community. Many of the units offer affordable rents to households earning very low incomes.

5. Neighborhood Conditions

Ontario's history is rooted in agriculture, and many of the City's homes, lot patterns, and other neighborhood features reflect that history. In other instances, the City's neighborhood fabric is defined by recent patterns of development. Today, Ontario's neighborhoods are the building blocks of the community. Neighborhoods profoundly define the sense of identity and community for residents, the quality of life experienced, and the image and role of Ontario in the Inland Empire. Therefore, the design of neighborhoods, the maintenance of housing, and historic preservation are all critical aspects of building Ontario's future.

Historic Neighborhoods

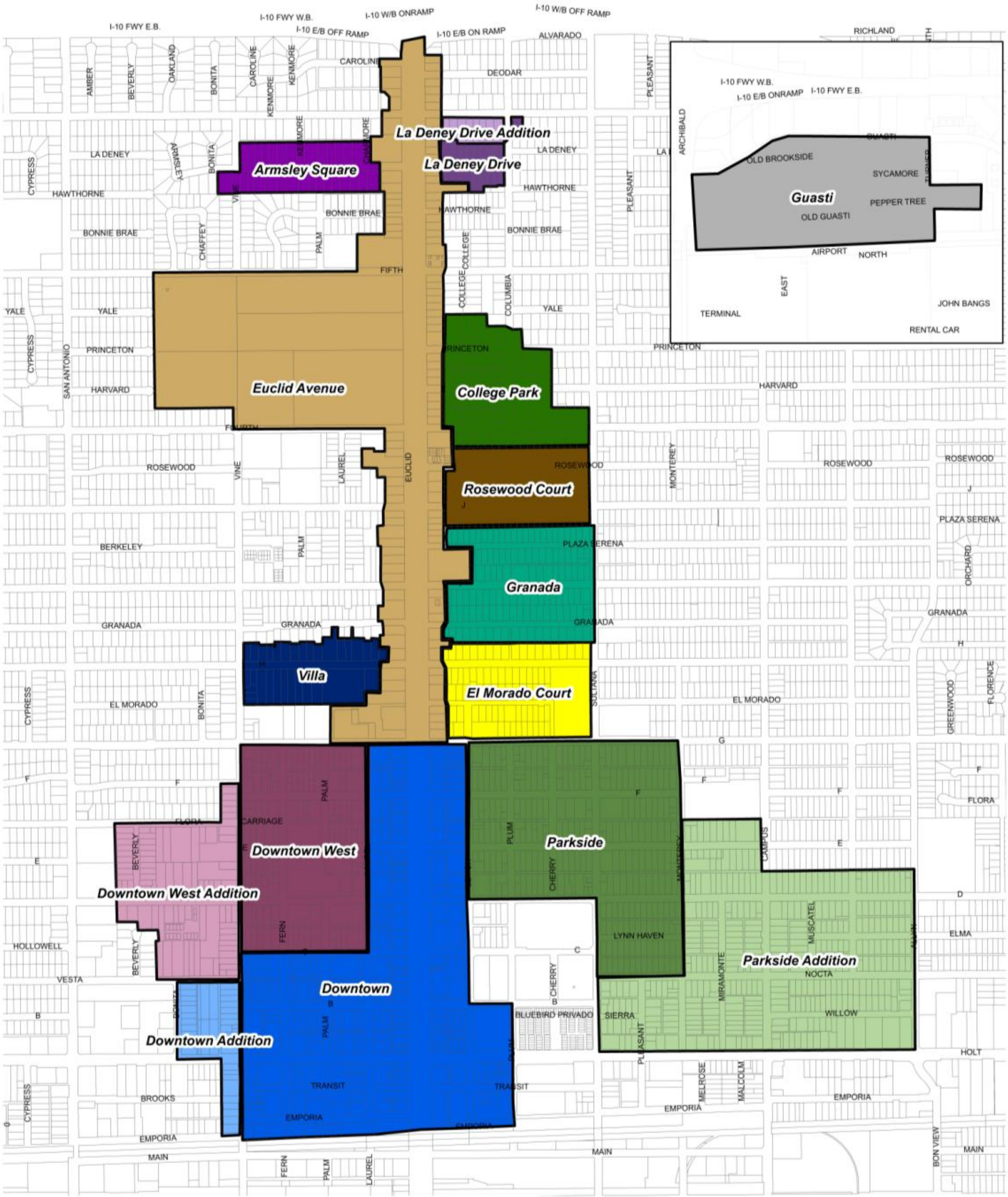
The City has developed historic contexts to describe and explain the circumstances and period within which historic resources were built. Contexts provide an understanding of the importance of resources and features. Contexts also provide insight as to the location of neighborhoods.

To date, the City has identified the following historic contexts:

- Ontario Irrigation Colony, which includes the Chaffey Brothers, the Ontario Land and Improvement Company, and the Citrus Industry
- Wine Industry, which is located in the eastern part of Ontario and was exemplified by Hofer Ranch and the Guasti Winery
- Citrus Industry, which is located in the central portion of Ontario and symbolized by the Sunkist Plant
- Dairy Industry, which is located in the southern portion of Ontario, mostly in what is known as the New Model Colony

Historic surveys are a fundamental part of this effort. The City of Ontario's first survey of historic properties was completed in 1983. The survey identified almost 3,000 properties as being eligible to be designated Historic Landmarks or as part of Historic Districts. Of the 3,000 listed properties, approximately 300 properties were nominated for designation. Currently, Ontario has designated 92 properties as Local Historic Landmarks and seven Historic Districts. Nine additional areas have been identified as potential districts. These districts are illustrated on the following page (Figure H-5).

Figure H-5. Ontario Historic Districts



DESIGNATED DISTRICTS
- Armsley Square
- College Park
- El Morado Court
- Euclid Avenue
- La Deney Drive
- Rosewood Court
- Villa

PROPOSED DISTRICTS
- Downtown
- Downtown West
- Guasti
- Parkside

POTENTIAL DISTRICTS
- Downtown Addition
- Downtown West Addition
- Granada
- La Deney Drive Addition
- Parkside Addition

Age and Condition of Housing Stock

Ensuring decent and well-maintained housing helps provide safe housing for families, improves property values and the image of Ontario, and contributes to higher levels of neighborhood investment. Like any physical asset, housing requires regular maintenance and repair to extend its life. The age of the existing housing stock is one way of measuring housing conditions and is a factor in determining the need for home rehabilitation.

Housing age is correlated with rehabilitation needs. Homes built between 30 to 50 years ago are more likely to need rehabilitation or substantial repairs. Homes built before 1971 are less likely to meet seismic standards enacted following the Sylmar Earthquake of 1971. Homes older than 50 years often need new electrical, plumbing, roofing, and other subsystems. Older homes may also have been altered without building permits, and the alterations do not meet current health and safety standards.

Housing deterioration is associated with several other conditions, such as overcrowding and small rental projects, as well as investor-owned homes. Accelerated home deterioration is caused by overcrowding, which places additional wear and tear on housing designed for fewer occupants. Smaller rental projects often appear to need major rehabilitation because they are often owned by inexperienced investors. Finally, investors tend not to maintain single-family homes as well as resident owners.

Table H-20
Age of Housing Stock

Year Built	*Housing Units*	
	Number	*Percentage*
Before 1940	2,340	5%
1940–1949	2,371	5%
1950–1959	7,237	15%
1960–1969	5,344	11%
1970–1979	11,389	23%
1980–1989	12,905	27%
1990–1999	3,921	8%
2000 or later	3068	6%
Total	**48,575**	**100%**

Source: US Census Bureau 2010.

As part of periodic windshield surveys undertaken over the past few years, City staff has identified several residential areas with significant rehabilitation needs that may provide opportunities for improvement and new programs The following discussion describes general areas, provides a map illustrating their locations, and concludes with an estimate of housing rehabilitation and repair needs.

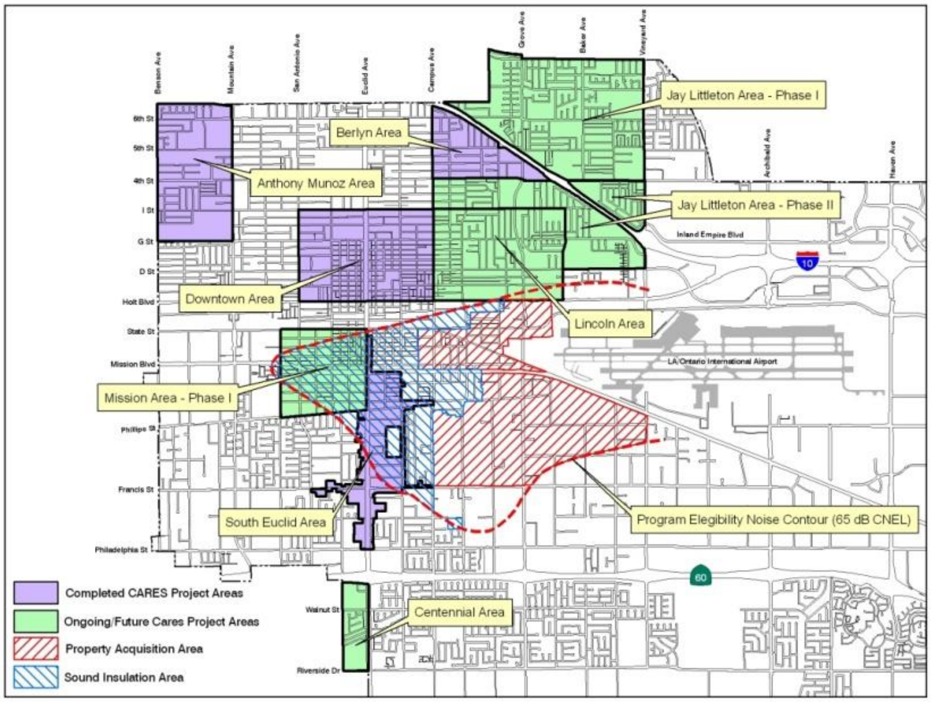
Noise Impact Zone

Residential neighborhoods located directly west and south of the airport experience high noise levels. In the early 1990s, the Federal Aviation Administration, the City of Los Angeles, and the City of Ontario created a program to improve the quality of life in noise-impacted neighborhoods. Homes eligible for sound insulation are outfitted with insulation to reduce the interior noise levels to 45db CNEL. The program also consists of the voluntary acquisition of eligible properties and reuse of properties in a manner compatible with the airport. The City of Ontario has acquired 240 homes in recent years, and an additional 90 homes are eligible for voluntary acquisition in the future. With respect to sound insulation, the City has insulated 1,204 homes, and an additional 900 homes remain eligible for insulation and soundproofing.

CARES Neighborhoods

The City CARES program includes code enforcement, arterial street improvement, relief program, exterior improvement program, and sidewalk or safe routes to school program. The program seeks to stabilize neighborhoods through a comprehensive community building. The program includes a single-family improvement loan program, a multiple-family property owner loan program, and neighborhood projects to improve the appearance, safety, and quality of the neighborhood. Figure H-6 illustrates homes covered under these two programs.

Figure H-6. CARES Neighborhoods in Ontario



Distressed Multi-family Development

The City of Ontario was incorporated more than 100 years ago. Like most cities of this age, there are areas within the community that are in need of substantial reinvestment in order to eliminate the deteriorated and blighted conditions that occur when properties are not adequately maintained. Most of these areas are located in portions of the city which were formally designated as Redevelopment Project Areas. Most of the deteriorated residential properties are located in the City's former Central City and Cimarron Project Areas. These areas contain some of the oldest multi-family housing in the city. In 2007, a survey of 2,400 homes was conducted in the Cimarron Project Area and found 22 percent of the units needed repair and maintenance and 28 percent were deteriorated or dilapidated. Prior to the dissolution of redevelopment by the State, hundreds of these multi-family housing units had been rehabilitated using a variety of funding sources (including Redevelopment Low Moderate Income Housing Funds (LMIHF), and federal HOME funds). The majority of the funding was provided through LMIHF funding. The City has worked to develop innovative programs to address the rehabilitation needs of multi-family units. Funding for this type of reinvestment is limited.

The City recently added a Systematic Health and Safety Inspection requirement for all rental units over seven years old to be inspected by Code enforcement staff every four years (Program 1). Any units not in compliance must make necessary improvements to the property to ensure the units meet all applicable codes. These efforts have resulted in the improvement of many properties to meet these minimum standards and improve the quality and safety of Ontario's housing stock.

The City of Ontario has received a Catalyst Community designation as part of the Catalyst Projects for California Sustainable Communities Pilot Program. The Catalyst Project implements SB 375 by incentivizing innovative land use planning and green building strategies. The City's qualifying project, the Downtown Core Catalyst Project (See Program 13), encompasses the greater Downtown area and includes 590 multi-family housing units, new retail space, a new 2.5-acre multi-functional downtown community plaza, and numerous civic center improvements. The Catalyst designation includes a grant and other funding provisions to help implement the project.

Housing Construction Needs

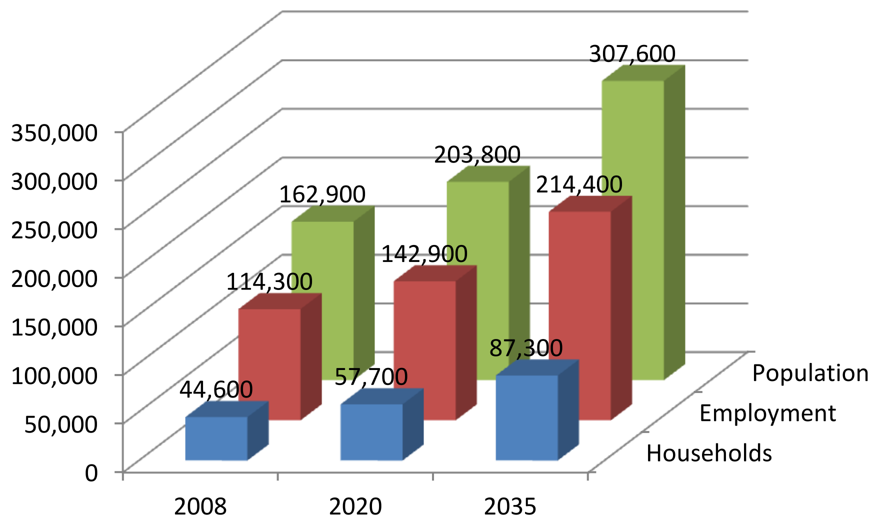
Every eight years, California law requires cities to plan to accommodate population and employment growth in their community through the implementation of responsive housing policies and programs. To assist in that effort, the Southern California Association of Governments (SCAG) prepares housing construction needs goals for each city in Southern California as part of the Regional Housing Needs Assessment (RHNA). All local governments, including Ontario, are required to set aside sufficient land, adopt programs, and provide funding, to the extent feasible, to facilitate and encourage housing production commensurate with that need.

Total "housing construction need" includes three components: (1) the number of housing units needed to accommodate future population and employment growth; (2) an additional allowance to replace demolished units and restore normal vacancy rates; and (3) a fair adjustment that determines housing need by different affordability levels. The following discusses the specifics of each factor in Ontario.

Population and Employment Growth

The first component of construction need represents the number of units needed to accommodate new households forming as a result of population and employment growth. Ontario's housing need is based on SCAG's regional growth forecast, adopted as part of the 2012 Regional Transportation Plan (RTP) and revised to reflect further local comments. Figure H-7 compares projected population, employment, and household growth in Ontario from 2008 through 2035.

Figure H-7. RTP Growth Forecast in Ontario



SCAG, 2012.

Housing Factors

The Regional Housing Needs Allocation (RHNA) goal for new construction incorporates additional units to accommodate two factors in the housing market. First, the housing market requires a certain number of vacant units to allow for sufficient choice for consumers, maintain rents and prices at adequate levels, and encourage normal housing maintenance and repair. In the Southern California region, SCAG applied a regional housing vacancy factor of 3.5 percent, which assumes a 2.3 percent ownership vacancy and 5.0 percent rental vacancy.

Over time, the City of Ontario can expect that a certain number of housing units will be lost to residential uses due to demolition, fire, conversion to nonresidential uses, recycling to other uses, or a variety of other reasons. In other cases, the City's redevelopment activities throughout the community will also result in the demolition and replacement of certain uses. Therefore, SCAG adjusts the City's housing production goals by a standard "replacement factor" based on the historical rate of units lost to demolition or conversion to nonresidential uses in each community.

Fair Share Allocation

Ontario's housing construction need represents the total construction needed to accommodate expected population and employment growth while accommodating vacancies and replacement units. This need is further divided into five household income categories defined by state law. The income limits defined by HCD for San Bernardino County in 2012 are:

- ***Extremely low:*** households earning 30 percent or less of AMI, or a maximum income of $20,100 for a four-person household
- ***Very low:*** households earning 31 to 50 percent of AMI, or a maximum income of $33,500 for a four-person household
- ***Low:*** households earning 51 to 80 percent of AMI, which translates into a maximum of $53,600 for a four-person household
- ***Moderate:*** households earning 81 to 120 percent of AMI, or a maximum income of $75,950 for a four-person household
- ***Above moderate:*** households earning above 120 percent of AMI, or a minimum of $75,951 for a four-person household

California law states that the RHNA is required to avoid or mitigate the overconcentration of income groups in a jurisdiction in order to achieve its objective of increasing supply and mix of housing types, tenure, and affordability in an equitable manner. In practice, jurisdictions with a smaller proportion of lower-income units are required to provide a larger share of those units as part of their construction need to compensate for jurisdictions that already accommodate more than their fair share. SCAG adopted a regional policy that each city move 110 percent toward the county income distribution in each income category. Table H-21 shows the City's RHNA by affordability level.

Table H-21
Regional Housing Needs Goals, 2013–2021

Household Income levels for the RHNA	*Number of Housing Units*	*Percentage of Units by Affordability level*
Extremely Low Income	1,296	12%
Very Low Income	1,296	12%
Low Income	1,745	16%
Moderate Income	1,977	18%
Above Moderate Income	4,547	42%
Total	10,861	100%

Source: Southern California Association of Governments 2012.

Housing Preservation Needs

Subsidized housing provides the largest amount of affordable housing to persons and families earning extremely low, very low, and low income. Ontario has more than 2,063 units of housing built with various local, state, and federal subsidies that are deed-restricted as affordable for lower-income households and persons with special housing needs. California law requires that all housing elements include an analysis of "assisted multiple-family housing" projects as to their eligibility to change from low-income housing to market rates by 2024.

Assisted housing developments or at-risk units are multi-family rental housing complexes that receive government assistance under federal, state, and local programs within the current and subsequent eight-year planning period of the housing element. It there are units at risk, the element must include a detailed inventory and analysis. The inventory must list:

- Each development by project name and address;
- Type of governmental assistance received;
- Earliest possible date of change from low-income use;
- Total elderly and nonelderly units that could be converted;
- An analysis of the costs of preserving and replacing these units;
- Resources for preservation of at-risk units; and
- Program for preservation of at-risk units and quantified objectives.

Affordable housing periodically converts to market rents, particularly during inflationary times when market rents escalate and create a financial incentive.

The City of Ontario made significant progress in preserving many affordable housing projects at risk of conversion to market rents. The City actively preserved the Cambridge Square, Waterford Court, Waverly Place, and Woodside Apartments; Parc Vista and Terrace View; and the Cinnamon Ridge, Estancia, and Mission Oaks projects. The City facilitated the preservation of the units by offering financial incentives in return for the owner's participation in rehabilitation of the project(s) and extension of affordability covenants. Table H-22 provides an inventory of all publicly subsidized affordable housing projects in Ontario and their status

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Table H-22
Publicly Subsidized Multiple-Family Housing

City Monitored Projects	Project/Address	Unit Type	Total Units	Assisted Units	Funding Source	Earliest Expiration
Units At Risk of Converting						
	Ontario Townhomes 1360 E. "D" Street	Family	86 Units	86 units	HUD Assisted Project Section 236(J(1)	Expired September 2012.
Units Not At Risk of Converting						
✓	Palm Terrace Phase 1 1433 E. "D" Street	Senior	91 units	90 units	HOME; Section 202	Aug. 2060
✓	Palm Terrace Phase 2 1449 "D" Street	Senior	47 units	47 units	Section 202	June 2059
✓	Mtn View Senior Phase 1 511 N. Palmetto	Senior	86 units	84 units	HOME; RDA Set-Aside: LIHTC	June 2058
✓	Mtn View Senior Phase 2 511 N. Palmetto	Senior	20 units	20 units	LIHTC	July 2062
✓	Seasons at Gateway 955 N. Palmetto	Senior	80 units	78 units	Housing Revenue Bond; LIHTC	June 2052
✓	Casitas Apartments 1900 S. Campus	Family	253 units	48 units	Parc Vista/Terrace View deal	Jan. 2061
✓	Cambridge Square 1037 N. Archibald Avenue	Family	125 units	50 units	MF Housing Revenue Bonds	Feb. 2059
✓	Cinnamon Ridge Apartments 1051 E. 4th Street	Senior	101 units	101 units	Housing Revenue Bond	Aug. 2026
✓	Estancia/Vineyard Apts. 1720 E. "D" Street	Family	152 units	85 units	ORA Agreement with Owner	Aug. 2026
✓	Cedar Villas 301 East Cedar Street	Senior	136 units	123 units	Housing Revenue Bond	March 2024
✓	LandMark @ Ontario 950 N. Duesenberg Drive	Family	469 units	71 units	City DDA with property owner	Nov. 2061
✓	Mission Oaks 1427 W. Mission	Family	80 units	80 units	RDA Housing Set-Aside	May 2025

Table H-22
Publicly Subsidized Multiple-Family Housing

City Monitored Projects	Project/Address	Unit Type	Total Units	Assisted Units	Funding Source	Earliest Expiration
	Grove Apartments 207 W. "H" Street	Senior	101 units	100 units	Section 236(J(1) Section 8	Feb. 2031
	Harris Place Apartments 451 E. Riverside Drive	n/a	80 units	80 units	Section 223(a)(7)/207/223(f)	June 2047
	Ontario Healthcare Center 1661 Euclid Ave.	n/a	24 units	24 units	Section 232/223	June 2037
✓	City Center Senior Apartments 201 East "B" Street	Senior	76 units	75 units	HOME, LIHTC	July 2062
✓	Summit Walk 1206 W. 4th Street	Family	78 units	78 units	MF Housing Rev. Bonds, RDA Housing Set-Aside	Jan. 2061
✓	Park Centre 850 N. Center Street	Family	404 units	101 units	Housing Revenue Bonds	Dec. 2060
✓	Summit Place 1130 W. 4th Street	Family	75 units	75 units	MF Housing Rev. Bonds, RDA Housing Set-Aside	Jan. 2061
✓	Vintage Apartments 955 N. Duesenberg Drive	Family	300 units	45 units	DDA (Developer Agreement)	Apr. 2062
✓	Waterford Court 1739 "G" Street	Family	165 units	50 units	MF Housing Revenue Bonds	Feb. 2059
✓	Waverly Place 1739 G Street	Family	153 units	62 units	MF Housing Revenue Bonds	Feb. 2059
	Woodmere Apartments 910 West Phillips Street	n/a	n/a	n/a	Section 207/223(f)	Oct. 2046
✓	Woodside II 302 W. "G" Street	Senior	60 units	60 units	MF Housing Revenue Bonds	Feb. 2059
✓	Woodside III 408 W. "G" Street	Senior	84 units	84 units	MF Housing Revenue Bonds	Feb. 2059
✓	Guadalupe Residence Mercy 411 & 412 N. Parkside Avenue	Family	15 units	14 units	RDA Set Aside	Jun. 2015

Table H-22
Publicly Subsidized Multiple-Family Housing

City Monitored Projects	Project/Address	Unit Type	Total Units	Assisted Units	Funding Source	Earliest Expiration
✓	Assisi House	Transitional Housing	34 beds	34 Beds	HOME	Jun. 2015
✓	Begonia Apartments 209, 216, 217, 222, 223, 228, 231, 305 N. Begonia Ave.	Family	32 units	32 units	NSP1, LMIHF, NSP3, HOME	January 2066
✓	Francis Apartments 307 W. Francis	Family	15 units	15 units	HOME, LMIHF	2110
✓	Colony Apartments 102 N. Lemon Ave.	Family	160 units	160 units	LMIHF	2064
✓	Vesta (HOGI) 520-526 W. Vesta Ct.	Family	6 units	6 units	HOME	2057
✓	Cichon 225 E. D St., 415 N. Plum St.	Family	5 units	5 units	LMIHF	2025

Source: City of Ontario 2013
MFHB = Multiple-Family Housing Revenue Bonds
ORA = Ontario Redevelopment Agency
DDA = Disposition and Development Agreement
RDA Set-Aside = Redevelopment Housing Set-Aside funds
LITHC = Low Income Housing Tax Credit

Potential At-Risk Projects

City records identified one affordable housing project totaling 86 units for lower-income households where the owner's obligation to retain the units as affordable has expired. In addressing the likelihood of conversion, several factors come into play. Projects at low risk are those in which the affordability controls could expire by the end of 2013, but arrangements have been made to preserve the units or the property owners are unlikely to convert the projects. Projects at high risk of conversion are those in which the affordability restrictions have expired and the present affordability is maintained through Section 8 vouchers or some other subsidy that is uncertain and could terminate. The potential of conversion is greater in an escalating rental market, where owners have a greater financial incentive to convert the projects.

The following describes the at-risk property in detail.

- **Ontario Townhomes.** This project provides 86 units affordable to low- and very low-income families. The project was originally financed through a Section 236(j)(1) federally financed mortgage program. The affordability is renewed each year. The City of Ontario does not have any contract administration responsibilities. The Housing Authority of San Bernardino County currently manages this property and technically, since the affordability agreement has expired, it could opt out of the program at any time.

Preservation Options

Typically, local governments have a wide range of options to replace affordable housing units lost through conversion to market rents. However, the four primary ways are to replace the expired rental subsidies, construct new affordable housing units, offer incentives to rehabilitate the units in return for extended affordability controls, or facilitate the transfer of the project to another entity.

Replacement of Rent Subsidies

The City could replace the HUD rental vouchers given to each tenant or the payment subsidies given to each property owner in the case of properties that receive project Section 8 certificates. The financial cost of replacing subsidies depends on the gap between the rent for the apartment and the income level of the tenant. Typically, the amount of subsidy is the difference between what a household can afford to pay (defined as no more than 30 percent of income after utility payments) and the fair market rent for the unit.

Table H-23 calculates the annual subsidy needed to replace HUD subsidies at fair market rents, defined at the 40th percentile of all rents. Currently, fair market rents are competitive and affordable to lower-income households occupying the units; thus, no subsidies are needed.

However, if the units were substantially improved and could charge higher rents, the City would need to pay the difference between the higher rents and the fair market rents. For example, a one-bedroom unit could command up to $1,000 in rent and a two-bedroom unit up to $1,400. Similarly, if the occupants earned very low or extremely low income, as opposed to low income, a considerable subsidy would be required as well

Table H-23
Cost to Replace Rent Subsidies

Project Address	*Unit Type*	*Assisted Units*	*Affordable Rents/Fair Market Rents*	*Annual Subsidy*
Ontario Townhomes 1360 E. "D" Street	Family	86 2-bedroom low-income units	FMR – $1,142 Afford. –$1,273	None

Assumptions:
1. Affordable rents assume twp-person senior households and four-person low-income families, all of which pay no more than 30 percent of their income toward housing.
2. Housing costs include a standard monthly utility allowance of $50 per person and fair market rents for 2008 for San Bernardino County as determined by the County Housing Authority.

Construction of New Units

The second option is to replace the actual affordable units through new construction. This alternative entails finding suitable sites, purchasing land, negotiating with a developer, funding the project, and the other costs associated with building new housing. The final cost of constructing deed-restricted affordable housing units depends on whether the developer needs to purchase land (or whether the City can transfer the land at a subsidized price) and whether the City or private developer's initial financial contribution can be leveraged with other funding sources.

No recent examples of a non-subsidized affordable multiple-family project have been developed. However, several city-assisted affordable projects have recently been built. The total development cost for a recently built senior project was $135,000 per unit (2009). The cost for a recent family townhome project was $181,000 per unit (2008). Construction costs are higher than normal due to the nature of the projects and the desire for quality housing. City estimates of vacant land zoned for multiple-family residential units are $16 to $20 per square foot.

Table H-24 details the cost of replacing the one at-risk project, assuming a smaller family housing project of townhomes would cost about $18.3 million for construction and land costs. The final cost to the City could be lowered through access to affordable housing funds from the state, federal government, or private funding sources.

Table H-24
Cost to Construct New Units

Project Address	*Ontario Townhomes*
Type of Unit	Family
Bedroom Mix	86 2-bedroom
Square Footage	86,000
Construction Cost per Unit	$181,000
Land Needed	4 acres
Land Costs	$16
Total Costs	$18.3 million

Source: City of Ontario 2013

Assumptions:

1. Construction costs based on recent projects
2. Land costs based on maximum of 25 units per acre and current prices
3. Additional financing costs are not included

Purchase of At-Risk Units

The City could purchase the units and facilitate transfer to a nonprofit organization dedicated to providing affordable housing. Under the right transfer provisions, this option would be an effective way to preserve the units because the new owner would have a vested interest in maintaining the affordability of the units and have access to funding sources not necessarily available to private for-profit companies. A nonprofit housing corporation could also rehabilitate it using low-income housing tax credits and extend affordability controls.

To facilitate the transfer to a nonprofit, the City could purchase the building outright at market prices and transfer it to the new owner. The market price could be determined in many different ways. The valuation of apartments is often done by examining the sales price of similarly situated properties. When this is not possible, apartments are often valued based on a combination of gross income, vacancy rate, operating and maintenance costs, condition of the property, and the capitalization rate.

Recently, the City acquired and resold two publicly subsidized projects to another entity in return for the property owner rehabilitating the units and the City financing a bond to guarantee long-term affordability covenants. Based on operating assumptions of that property and industry standards regarding operating costs, the cost of acquiring buildings was calculated. Table H-25 estimates the market value of the at-risk project in Ontario at approximately $14 million for the project.

Table H-25
Cost to Purchase At-Risk Units

Project Address	*Ontario Townhomes*
Bedroom Mix	86 2-bedroom
Square Footage	86,000
Average Monthly Rent	$1,142
Annual Gross Income(1)	$1,120,000
Annual Operating Cost	$392,000
Net Operating Income	$728,000
Market Value	$7.28 million

Source: City of Ontario 2013
Assumptions:
1. Annual income adjusted by vacancy factor of 5%
2. Operating costs and expenses assumed at 35% of AGI
3. Capitalization rate is assumed to be 10%

Rehabilitation of At-Risk Units

Apartment projects often need rehabilitation, and the property owner may have insufficient funds to complete periodic repairs and renovations. In these situations, the City may find it advantageous to work with the property owner and offer a flexible number of financial incentives (e.g., low-interest loans, renegotiation of current loan packages, cash incentives) in return for extending the length of the affordability covenants on the affordable units. In fact, the City of Ontario has successfully used this approach for the vast majority of affordable housing units.

Rehabilitation and preservation costs depend on a number of factors, most notably the condition of the property, the amount of deferred maintenance, the financial viability of the project, and the length of affordability term. Based on rehabilitation costs for Parc Vista and Terrace View, two recently rehabilitated projects, the rehabilitation cost is $25,000 per unit, according to owner agreements. This funding is typically sufficient to perform primarily cosmetic rehabilitation. Projects requiring structural improvements may be more expensive, particularly if lead-based paint hazards must be abated.

Qualified Entities

Nonprofit entities serving San Bernardino County, including Ontario, can be contacted to gauge their interest and ability in acquiring and/or managing units at risk of conversion. A partial listing of entities with resources in the San Bernardino County area includes:

- Los Angeles Center for Affordable Tenant Housing
- Abbey Road Inc.
- BUILD Leadership Development Inc.
- Century Housing Corporation
- Century Pacific Equity Corporation
- Coalition for Economic Survival
- Community Partnership Dev. Corp
- CSI Support & Development Services
- DML & Associates Foundation
- Foundation for Quality Housing Opportunities, Inc.
- Housing Corporation of America
- Irvine Housing Opportunities
- Jamboree Housing Corporation
- Keller & Company
- Los Angeles Housing Partnership, Inc.
- Los Angeles Low Income Housing Corp. (LALIH)
- Neighborhood Housing Services of the Inland Empire, Inc.
- Nexus for Affordable Housing
- Orange Housing Development Corporation
- Poker Flats LLC
- ROEM Development Corporation
- Shelter ForThe Homeless
- Southern California Housing Development Corp
- Southern California Presbyterian Homes
- The East Los Angeles Community Union (TELACU)

Summary of Options

Determining the most cost-effective approach to preserving affordable housing at risk of conversion to market rents must take into account a number of cost factors and market contingencies. Important cost considerations include the achievable rents under current market conditions, the condition of the property and need for rehabilitation, the income levels of the occupants, and the willingness of property owners to accept one or more of the available options. Moreover, one option may be more effective than another, depending on the timing of the decision.

Under the first scenario, City replacement of rent subsidies would easily be the most cost-effective approach in the present market, since there is little difference between fair market rents and affordable rents. But this could quickly change if the occupants had very low or extremely low incomes or rents increased. For preservation options with a longer guarantee of affordability, when funding is available, the City of Ontario could offer rehabilitation loans at approximately $25,000 per unit. The City has successfully used this option to preserve the affordability of many projects.

If the City wishes to preserve the building for as long as possible, potentially in perpetuity, transfer of ownership is the best route. Qualified entities in the business of affordable housing are looking for opportunities to purchase at-risk projects. However, they may lack the financing to make such a purchase. In these cases, if funding is available, the City could offer low-interest loans or gap financing that would allow a nonprofit entity to purchase the property. This strategy would allow the City to assure the long-term affordability of the project while minimizing the amount of direct public investment. Program 23 is the City's program to assist with at-risk housing projects.

6. Housing Constraints

Various factors may constrain or limit the City's ability to address its housing production needs, such as governmental regulations or environmental considerations. Market factors, including a change in interest rates or construction costs, may affect the feasibility of building housing or the affordability of housing to the community. Moreover, housing goals may at times conflict with the need to promote other important City goals, including open space or economic development.

These and other governmental constraints may affect the development, improvement, and maintenance of housing for all economic and social groups in the City. State law requires the housing element to analyze potential and actual governmental and nongovernmental constraints to the production, maintenance, and improvement of housing for all persons of all income levels, including persons with disabilities.