

**CITY OF ONTARIO
CITY COUNCIL, REDEVELOPMENT AGENCY,
AND HOUSING AUTHORITY
AGENDA
FEBRUARY 15, 2011**

Paul S. Leon
Mayor

Debra Dorst-Porada
Mayor pro Tem

Alan D. Wapner
Council Member

Sheila Mautz
Council Member

Jim W. Bowman
Council Member



Chris Hughes
City Manager

John E. Brown
City Attorney

Mary E. Wirtes, MMC
City Clerk

James R. Milhiser
Treasurer

WELCOME to a meeting of the Ontario City Council.

- All documents for public review are on file with the Records Management/City Clerk's Department located at 200 North Cherry Avenue, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Clerk will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within Council's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

ORDER OF BUSINESS: The regular City Council, Redevelopment Agency, and Housing Authority meeting begins with Closed Session and Closed Session Comment at 6:00 p.m., Public Comment at 6:30 p.m. immediately followed by the Regular Meeting and Public Hearings. No agenda item will be introduced for consideration after 10:00 p.m. except by majority vote of the City Council.

(EQUIPMENT FOR THE HEARING IMPAIRED AVAILABLE IN THE RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (OPEN SESSION)

6:00 p.m.

ROLL CALL

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

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

CLOSED SESSION

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN: 210-192-11; City/Agency/Authority Negotiator: Chris Hughes or his designee;
Negotiating parties: Dene Oliver, Paul Buss; Under negotiation: Price and terms of payment.
- GC 54956.9 (a), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: WalMart,
Case No. E049432

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

PLEDGE OF ALLEGIANCE

Council Member Wapner

INVOCATION

Reverend Frank Hamilton, First Christian Church of Ontario

REPORT ON CLOSED SESSION

City Attorney

PUBLIC COMMENTS

6:30 p.m.

The Public Comment portion of the Council/Redevelopment Agency/Housing Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, Council is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Council, fill out one of the blue slips at the rear of the chambers and give it to the City Clerk.

AGENDA REVIEW/ANNOUNCEMENTS: The City Manager will go over all updated materials and correspondence received after the agenda was distributed to ensure Council Members have received them. He will also make any necessary recommendations regarding Agenda modifications or announcements regarding Agenda items to be considered.

CONSENT CALENDAR

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

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

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the City Council, Redevelopment Agency and Housing Authority of January 18, 2011, and approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

Bills December 19, 2010 through January 1, 2011 and **Payroll** December 19, 2010 through January 1, 2011, when audited by the Finance Committee.

3. RESOLUTIONS APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY OF ONTARIO AND ONTARIO REDEVELOPMENT AGENCY FOR PAYMENT OF APPROXIMATELY \$335,170,000 FOR COSTS ASSOCIATED WITH CERTAIN REDEVELOPMENT AGENCY FUNDED CAPITAL IMPROVEMENT, PUBLIC IMPROVEMENT, AND AFFORDABLE HOUSING PROJECTS LOCATED WITHIN THE CURRENTLY DESIGNATED FIVE REDEVELOPMENT PROJECT AREAS

That the City Council and Ontario Redevelopment Agency Board:

- (A) Consider and adopt resolutions approving a Cooperation Agreement (on file with the Records Management Department) in an amount up to \$335,170,000 by and between the City of Ontario (“City”) and the Ontario Redevelopment Agency (“Agency”) for the implementation of capital and public improvements, affordable housing, and other redevelopment projects (including program delivery costs) in the currently designated Ontario Redevelopment Project Areas, specifically Project Area #1, Project Area #2, Center City, Cimarron, and Guasti Redevelopment Project Areas (“Project Areas”);
- (B) Authorize the City Manager/Executive Director to take any and all necessary actions to enter into promissory notes and/or debt service schedules memorializing existing indebtedness incurred by the Ontario Redevelopment Agency and owing to the City of Ontario from a series of previous loans made from the City to the Agency; and
- (C) Authorize the City Manager/Executive Director to take any and all necessary actions to execute quitclaim deeds transferring title of existing Agency-owned properties to the City and/or Housing Authority, as appropriate.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A COOPERATION AGREEMENT AND MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATED THERETO.

RESOLUTION NO. ORA-____

A RESOLUTION OF THE ONTARIO REDEVELOPMENT AGENCY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A COOPERATION AGREEMENT AND MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATED THERETO.

4. FISCAL YEAR 2010-11 MID-YEAR BUDGET REPORT

That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2010-11 Mid-Year Budget Report.

5. GRANT APPLICATION FOR \$6.0 MILLION OF FEDERAL AVIATION ADMINISTRATION (FAA) FUNDS FOR RESIDENTIAL SOUND INSULATION PURPOSES IN THE QUIET HOME PROGRAM AREA

That the City Council authorize the City Manager, or his designee to:

- (A) Submit and execute a \$6.0 million FAA grant application (on file in the Records Management Department);
- (B) Accept and execute the future FAA grant agreement, any amendments and all grant implementation documents; and
- (C) Submit and execute the future Grant Implementation Plan (GIP) and Letter Agreement to secure the required \$1.5 million matching grant from Los Angeles World Airports (LAWA).

6. GRANT APPLICATION FOR \$4.5 MILLION OF FEDERAL AVIATION ADMINISTRATION (FAA) FUNDS FOR LAND ACQUISITION AND RELOCATION PURPOSES IN THE QUIET HOME PROGRAM AREA

That the City Council authorize the City Manager, or his designee to:

- (A) Submit and execute a \$4.5 million FAA grant application (on file in the Records Management Department);
- (B) Accept and execute the future FAA grant agreement, any amendments and all grant implementation documents; and
- (C) Submit and execute the future Grant Implementation Plan (GIP) and Letter Agreement to secure the required \$1.5 million matching grant from Los Angeles World Airports (LAWA).

7. NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3) SUBSTANTIAL AMENDMENT TO THE 2010-2011 ONE-YEAR ACTION PLAN

That the City Council:

- (A) Approve the NSP3 Substantial Amendment to the 2010-2011 One-Year Action Plan (on file in the Records Management Department) which includes allocation and distribution of NSP3 funds;
- (B) Direct staff to prepare and transmit to HUD the NSP3 Substantial Amendment, which will address all public comments received; and
- (C) Authorize the City Manager to execute any and all documents necessary and/or desirable to facilitate the activities listed in the NSP3 Substantial Amendment and redistribute funds between activities as necessary.

8. ADOPTION OF ORDINANCES APPROVING FILE NO. PZC11-001, A ZONE CHANGE FROM C3 (COMMERCIAL SERVICE DISTRICT) AND M3 (GENERAL INDUSTRIAL DISTRICT) TO PUD (PLANNED UNIT DEVELOPMENT) AND FILE NO. PUD10-001, A PLANNED UNIT DEVELOPMENT (FILE NO. PUD10-001) ESTABLISHING DEVELOPMENT AND DESIGN REGULATIONS FOR A ONE BLOCK AREA (APPROXIMATELY 4 ACRES) FOR COMMERCIAL AND LIGHT INDUSTRIAL USES, BOUNDED BY HOLT BOULEVARD ON THE NORTH, EMPORIA STREET ON THE SOUTH, PLEASANT AVENUE ON THE WEST, AND MELROSE AVENUE ON THE EAST

That the City Council adopt ordinances approving File Nos. PZC11-001 and PUD10-001 related to a Zone Change and a Planned Unit Development establishing the development and design regulations for a one block area (approximately 4 acres) for commercial and light industrial uses, bounded by Holt Boulevard on the north, Emporia Street on the south, Pleasant Avenue on the west, and Melrose Avenue on the east.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PZC11-001, A ZONE CHANGE FROM C3 (COMMERCIAL SERVICE DISTRICT) AND M3 (GENERAL INDUSTRIAL DISTRICT) TO PUD (PLANNED UNIT DEVELOPMENT) FOR A ONE BLOCK AREA (APPROXIMATELY 4 ACRES) BOUNDED BY HOLT BOULEVARD ON THE NORTH, EMPORIA STREET ON THE SOUTH, PLEASANT AVENUE ON THE WEST, AND MELROSE AVENUE ON THE EAST, AND MAKING FINDINGS IN SUPPORT THEREOF – APNS: 1049-092-01, 02, 11, 12 & 13.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FILE NO. PUD10-001, A PLANNED UNIT DEVELOPMENT TO ESTABLISH THE DEVELOPMENT AND DESIGN REGULATIONS FOR A ONE BLOCK AREA (APPROXIMATELY 4 ACRES) BOUNDED BY HOLT BOULEVARD ON THE NORTH, EMPORIA STREET ON THE SOUTH, PLEASANT AVENUE ON THE WEST, AND MELROSE AVENUE ON THE EAST, AND MAKING FINDINGS IN SUPPORT THEREOF – APNS: 1049-092-01, 02, 11, 12 & 13.

9. APPLICATION FOR A CALIFORNIA OFFICE OF TRAFFIC SAFETY FOR DRIVING UNDER THE INFLUENCE AND EXCESSIVE SPEED ENFORCEMENT GRANT

That City Council authorize the City Manager to execute all documents necessary to apply for and accept a 12-month grant award in the amount of \$412,750 from the Office of Traffic Safety (OTS) for driving under the influence and excessive speed enforcement activities.

10. ACCEPTANCE OF GRANT AWARD FROM THE U.S. DEPARTMENT OF HOMELAND SECURITY AND THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY PROVIDED THROUGH THE FY 2010 URBAN AREA SECURITY INITIATIVE (UASI) GRANT PROGRAM

That the City Council authorize the City Manager to execute all documents necessary to accept grant allocations in the amount of \$800,000 awarded to the Fire Department and \$510,000 awarded to the Police Department from the U.S. Department of Homeland Security and the California Emergency Management Agency provided through the FY 2010 UASI Grant Program.

11. SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (SERAF) PAYMENT

That the City Council adopt a resolution authorizing a report to the San Bernardino County Auditor of the Redevelopment Agency's intent to use accumulated tax increment to make the Fiscal Year 2010-11 Supplemental Educational Revenue Augmentation Fund (SERAF) Payment.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AUTHORIZING A REPORT TO THE SAN BERNARDINO COUNTY AUDITOR OF THE REDEVELOPMENT AGENCY'S INTENT TO USE ACCUMULATED TAX INCREMENT TO MAKE THE FISCAL YEAR 2010-11 SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND PAYMENT.

COUNCIL MATTERS

APPOINTMENT TO THE WEST VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT BOARD OF TRUSTEES

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

STAFF MATTERS

City Manager Hughes

ADJOURNMENT

**CITY OF ONTARIO
CLOSED SESSION REPORT**

City Council / / Housing Authority / / Redevelopment Agency / /
Redevelopment Financing Agency / / Other / / (GC 54957.1)

February 15, 2011

ROLL CALL: Dorst-Porada __, Wapner __, Mautz __, Bowman __,
Mayor / Chairman Leon __.

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

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

- GC 54956.9(b), CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 210-192-11; City /Agency/Authority Negotiator: Chris Hughes or his designee; Negotiating parties: Dene Oliver, Paul Buss; Under Negotiation: Price and terms of payment.

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

- GC 54956.9 (a), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: WalMart, Case No. E049432

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

Reported by: _____
City Attorney / City Manager / Executive Director

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: RESOLUTIONS APPROVING A COOPERATION AGREEMENT BETWEEN THE CITY OF ONTARIO AND ONTARIO REDEVELOPMENT AGENCY FOR PAYMENT OF APPROXIMATELY \$335,170,000 FOR COSTS ASSOCIATED WITH CERTAIN REDEVELOPMENT AGENCY FUNDED CAPITAL IMPROVEMENT, PUBLIC IMPROVEMENT, AND AFFORDABLE HOUSING PROJECTS LOCATED WITHIN THE CURRENTLY DESIGNATED FIVE REDEVELOPMENT PROJECT AREAS

RECOMMENDATION: That the City Council and Ontario Redevelopment Agency Board:

- (A) Consider and adopt resolutions approving a Cooperation Agreement (on file with the Records Management Department) in an amount up to \$335,170,000 by and between the City of Ontario ("City") and the Ontario Redevelopment Agency ("Agency") for the implementation of capital and public improvements, affordable housing, and other redevelopment projects (including program delivery costs) in the currently designated Ontario Redevelopment Project Areas, specifically Project Area #1, Project Area #2, Center City, Cimarron, and Guasti Redevelopment Project Areas ("Project Areas");
- (B) Authorize the City Manager/Executive Director to take any and all necessary actions to enter into promissory notes and/or debt service schedules memorializing existing indebtedness incurred by the Ontario Redevelopment Agency and owing to the City of Ontario from a series of previous loans made from the City to the Agency; and
- (C) Authorize the City Manager/Executive Director to take any and all necessary actions to execute quitclaim deeds transferring title of existing Agency-owned properties to the City and/or Housing Authority, as appropriate.

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
Focus Resources in Ontario's Commercial and Residential Neighborhoods

STAFF MEMBER PRESENTING: John Andrews, Economic Development Director

Prepared by: John Andrews
Department: Economic Development

City Manager
Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

Continued to: _____

Denied: _____

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FISCAL IMPACT: The recommended actions are consistent with the Redevelopment Agency's Five-Year Implementation Plan and the Redevelopment Plans for the currently designated project areas. The recommended actions will ensure continued implementation of the various eligible redevelopment activities and programs. Each of the redevelopment programs and activities are fully described in the Redevelopment Agency's Five-Year Implementation Plan, approved by the City Council and Agency Board following a duly noticed public hearing held on November 17, 2009. The actions will contractually commit available resources and projected Net Tax Increment from each of the active redevelopment project areas. There is no adverse impact on the General Fund as a result of the recommended actions and Agreement; funds will flow to the City to implement the Agreement.

BACKGROUND: The Agency has adopted a Five-Year Implementation Plan for each of the City's five Redevelopment Project Areas which establishes goals to support economic development, commercial, community and institutional revitalization as well as the creation and preservation of affordable housing. To implement the programs and activities associated with each goal, the Agency has made redevelopment funding commitments based on estimated available tax increment revenue and debt financing structures.

Currently, both Economic Development and Housing and Neighborhood Revitalization Agency staff are actively involved in the implementation of various projects that have been identified in the Five-Year Implementation Plan. In addition, there are several priority projects included in the approved Capital Improvements Program and Master Plan. Many of the identified projects are considered essential to the acceleration of the economic recovery of the City as well as to ensure the creation of job opportunities.

In the current budget environment, the Agency's ability to carry out these goals and objectives may be limited. Historically, the City and Agency have partnered to effectuate the priority work program for the Agency. Pursuant to the California Redevelopment Law, Health and Safety Code Section 33220, certain public bodies, including the City, may aid in the planning, undertaking, construction and operation of redevelopment projects. Building on this success, the Agency desires assistance and cooperation in the implementation and completion of these activities. By entering into the recommended Cooperation Agreement ("Agreement"), the Agency will pledge the unencumbered resources in the current FY 2010-11 Budget, and the Net Tax Increment as necessary and available for the purposes of project and program implementation.

The purpose of the Agreement is to facilitate the implementation of project activities outlined in the Agreement. Under the Agreement, the Agency will enter into a contract with the City providing that, among other things, the City will perform certain eligible activities on behalf of the Agency including installation of publicly-owned capital improvements, public improvements, the creation and preservation of affordable housing projects, and other redevelopment projects located in the City's redevelopment Project Areas. The obligation to pay tax increment, as set forth in the Agreement, shall constitute an indebtedness of the Agency for the purpose of carrying out the Redevelopment Plans for each of the affected Project Areas.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: FISCAL YEAR 2010-11 MID-YEAR BUDGET REPORT

RECOMMENDATION: That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2010-11 Mid-Year Budget Report.

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

FISCAL IMPACT: The recommended actions will affect several fund budgets as outlined in the FY 2010-11 Mid-Year Budget Report and supporting schedules.

BACKGROUND: This is the second interim budget report for Fiscal Year 2010-11 which reflects the Administrative Services Agency's continued efforts to provide timely, accurate, and understandable financial information to assist the City Council with decision making and achieve their core goals. All funds have been reviewed in preparing this report. The emphasis of this report is on the General Fund, which funds most of the government services such as public safety, recreation, library, museum, parks, building, and planning. This report also discusses budget trends and the economic outlook that may impact the City's resources.

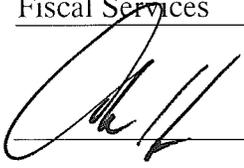
The primary purposes of this report are to:

- Revise the City's budget to reflect the City Council's actions taken since the First Quarter Budget Report;
- Recommend budget changes to align the budget with projected year-end results;
- Recommend budget adjustments that are consistent with City Council goals and objectives; and
- Comment on significant budget trends that may impact next fiscal year's budget development.

Mid-Year Budget Recommendations

Mid-Year budget recommendations are routine in nature and mainly comprised of previously approved City Council actions, adjustments in the revenue budget to reflect estimates based on current trends, and additional appropriations for new or ongoing programs/projects. The recommendations in the Mid-Year

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

Prepared by: Doreen Nunes
Department: Fiscal Services
City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. **02/15/2011**
Approved: _____
Continued to: _____
Denied: _____

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Budget Report for the General Fund will result in a net reduction of approximately **\$1.0 million** to the ending fund balance of approximately **\$30.1 million**, which represents 19 percent of the General Fund operating budget.

Changes to General Fund revenues include a **\$2.0 million** increase in Sales Tax revenues based on the latest data from the City's quarterly sales tax receipts; and a decrease in Interest and Rental Income of **\$248,000** is attributed to lower than expected interest rates. The Mid-Year Budget Report includes increases to General Fund appropriations in the amount of approximately **\$2.8 million**. The majority of the increase (**\$2.3 million**) is attributed to needed repair work on various streets throughout the City which were damaged from the recent storms in December. Adjustments also include a prior City Council action to appropriate **\$425,000** for professional consulting services relating to the airport transition team. Finally, there is a General Fund transfer-out of **\$70,000** for the City's required share of the Airport Land Compatibility grant.

Noteworthy budget adjustments in Other Funds include **\$850,000** for additional needed improvements related to the City Hall Renovation project (funded from the City Facility Reserve) and a **\$1.3 million** appropriation from the Urban Area Security Initiative (UASI) grant for the purchase of a Fire Department hazardous materials response vehicle and enhancements to the aviation video downlink system for Ontario's Air Support Unit as well as the other UASI participants' police helicopters.

The Mid-Year Budget Report also includes two other recommendations that do not impact current budget appropriations. The first recommendation is the implementation of an employee stipend program for wireless devices and services instead of City issued cellular phones. Under the proposed program, the cash impact to the City is neutral, but will improve operating efficiency due to reduced administrative costs in managing the City-owned devices. The second recommendation is the proposed Cost Allocation Plan for Fiscal Year 2010-11. The Cost Allocation Plan sets the City's overhead rates for recovering administrative costs under various grants and City service fees.

Economic Outlook

The decline in the overall economy has stabilized and appears to be recovering at a slow rate. The Consumer Confidence Index jumped from 53.3 in December 2010 to 60.6 in January 2011. However, a score of over 90 is considered an indicator of solid economic growth. The local unemployment rate has also improved slightly, dropping from 15.1% (Sept. 2010) to 14.5% (Dec. 2010). The improvement in the economy has resulted in increased retail sales of 5% for the past six months.

Since the expiration of the homebuyer tax credit last year, the real estate market for home sales has declined to record low levels. Moreover, as a result of higher inventory levels from increased foreclosure activities, home prices are expected to decline further over the next couple of years. Although the market for industrial property remains strong, the commercial real estate market for retail and office space continues to be soft with vacancy rates at higher than desired levels. Consequently, significant new construction activities for office and retail commercial properties are not expected for several years.

The recent improvement in the economy can be attributed to several key factors. First, many homeowners who are "upside down" in their homes have been able to reduce their monthly housing costs through loan modifications or short sale/foreclosure options. Second, the actions by the Federal Reserve in October 2010 to acquire \$600 billion of U.S Treasury securities through June 2011 has helped maintain lower mortgage rates for current homeowners and commercial interest rates for private companies. Moreover, the Federal Government's actions to maintain the Bush tax cuts and temporary reduction in social security taxes (2% of wages) in January 2011 have helped put more money in the

pockets of consumers. Finally, the recovery of the stock market has improved consumer confidence and provided a significant psychological boost in the form of a “wealth effect”.

The downside to the Federal stimulus and deficit spending (\$1.5 trillion annually) is potentially a weaker U.S. dollar, higher taxes, and higher long-term interest rates in the near future. In addition, commodity and energy prices may rise faster than wage growth, resulting in reduced purchasing power for the consumer. Inflation in a weak economy increases the risk of stagflation in the future. The sustainability of the current economic recovery is uncertain and will be dependent upon economic growth without the aid of increased deficit spending by the Federal government, low interest rates, and wealth effect from the stock market.

State Budget

Newly elected Governor Brown has proposed, as part of the Administration’s proposed Fiscal Year 2011-12 budget, to permanently shut down local redevelopment agencies. Eliminating redevelopment will cause serious and permanent economic damage at the local level. Redevelopment generated over \$55.5 million of tax dollars for this City to provide funding for needed public improvement, safety, housing, and quality of life projects. Without Redevelopment funding, the City would not have been able to complete vital very-low to moderate-income housing projects such as the Ontario Town Square Project which consists of 160 units; the City Center Senior Apartments in the Historic Downtown consisting of 76 housing units; and the Mountain View Senior Apartments with 106 units. In addition, projects such as the Ovitt Family Community Library renovation and expansion and the development of the Ontario Soccer Park—both of which provide enrichment to the City residents’ lives—would not have been possible. Redevelopment projects support 3,142 jobs locally for our City. For a region that has one of the highest unemployment rates in the nation, redevelopment is necessary for creating and maintaining jobs. Redevelopment is a critical tool in revitalizing cities and neighborhoods.

CalPERS

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to unrealistic projected earning rates combined with significant investment losses. All of this has contributed to dramatic increases to the CalPERS contribution rates, which are estimated to increase by an average of approximately 33% over the next three years. In addition, CalPERS recently notified public agencies statewide in December 2010 that due to proposed changes to the actuarial and investment return assumptions, the employer’s contribution rates may increase by even more in the near future. CalPERS estimates that this additional impact will increase rates by two percent of payroll for the Miscellaneous Plan and by three percent for the Safety Plans on top of the previously approved multi-year 33% increases.

Conclusion

In summary, the short-term economic outlook is stable and the recovery is projected to be slow, but will last longer than originally predicted. The economy, however, still faces significant challenges over the next couple of years due to weak job market, potentially higher interest rates, expiration of Federal stimulus programs, and higher energy and commodity prices.

With the exception of increased sales tax revenues, the City’s General Fund revenues are projected to be at or near the amount presented in the Adopted Budget for Fiscal Year 2010-11. Recurring operating expenditure projections are also consistent with the current budget. The City’s projected figures for Fiscal Year 2010-11 are consistent with the figures outlined in City’s 5-year Budget Action Plan. Although the City is on target, there is still a General Fund structural deficit. This deficit is expected to continue to grow into the next fiscal year due to higher CalPERS costs and slower economic recovery.

Therefore, it is recommended that the City maintain its conservative fiscal approach with the budget and consider the need to take further actions in the future to reduce costs should economic growth slow or decline beyond current expectations.

The Adopted Operating Budget for FY 2010-11 as modified through the Mid-Year Budget Report continues to reflect the City Council's commitment to foster steady, controlled growth and to provide the highest level of service to the community within the City's fiscal constraints. With the City Council's leadership and their prudent fiscal policies, the City's long-term fiscal health will further solidify its standing as the economic leader in the Inland Empire and a formidable player in California and the nation.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: GRANT APPLICATION FOR \$6.0 MILLION OF FEDERAL AVIATION ADMINISTRATION (FAA) FUNDS FOR RESIDENTIAL SOUND INSULATION PURPOSES IN THE QUIET HOME PROGRAM AREA

RECOMMENDATION: That the City Council authorize the City Manager, or his designee to:

- (A) Submit and execute a \$6.0 million FAA grant application (on file in the Records Management Department);
- (B) Accept and execute the future FAA grant agreement, any amendments and all grant implementation documents; and
- (C) Submit and execute the future Grant Implementation Plan (GIP) and Letter Agreement to secure the required \$1.5 million matching grant from Los Angeles World Airports (LAWA).

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
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The FAA and LAWA will provide all grant funding (a total of \$7.5 million) necessary to implement the residential sound insulation project under the future grants. There will be no impact to the City's General Fund.

BACKGROUND: On December 15, 2010, the City submitted a grant pre-application to the FAA as the first step to secure \$6.0 million in residential sound insulation grant funds. On February 1, 2011, the FAA informed the City that it had programmed the \$6.0 million for the current federal fiscal year and requested that the City submit a formal grant application as soon as possible. If the new grant is awarded, a formal grant agreement could be presented to the City by next month. Upon securing the FAA grant, staff will submit a GIP to LAWA to secure the required 20 percent grant matching funds (\$1.5 million).

STAFF MEMBER PRESENTING: Brent Schultz, Housing & Neighborhood Revitalization Director

Prepared by: Sigfrido G. Rivera
Department: Housing Agency

City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

Continued to: _____

Denied: _____

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The combined \$7.5 million in FAA and LAWA grant funds will be used to sound insulate approximately 200 additional houses under a project known as Phase 10. The proposed project area is generally bounded on the north by State Street, on the south by Francis Street, on the west by Vine Avenue, and on the east by Bon View Avenue (see attached Boundary Map).

Since 1994, the Quiet Home Program has sound insulated 1,085 houses, expended approximately \$33 million in FAA and LAWA grant funds, and improved the quality of life for approximately 4,000 City residents. Next month, sound insulation work will be completed on 75 houses under Phase 8. Phase 9 sound insulation work will get underway this summer and will consist of approximately 200 houses. Phase 9 could be completed by December 2012. If all Phase 10 project funding is secured this year, construction work could start in summer 2012 and be completed in late 2013. The estimated construction budget for Phase 10 would be approximately \$6.0 million. When Phase 9 and 10 are completed, staff estimates that approximately 1,400 would remain to be sound insulated through the program.

Sound insulation work typically includes the installation of acoustic doors and windows, central heating, air conditioning and ventilation systems, attic insulation, vent baffles, and other noise-reducing improvements, as deemed necessary. Although these improvements help enhance the quality of life of the participating residents, they also help eliminate certain health and safety hazards. This is accomplished through removal of defective wall heaters, furnaces and unsafe electrical wiring from sound insulation work areas and installation of new electrical panels, smoke detectors and security bar modifications to windows to allow emergency egress. All sound insulation work is done at no cost to the homeowners.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: GRANT APPLICATION FOR \$4.5 MILLION OF FEDERAL AVIATION ADMINISTRATION (FAA) FUNDS FOR LAND ACQUISITION AND RELOCATION PURPOSES IN THE QUIET HOME PROGRAM AREA

RECOMMENDATION: That the City Council authorize the City Manager, or his designee to:

- (A) Submit and execute a \$4.5 million FAA grant application (on file in the Records Management Department);
- (B) Accept and execute the future FAA grant agreement, any amendments and all grant implementation documents; and
- (C) Submit and execute the future Grant Implementation Plan (GIP) and Letter Agreement to secure the required \$1.5 million matching grant from Los Angeles World Airports (LAWA).

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
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The FAA and LAWA will provide all grant funding (a total of \$5.265 million) necessary to implement all land acquisition and relocation activities under the future grant. There will be no impact to the City's General Fund.

BACKGROUND: On December 15, 2010, the City submitted a grant pre-application to the FAA as the first step to secure \$4.5 million in land acquisition and relocation grant funds. On February 1, 2011, the FAA informed the City that it had programmed the \$4.5 million for the current federal fiscal year and requested that the City submit a formal grant application as soon as possible. If the new grant is awarded, a formal grant agreement could be presented to the City by next month. Upon securing the FAA grant, staff will submit a GIP to LAWA to secure the required 20 percent grant matching funds (\$1.125 million).

STAFF MEMBER PRESENTING: Brent Schultz, Housing & Neighborhood Revitalization Director

Prepared by: Sigfrido G. Rivera
Department: Housing Agency

City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

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Denied: _____

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The combined \$5.625 million in FAA and LAWA grant funds will be used to conduct a voluntary land acquisition and relocation project consisting of 19 properties and relocation of approximately 75 residents from the neighborhoods just west of LA/Ontario International Airport (see attached Boundary Map). If all funding is secured, staff could start presenting purchase offers this year. All acquisition and relocation activities will be conducted in compliance with the Uniform Relocation Assistance and Real Property Acquisition Act. Currently, the City is working on two (2) FAA/LAWA-funded land acquisition/relocation projects totaling 21 properties.

Since 1994, the Quiet Home Program has acquired 231 properties on about 51 acres and expended approximately \$70 million in FAA and LAWA grant funds. Through implementation of the program, approximately 1,045 residents have been relocated from severely noise impacted neighborhoods located closest to the airport. If the purchase of all identified properties is successful, approximately 81 properties will remain to be acquired under the City's Quiet Home Program.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3) SUBSTANTIAL AMENDMENT TO THE 2010-2011 ONE-YEAR ACTION PLAN

RECOMMENDATION: That the City Council:

- (A) Approve the NSP3 Substantial Amendment to the 2010-2011 One-Year Action Plan (on file in the Records Management Department) which includes allocation and distribution of NSP3 funds;
- (B) Direct staff to prepare and transmit to HUD the NSP3 Substantial Amendment, which will address all public comments received; and
- (C) Authorize the City Manager to execute any and all documents necessary and/or desirable to facilitate the activities listed in the NSP3 Substantial Amendment and redistribute funds between activities as necessary.

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
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: The City of Ontario received an allocation of \$1,872,853 of NSP3 funds from the U.S. Department of Housing and Urban Development (HUD). This NSP3 Substantial Amendment will request the NSP3 funds from HUD and distribute the funds to specific activities as identified in the NSP3 Substantial Amendment.

BACKGROUND: An additional allocation of Neighborhood Stabilization Program (NSP) funds as authorized Section 2301 (b) of the Housing and Economic Recovery Act of 2008 (HERA) was provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The Dodd-Frank Act makes available an additional \$1 billion for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. The program created by this appropriation is called NSP3 and is administered by HUD.

HUD has established a formula for allocating NSP3 funds to entitlement cities already receiving Community Development Block Grant (CDBG) funds. Funds were distributed based on the number of

STAFF MEMBER PRESENTING: Brent Schultz, Housing & Neighborhood Revitalization Director

Prepared by: Katryna Gonzalez
Department: Housing

City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

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Denied: _____

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foreclosures, number of high cost loans, unemployment rate, decline in median home price from the market peak, and 90-day residential vacancy rate for each community. The City of Ontario was allocated \$1,872,853 using this formula.

Each jurisdiction receiving an NSP3 allocation is required to submit a NSP3 Substantial Amendment describing how the community intends to use the funds. All NSP3 funds must be used to benefit low- and moderate-income individuals and households defined as those earning less than 120% area median income adjusted for family size. Twenty-five percent of the funds, or \$468,214, must be used to benefit low-income individuals and households defined as those earning less than 50% area median income adjusted for family size. Ten percent, or \$187,285, may be used for administrative expenses.

NSP3 funds may be used to perform the following activities:

- Establish funding mechanisms for the purchase and redevelopment for foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate income homebuyers.
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
- Establish and operate land banks for homes and residential properties that have been foreclosed upon.
- Demolish blighted structures.
- Redevelop demolished or vacant properties as housing.

Housing Agency staff is recommending the following activities be implemented utilizing NSP3 funds:

- Multi-family residential acquisition and/or rehabilitation;
- Land banking; and
- Financial assistance for qualified homebuyers.

The NSP3 Substantial Amendment was advertised for the required fifteen-day public review period beginning on January 31, 2011. The public review period expires on February 15, 2011. During this period, the draft NSP3 Substantial Amendment was available at the Ovitt Family Community Library, City Clerk/Records Management Department, Housing Agency, and on-line on the City's website.

The NSP3 Substantial Amendment is due to HUD before March 1, 2011. If approved, Housing Agency staff will finalize the Amendment and submit it to HUD prior to the deadline.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: ADOPTION OF ORDINANCES APPROVING FILE NO. PZC11-001, A ZONE CHANGE FROM C3 (COMMERCIAL SERVICE DISTRICT) AND M3 (GENERAL INDUSTRIAL DISTRICT) TO PUD (PLANNED UNIT DEVELOPMENT) AND FILE NO. PUD10-001, A PLANNED UNIT DEVELOPMENT (FILE NO. PUD10-001) ESTABLISHING DEVELOPMENT AND DESIGN REGULATIONS FOR A ONE BLOCK AREA (APPROXIMATELY 4 ACRES) FOR COMMERCIAL AND LIGHT INDUSTRIAL USES, BOUNDED BY HOLT BOULEVARD ON THE NORTH, EMPORIA STREET ON THE SOUTH, PLEASANT AVENUE ON THE WEST, AND MELROSE AVENUE ON THE EAST

RECOMMENDATION: That the City Council adopt ordinances approving File Nos. PZC11-001 and PUD10-001 related to a Zone Change and a Planned Unit Development establishing the development and design regulations for a one block area (approximately 4 acres) for commercial and light industrial uses, bounded by Holt Boulevard on the north, Emporia Street on the south, Pleasant Avenue on the west, and Melrose Avenue on the east.

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

FISCAL IMPACT: If approved, the Zone Change would allow for development of the project site consistent with The Ontario Plan and will result in a net positive fiscal impact through increased property tax and potential sales tax.

BACKGROUND: On February 1, 2011 the City held a public hearing to introduce ordinances establishing the zoning and development standards for the subject property. The project site is comprised of one city block that is bordered by Holt Boulevard on the north, Emporia Street on the south, Pleasant Avenue on the west, and Melrose Avenue on the east, and lies within the Center City Redevelopment Project Area. The Center City Redevelopment Plan encourages the development of

STAFF MEMBER PRESENTING: Jerry L. Blum, Planning Director

Prepared by: Clarice Ramey
Department: Planning

City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

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Denied: _____

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high intensity, multi-use central business district and surrounding neighborhoods that maximize the economic productivity of the commercial areas and maximize the housing opportunities of the residential areas. The Ontario Plan specifies that the project site is in the East Holt District and is to be implemented through the approval of a Planned Unit Development (PUD) prior to the development of properties within the District.

Ontario Redevelopment Agency (Applicant) has submitted a Zone Change request, which would change the zoning designation on the project site from C3 and M3 to PUD, and a PUD document that is consistent with this vision, and the goals and policies of The Ontario Plan.

The PUD development regulations and design guidelines establish standards for commercial and industrial development within two land use districts. The standards include such items as development intensity, building height, setbacks, access points, landscaping, building orientation, streetscapes and architectural character.

Street dedication is required along Holt Boulevard, Emporia Street, and Pleasant and Melrose Avenue in order to accommodate street widening to the ultimate width of the four streets. A bus stop will be provided along the Holt Boulevard frontage.

Although the project site is vacant and does not contain any historic buildings, it is adjacent to four historic properties and must be sensitive to these surrounding properties through scale, building orientation and lighting design.

ENVIRONMENTAL REVIEW: The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15332 (In-Fill Development) of the CEQA Guidelines.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: APPLICATION FOR A CALIFORNIA OFFICE OF TRAFFIC SAFETY FOR DRIVING UNDER THE INFLUENCE AND EXCESSIVE SPEED ENFORCEMENT GRANT

RECOMMENDATION: That City Council authorize the City Manager to execute all documents necessary to apply for and accept a 12-month grant award in the amount of \$412,750 from the Office of Traffic Safety (OTS) for driving under the influence and excessive speed enforcement activities.

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

FISCAL IMPACT: Grant awards will be announced in June 2011, and the grant performance period is October 1, 2011 through September 30, 2012. If awarded, the revenue and associated expenditure adjustments will be included in the Fiscal Year 2011-12 First Quarter Budget Report. This is a quarterly reimbursable grant requiring the City to expend funds prior to receiving payment from OTS. The City is not required to provide any matching funds. The estimated grant reimbursement is \$412,750 comprised of \$314,000 for overtime enforcements and \$98,750 for equipment, materials, and travel expenses.

BACKGROUND: OTS distributes federal funding apportioned to the State of California under the National Highway Safety Act and the Transportation Equity Act for the 21st Century. Grants are used to mitigate traffic safety program deficiencies, expand ongoing activities, or develop new programs. This 12-month State grant, if awarded, will fund the following:

- 52 DUI/Drivers License Enforcements
 - 14 DUI/Drivers License Checkpoints \$196,000
 - 14 Saturation Patrols 70,000
 - 24 Special Enforcement Operations 48,000
- \$314,000

STAFF MEMBER PRESENTING: Eric Hopley, Chief of Police

Prepared by: Donna Bailey
Department: Police

City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

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• OTS Mandatory Training Expenses	5,000
• Traffic Safety Equipment	
- 2 Motorcycles	60,000
- 4 Citation devices	24,000
- 2 Motorcycle radios	6,000
- 1 Collision data recording device	2,000
- Checkpoint supplies	<u>1,750</u>
	<u>93,750</u>
TOTAL	<u>\$412,750</u>

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: ACCEPTANCE OF GRANT AWARD FROM THE U.S. DEPARTMENT OF HOMELAND SECURITY AND THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY PROVIDED THROUGH THE FY 2010 URBAN AREA SECURITY INITIATIVE (UASI) GRANT PROGRAM

RECOMMENDATION: That the City Council authorize the City Manager to execute all documents necessary to accept grant allocations in the amount of \$800,000 awarded to the Fire Department and \$510,000 awarded to the Police Department from the U.S. Department of Homeland Security and the California Emergency Management Agency provided through the FY 2010 UASI Grant Program.

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

FISCAL IMPACT: The City, through the Riverside Regional UASI, has been awarded a total of \$1,310,000. The Fire Department is allocated \$800,000 for a HazMat Response Vehicle and the Police Department \$510,000 for a Regional Aviation High Definition (HD) Video Camera System. The associated grant revenue and expenditure adjustments will be presented in the Fiscal Year 2010-11 Mid-Year Budget Report to the City Council. The City is not required to provide matching funds for this reimbursable grant.

BACKGROUND: The UASI program provides financial assistance to address the unique multi-disciplinary planning, operations, equipment, training, and exercise needs of high-threat, high density urban areas, and to assist them in building and sustaining capabilities to prevent, protect against, respond to, and recover from threats or acts of terrorism and weapons of mass destruction. The intent of the UASI program is to enhance regional preparedness and expand collaboration efforts.

STAFF MEMBER PRESENTING: Dave Carrier, Fire Chief
Eric Hopley, Chief of Police

Prepared by: Cathy Thomas / Donna Bailey
Department: Fire / Police

City Manager
Approval:  _____

Submitted to Council/O.R.A./O.H.A. 02/15/2011

Approved: _____

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The Riverside Regional UASI includes the cities of Riverside, San Bernardino and Ontario, and the counties of Riverside and San Bernardino. UASI projects are recommended for consideration by the UASI Steering Group and local Approval Authority which are comprised of staff from the three cities and two counties. Recommendations are made based upon the ability to match project benefits to the UASI program guidelines, which include a focus on regional coordination and collaboration. The Riverside Regional UASI's recommended projects are then subject to review and approval at the State and Federal levels.

The City of Ontario, as a sub-recipient of the FY 2010 Riverside Regional UASI Grant Program, has been approved to receive \$1,310,000 for the acquisition of a HazMat Response Vehicle and a Regional Aviation HD Video Camera System based upon the following recommended spending plan:

• HazMat Response Vehicle	\$ 800,000
• Regional Aviation HD Video Camera System	<u>\$ 510,000</u>
TOTAL	\$1,310,000

The HazMat Response Vehicle is a critical component of the HazMat/CBRNE response capability in the Riverside UASI region, providing efficient and effective mutual-aid or single-agency response to Hazmat/CBRNE incidents. The City of Ontario houses one of the largest amounts of hazardous materials of any city in the Riverside UASI region. Ontario is home to many high profile, mass gathering venues and contains several transportation corridors, including two major rail lines and three freeways. This vehicle will allow the safe transport of personnel and equipment to all local and regional hazmat and CBRNE incidents, including all major incidents at the Ontario International Airport and other regional mass gathering venues.

The HazMat Response Vehicle will be operated and supported by the Ontario Fire Department's highly trained, twenty-one member hazardous materials team. This vehicle will support operations in multiple facets including interoperable communications, computer/internet access, equipment storage, air monitoring, product sampling, hazard identification, mitigating response actions, and decontamination activities. This vehicle will also support Firefighting, Bomb, and Urban Search and Rescue (USAR) activities and will play an important role in any natural or man-made disaster event.

The Regional Aviation Law Enforcement Information Sharing / HD Video Camera System is an extension of the FY2009 RUASI Regional Aviation Video Downlink System to provide the initial aviation downlink equipment and infrastructure using pre-existing camera equipment. The HD Video Camera System will include the replacement and/or upgrade of imaging and viewing equipment currently installed on regional public safety aircraft. The enhanced equipment will be capable of producing high-definition grade images for both the flight officers and incident commanders via the aviation downlink.

The FY2010 UASI award of \$510,000 will equip two of the four participating agencies (City of Ontario Police Department, San Bernardino Sheriff's Department, Riverside Police Department and the Riverside County Sheriff's Department) with enhanced video downlink HD camera equipment. During the FY2011 project cycle, the Committee will submit another application to equip the remaining two agencies with enhanced video downlink HD camera equipment.

The City is not obligated to continue with these grant programs beyond the equipment's operational life. Upon termination of the programs, staff will work with the City of Riverside Office of Emergency

Services (the designated Riverside Regional UASI Administrative Entity) and the Department of Homeland Security to properly demobilize and surplus the equipment.

CITY OF ONTARIO

Agenda Report
February 15, 2011

SECTION:
CONSENT CALENDAR

SUBJECT: SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (SERAF)
PAYMENT

RECOMMENDATION: That the City Council adopt a resolution authorizing a report to the San Bernardino County Auditor of the Redevelopment Agency's intent to use accumulated tax increment to make the Fiscal Year 2010-11 Supplemental Educational Revenue Augmentation Fund (SERAF) Payment.

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

FISCAL IMPACT: The State's action to shift property tax revenues from redevelopment agencies to the SERAF Fund will result in the loss of \$3,375,413 in tax increment funds for Fiscal Year 2010-11.

BACKGROUND: As part of balancing the State's budget deficit of approximately \$25.4 billion, the State adopted legislation last year requiring redevelopment agencies to shift \$350 million for the current year in property tax revenues to the State to help meet its funding obligation to K-12 schools and community colleges. Based on the State's allocation formula, the Ontario Redevelopment Agency's SERAF obligation in Fiscal Year 2010-11 is \$3,375,413. The State's SERAF shift was designed to be a one-time occurrence, but due to the magnitude of the State's ongoing structural budget deficit, similar actions have been taken by the State in five of the last eight fiscal years. The Agency's SERAF payment last year was \$16.4 million.

Moreover, newly elected Governor Brown has proposed, as part of the Administration's proposed Fiscal Year 2011-12 budget, to permanently shut down local redevelopment agencies. Eliminating redevelopment will cause serious and permanent economic damage at the local level. Redevelopment generated over \$55.5 million of tax dollars for this City to provide funding for needed public improvement, safety, housing, and quality of life projects. Without Redevelopment funding, the City would not have been able to complete vital very-low to moderate-income housing projects such as the Ontario Town Square Project which consists of 160 units; the City Center Senior Apartments in the

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

Prepared by: Doreen Nunes
Department: Fiscal Services

City Manager Approval: 

Submitted to Council/O.R.A./O.H.A. 02/15/2011

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Historic Downtown consisting of 76 housing units; and the Mountain View Senior Apartments with 106 units. In addition, projects such as the Ovitt Family Community Library renovation and expansion and the development of the Ontario Soccer Park—both of which provide enrichment to the City residents' lives—would not have been possible. Redevelopment projects support 3,142 jobs locally for our City. For a region that has one of the highest unemployment rates in the nation, redevelopment is necessary for creating and maintaining jobs. Redevelopment is a critical tool in revitalizing cities and neighborhoods.

The Agency is required to make the SERAF payment on or before May 10, 2011. If the entire SERAF amount is not paid, the Agency is subject to penalties which include 1) the Agency will be prohibited from adding new or expanding existing project areas; 2) the Agency will be prohibited from issuing new bonded indebtedness; and 3) the Agency will be prohibited from encumbering funds or expending money except for current bonded indebtedness and obligations.