

**CITY OF ONTARIO
CITY COUNCIL AND HOUSING AUTHORITY
AGENDA
FEBRUARY 21, 2012**

Paul S. Leon
Mayor

Sheila Mautz
Mayor pro Tem

Alan D. Wapner
Council Member

Jim W. Bowman
Council Member

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

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

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

CALL TO ORDER (*OPEN SESSION*)

6:00 p.m.

ROLL CALL

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

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

CLOSED SESSION

- GC 54956.9 (a) & (c), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: *George Engman, et al. v. City of Ontario, et al.*, Case No. EDCV 10-284-CAS(FFMx).
- GC 54956.9 (b), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One or more cases: City of Los Angeles/Los Angeles World Airports (LAWA).*

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

PLEDGE OF ALLEGIANCE

Mayor pro Tem Mautz

INVOCATION

Reverend Michael Sturn, St. George Catholic Church

REPORT ON CLOSED SESSION

City Attorney

PUBLIC COMMENTS

6:30 p.m.

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

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

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

CONSENT CALENDAR

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

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

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the City Council, Redevelopment Agency and Housing Authority of January 17, 2012, and the Special Meeting of the City Council, Redevelopment Agency, Housing Authority on January 30, 2012, and approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

Bills January 15, 2012 through January 28, 2012 and **Payroll** January 15, 2012 through January 28, 2012, when audited by the Finance Committee.

3. CITY COUNCIL 2012 GOALS

That the City Council adopt their 2012 Goals providing citywide policy direction and guidance.

4. FISCAL YEAR 2011-12 MID-YEAR BUDGET REPORT

That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2011-12 Mid-Year Budget Report.

5. LICENSE AGREEMENT FOR THE MULTI-PURPOSE TRAIL IN THE EDENGLÉN SPECIFIC PLAN AREA/SOUTHERN CALIFORNIA EDISON

That the City Council approve and authorize the City Manager to execute a multi-year license agreement (on file in the Records Management Department) with Southern California Edison (SCE) for the multi-purpose trail to be located in SCE property (APN 218-171-14, 15 and 19) within the Edenglen Specific Plan area.

6. RESOLUTIONS APPROVING AMENDMENTS TO THE LOAN AGREEMENTS AND LAND CONVEYANCE AGREEMENTS BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY AND THE FINAL ALLOCATION OF MONIES FOR THE BEGONIA AVENUE AND FRANCIS STREET PROJECTS

That the City Council of the City of Ontario (“City”) and the Board of the Ontario Housing Authority (“Authority”) adopt resolutions setting forth the final allocation of monies from the Ontario Redevelopment Agency’s (“Agency”) Low and Moderate Income Housing Fund (“LMIHF”) granted for the Begonia Avenue and Francis Street Projects; and adopt resolutions amending the loan agreements and land conveyance agreements (on file in the Records Management Department) between the City and the Authority related to the properties at 228 and 231 North Begonia Avenue.

RESOLUTION NO. OHA-_____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, SETTING FORTH THE FINAL ALLOCATION OF MONIES FROM THE ONTARIO REDEVELOPMENT AGENCY’S LOW AND MODERATE INCOME HOUSING FUND GRANTED FOR THE BEGONIA AVENUE AND FRANCIS STREET PROJECTS.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING: (1) AMENDMENTS NO. 1 TO THE FIRST AMENDED AND RESTATED CITY LOAN AGREEMENTS CONCERNING CERTAIN REAL PROPERTIES LOCATED AT 228 AND 231 NORTH BEGONIA AVENUE, ONTARIO; AND (2) AMENDMENTS NO. 1 TO LAND CONVEYANCE AGREEMENTS AND AGREEMENTS CONTAINING REGULATORY COVENANTS AND RESTRICTIONS AFFECTING THE USE OF CERTAIN REAL PROPERTY LOCATED AT 228 AND 231 NORTH BEGONIA AVENUE, ONTARIO.

RESOLUTION NO. OHA-_____

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING: (1) AMENDMENTS NO. 1 TO THE FIRST AMENDED AND RESTATED CITY LOAN AGREEMENTS CONCERNING CERTAIN REAL PROPERTIES LOCATED AT 228 AND 231 NORTH BEGONIA AVENUE, ONTARIO; AND (2) AMENDMENTS NO. 1 TO LAND CONVEYANCE AGREEMENTS AND AGREEMENTS CONTAINING REGULATORY COVENANTS AND RESTRICTIONS AFFECTING THE USE OF CERTAIN REAL PROPERTY LOCATED AT 228 AND 231 NORTH BEGONIA AVENUE, ONTARIO.

COUNCIL MATTERS

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

STAFF MATTERS

City Manager Hughes

ADJOURNMENT

CITY OF ONTARIO CLOSED SESSION REPORT

City Council / / Housing Authority / / Other / / (GC 54957.1)
February 21, 2012

ROLL CALL: Mautz __, Wapner __, Bowman __, Dorst-Porada __
Mayor / Chairman Leon __.
STAFF: City Manager / Executive Director __, City Attorney __

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

- GC 54956.9 (a) & (c), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: *George Engman, et al. v. City of Ontario, et al.*, Case No. EDCV 10-284-CAS(FFMx).

No Reportable Action	Continue	Approved
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Disposition: _____

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

- GC 54956.9 (b), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One or more cases: City of Los Angeles/Los Angeles World Airports (LAWA).*

No Reportable Action	Continue	Approved
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Reported by: _____
City Attorney / City Manager / Executive Director

CITY OF ONTARIO

Agenda Report
February 21, 2012

**SECTION:
CONSENT CALENDAR**

SUBJECT: CITY COUNCIL 2012 GOALS

RECOMMENDATION: That the City Council adopt their 2012 Goals providing citywide policy direction and guidance.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: None.

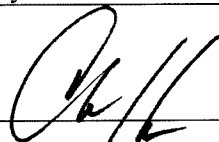
BACKGROUND: At its January 10, 2012 Special Meeting, the City Council established goals and objectives for the City Manager. These have been translated into the recommended citywide 2012 Goals which will provide the City Manager and city staff guidance in allocating resources, developing the budget, and bringing forward projects and programs to achieve the Council Goals.

As an example of how staff utilizes City Council Goals to direct day-to-day operations, the "Approach to Public Service" was developed and is being implemented in all City departments. Attached for reference are some of the presentation materials being discussed with all levels of staff during new hire orientation and managers' staff development sessions. The "Approach to Public Service" integrates components of the City's Vision Statement, The Ontario Plan, and the City Council Goals in a manner that assists staff in understanding their role in implementing the City Council's overall policy direction. The "Approach to Public Service" will be incorporated in the City's hiring, development and retention of its highly qualified staff.

STAFF MEMBER PRESENTING: Chris Hughes, City Manager

Prepared by: Al Boling
Department: Citywide Administration

City Manager
Approval: _____



Submitted to Council/O.R.A./O.H.A. 02/21/2012

Approved: _____

Continued to: _____

Denied: _____

3

CITY OF ONTARIO

Agenda Report
February 21, 2012

SECTION: CONSENT CALENDAR

SUBJECT: FISCAL YEAR 2011-12 MID-YEAR BUDGET REPORT

RECOMMENDATION: That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2011-12 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 Fiscal Year 2011-12 Mid-Year Budget Report and supporting schedules.

BACKGROUND: This is the second interim budget report for Fiscal Year 2011-12 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.

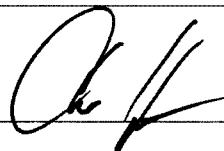
The primary purposes of this report are to:

- Revise the City's budget to reflect the City Council's actions taken since the First Quarter Budget Report;
- Recommend Personnel and organizational changes to enhance program operations and efficiency;
- 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.

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

Prepared by: Doreen M. Nunes
Department: Fiscal Services

City Manager
Approval:



Submitted to Council/O.R.A./O.H.A. 02/21/2012

Approved: _____

Continued to: _____

Denied: _____

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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. For the General Fund, the proposed budgetary actions will reduce the estimated structural deficit by \$2,468,676. As a result, the deficit for Fiscal Year 2011-12 is projected to decline from \$7,083,519 to \$4,614,843. The balance of the Economic Uncertainties Reserves is projected to be \$17,488,097.

Major budgetary items reflected in the Mid-Year Budget include: \$300,000 for airport transition services; \$65,000 additional expenditure budget for outside plan check services related to New Model Colony projects and the Mill Creek Wetland Project, which is offset by corresponding development fee revenue increase of \$300,000; \$33,676 from the FY 2011 Emergency Management Performance Grant to fund the required match portion of General Fund expenditures related to emergency management; and \$2.5 million increase in the budget for higher sales tax revenues received over the past two quarters.

Noteworthy budget adjustments in Other Funds include: \$2,207,840 for land acquisition of future parkland in the New Model Colony; \$100,000 initial installment award for the Healthy Eating Active Living (HEAL) Zone Initiative Grant from Kaiser Permanente to educate the community on food choices, healthy activities, and weight management; \$975,000 funding from the FY 2011 Urban Area Security Initiative Grant for procurement of a SWAT Response Vehicle, and additional equipment and services supporting the Regional Aviation Downlink Project; \$550,000 related to the development of a Fiber Optic Master Plan; and \$600,000 additional appropriation for the replacement of water lines and extension of the storm drain related to the Fifth Street Storm Drain Project.

Quarterly budget reports also present recommendations for current personnel and organizational changes necessary to enhance program operations and efficiency. Current recommendations include organizational changes for the Police Department, which results in a title reclassification of one position, resulting in a net zero impact to the General Fund.

Economic Outlook

The local economy is showing signs of improvements, with the unemployment rate continuing to decline and stronger gains reported in sales tax revenues. The unemployment rate for the City of Ontario continues to decline with a rate of 12.7 percent in December 2011, down from 14.6 percent reported a year ago. Sales Tax revenues for the second and third quarters reported gains of approximately 10 percent compared to the prior year. The increase is primarily attributed to higher consumer spending in new auto sales. The Consumer Confidence Index has fluctuated in 2011 from a high of 72.0 in February to a low of 40.9 in October; the index ended at 61.1 in January 2012, an indication that consumers are slowly gaining confidence in the continued recovery of the economy.

Although the economy is improving, there are still major concerns relating to the continued progress. The decline of the Ontario International Airport is of the upmost concern for the City. Over the last three years the Airport has lost over 35% of passenger traffic, which equates to a loss of approximately \$500 million dollars of economic impact and 9,200 local jobs. The transfer of the Ontario Airport management decisions to a local control is in the best interest for the region to regain its status as an economic engine for the Inland Empire and to ensure there is sufficient airport capacity in the long-range for Southern California.

In addition to the decline at the Ontario International Airport, the local economy faces other serious headwinds and challenges ahead. Due to inflationary pressures, weak job growth, reduced government stimulus and spending, and the ongoing financial crisis in Europe, the economic recovery over the past

year may be unsustainable and stall in the forthcoming months. The continuation of the economic recovery will be dependent upon increased jobs in the private sector and higher wages.

Redevelopment Agency

On December 29, 2011, the California Supreme Court rendered its decision regarding the constitutionality of Assembly Bills 1X 26 and 1X 27. It upheld Assembly Bill 1X 26 regarding the dissolution of redevelopment agencies, but it declared Assembly Bill 1X 27, relating to the continuance of redevelopment agencies by participation in the Voluntary Alternative Redevelopment Program (VARP) and paying of the voluntary payment, to be invalid in its entirety. As a result of the Court's decision, the Ontario Redevelopment Agency was dissolved as of February 1, 2012 and the City declared on January 10, 2012 it would serve as the Successor Agency for the Ontario Redevelopment Agency. The Successor Agency is responsible for winding down the Agency's existing obligations and liquidating the Agency's assets. In conjunction with this action, the Ontario Housing Authority was designated to receive the transfer of all the housing assets, obligations and housing related functions previously performed by the Agency.

The elimination of the Ontario Redevelopment Agency will negatively impact the City's ability to remove blighted areas and develop affordable housing projects for low- and moderate-income families. Due to ambiguity and lack of clear guidelines in Assembly Bill 1X 26 regarding outstanding projects, and the assets and liabilities of redevelopment agencies, the exact fiscal impact from the dissolution of the Agency is still uncertain. Moreover, subsequent redevelopment agency reform bills have been introduced, including Assembly Bill 1585 which would protect the affordable housing funds. As additional information and clarification becomes available over the next several months, it is anticipated that further analysis of the fiscal impact and any proposed budgetary actions will be presented in June as part of the Fiscal Year 2012-13 Proposed Annual Budget.

CalPERS

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to unrealistic projected earning rates combined with significant investment losses incurred during the Great Recession. All of this has contributed to dramatic increases to the City's CalPERS contribution rates. Currently, CalPERS is estimating rates for Safety Police, Safety Fire, and Miscellaneous Plans to increase to 33.3, 27.4, and 13.9 percent respectively by Fiscal Year 2016-17. Although these rates are less than what was estimated last year by CalPERS, these rates are dependent upon CalPERS earning a 7.75 percent return on their investments in the future. For 2011, CalPERS investments earned only about 1.1 percent as its stock portfolio slumped – significantly less than the 7.75 percent rate CalPERS relies on for its actuarial assumptions. In addition, a Stanford University report released in December reported that CalPERS had only about 58 percent of the funds needed to cover retirement benefits promised to state and local government employees.

To address increasing retirement costs, Governor Brown recently proposed a 12-point pension reform plan that will apply to all California state, local, school, and other public entities. If approved, the plan will result in reduced benefits and require employees to pay a greater share of their pension benefit costs.

Conclusion

In summary, while the City is experiencing improvement in the economic recovery, serious challenges still remain. The economy will struggle to expand over the next couple of years due to a continued weak job market, expiration of the Federal stimulus program, increased energy and commodity prices, and the ongoing financial crisis in Europe.

Although the City is currently on schedule with its Five-Year Budget Action Plan, there remains a General Fund structural deficit. This deficit is expected to continue into the next fiscal year due to the fiscal impact of the elimination of the Ontario Redevelopment Agency, higher CalPERS costs, lower property tax revenues, and slower economic recovery than originally anticipated. 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 2011-12 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 longer-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 21, 2012

SECTION:
CONSENT CALENDAR

SUBJECT: LICENSE AGREEMENT FOR THE MULTI-PURPOSE TRAIL IN THE EDENGLLEN SPECIFIC PLAN AREA

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute a multi-year license agreement (on file in the Records Management Department) with Southern California Edison (SCE) for the multi-purpose trail to be located in SCE property (APN 218-171-14, 15 and 19) within the Edenglen Specific Plan area.

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
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony

FISCAL IMPACT: The City will pay SCE \$9,025 over a period of five (5) years for the use of SCE property for a multi-purpose trail. The license fee is \$1,700 the first year and will increase 3% annually through the fifth year. The City will have to re-negotiate the fee with SCE thereafter when the usage term converts to an automatic annual renewal.

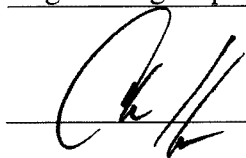
The developer, Edenglen Ontario, LLC, is responsible for construction of the multi-purpose trail and maintenance during the first year after the City's acceptance of the trail. The City's costs for the annual license fee and ongoing maintenance and operational costs of the trail, anticipated to be \$35,000 per year beginning one year after acceptance of work, will be funded through the special tax assessments for City services received from Community Facilities District No. 9 (Edenglen CFD).

BACKGROUND: Edenglen Ontario, LLC is conditioned to construct a multi-purpose community trail in the SCE fee owned property as part of the Edenglen Specific Plan requirements. A location map is provided as Exhibit "A". The community trail will provide a portion of the City's Master Planned Regional trail system, which is consistent with The Ontario Plan.

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

Prepared by: Hsing Chao
Department: Engineering Department

City Manager
Approval: _____



Submitted to Council/O.R.A./O.H.A. 02/21/2012

Approved: _____

Continued to: _____

Denied: _____

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CITY OF ONTARIO

Agenda Report
February 21, 2012

SECTION:
CONSENT CALENDAR

SUBJECT: RESOLUTIONS APPROVING AMENDMENTS TO THE LOAN AGREEMENTS AND LAND CONVEYANCE AGREEMENTS BETWEEN THE CITY OF ONTARIO AND THE ONTARIO HOUSING AUTHORITY AND THE FINAL ALLOCATION OF MONIES FOR THE BEGONIA AVENUE AND FRANCIS STREET PROJECTS

RECOMMENDATION: That the City Council of the City of Ontario ("City") and the Board of the Ontario Housing Authority ("Authority") adopt resolutions setting forth the final allocation of monies from the Ontario Redevelopment Agency's ("Agency") Low and Moderate Income Housing Fund ("LMIHF") granted for the Begonia Avenue and Francis Street Projects; and adopt resolutions amending the loan agreements and land conveyance agreements (on file in the Records Management Department) between the City and the Authority related to the properties at 228 and 231 North Begonia Avenue.

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
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: The Agency previously provided a total of \$3,185,073 in LMIHF funds to the Authority for acquisition, rehabilitation, and relocation of ineligible tenants at the properties located at 209, 216, 217, 222, 223, 228, 231, and 305 North Begonia Avenue with specific amounts allocated to each property based upon initial cost estimates. The amounts allocated for each property are now being amended to reflect the specific needs of each of the properties and associated costs. No additional funds are being requested.

The City provided \$526,608 in U.S. Department of Housing and Urban Development HOME funds to the Authority for acquisition, rehabilitation, and relocation of ineligible tenants of the property located at 228 North Begonia Avenue. A portion of these funds (\$175,536) is recommended to be transferred to 231 North Begonia Avenue. No additional funds are being requested.

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

Prepared by: Katryna Gonzalez
Department: Housing Agency

City Manager
Approval: 

Submitted to Council/O.R.A./O.H.A. 02/21/2012
Approved: _____
Continued to: _____
Denied: _____

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BACKGROUND: On May 3, 2005, the City Council approved the Mercy House Homeless Services Continuum of Care Program ("Continuum"). The Continuum is a multi-phase program that includes 60 permanent affordable housing units. As part of the creation of the 60 permanent affordable housing units, the Ontario Housing Authority completed the following:

- Acquired and rehabilitated a 15-unit permanent affordable housing development (Francis Apartments); and
- Acquired and rehabilitated eight four-plexes for permanent affordable housing units (209, 216, 217, 222, 223, 228, 231, and 305 North Begonia Avenue Apartments).

On January 13, 2012, the rehabilitation of the 32 units on Begonia Avenue and 15 units on Francis Street was completed under contract numbers OHA-1011-03 and OHA-1011-04. Due to the complex nature of the work and unforeseen conditions experienced during the rehabilitation process, the allocated LMIHF monies are being amended to reflect the specific needs of each of the properties and associated their costs. The recommended resolution sets forth the final grant amounts of the LMIHF monies for each property.

Furthermore, the recommended resolutions make adjustments to the HOME loan amounts and land conveyance agreements for 228 and 231 North Begonia Avenue in order to provide an additional low-income affordable housing unit in a one-story design. A summary of the revised funding amounts and affordability levels are shown in Exhibit A of this report.

On January 10, 2012, the City of Ontario approved Resolution No. 2012-002 pursuant to Assembly Bill No. 26 (2011-2012 1st Ex. Sess.) ("AB 1x 26") designating the Ontario Housing Authority to receive the assets and perform the housing functions previously performed by the Ontario Redevelopment Agency; and on January 10, 2012 the Ontario Housing Authority approved Resolution No. OHA 2012-064 accepting the transfer of the housing assets and functions of the Ontario Redevelopment Agency. The reallocation of LMIHF monies between the properties is in furtherance of the Housing Authority's rights and obligations as the entity assuming the housing functions of the Redevelopment Agency.