Buildings</li> <li>- Depreciated/Stagnant/ Impaired Property Values</li> </ul>



Above: Ontario Airport Towers

<p>The Agency enter into an Owner Participation Agreement to provide certain public infrastructure for the Ontario Airport Towers project, a three phase development that will continue into the Fiscal Year 2009/10 through 2013/14 planning period.</p>	<p>- Depreciated/Stagnant/ Impaired Property Values</p>
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## **G. Redevelopment and Economic Development Activities over the Planning Period (2009-2014) and how these will Eliminate Remaining Blight in the Project Areas**

The Agency's proposed goals, objectives, programs and expenditures are designed to eliminate blighting influences in the Project Areas.

The ongoing economic development and redevelopment activities will signal to the private sector the Agency's commitment to improving the Project Areas and its commitment to enhancing their economic vitality by identifying the needs of existing businesses and attracting new ones. These activities will assist in reversing the physical and economic blight remaining in the project areas.

The Agency will continue to support private investment efforts to directly address some of the more serious blighting conditions within the Project Areas including deteriorated and obsolete buildings, underutilized and vacant properties, as well as the historic preservation of historic buildings in the Center City and Guasti Project

Areas. New or expanded commercial activity will enhance the economic vitality and generate jobs within the Project Areas and focused efforts will be dedicated to improve the continued economic viability of the Ontario Mills Mall and the Ontario Center located in Project Area No. 1 to minimize the impact of the sharp downturn of the economy could have on them. Economic development efforts geared towards improving tenancy and vacancy rates will be utilized during the Planning Period to curb the emergence of economic blight in the Project Areas.

The Agency will undertake projects and activities in the Project Areas over the next five years to alleviate blighting conditions and achieve its goals. The Agency will continue to work to strengthen the working relationships between the Agency and the various City Departments to standardize administrative process in the implementation of the General Plan and Development Code.

The Agency may also, during the 2009-2014 Planning Period, pursue a plan amendment that will possibly merge some or all of the Project Areas should benefits from such a merger be deemed appropriate by staff for the continued elimination of blight within the Project Areas. The merger will allow for the intra-agency transfer of funds from one redevelopment project area to another without finding of benefit resolutions and loan commitment resolutions that will allow the Agency to accomplish its goals and continue to address the blighting conditions within the Project Areas. The merger may include Project Area No. 1 and Guasti and/or Center City and Project area No. 2 and/or all Project Areas.

The following tables show specific activities and programs to be undertaken by the Agency to address the physical and economic blighting conditions remaining in the Project Areas. The Agency has allocated funds to programs and activities wherever possible, however, staff will evaluate programs and activities on an individual basis as economic and redevelopment opportunities arise within the Project Areas during the next five years, given that funds allocated to projects may vary depending on the regional economic climate and housing and retail trends as well as funds available.

<b>Project Area No. 1 Programs/Activities</b>	<b>Blighting Conditions to be Addressed</b>	<b>Cost to the Agency (2009-2014)</b>
The Agency will continue to focus on maximizing the economic benefits of the Ontario Mills Mall including addressing any vacancies and continued maintenance of the project.	<ul style="list-style-type: none"> <li>- Depreciated, Stagnant, Impaired Property Values</li> <li>- High business turnovers and vacancies, low lease rates</li> </ul>	The Agency will allocate staff time as necessary to carryout economic development activities.
The Agency will continue to focus on maximizing the economic benefits of the Ontario Center including addressing any	<ul style="list-style-type: none"> <li>- Depreciated, Stagnant, Impaired Property Values</li> </ul>	The Agency will allocate staff time as necessary to

<p>vacancies and enforcement of current agreements with developers that will result in the completion of the project during the Plan Period.</p>	<p>- High business turnovers and vacancies, low lease rates</p>	<p>carryout economic development activities.</p>
<p>The Agency will continue to administer the agreements to complete the Piemonte at Ontario Center Project. The project is a mixed-use urban center organized around the Citizens' Business Bank Arena. A full-service, first-class hotel, located adjacent to the arena. In addition the project will offer 400,000 sq. ft. of Class A office space and house national retail tenants within the 500,000 sq. ft. retail district.</p>	<p>- Depreciated, Stagnant, Impaired Property Values  - High business turnovers and vacancies, low lease rates  - Depreciated, stagnant, Impaired Property Values</p>	<p>The Agency will allocate staff time as necessary to carryout economic development activities.</p>

<b>Project Area No. 2 Programs/Activities</b>	<b>Blighting Conditions to be Addressed</b>	<b>Cost to the Agency (2009-2014)</b>
<p>The Agency will continue to focus its efforts to encourage revitalization of the Mountain Avenue Corridor including the improvement of the area aesthetics.</p>	<p>- Depreciated, Stagnant, Impaired Property Values  - High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots</p>	<p>The Agency will allocate staff time as necessary to carryout economic development activities.</p>

<b>Center City Project Area Programs/Activities</b>	<b>Blighting Conditions to be Addressed</b>	<b>Cost to the Agency (2009-2014)</b>
<p>The Agency will continue to use the Façade Improvement Program as a tool to enhance the vibrancy of the retail and commercial environment of the Euclid Avenue District, specifically on Euclid Avenue between G Street and Holt Boulevard in downtown Ontario.</p> <p>The program provides assistance in the form of a grant for property owners and tenants to renovate their building facades. The goal of the program is to create and maintain attractive storefronts, as well as, signage and awning that create a healthy pedestrian ambience that promotes retailers and attracts shoppers.</p>	<p>- Depreciated, Stagnant, Impaired Property Values</p>	<p>The Agency will allocate staff time as necessary to carryout economic development activities.</p>
<p>The Agency completed a strategic plan, space plan, and design concepts for the Museum of History and Art, Ontario and surrounding area and will continue to pursue uses that complement the museum.</p>	<p>- Depreciated, Stagnant, Impaired Property Values</p>	<p>The Agency will allocate staff time as necessary to carryout economic development activities.</p>

<p>The Agency will continue to administer the agreements to develop the Ontario Town Square. The project aims to revitalize Ontario's historic Euclid Avenue district located in the downtown area. The mixed-use project includes 12 blocks of the downtown core, including City Hall, library, and the Ontario Senior Center. It will include approximately 300 housing units and 76,000 square feet of retail space. Phase 1 of the project has been completed which includes multifamily housing and condominiums. Phase 2, currently under construction will include a senior housing project that is projected to include three floors of housing above ground floor retail. Phase 2 of the project is expected to be completed in 2010.</p>	<ul style="list-style-type: none"> <li>- Unsafe, Unhealthy, Deteriorated Buildings</li> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> <li>- Depreciated, stagnant, Impaired Property Values</li> </ul>	<p>\$9,800,000</p>
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*Above: View of Downtown Area*

<p>The Agency will continue to pursue the redevelopment and revitalization of the Holt Avenue corridor. Projected activated include working with current business owners to improve the aesthetics of the corridor with façade improvement programs. In addition, the Agency will seek to minimize</p>	<ul style="list-style-type: none"> <li>- Incompatible Land Uses</li> <li>- Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownerships</li> <li>- Depreciated/Stagnant/</li> </ul>	<p>\$3,000,000</p>
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incompatible uses and impact of irregularly shaped lots and vacant parcels through potential acquisition of lots in order to facilitate redevelopment activities.	Impaired Property Values	
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<b>Cimarron Project Area Programs/Activities</b>	<b>Blighting Conditions to be Addressed</b>	<b>Cost to the Agency (2009-2014)</b>
The Agency will pursue plans to redevelop the former Sunkist Plant, including the needed environmental remediation.	<ul style="list-style-type: none"> <li>- Unsafe/Unhealthy/Deteriorated Buildings</li> <li>- Incompatible Land Uses</li> <li>- Depreciated/Stagnant/Impaired Property Values</li> </ul>	\$7,000,000
The Agency will pursue redevelopment and revitalization activities along the 4 <sup>th</sup> Street and Grove Avenue to mitigate a high number of adult uses and lack of community and commercial facilities. The Agency will utilize façade improvements and business attraction and retention programs.	<ul style="list-style-type: none"> <li>- Depreciated, stagnant, Impaired Property Values</li> <li>- Unsafe/Unhealthy/Deteriorated Buildings</li> </ul>	The Agency will allocate staff time as necessary to carryout revitalization activities and will allocate funds as necessary for redevelopment activities.

<b>Guasti Project Area Programs/Activities</b>	<b>Blighting Conditions to be Addressed</b>	<b>Cost to the Agency (2009-2014)</b>
<p>The Agency will continue to manage the agreement to develop the Ontario Airport Towers project. The Project is a three phase development that will continue into the Fiscal Year 2009/10 through 2013/14 planning period. The project may include 375,000 square feet of Class A office space and 10,000 square feet of retail.</p> <p>A first phase consisting of six-story, 150,000 square building has been completed.</p>	<ul style="list-style-type: none"> <li>- Depreciated, stagnant, Impaired Property Values</li> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> </ul>	The Agency will allocate staff time as necessary to carry out the development agreement and economic development activities.



Above: The Airport Towers Project

<p>The Agency will pursue redevelopment and revitalization activities along Euclid Avenue and Philadelphia Street to improve the area aesthetics. The Agency will utilize façade improvements and business attraction and retention programs.</p>	<ul style="list-style-type: none"> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> <li>- Depreciated/Stagnant/ Impaired Property Values</li> <li>- High business turnovers and vacancies, low lease rates, abandoned Buildings and vacant Lots</li> </ul>	<p>\$700,000</p>
<p>The Agency has negotiated terms for potential Agency participation for the comprehensive redevelopment of the historic Guasti Winery property by the Oliver McMillan Company for a mixed-use urban center. The project may include retail, restaurant, entertainment, office, hotel and residential uses.</p>	<ul style="list-style-type: none"> <li>- Unsafe, Unhealthy, Deteriorated Buildings</li> <li>- Depreciated/Stagnant/ Impaired Property Values</li> <li>- Physical Conditions that Substantially Hinder the Economic Viability and Use of Lots and Buildings</li> </ul>	<p>\$15,000,000</p>



*Above: Historic Guasti Winery*

### **Capital Improvements**

The City of Ontario has developed a Five Year Capital Improvement Program (“CIP Program”) which includes certain improvement to the Project Areas. The CIP Program includes public improvements to a Fire Station in Project Areas No. 2, and street improvements Project Area No. 1. The CIP Program allocates \$2,871,850 over the next five years from Agency funds.

### **Housing Component**

The Agency will continue to utilize Housing Funds to increase and preserve affordable housing for very low-, low-, and moderate-income households. Section III describes the planned housing activities by the Agency.

## **H. Five-Year Financial Plan**

Over the next five years, the Agency will undertake those activities that can be financially supported by its revenue stream. The Agency must make statutory pass-through payments pursuant to Health and Safety Code Section 33607.7 as a result of an amendment to the redevelopment plans to remove the timeframe to incur indebtedness.

The Agency projects revenues equaling approximately \$275.5 million for the Planning Period from three revenue sources:

- Annual tax increment revenues,
- Bond issuance proceeds, and
- Other Agency and non-Agency revenues

The available revenues for non-housing projects and activities are summarized in the following table:

<b>City of Ontario Redevelopment Agency 2009-2014 Revenues and Expenditures</b>						
	- 1 - 2009-10	- 2 - 2010-11	- 3 - 2011-12	- 4 - 2012-13	- 5 - 2013-14	Total
<b>GENERAL TAX INCREMENT FUNDS</b>						
Beginning Cash Balance	\$ 88,641,210	\$ 77,205,969	\$ 65,904,740	\$ 50,135,363	\$ 34,908,466	
<b>Revenue</b>						
Tax Increment Revenue						
<i>Project Area No. 1</i>	\$ 32,358,514	\$ 32,682,099	\$ 33,335,741	\$ 34,002,456	\$ 34,682,505	\$ 199,419,827
<i>Project Area No. 2</i>	\$ 4,457,737	\$ 4,502,314	\$ 4,592,360	\$ 4,684,208	\$ 4,777,892	\$ 27,472,248
<i>Center City Project Area</i>	\$ 2,441,752	\$ 2,466,170	\$ 2,515,493	\$ 2,565,803	\$ 2,617,119	\$ 15,048,088
<i>Guasti Project Area</i>	\$ 673,528	\$ 680,263	\$ 693,869	\$ 707,746	\$ 721,901	\$ 4,150,835
<i>Cimarron Project Area</i>	\$ 1,476,471	\$ 1,491,236	\$ 1,521,061	\$ 1,551,482	\$ 1,582,511	\$ 9,099,232
Interest	\$ 3,290,696	\$ 3,323,603	\$ 3,390,075	\$ 3,457,877	\$ 3,527,034	\$ 20,279,981
Other Revenue	\$ 3,734	\$ 3,771	\$ 3,847	\$ 3,924	\$ 4,002	\$ 23,012
<b>Total Revenue</b>	<b>\$ 44,702,432</b>	<b>\$ 45,149,456</b>	<b>\$ 46,052,445</b>	<b>\$ 46,973,494</b>	<b>\$ 47,912,964</b>	<b>\$ 275,493,222</b>
<b>Total Funds Available</b>	<b>\$ 133,343,642</b>	<b>\$ 122,355,425</b>	<b>\$ 111,957,185</b>	<b>\$ 97,108,857</b>	<b>\$ 82,821,430</b>	
<b>Expenditures/Fees</b>						
Pass Through Payments						
<i>Project Area No. 1</i>	\$ 2,872,535	\$ 2,901,260	\$ 2,959,286	\$ 3,018,471	\$ 3,078,841	\$ 17,702,928
<i>Project Area No. 2</i>	\$ 1,401,407	\$ 1,415,421	\$ 1,443,729	\$ 1,472,604	\$ 1,502,056	\$ 8,636,625
<i>Center City Project Area</i>	\$ 350,478	\$ 353,983	\$ 361,062	\$ 368,284	\$ 375,649	\$ 2,159,934
<i>Guasti Project Area</i>	\$ 164,292	\$ 165,935	\$ 169,254	\$ 172,639	\$ 176,091	\$ 1,012,503
<i>Cimarron Project Area</i>	\$ 397,085	\$ 401,056	\$ 409,077	\$ 417,259	\$ 425,604	\$ 2,447,165
Debt Service	\$ 22,907,943	\$ 22,907,943	\$ 22,907,943	\$ 22,907,943	\$ 22,907,943	\$ 114,539,715
Administration and Professional Services	\$ 9,201,107	\$ 9,385,129	\$ 9,572,832	\$ 9,764,288	\$ 9,959,574	\$ 47,882,930
Capital Improvement Projects	\$ 27,455	\$ 28,279	\$ 29,127	\$ 30,001	\$ 30,601	\$ 145,463
Economic Development Projects	\$ 3,815,371	\$ 3,891,678	\$ 3,969,512	\$ 4,048,902	\$ 4,129,880	\$ 19,855,344
Projects and Programs						
<i>Development Activities</i>	\$ 15,000,000	\$ 15,000,000	\$ 20,000,000	\$ 20,000,000	\$ 25,000,000	\$ 95,000,000
<b>Total Expenditures</b>	<b>\$ 56,137,673</b>	<b>\$ 56,450,685</b>	<b>\$ 61,821,822</b>	<b>\$ 62,200,391</b>	<b>\$ 67,586,240</b>	<b>\$ 304,196,810</b>
<b>Ending Cash Balance</b>	<b>\$ 77,205,969</b>	<b>\$ 65,904,740</b>	<b>\$ 50,135,363</b>	<b>\$ 34,908,466</b>	<b>\$ 15,235,190</b>	

## **Tax Increment Revenues Available for Non-housing Projects and Activities**

Tax increment revenues generated in the project areas before payment of pass-through payments, Agency administration, debt service, and excluding housing fund obligations during the next five-year period are projected to be approximately \$255 million.

## **Other Agency and Non-Agency Revenues**

Whenever possible, the Agency has been and will continue to leverage other funds in connection with its redevelopment efforts including the targeting local, state and federal funding sources to assist in financing eligible projects. As permitted by law, possible funding sources include government grants and assistance programs, as well as private sector sources.

In addition, the City's development impact fees generated from new development will be source of public infrastructure and facilities funding when feasible. The Agency will also pursue funds from federal programs including CDBG and HOME, in addition to state and county programs.

## **I. Five Year Expenditures**

The estimated cost of the non-housing activities and projects for the implementation planning period of FY2009/10 to FY 2013/14 will be approximately \$304 million. The funds will be spent on activities to alleviate blighting conditions including public infrastructure and facilities, economic development activities, and community beautification and visual blight removal projects. The nature and scope of the activities and expenditures have been shaped primarily by the Agency's goals and objectives for the project areas, available revenues for funding projects and activities, and blighting factors to be eliminated within the project areas.

The projects and activities proposed in this implementation plan are in part based in certain assumptions made by the Agency relating to revenues, market conditions, community needs and priorities and developer interest. Consequently, should the Agency assumptions not be realized or unforeseen circumstances arise, modifications in projects and activities may be required.

Section III  
HOUSING COMPONENT

### **III. HOUSING COMPONENT**

Pursuant to the California Redevelopment Law ("Law"), agencies must adopt an affordable housing compliance plan that identifies how the agency will meet the affordable housing requirements for a redevelopment project area. This section of the Implementation Plan addresses certain requirements in the Law regarding previous affordable housing activities and the housing program proposed for the current ten year planning period ("Compliance Period"). Currently, the Compliance Period represents fiscal years 2004-05 through 2013-14. This Housing Component amends the Housing Component originally proposed for the Compliance Period in the Implementation Plan for fiscal years 2004-05 through 2008-09 by updating the Agency's Housing Goals and proposed work program for the Compliance Period as well as evaluating the Agency's progress towards meeting the requirements set forth in the Law.

This section of the Implementation Plan describes the obligations the Agency will undertake pursuant to requirements under California Redevelopment Law. This housing component of the Implementation Plan contains the following:

- Housing Program - Estimates the number of new, rehabilitated, and restricted units to be assisted during the next five years by the Agency and estimates of Housing Fund expenditures for the next five years. Also assesses the Agency's requirement to provide replacement housing units for units removed or destroyed.
- Housing Funds - An account of available Housing Funds and the estimated amounts to be deposited in the Housing Fund during the next five years.
- Expenditures - A description of how the housing program will implement the requirements to spend the Housing Funds over a ten year period for very-low income households, low income households, and housing for residents under the age of 65.

The Agency is also guided by the City of Ontario's Housing Element as part of the General Plan. The goals, policies, and strategies described in this section are intended to be implemented by the Agency.

#### **A. Requirements**

##### **Agency's Statutory Affordable Housing Obligations**

The Agency must allocate no less than twenty percent of its gross tax increment to the Housing Fund for the purpose of increasing, improving and preserving the supply of housing available to very-low, low and moderate income households.

In addition, Senate Bill 211 approved by the legislature in 2001 requires agencies, on or after January 1, 2001, to require housing units assisted with

Housing Funds to remain affordable for the longest feasible time, but no less than 45 years for owner occupied units and not less than 55 years for rental units.

## **B. Policy Declaration Regarding Targeting of Monies from the Housing Fund according to Income Need**

Pursuant to Section 33334.4 of the Law, Housing Fund monies are required to be spent over the ten year planning period of the Implementation Plan in at least the same proportion to the total number of housing units needed for very-low, low, and moderate income groups within the community, as determined for the City pursuant to Section 65584 of the Government Code.

In accordance with Section 33490(a)(2)(A)(iii), the first time period to implement the requirements for targeting of Housing Funds is on or before December 31, 2014, and each ten years thereafter.

According to the Final Regional Housing Allocation Plan ("RHNA"), for the planning period between January 1, 2006 and June 30, 2014, the housing for very-low and low income households represents 68.3% percent of the City's total housing need. The following table shows the proposed fair share allocation for the different income groups.

<b>Regional Housing Need Allocation</b>		
Income Level	RHNA Allocation (Units) <sup>1</sup>	Targeting Requirement (% of Total)
Very-Low Income	1,828	40.7%
Low Income	1,243	27.6%
Moderate Income	1,425	31.7%
<b>Total</b>	<b>4,496</b>	<b>100.0%</b>

<sup>1</sup> Source: SCAG Final RHNA Plan, Planning Period Jan. 2006 - June 30, 2014. Approved 7/12/07

As illustrated in above table the Agency is required to spend 40.7% of its Housing Funds on very-low income households, and 27.6% and 31.7% on low and moderate income households respectively.

As permitted under Section 33334.4(a) of the Law, agencies are able to shift and/or reduce their income targeting requirement if other locally controlled funds are available for those targeted income groups. These additional funds, however, must not be used in combination with Housing Fund monies and long term affordability must be met, 45 years for owner occupied and 55 years for rental housing. Such locally controlled funds include CDBG, HOME and fees received by the City pursuant to inclusionary housing programs.

In addition, the Agency shall expend over the duration of each redevelopment implementation plan, the moneys in the Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under 65 years bears to the total number of low-income households of the community as reported in the most recent

census of the United States Census Bureau. Based on the Comprehensive Housing Affordability Strategy ("CHAS") published by the Department of Housing and Urban Development ("HUD") which uses data from the 2000 U.S. Census the City of Ontario's proportion is identified in following table:

<b>Housing Fund Expenditures Age Proportionality Requirement</b>		
Age	Low Income Households <sup>1</sup>	Percentage
Less Than 65 Years	14,747	82.8%
65 Years and Over	3,065	17.2%
Total	17,812	100.0%

<sup>1</sup> Source: Comprehensive Housing Affordability Strategy

The Agency is required to make 82.8% of its housing production available to households under the age of 65.

### **C. Replacement Housing**

The Agency must replace any housing units that have been demolished or removed from the affordable housing stock as a result of a redevelopment project or program, the Agency must do so within four (4) years after they are removed from the market. The replacement housing obligation is triggered when units are destroyed or removed by a redevelopment project, which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency. Vacant units that could reasonably be expected to be occupied by low or moderate income households if occupied must be replaced within four (4) years of their removal and may be located anywhere within the territorial jurisdiction of the City.

When dwelling units are destroyed or removed after January 1, 2002, Section 33413(a) requires that all the replacement units be available at affordable housing cost to the same household income level as the households that were displaced from the destroyed or removed units. Income limits for replacement units are equivalent to those for inclusionary units.

Pursuant to the Law, Section 33413(f)(1)(2), the Agency may replace destroyed or removed dwellings with fewer units if the replacement units have a greater or equal number of bedrooms and are affordable to household of the same income level as the destroyed or removed units.

The following table outlines the Agency's Replacement Housing obligation:

<b>Replacement Housing Obligation</b>												
		Very-Low Income Units				Low/Moderate Income Units				Total Units	Total Bedrooms	
		0/1Bed	2Bed	3Bed	4Bed	0/1Bed	2Bed	3Bed	4Bed		VL	Low/Mod
Through 7/1/2004	Demolished	0	17	0	0	12	2	1	0	32	34	19
	Replaced	0	0	0	0	0	0	0	0	0	0	0
	Surplus (Deficit)	0	(17)	0	0	(12)	(2)	(1)	0	(32)	(34)	(19)
7/1/2004 - 6/30/2009	Demolished	1	11	5	7	18	53	21	7	123	66	215
	Replaced	0	14	0	0	23	31	3	15	86	28	154
	Surplus (Deficit)	(1)	3	(5)	(7)	5	(22)	(18)	8	(37)	(38)	(61)
7/1/2009 - 6/30/2014	Demolished	0	0	0	0	0	0	0	0	0	0	0
	Replaced	1	14	5	7	7	23	1	6	64	72	80
	Surplus (Deficit)	1	14	5	7	7	23	1	6	64	72	80
Total Removed		1	28	5	7	30	55	22	7	155	100	234
Total Produced		1	28	5	7	30	54	4	21	150	100	234
Cumulative Surplus (Deficit) Through June 30, 2014		0	0	0	0	0	(1)	(18)	14	(5)	0	0

Source: City of Ontario Redevelopment Agency

Pursuant to Section 33413(f)(10(2) of the Law, the Agency may replace the removed housing units with fewer units if the replacement units have a greater number of bedrooms. The Agency has replaced all units removed based on the one for one basis of bedrooms removed at the very-low, low income, and moderate-income levels.

#### **D. Housing Production Requirements**

Redevelopment project areas adopted on or after January 1, 1976 and territory added to project areas by amendments adopted on or after January 1, 1976 must meet the affordable housing production requirements. As part of the Implementation Plan, agencies must adopt a plan showing how the Agency intends to meet its housing production requirement ("Housing Production Plan").

Prior to the time limit on the effectiveness of a redevelopment plan, at least 30 percent of the new or substantially rehabilitated housing developed by the Agency in Project Areas must be restricted for low and moderate income households, with 50 percent of the total restricted units reserved for very-low income households.

Not less than 15 percent of the housing proceeds by public or private entities other than the Agency within the Project Areas must be restricted for low and moderate-income households, with 40 percent of the total restricted units reserved for very-low income households.

Prior to January 1, 2002, the units must be price restricted for the longest feasible time but not less than the period of time the land use controls of the redevelopment plan remain in effect. For owner occupied housing, current Law provides a limited exception to this covenant requirement by allowing a non-qualifying sale of an affordable production unit provided that the Agency replaces the unit within three (3) years at the same income level as the original. After January 1, 2002, units must remain affordable for the longest feasible time, but no less than 55 years for rental units and 45 years for the homeownership unit.

The Implementation Plan must include the following information regarding the Agency's housing production obligations for its Project Areas:

- The number of units of very-low, low and moderate income housing which have been developed within the project area which meet the production requirements;
- An estimate of the number of new, substantially rehabilitated, or price restricted residential units to be developed or purchased within the project areas, both over the life of the redevelopment plan and during the next ten years;
- An estimate of the number of units of very-low, low, and moderate income housing required to be developed within project areas in order to meet the production requirements;
- An estimate of the number of Agency developed residential units which will be developed during the next five years; and

- An estimate of the number of Agency developed units for very-low, low, and moderate income households during the next five years.

The following table outlines the production of affordable housing units within the City of Ontario:

<b>Inclusionary Housing Requirements</b>						
	Inception through 1999	1999 to 2004	2004 to 2009	2009 to 2014	2014 - Lifetime <sup>1</sup>	Total
Total Construction	3,576	242	1,099	87	157	5,161
<b>Units Required<sup>2</sup></b>						
Low/Mod Income	536	36	165	13	24	774
Very Low-Income	215	15	66	5	9	310
<b>Affordable Units Constructed Inside Project Area</b>						
Low/Mod Income	214	120	293	83	24	734
Very-Low Income	28	65	11	70	9	183
<b>Affordable Units Constructed Outside PA<sup>3</sup></b>						
Low/Mod Income	214	37	107	2	0	360
Very-Low Income	36	6	76	0	0	118
<b>Total Affordable Housing Production</b>						
Low/Mod Income	428	157	400	85	24	1,094
Very-Low Income	64	71	87	70	9	301
<b>Surplus (Deficit)</b>						
Low/Mod Income	<b>(108)</b>	<b>121</b>	<b>235</b>	<b>72</b>	<b>0</b>	<b>320</b>
Very Low-Income	<b>(151)</b>	<b>56</b>	<b>21</b>	<b>65</b>	<b>0</b>	<b>(9)</b>

Source: Ontario Redevelopment Agency

(1) Projection based upon maximum build out per vacant parcels and City zoning requirements

(2) Section 33413(b)(2)(i) of the Law requires that 15% of all units built must be available to low and moderate income households with 40% of the 15% available to very low income households

(3) Units constructed outside of the Project Areas must be counted on a one-to-two basis

Over the course of the lifetime of the Project Areas, a total of 734 units constructed for low or moderate income residents are projected to be produced. Included within this number, 183 very-low units were produced within the Project Areas. Pursuant to the Law Section 33413(b)(2)(II), affordable units produced outside of a project area may only be counted at 50% inclusionary housing credit. Applying the one-to-two ratio to the number of units produced outside of the Project Areas results in 360 low/moderate units and 118 very-low income units. A total of 1,094 units including 301 units for very-low income households were produced. The Agency currently has a surplus of 320 low and moderate units; however a deficit of 9 very-low income units exists and will be addressed during the remainder of the Compliance Period.

The Agency's expects to produce 87 housing units during the 2009-2014 Planning Period. As a result, the Agency is required to restrict 13 units for low and moderate income households including 5 units that will be restricted for very-low income households. The same requirement is applied for units projected to be privately produced within the Project Areas between 2014 and the end of their lifetime.

The number of projected privately developed units for this time period is estimated to be 157. This estimate is derived by analyzing the available land in the Project Areas and taking in consideration the maximum densities allowed in those parcels. Currently, there are 11 vacant parcels within the Project Areas, 9 zoned R2 and 2 zoned R3. A maximum of 16 units are permitted per acre within properties zoned R2 and a maximum of 25 units are permitted per acre for properties zoned R3. As result, a total of 157 units may potentially be developed within the Project Area per the allowed zoning and available sites.

## E. Law Restrictions on the Use of the Housing Fund

As of January 1, 2002, there are additional restrictions on the use of monies from the Housing Fund. Redevelopment agencies are now required to spend Housing Funds in proportion to the community's need as defined in the City's Housing Element.

The City of Ontario's Housing Element, adopted by the City Council and certified by the State Department of Housing and Community Development in 2005, concluded that there was a need for 491 very-low income units, 373 low income units, and 498 moderate income units. The data presented in the following table indicates the percentage of funds from the Housing Fund to be spent on each income category over a 10-year time frame ending in 2014. Notwithstanding this requirement, funds required to be expended within a higher income category can be utilized for a lower income category.

<b>Regional Housing Need Allocations per SCAG</b>				
Income Level	2000 Housing Element <sup>1</sup>		2007 RHNA <sup>2</sup>	
	Allocation	Targeting	Allocation	Targeting
Very Low	495	36.2%	1,828	40.7%
Low	373	27.3%	1,243	27.6%
Moderate	498	36.5%	1,425	31.7%
<b>Total</b>	<b>1366</b>	<b>100.0%</b>	<b>4,496</b>	<b>100.0%</b>

<sup>1</sup> Source: SCAG RHNA for 1998-2005

<sup>2</sup> Source: SCAG Final RHNA Plan, Planning Period Jan. 2006 - June 30, 2014. Approved 7/12/07

The Southern California Association of Governments has determined that for the planning period of 2006 through 2014, the City of Ontario will necessitate 1,828 units for very low income households, and 2,668 for low and moderate income households.

Additionally, the Law requires the Agency to report the estimated expenditures for each income category for the next five years (2009-2014). The following table shows estimated amounts to be spent in each of the next five years for each of the income categories:

<b>Projected Housing Fund Expenditures per Income Category</b>				
<b>FY 2009/10 - 2013/14</b>				
Fiscal Year	Total Funds Available for Housing	Expenditure of Housing Funds for Very Low-Income Housing	Expenditure of Housing Funds for Low-Income Housing	Expenditure of Housing Funds for Moderate-Income Housing
Fund Balance				
FY 2009/10	\$ 57,442,769	\$ 23,379,207	\$ 15,854,204	\$ 18,209,358
FY 2010/11	\$ 52,523,532	\$ 21,377,078	\$ 14,496,495	\$ 16,649,960
FY 2011/12	\$ 51,138,019	\$ 20,813,174	\$ 14,114,093	\$ 16,210,752
FY 2012/13	\$ 50,512,829	\$ 20,558,721	\$ 13,941,541	\$ 16,012,567
FY 2013/14	\$ 50,034,251	\$ 20,363,940	\$ 13,809,453	\$ 15,860,858
<i>Subtotal</i>				
<b>Total</b>	<b>\$ 261,651,401</b>	<b>\$ 106,492,120</b>	<b>\$ 72,215,787</b>	<b>\$ 82,943,494</b>

## F. Agency Housing Activities/Use of Monies in the Housing Fund

During the previous Planning Period, the Agency and the City of Ontario targeted homeowners and renters. The City used CDBG, HOME, and housing set-aside funds to implement affordable housing programs. The City addressed its housing goals and requirements through housing activities outlined in the following table:

<b>Program/Project</b>	<b>Type of Assistance</b>	<b>Accomplishments</b>
Ontario Town Square	Tax Increment funds and Housing Set Aside	A total of 300 housing units were constructed of which 160 are restricted to moderate income households. Approximately \$11 million was invested to improve public infrastructure to allow construction of these units. The first phase of Ontario Town Square represents approximately \$80 million of investment within downtown Ontario.
Palm Terrace	HOME, Section 202	Constructed 139 very low-income senior units, with a total construction cost of \$22 million.

<b>Program/Project</b>	<b>Type of Assistance</b>	<b>Accomplishments</b>
Mercy Housing Homeless Services Continuum of Care	HOME, Housing Set Aside Funds, CDBG	City implemented with Mercy House a full service Continuum of Care for homeless individuals and families. At built out the project will have an emergency shelter, transitional housing facility and permanent housing.
Ontario CARES (Emergency Grants/CARES Exterior Beautification Grants/Set Aside Loans/ and HOME Hardship Loans	CDBG, HOME, Housing Set Aside	74 emergency grants, 832 exterior beautification grants, 8 set aside loans, 16 HOME Hardship Loans completed.
Cambridge Square Townhomes, Waterford Court Apartments, Waverly Place Apartments, Woodside Senior II and III Apartments	Housing Revenue Bonds	Multi-family housing revenue bonds were issued during FY 2004-05 allowing the property owner to refinance. Properties were sold in FY 2005-06 with no fiscal impact to the City. Total number of units is 589 with 306 affordability covenants.
Parc Vista, Terrace View, and Casitas Apartment Projects	Housing Set Aside Funds	The properties were sold during the previous Planning Period and bonds were approved in the amount of \$13.2 million. Agency staff negotiated a commitment of \$3.8 million in rehabilitation which began in FY 2005-06. Agency staff negotiated an additional 48 affordable units.
Quiet Home Program (formerly known as Part 150 Noise Compatibility Program)	FAA and LAWA	Completed sound insulation work on 586 homes, awarded two construction contracts totaling \$3.7 million for work on 150 homes, acquired 75 properties.
Code Enforcement Community Improvement Team	CDBG	Conducted 8,300 field inspections.

<b>Program/Project</b>	<b>Type of Assistance</b>	<b>Accomplishments</b>
Low-Mod Assisted Housing Developments	Housing Set Aside Funds	Monitored 1,621 housing units.
114 North Campus Avenue	CDBG	Conducted Phase I and Phase II Environmental Assessments, obtained bids and completed clearance and demolition work on the property.
Whispering Winds Apartment Project	Housing Set Aside	During FY 2005-06, the City entered into a Disposition and Rehabilitation Agreement allowing the property to be converted to condominiums and requiring \$40,000 per unit rehabilitation.
Park Centre Project	Housing Set Aside	Issued \$23.9 million in Multi-Family Housing Bonds and negotiated 55 year affordability covenants on 101 low and moderate housing units.
Ideal Mobile Home Park	Housing Set Aside	Mobile home park was acquired.
Mission Oaks Apartment Project	No funds allocated	The property was sold during the previous Planning Period with no fiscal impact to the City/Agency. The total number of units in the project is 80 and all units have affordability covenants.
Estancia Apartment Project	No funds allocated	The property was sold during the previous Planning Period with no fiscal impact to the City/Agency. The total number of units in the project is 152 and 85 units have affordability covenants.

<b>Program/Project</b>	<b>Type of Assistance</b>	<b>Accomplishments</b>
Cinnamon Ridge Apartment Project	No funds allocated	The property was sold during the previous Planning Period with no fiscal impact to the City/Agency. The total number of units in the project is 101 and all units have affordability covenants. The City was able to negotiate an investment of \$200,000 in rehabilitation work as part of the sale of the property.
Mountain View Senior Apartments	HOME, Housing Set Aside Funds, Tax Credits	Completed a 106 affordable senior housing project.

Section 33490(a)(C)(iv) of the Law requires that agencies report the amounts of Housing Fund moneys utilized to assist units affordable to, and occupied by, extremely low-income households, very-low income households, and low-income household during the previous implementation plan period and the amount of Housing Fund moneys utilized to assist housing units available to families with children along with the number, location, and level of affordability of those units.

The following table provides an overview of the amounts of Housing Funds spent to assist in the production of affordable housing that is available for each of the income category during the past planning period. In addition, those affordable units not restricted for seniors are available to families with children.

<b>Inclusionary Affordable Housing Production and Expenditures (2005 - Present)</b>										
Total Housing Production in the Project Area <sup>1</sup>	Location	Completed	Affordability Period (years)	Units Subject to Inclusionary Requirement	Housing Funds Expenditures	Other Funds	Total Affordable Housing Units	Low/Mod	Very Low	Extremely Low
Palm Terrace Phase I (formerly known as Ontario Senior Housing Phase I)	1433 E. D Street	2005	55	Outside Project Area	\$ 40,318	\$ 965,638	45	0	45	0
Summit Walk (formerly known as Parc Vista)	1206 W. Fourth Street	2006	55	Outside Project Area	\$ 3,264,137	\$ -	39	31	8	0
Mountain View Phase II	511 N. Palmetto Avenue	2006	55	20	\$ 571	\$ 942,180	20	6	12	2
Fairfield Parcel A (Landmark)	950 N. Duesenberg Drive	2007	55	469	\$ -	\$ -	71	71	0	0
Seris-Regis (Vintage)	955 N. Duesenberg Drive	2008	55	300	\$ -	\$ -	45	45	0	0
Ontario Town Square (The Colony Apartments)	Downtown Ontario	2009	55	160	\$ 12,500,000	\$ -	160	160	0	0
Ontario Town Square (The Kincaid Series - Townhomes)	Downtown Ontario	2009	0	140	\$ -	\$ -	0	0	0	0
Palm Terrace Phase II	1449 E. D Street	2009	55	Outside Project Area	\$ -	\$ 1,344,586	23	0	23	0
Mercy House (Francis Apartments)	307 W. Francis	2010	55	Outside Project Area	\$ 215,532	\$ 1,556,806	2	2	0	0
Center City Senior Apartments (formerly known as Civic Center Apartments)*	280 N. Lemon	2010	55	63	\$ -	\$ 529,118	62	0	54	8
Mercy House (Begonia Apartments)*	209, 216 and 231 N. Begonia	2010	55	12	\$ -	\$ 844,787	11	7	4	0
Mercy House*	Begonia	2010	55	4	\$ -	\$ -	3	1	2	0
Mercy House (CHDO)*	Begonia, Deodar, and Parkside	2010	N/A	8	\$ -	\$ -	8	6	2	0
<b>Total</b>				<b>1,176</b>	<b>\$ 16,020,558</b>	<b>\$ 6,183,115</b>	<b>489</b>	<b>329</b>	<b>150</b>	<b>10</b>

Source: Ontario Redevelopment Agency

<sup>1</sup> 15% of all units built within the project area must be available to low and moderate income households with 40% of the 15% available to very low income households

\* Replacement housing units removed from unit count since inclusionary housing requirement is not triggered by these units.

## **G. Housing Fund Deposits during the Planning Period**

The Agency is projected to receive approximately \$79 million in tax increment to be deposited in the Housing Fund over the next five years along with approximately \$131 million from other housing funds, including CDBG, HOME, and the Quite Home Fund. The Agency will have approximately \$215.7 million over the next five years to implement housing activities. The Agency intends to spend all of its available funds within the planning period. Estimated Housing Revenues and Expenditures for the Planning Period are shown in the table below:

<b>Projected FY 2009/10 - 2013/14 Revenues and Expenditures for Housing Programs and Activities</b>						
	- 1 -	- 2 -	- 3 -	- 4 -	- 5 -	
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
<b>GENERAL TAX INCREMENT FUNDS</b>						
Beginning Cash Balance (1)	\$ 14,653,898	\$ 11,800,657	\$ 9,669,729	\$ 8,284,216	\$ 7,030,110	\$ 5,479,314
<b>Revenue</b>						
Housing Set Aside Funds	15,162,922.00	\$ 15,466,180	\$ 15,775,504	\$ 16,091,014	\$ 16,412,834	\$ 78,908,455
Other Funds	3,337,213.00	\$ 3,403,957	\$ 3,472,036	\$ 3,541,477	\$ 3,612,307	\$ 17,366,990
<i>Quiet Home Program</i>	17,086,682.00	\$ 17,428,416	\$ 17,776,984	\$ 18,132,524	\$ 18,495,174	\$ 88,919,779
<i>CDBG</i>	2,481,361.00	\$ 2,422,876	\$ 2,422,876	\$ 2,422,876	\$ 2,422,876	\$ 12,172,865
<i>HOME Grants</i>	1,029,281.00	\$ 1,029,281	\$ 1,029,281	\$ 1,029,281	\$ 1,029,281	\$ 5,146,405
<i>Neighborhood Stabilization Prg Funds</i>	2,738,309.00	\$ -	\$ -	\$ -	\$ -	\$ 2,738,309
<i>Dangerous Bldgs Fund</i>	953,103.00	\$ 972,165	\$ 991,608	\$ 1,011,441	\$ 1,031,669	\$ 4,959,986
<b>Total Revenue</b>	<b>42,788,871</b>	<b>40,722,875</b>	<b>41,468,290</b>	<b>42,228,612</b>	<b>43,004,142</b>	<b>210,212,790</b>
<b>Available Funds</b>	<b>\$ 57,442,769</b>	<b>\$ 52,523,532</b>	<b>\$ 51,138,019</b>	<b>\$ 50,512,829</b>	<b>\$ 50,034,251</b>	<b>\$ 215,692,104</b>
<b>Expenditures</b>						
Housing Administration*	\$ 3,845,679	\$ 3,845,679	\$ 3,845,679	\$ 4,037,963	\$ 4,239,861	\$ 19,814,861
Housing Set Aside Projects*	\$ 8,582,635	\$ 8,582,635	\$ 8,582,635	\$ 9,011,767	\$ 9,462,355	\$ 44,222,027
Code Enforcement*	\$ 3,658,464	\$ 3,658,464	\$ 3,658,464	\$ 3,658,464	\$ 3,658,464	\$ 18,292,320
Housing Development - Grants Admin*	\$ 293,467	\$ 293,467	\$ 293,467	\$ 293,467	\$ 293,467	\$ 1,467,335
Housing Development - HUD Projects*	\$ 796,311	\$ 796,311	\$ 796,311	\$ 796,311	\$ 796,311	\$ 3,981,555
Neighborhood Revitalization*	\$ 150,000	\$ 150,000	\$ 150,000	\$ 157,500	\$ 165,375	\$ 772,875
Neighborhood Revitalization - HOME*	\$ 49,027	\$ 49,027	\$ 49,027	\$ 49,027	\$ 49,027	\$ 245,135
Neighborhood Revitalization - HOME	\$ 154,392	\$ 154,392	\$ 154,392	\$ 154,392	\$ 154,392	\$ 771,960
Neighborhood Revitalization Project*	\$ 8,237,146	\$ 8,237,146	\$ 8,237,146	\$ 8,237,146	\$ 8,649,003	\$ 41,597,587
Neighborhood Stabilization Admin*	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Neighborhood Stabilization Project*	\$ 2,738,309	\$ -	\$ -	\$ -	\$ -	\$ 2,738,309
Quiet Home Program*	\$ 17,086,682	\$ 17,086,682	\$ 17,086,682	\$ 17,086,682	\$ 17,086,682	\$ 85,433,410
<b>Total Expenditures</b>	<b>\$ 45,642,112</b>	<b>\$ 42,853,803</b>	<b>\$ 42,853,803</b>	<b>\$ 43,482,719</b>	<b>\$ 44,554,937</b>	<b>\$ 219,387,374</b>
<b>Ending Cash Balance</b>	<b>\$ 11,800,657</b>	<b>\$ 9,669,729</b>	<b>\$ 8,284,216</b>	<b>\$ 7,030,110</b>	<b>\$ 5,479,314</b>	<b>\$ (3,695,270)</b>

(1) Source: Agency Audited Financial Statements

\*Source: Adopted 2009-2010 Housing Agency Adopted Budget

## **H. Housing Production Plan**

### **Agency-wide Low and Moderate Income Housing Fund Activities**

In addition to the aforementioned projects and programs, the Agency will continue to implement the following Low and Moderate Income Housing Fund Activities throughout the City to accomplish its housing obligations.

#### Ontario CARES Program

The City will continue to utilize CDBG, HOME, and housing set-aside funds to make emergency grants, exterior beautification grants, and Hardship Loans available to homeowners and multi-family property owners. This program provides owners with a low-cost method of rehabilitating and maintaining their property while improving the overall appearance of the City's neighborhoods.

#### Community Improvement Team

The Community Improvement Team will continue to abate conditions of blight that are serious, hazardous, and urgent in nature. The Community Improvement Team consists of experts in the fields of health and safety codes, law enforcement, fire codes, legal issues, and other applicable state and federal regulations.

#### Low-Mod Assisted Housing Developments

The Agency will continue to monitor the existing affordable housing stock and take action where appropriate to acquire or develop additional units for affordable income households. The Agency will continue to work with developers to identify properties where housing funds can be best utilized.

## **I. Plan for Affordable Housing**

During the Planning Period, The Ontario Redevelopment Agency will concentrate on activities that help the Agency meet its housing goals and objectives. The affordable housing activities planned to be undertaken by the Agency will advance and support the overall goals of the City of Ontario's Housing Element as part of the City's General Plan. The Housing Element sets forth the following four goals:

- Provision of Housing
- Affordable Housing
- Equal Opportunity Housing
- Housing Conservation

Despite the City of Ontario being primarily built out in terms of residentially zoned parcels, the Agency will continue to implement the aforementioned policies and programs in order to meet all requirements as set forth by the Law. Additionally, the

Agency plans to spend its Housing Funds in proportion of the need for the specific income groups and age groups as stated in the Law. The Agency will continue to encourage the preservation and development of housing affordable to those income groups with the greatest need.

## SECTION IV

# IMPLEMENTATION PLAN ADMINISTRATION

## **IV. IMPLEMENTATION PLAN ADMINISTRATION**

The Agency shall be responsible for administering this Implementation Plan and for monitoring redevelopment activities or programs undertaken pursuant to this Plan.

### **A. Implementation Plan Review**

At least once within this Implementation Plan's five year term, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the adopted redevelopment plans and the corresponding Implementation Plan and evaluating the progress of the redevelopment projects. The public hearing shall be held no earlier than two years and no later than three years after the date of adoption of this Implementation Plan. The Agency may choose to conduct a single public hearing applicable to all adopted project areas described in this Implementation Plan, or may conduct separate public hearing for each project area.

This Implementation Plan covers the Agency's activities in the redevelopment project areas from January 1, 2009 through December 31, 2014. Consistency of the information contained in the Implementation Plan and the Redevelopment Agencies Financial Transactions Report and the HCD Annual Report of Housing Activity of Community Redevelopment Agencies is important. Comparing the information reported each year to the State Controller's Office and to HCD to the information within the Implementation Plan will assist Agency's Staff in monitoring the progress the Agency is making in achieving its goals and objectives for redevelopment and housing activities. This will make preparing the staff report for the mid-term review and efficient process.

Notice of the public hearing to review the redevelopment plans and Implementation Plan shall be published pursuant Section 6063 of the Government Code and posted in at least four permanent places within each project area for a period of at least three weeks. Publication and posting of the notice shall be completed not less than 10 days prior to the date set for hearing.

### **B. Implementation Plan Amendment**

Pursuant to Redevelopment Law Section 33490, this Implementation Plan may from time to time be amended after holding a public hearing on the proposed amendment.

### **C. Financial Commitments Subject to Available Funds**

The Agency is authorized to utilize a wide variety of funding sources for implementing each Redevelopment Plan. Such funding sources include but are not limited to financial assistance from the City, State of California, federal government, property tax increments, interest income, Agency bonds secured by tax increment or other revenues, or any legally available revenue resource. Although the sources of

revenue utilized by the Agency are generally deemed to be reliable from year to year, such funds are subject to legislative, program, or policy changes that could reduce the amount or availability of the funding sources upon which the Agency relies.

#### **D. Monitoring of Affordable Housing**

Pursuant to Section 33418, the Agency is required to monitor, on an ongoing basis, any housing affordable to persons and families of low- or moderate-income developed or otherwise made available through any provision of the Redevelopment Law.

As part of this monitoring, the Agency will require owners or managers of affordable housing units to submit an annual report to the Agency. The annual reports will include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the Agency. The Redevelopment Law states that only income and family size are the required information that is required to be reported by the tenant and shall be the only information on income or family sizes that owner or manager will be required to submit in the annual report to the Agency.

Section 33418(b) states that the information obtained by the Agency from owners and managers of affordable housing must be included in any reports required by law to be submitted to the HCD or the State Controller. In addition, Section 33418(c) finds the Agency must adequately fund its monitoring activities as needed to insure compliance of applicable laws and agreements in relation to affordable units. For purposes of defraying the cost of complying with these monitoring requirements and with the HCD Report required to be filed with the State Controller's Report, the Agency can establish and impose fees upon owners of properties monitored pursuant to the Redevelopment Law.

#### **E. Prevailing Wage Issues**

Since the Agency's approval of the last Implementation Plan, the California Legislature has amended Labor Code Section 1720 et seq. to require payment of prevailing wages for private improvements which are financially assisted by the Agency or City whether for commercial, industrial, office, or housing uses. There is a very limited exception that applies to the construction or rehabilitation of affordable housing assisted by a redevelopment Agency using its Housing Fund which is the only source of public funding for such development. In order to qualify for the exception there can be no other federal or state assistance or mortgage credit certificates or state or federal low income housing credits.

## **F. Redevelopment Plans/Conflicts**

If there is a conflict, which exists between this Implementation Plan and any one or all of, the respective Redevelopment Plans or any other City or Agency plan or policy, the applicable redevelopment plan shall control.