

City of Ontario

Application for the Formation of Community Facilities District for Public Infrastructure / Community Facilities Financing

The City of Ontario requires the following from private developers requesting the City to form a Mello-Roos Community Facilities District (CFD) for the purpose of financing public infrastructure and/or community facilities through the issuance of special tax bonds. The City will consider such requests in the context of its Mello-Roos Community Facilities Act of 1982 Local Goals and Policies (City Policies) which have been adopted by the City Council, and as may be amended from time to time.

The application request should include the following information:

1. Property description

Number of gross acres, legal description, current assessor parcel numbers, and locational map of all the property to be included in the CFD.

2. Property ownership

Name of the fee simple property owner(s) of all property to be included in the CFD. If the applicant is a different entity than the property owner, include a description of the relationship between applicant and property owner. If the applicant has not purchased the property, describe conditions and timing of purchase. **NOTE: PRIOR TO FORMATION OF A PROPOSED CFD, THE PROPERTY OWNER(S) MUST CONFIRM TITLE, IN A FORM ACCEPTABLE TO THE CITY IN ITS SOLE DISCRETION (INCLUDING UPON REQUEST THE DELIVERY OF A TITLE GUARANTY).**

3. Description and estimated cost of the facilities requested to be financed

Provide a detailed list of facilities and costs of facilities to be financed from the proposed CFD bonds. Indicate if there are facilities requested to be financed for public agencies other than the City of Ontario.

4. Description of the proposed development plan

Provide a proposed development plan including current zoning and/or land development entitlements, proposed entitlements, and anticipated timing to receive proposed entitlements. Indicate if the proposed development plan is, or is expected to be, subject to a development agreement with the City. If yes, describe status, and include a copy of the latest draft or executed agreement. Indicate if the proposed development is subject to a funding agreement with a public agency other than the City for facilities requested to be financed. If yes, include a copy of the latest draft or executed agreement. If available, provide a map that depicts the project layout.

5. Product mix and absorption of the proposed development

Provide the net taxable acreage and estimated market values of prospective developed property within the CFD for the City to determine the maximum special tax. For residential development, provide the expected net lot sizes, home sizes, and prices of homes in the current market (with high and low sales

prices for each residential product type). For non-residential property, provide the estimated square footage of leasable building area, estimated value for leasable building area, and parking acreage (provide a site plan for non-residential development). Include estimated acreage for property to be dedicated to, as part of the proposed development plan as follows: public agencies, property owners' associations, all rights-of-way, and properties to be encumbered with utility easements which make impractical their use for any purpose other than as set forth in their easements.

Provide a projection of absorption based on building permit issuance as of January 1 of each calendar year for each product type for all development within the proposed CFD.

6. Existing and proposed taxes, assessments, liens; homeowners' association fees

Describe all existing and proposed taxes, assessments, liens or other secured interests, and homeowners' association fees on the property within the proposed CFD. (Provide a copy of recent property tax bill (and copy of abstract of taxes if unpaid taxes exist.)

7. Other public infrastructure needs

Provide an estimate of other public infrastructure needs of the project and method of funding each.

8. Land development experience

Provide a description of the developer firm, its affiliates and/or controlling interests and their experience in land development.

9. Experience with land-secured financing

Provide a summary of experience with land-secured financing (public agency, issue amount, date). Has the firm or its affiliates or predecessor firms ever failed to pay special taxes or assessments related to a land-secured financing? If yes, explain why.

10. Initial Deposit

Provide a check in the amount of \$75,000 – payable to the City of Ontario - to the City's Finance Department (Reference CFD Formation Initial Deposit). The initial deposit and any additional amounts will be held by the City and used only for the expenses and costs incurred in connection with the Community Facilities District proceedings. Any balance of such deposit remaining upon completion of the Community Facilities District proceedings, or the abandonment thereof, and not needed to pay expenses and costs relating will be returned to the applicant. The use of the deposit shall in no way be construed as requiring the City to issue CFD bonds or to provide reimbursement from the proceeds thereof for portions of the deposit that are expended.

The City will select all consultants to be retained by the City for a CFD financing, including, but not limited to, the financial advisor, special tax consultant, bond counsel, disclosure counsel, underwriter, market absorption consultant, appraiser and trustee. Providers of letters of credit, bond insurance policies, surety bonds or other credit enhancements are also subject to City approval. Consultants, including legal counsel, to the applicant or other property owner within the Community Facilities

District will be selected, retained and paid by the applicant or such property owner; such consultants will not be paid from the proceeds of the financing.