CITY OF ONTARIO
CITY COUNCIL/HOUSING AUTHORITY
AGENDA
SEPTEMBER 21, 2021

Paul S. Leon
Mayor

Alan D. Wapner
Mayor pro Tem

Jim W. Bowman
Council Member

Debra Dorst-Porada
Council Member

Ruben Valencia
Council Member

Sheila Mautz
City Clerk

James R. Milhiser
Treasurer

Scott Ochoa
City Manager

Ruben Duran
City Attorney

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 in person 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. To comment by email, submit your comments no later than 4:00 p.m. on the day of the meeting by emailing your name, agenda item you are commenting on and your comments to publiccomments@ontarioca.gov. All comments received by the deadline will be forwarded to the City Council for consideration before action is taken on the matter and will be entered into the record.**
- **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.**

WEARING A MASK DURING THE PUBLIC MEETING IS STRONGLY ENCOURAGED.

If you need special assistance or accommodations to participate in this meeting, please contact the City Clerk's office at 909-395-2009. Notification of 48 hours prior to the meeting will help the City make reasonable arrangements. Equipment for the hearing impaired is available in the Records Management Office.

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.

CALL TO ORDER *(OPEN SESSION)*

ROLL CALL

Wapner, Bowman, Dorst-Porada, Valencia, 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(d), CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
One (1) case

ATTACHMENT: 20210921 Closed Session

PLEDGE OF ALLEGIANCE

Council Member Dorst-Porada

INVOCATION

Dr. Sylvia Lee Mann, Bethel Congregational 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.

To comment by email, submit your comments by email no later than 4:00 p.m. on the day of the meeting by emailing your name, agenda item you are commenting on and your comment to publiccomments@ontarioca.gov. All Comments received by the deadline will be forwarded to the City Council for consideration before action is taken on the matter and entered into the record.

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 special meetings of the City Council and Housing Authority on July 29, 2021, and regular meetings of the City Council and Housing Authority on August 17, 2021, and approving same as on file in the Records Management Department.

ATTACHMENT: 20210729 S Minutes (not official until approved)
ATTACHMENT: 20210817 Minutes (not official until approved)

2. *BILLS & PAYROLL*

Bills August 20, 2021 through September 2, 2021, and Payroll August 15, 2021 through August 28, 2021 when audited by the Finance Committee.

3. *LEGISLATIVE UPDATE*

That the City Council receive and file the legislative update.

ATTACHMENT: 20210921 City of Ontario Full Bill List^01 EXH
ATTACHMENT: 20210921 City of Ontario 2020 Legislative Platform^02 RPT

4. *A LEASE AGREEMENT BETWEEN THE UNIVERSITY OF LA VERNE AND THE CITY OF ONTARIO*

That the City Council consider the lease of City owned property at 214 E. Holt Boulevard; and adopt a resolution approving a Ground Lease ("Lease") between the City of Ontario and the University of La Verne (on file in the Records Management Department); and authorize the City Manager to execute the Lease and all other documents required for implementation of the Lease.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, (I) DECLARING THAT CERTAIN REAL PROPERTY LOCATED AT 214 E. HOLT AVE. IN ONTARIO, CALIFORNIA TO BE EXEMPT SURPLUS LAND; (II) APPROVING A LEASE AGREEMENT WITH THE UNIVERSITY OF LA VERNE; (III) AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY WITH RESPECT THERETO; AND (IV) FINDING THAT NO FURTHER CEQA ANALYSIS IS NECESSARY.

ATTACHMENT: 20210921 ULV Lease^01 RESO^RM
ATTACHMENT: 20210921 ULV Lease Agreement^02 FINAL DRAFT

5. *A CONSTRUCTION CONTRACT AND AN AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT FOR ATP CYCLE 4: SAFE ROUTES TO SCHOOL PEDESTRIAN IMPROVEMENTS AROUND HAYNES, VISTA GRANDE AND OAKS SCHOOLS*

That the City Council take the following actions:

1. Award a construction contract (on file in the Records Management Department) with All American Asphalt of Corona, California, for ATP Cycle 4: Safe Routes to School Pedestrian Improvements around Haynes, Vista Grande and Oaks Schools in the bid amount of $5,934,634 plus a ten percent (10%) contingency of $593,463, for a total authorized

expenditure of $6,528,097 and authorize the City Manager to execute said contract and all related documents and file a notice of completion at the conclusion of all construction activities; and

2. Approve and authorize the City Manager to execute an amendment to the professional services agreement (on file in the Records Management Department) with KOA Corporation of Monterey Park, California, in the amount of $360,220 plus a ten percent (10%) contingency of $36,022 for a total amount of $396,242 for construction management and inspection services.

ATTACHMENT: 20210921 ATP 4 Construction and CM^01 EXH A

6. FIRST AMENDMENT TO THE REGIONAL STORM DRAINAGE IMPROVEMENT REIMBURSEMENT AGREEMENT WITH THE CITY OF CHINO

That the City Council approve the First Amendment to the Regional Storm Drainage Improvement Reimbursement Agreement (on file in the Records Management Department) with the City of Chino and authorize the City Manager to execute said First Amendment.

7. AGREEMENTS FOR THE PAYMENT OF OPERATIONS AND MAINTENANCE COSTS FOR THE MILL CREEK WETLANDS AND THE KIMBALL STORM DRAIN BASIN

That the City Council take the following actions:

A. Approve an agreement for the payment of Operations and Maintenance (O&M) Costs for the Mill Creek Wetlands (MCW) (on file in the Records Management Department) with the City of Chino (Chino), Chino Holding Company LLC (CHC), Chino Preserve Development Corporation (CPDC) and Preserve Master Maintenance Corporation (PMMC);
B. Approve an agreement for the payment of O&M Costs for the Kimball Storm Drain Basin (on file in the Records Management Department) with Chino, Chino Development Corporation (CDC) and PMMC; and
C. Authorize the City Manager to execute said agreements and future amendments within the City Council approved budget.

8. A RESOLUTION ADOPTING THE MEASURE I FIVE-YEAR CAPITAL PROJECT NEEDS ANALYSIS FOR FISCAL YEARS 2022-23 TO 2026-27

That the City Council consider and adopt a Resolution approving the FY2022-23 through FY2026-27 Measure I Five-Year Capital Project Needs Analysis (CPNA) and authorize the City Manager to approve changes to the plan as may be required by the City and/or San Bernardino County Transportation Authority (SBCTA).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE MEASURE I FIVE-YEAR CAPITAL PROJECT NEEDS ANALYSIS FOR FY2022-23 TO FY2026-27.

ATTACHMENT: 20210921 Measure I Five-Year Analysis 01^RESO^RM
ATTACHMENT: 20210921 Measure I Five-Year Analysis^02 EXH A
ATTACHMENT: 20210921 Ontario Capital Project Needs Analysis FY2023-2027^03 RPT

9. ONTARIO HOUSING AUTHORITY ANNUAL REPORT FOR FISCAL YEAR 2020-21

That the Board of Directors of the Ontario Housing Authority ("OHA") approve the OHA Annual Report for the Fiscal Year 2020-21 (on file in the Records Management Department) and authorize the Executive Director of the OHA to transmit to the California Department of Housing and Community Development the OHA Annual Report as required by State law.

ATTACHMENT: 20210921 DRAFT OHA Annual Report FY 2020-21^01 RPT

10. AUTHORIZE THE PURCHASE OF DESKTOP TELEPHONES

That the City Council award Bid No. 1462 and authorize the purchase of telephone equipment from CompuNet, Inc. of Meridian, Idaho, in the amount of $225,836.

11. AN AMENDMENT TO THE GOODS AND SERVICES AGREEMENT WITH MYERS & SONS HI-WAY SAFETY INC. FOR PROCUREMENT OF TRAFFIC CONTROL DEVICES AND MATERIALS

That the City Council approve and authorize the City Manager to execute Amendment No. 1 to the Goods and Services Agreement (on file in the Records Management Department) with Myers & Sons Hi-Way Safety Inc. of Chino, California, for procurement of traffic control devices and materials in the amount of $96,000, for a revised not to exceed amount of $171,000; and to exercise the three option years and extend the term of the agreement to June 30th, 2024.

12. AUTHORIZE THE PURCHASE OF FLEET VEHICLES

That the City Council take the following actions:

A. Authorize the cooperative purchase and delivery of three Ford Escape vehicles in the amount of $83,883, two for the Integrated Waste Department and one for the Community Life and Culture Agency, three Chevrolet Colorado trucks in the amount of $81,834, two for the Utilities Department and one for the Planning Department, one Chevrolet Silverado truck in the amount of $33,840 for the Integrated Waste Department, and one Ford Transit Van in the amount of $30,280 for the Utilities Department from National Auto Fleet Group of Watsonville, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 120716-NAF.
B. Authorize the cooperative purchase and delivery of one John Deere 210L Loader in the amount of $115,804 for the Parks and Maintenance Department from RDO Equipment Company of Riverside, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 032119-JDC.
C. Authorize the cooperative purchase and delivery of three BMW Police Motorcycles in the amount of $103,744 for the Police Department from Long Beach BMW Motorcycles of Long Beach, California, consistent with the terms and conditions of the Los Angeles County Sheriff Contract No. PO-SH-21009529-1, Bid No. RFB-IS-21200889-1.
D. Authorize the cooperative purchase and delivery of one CNG Peterbilt Refuse Automated Side Loading truck in the amount of $346,387 and one CNG Peterbilt Refuse Front Loading truck in the amount of $349,100 for the Integrated Waste Department from Rush Truck Centers of Pico Rivera, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 060920-PMC.
E. Authorize the cooperative purchase and delivery of two CNG Freightliner Dump trucks in the amount of $439,920, one for the Parks and Maintenance Department and one for the Utilities Department, one CNG Ford F750 Stakebed truck in the amount of $162,861 for the

Integrated Waste Department, and one CNG Freightliner Water Service Body truck in the amount of $350,927 for the Utilities Department from PB Loader Corporation of Fresno, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 052417-PBL.

13. AMENDMENT TO THE STREET SWEEPING SERVICES AGREEMENT WITH CLEANSTREET, INC.

That the City Council authorize the City Manager to execute the Third Amendment to the existing five-year Maintenance Service Agreement (on file with Records Management Department) for contract No. SM1617-2 with CleanStreet, Inc., located in Gardena, California, in the amount of $79,699 to perform street sweeping services for the newly acquired areas located within Ontario Ranch and provide illegally dumped tires disposal services.

PUBLIC HEARINGS

Pursuant to Government Code Section 65009, if you challenge the City's zoning, planning or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing. Affidavits of posting compliance, for all items below, are on file with the Records Management Department.

14. A PUBLIC HEARING TO CONSIDER THE SALE OF CITY OWNED PROPERTY IN ACCORDANCE WITH GOVERNMENT CODE SECTION 52201 ET. SEQ., MAKING CERTAIN FINDINGS; AND ADOPTION OF A RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ONTARIO AND RWSS DEVELOPMENT LLC.

That the City Council conduct a public hearing to consider the sale of City owned property; and adopt a Resolution approving a Disposition and Development Agreement ("Agreement") between the City of Ontario ("City") and RWSS Development LLC, ("Developer") (on file with the Records Management Department); and authorize the City Manager to execute the Agreement and all other documents required for implementation of the Agreement.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ONTARIO AND RWSS DEVELOPMENT LLC. FOR THE DISPOSITION AND DEVELOPMENT OF CERTAIN REAL PROPERTY LOCATED AT 125 WEST EMPORIA STREET, ONTARIO.

ATTACHMENT: 20210921 125 West Emporia DDA^01 RESO^RM

15. A PUBLIC HEARING TO RECEIVE TESTIMONY AND ADOPT THE CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FOR THE 2020-21 FISCAL YEAR

That the City Council:

A. Hold a public hearing to receive testimony on the draft Consolidated Annual Performance and Evaluation Report (CAPER) for the 2020-21 Fiscal Year (on file in the Records Management Department);
B. Direct staff to prepare and transmit to the U.S. Department of Housing and Urban Development (HUD) the final CAPER, which will address all public comments received on the draft CAPER; and
C. Authorize the City Manager to execute any and all documents necessary and/or desirable to transmit the CAPER to HUD.

ATTACHMENT: 20210921 FY 2020-21 CAPER Executive Summary^01

16. A PUBLIC HEARING TO CONSIDER RESOLUTION CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE); RESOLUTION OF CHANGE DECLARING RESULTS OF A SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX ARE LAWFULLY AUTHORIZED AND DIRECTING THE RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN; AND AN ORDINANCE AMENDING AND RESTATING ORDINANCE 3174 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE)

That the City Council consider and:

A. Adopt a resolution of the City Council of the City of Ontario, California, calling a special election for proposed changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse),
B. Adopt a resolution of change of the City Council of the City of Ontario, California, declaring results of the special election, determining that changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse) are lawfully authorized and directing recording of an amendment to Notice of Special Tax Lien; and
C. Introduce and waive further reading of an amended and restated Ordinance No. 3174 levying special taxes within City of Ontario Community Facilities District No. 57 (Neuhouse).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE).

A RESOLUTION OF CHANGE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND MEHTOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE) ARE LAWFULLY AUTHORIZED AND DIRECTING RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3174 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE).

ATTACHMENT: 20210921 CFD No. 57 Neuhouse 01 RESO Calling Election^RESO^RM
ATTACHMENT: 20210921 CFD No. 57 Neuhouse^01A EXH A Amended and Restated RMA.pdf
ATTACHMENT: 20210921 CFD No. 57 Neuhouse 02 RESO Change^RM
ATTACHMENT: 20210921 CFD No. 57 Neuhouse 03 Amended Ordinance 3174^RM

STAFF MATTERS

CITY MANAGER OCHOA

COUNCIL MATTERS

MAYOR LEON
MAYOR PRO TEM WAPNER
COUNCIL MEMBER BOWMAN
COUNCIL MEMBER DORST-PORADA
COUNCIL MEMBER VALENCIA

ADJOURNMENT

CITY OF ONTARIO
CLOSED SESSION REPORT
City Council // Housing Authority // Other // *(GC 54957.1)*
September 21, 2021

ROLL CALL: Wapner _, Bowman _, Dorst-Porada _, Valencia _, Mayor / Chairman Leon _.

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

In attendance: Wapner _, Bowman _, Dorst-Porada _,Valencia _, Mayor / Chairman Leon _.

- GC 54956.9(d), CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
  One (1) case

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition:_____

Reported by:

_____
City Attorney / Assistant City Manager / Executive Director

SPECIAL ONTARIO CITY COUNCIL/
ONTARIO HOUSING AUTHORITY
MINUTES
July 29, 2021
(Not Official Until Approved)

JOINT MEETINGS

Special Meetings of the Ontario City Council/Ontario Housing Authority were held on Thursday, July 29, 2021, at the Ovitt Family Community Library, Meeting Room, 215 E. C Street, Ontario, California.

CALL TO ORDER

Mayor Leon called the Joint City Council and Ontario Housing Authority meetings to order at 11:07 a.m.

ROLL CALL

PRESENT:	Mayor/Chairman	Paul S. Leon
	Mayor pro Tem/Vice Chair	Alan D. Wapner
	Council/Authority Members:	Jim W. Bowman, Debra Dorst-Porada and Ruben Valencia
ABSENT:	Council/Authority Members:	None

Also present were City Manager/Executive Director Scott Ochoa, City Attorney/Legal Counsel Ruben Duran and City Clerk/Secretary Sheila Mautz.

The Pledge of Allegiance was led by Council Member Valencia.

AGENDA REVIEW/ANNOUNCEMENTS

City Manager Ochoa made no announcements.

PUBLIC COMMENT

There were no public comments.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

1. DISCUSSION ON REAL ESTATE OPPORTUNITIES RESULTING FROM THE FUTURE WEST VALLEY CONNECTOR PROJECT

The City Council provided direction on how to proceed with real estate opportunities resulting from the future West Valley Connector project.

City Manager Ochoa introduced the item and Economic Development Director, Jennifer McLain-Hiramoto provided City Council with a presentation of investment options.

Staff answered Council questions and City Council reached a consensus to review the properties that were presented and reconvene a discussion at a future meeting.

ADJOURNMENT

Mayor Leon adjourned the meetings of the Joint Agencies at 12:39 p.m.

Respectfully submitted,

_____
SHEILA MAUTZ, CITY CLERK/SECRETARY

APPROVED:

_____
PAUL S. LEON, MAYOR/CHAIRMAN

ONTARIO CITY COUNCIL/
ONTARIO HOUSING AUTHORITY
MINUTES
AUGUST 17, 2021
(Not official until approved)

JOINT MEETINGS

Regular meetings of the Ontario City Council and Ontario Housing Authority were held on Tuesday, August 17, 2021 at the Ontario City Hall, 303 East B Street, Ontario, California.

CALL TO ORDER

Mayor Leon called the Joint City Council and Ontario Housing Authority meetings to order at 5:02 p.m.

ROLL CALL

PRESENT:	Mayor/Chairman	Paul S. Leon
	Mayor pro Tem/Vice Chair	Alan D. Wapner (via teleconference)
	Council/Authority Members:	Jim W. Bowman, Debra Dorst-Porada and Ruben Valencia
ABSENT:	Council/Authority Members:	None

Also present were City Manager/Executive Director Scott Ochoa, Assistant City Attorney/Legal Counsel Ryan Guiboa, and City Clerk/Secretary Sheila Mautz.

CLOSED SESSION

Mayor Leon inquired whether persons were present who wished to speak to the Closed Session items. Hearing no one, Assistant City Attorney Guiboa announced the matters for discussion, as listed on the agenda, and the City Council recessed to Closed Session at 5:03 p.m. for discussion of the following:

- GC 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION
  City Manager

- GC 54956.9(d)(1), CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
  Floyd Clark vs. City of Ontario, Case Number CIVDS1611306

- GC 549556.8, CONFERENCE WITH REAL PROPERTY NEGOTIATOR
  Property: 210 N. Cherry Avenue; City/Authority Negotiator: Scott Ochoa, City Manager; Negotiating Parties: Ontario-Montclair School District; Under Negotiation: Price and terms.

- GC 54956.9(d)(4), CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION - One (1) case

CALL TO ORDER – OPEN SESSION

Mayor Leon called the City Council and Ontario Housing Authority meetings to order at 6:30 p.m.

ROLL CALL

PRESENT:	Mayor/Chairman	Paul S. Leon
	Council/Authority Members:	Jim W. Bowman, Debra Dorst-Porada and Ruben Valencia
ABSENT:	Mayor pro Tem:	Alan D. Wapner

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Council Member Bowman.

INVOCATION

The invocation was offered by Dr. Silvia Lee Mann, Bethel Congregational Church.

REPORT ON CLOSED SESSION

Assistant City Attorney Guiboa announced there was no reportable action.

PUBLIC COMMENTS

Assistant City Clerk Isbell announced one emailed comment as follows:

Amy Ruiz, regarding concerns over speeding vehicles.

Mayor Leon then called upon those present for public comment.

Tom Burciaga, recognized Mr. Jimmy Delgado, WWII veteran for his service to the country. *Ron Rios,* thanked Council for their recognition.

Enrique, announced the Ontario Hispanic Chamber of Commerce Fiestas Patrias event.

Armando R., representing the Ontario Hispanic Chamber of Commerce, highlighted upcoming events and invited Council to those events.

Bridgett, with the D'Andre Lampkin Foundation, spoke on the Neighbors Helping Neighbors program.

Peggi Hazlett, Chief Executive Officer of the Greater Ontario Business Council announced upcoming events.

Tywanna Hill, with the D'Andre Lampkin Foundation spoke about their Back-Pack drive.

Karen Haughey, representative of San Bernardino County Board Supervisor, Curt Hagman, announced upcoming events.

AGENDA REVIEW/ANNOUNCEMENTS

City Manager Ochoa announced updated exhibits to Item No. 4 reflecting updated payments received from property owners from the time the meeting agenda was posted to the meeting day.

CONSENT CALENDAR

MOTION: Moved by Council Member Dorst-Porada, seconded by Council Member Bowman and carried by 4-0-1 vote, to approve the Consent Calendar as presented, with Mayor pro Tem Wapner absent.

1. APPROVAL OF MINUTES

City Council approved Minutes for the regular meetings of the City Council and Housing Authority on July 6, 2021, and July 20, 2021, approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

City Council approved **Bills** for the period July 7, 2021, through July 29, 2021, in the amount of $44,966,544.25 and **Payroll** for the period June 20, 2021, through July 17, 2021, in the amount of $7,358,235.61 when audited by the Finance Committee.

3. AN AMENDMENT TO PROFESSIONAL SERVICES AGREEMENTS FOR ON-CALL BOARD-UPS AND ABATEMENT

The City Council approved and authorized the City Manager to execute Amendment No. 1 to the Professional Services Agreements with SLS Property Solutions, Inc. for FY21-22 in the amount of $100,000, for a total contract not-to-exceed amount of $200,000, and Amendment No. 2 to the Professional Services Agreement with Belfor USA Group, Inc. for FY21-22 in the amount of $100,000, for a total contract not-to-exceed amount of $200,000.

4. A RESOLUTION FOR PLACEMENT OF SPECIAL ASSESSMENTS ON THE SAN BERNARDINO COUNTY TAX ROLLS

The City Council adopted a Resolution for recovery of fees and costs incurred in abating property and dangerous building violations, as well as administrative citations and civil penalties associated with property maintenance violations, and placing assessments on the San Bernardino County Tax Rolls.

RESOLUTION NO. 2021-136 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A REPORT REQUESTING THE PLACEMENT OF SPECIAL ASSESSMENTS ON PROPERTY TAX BILLS FOR CIVIL PENALTIES OR RECOVERY OF COSTS INCURRED FOR ABATEMENT OF VIOLATIONS OF CITY CODES AND ORDINANCES.

5. A PROFESSIONAL SERVICES AGREEMENT FOR A MUSEUM INTERACTIVE DIGITAL APPLICATION FOR THE BUILT ON WATER EXHIBIT

The City Council approved and authorized the City Manager to execute an Agreement with Songbear Studios, LLC of Santa Ana, California, for a not-to-exceed amount of $144,550 for the development of an interactive digital application to be utilized in the Built on Water exhibition at the Ontario Museum of History & Art.

6. A DEVELOPMENT IMPACT FEE CREDIT AGREEMENT (FILE NO. PDIF19-002) BETWEEN THE CITY OF ONTARIO AND COLONY COMMERCE ONTARIO EAST LP., FOR FACILITY CONSTRUCTION ASSOCIATED WITH PARCEL MAP 19904 (FILE NO. PMTT18-006), LOCATED AT THE SOUTHWEST CORNER OF ARCHIBALD AVENUE AND MERRILL AVENUE, WITHIN THE COLONY COMMERCE CENTER EAST SPECIFIC PLAN

The City Council approved the Development Impact Fee Credit Agreement (File No. PDIF19-002) between the City of Ontario and Colony Commerce Ontario East LP., for facility construction associated with Parcel Map 19904 (File No. PMTT18-006), located at the southwest corner of Archibald Avenue and Merrill Avenue, within the Colony Commerce Center East Specific Plan and authorize the City Manager to execute the Agreement.

7. A DEVELOPMENT IMPACT FEE CREDIT AND REIMBURSEMENT AGREEMENT (FILE NO. PDIF20-009) BETWEEN THE CITY OF ONTARIO AND IN-N-OUT BURGERS, FOR FACILITY CONSTRUCTION ASSOCIATED WITH THE DEVELOPMENT PLAN (FILE NO. PDEV19-034), LOCATED AT 1891 EAST "G" STREET, WITHIN THE CSS (CONVENTION CENTER SUPPORT COMMERCIAL) ZONING DISTRICT

The City Council approved the Development Impact Fee Credit and Reimbursement Agreement (File No. PDIF20-009) between the City of Ontario and In-N-Out Burgers, for facility construction associated with the Development Plan (File No. PDEV19-034), located at 1891 East "G" Street, within the CSS (Convention Center Support Commercial) zoning district, and authorize the City Manager to execute the Agreement.

8. PROFESSIONAL SERVICES AGREEMENT FOR FILM AND VIDEO PRODUCTION SERVICES

The City Council approved a Professional Services Agreement in the amount of $235,000 with Windsong Productions of Fresno, California, to provide film and video production services for an initial three-year term; and authorize the option to extend the Agreement for up to two additional, one-year terms and authorizing City Manager to execute said Agreement and future amendments consistent with the approved budget.

9. A RESOLUTION APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL TRACT MAP NO. 20308, LOCATED AT THE SOUTHWEST CORNER OF VIA ALBA AND VIA VILLAGIO

The City Council adopted a Resolution approving an Improvement Agreement, Improvement Security and Final Tract Map No. 20308, located at the southwest corner of Via Alba and Via Villagio within the Ontario Center Specific Plan area.

RESOLUTION NO. 2021-137 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FINAL TRACT MAP NO. 20308, LOCATED AT THE SOUTHWEST CORNER OF VIA ALBA AND VIA VILLAGIO.

10. A RESOLUTION ORDERING THE SUMMARY VACATION OF A PORTION OF THE NEIGHBORHOOD EDGE GENERALLY LOCATED ON THE SOUTH SIDE OF EUCALYPTUS AVENUE APPROXIMATELY 690 FEET EAST OF HELLMAN AVENUE

The City Council adopted a Resolution ordering the summary vacation of a portion of the neighborhood edge for public utility and municipal purposes, generally located on the south side of Eucalyptus Avenue approximately 690 feet east of Hellman Avenue and reconveying any of the City's interest.

RESOLUTION NO. 2021-138 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ORDERING THE SUMMARY VACATION OF A PORTION OF THE NEIGHBORHOOD EDGE GENERALLY LOCATED ON THE SOUTH SIDE OF EUCALYPTUS AVENUE APPROXIMATELY 690 FEET EAST OF HELLMAN AVENUE.

11. A RESOLUTION ORDERING THE SUMMARY VACATION OF A PORTION OF THE NEIGHBORHOOD EDGE GENERALLY LOCATED ON THE NORTH SIDE OF EUCALYPTUS AVENUE APPROXIMATELY 1,600 FEET WEST OF ARCHIBALD AVENUE

The City Council adopted a Resolution ordering the summary vacation of a portion of the neighborhood edge for public utility and municipal purposes generally located on the north side of Eucalyptus Avenue approximately 1,600 feet west of Archibald Avenue and reconveying any of the City's interest.

RESOLUTION NO. 2021-139 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ORDERING THE SUMMARY VACATION OF A PORTION OF THE NEIGHBORHOOD EDGE GENERALLY LOCATED ON THE NORTH SIDE OF EUCALYPTUS AVENUE APPROXIMATELY 1,600 FEET WEST OF ARCHIBALD AVENUE.

12. A RESOLUTION ORDERING THE SUMMARY VACATION OF A PUBLIC SEWER EASEMENT GENERALLY LOCATED SOUTH OF MAITLAND STREET APPROXIMATELY 60 FEET WEST OF MONTEREY AVENUE

The City Council adopted a Resolution ordering the summary vacation of a public sewer easement generally located south of Maitland Street approximately 60 feet west of Monterey Avenue.

RESOLUTION NO. 2021-140 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ORDERING THE SUMMARY VACATION OF A PUBLIC SEWER EASEMENT GENERALLY LOCATED SOUTH OF MAITLAND STREET APPROXIMATELY 60 FEET WEST OF MONTEREY AVENUE.

13. PROFESSIONAL SERVICES AGREEMENTS FOR ON-CALL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES

The City Council approved and authorized the City Manager to execute two separate three-year Professional Services Agreements with Ardurra Group, Inc., of El Segundo, California, and KOA Corporation, of Monterey Park, California, to provide on-call Construction Management and Inspection Services in the amount of $200,000 each; and authorized the City Manager to extend the agreements for up to two additional one-year periods at the City's discretion, consistent with future budgets approved by the City Council.

14. A RESOLUTION APPROVING AN IMPROVEMENT AGREEMENT, IMPROVEMENT SECURITY AND FINAL PARCEL MAP NO. 20177, LOCATED AT THE NORTHWEST CORNER OF MILLIKEN AVENUE AND RIVERSIDE DRIVE

The City Council adopted a resolution approving an Improvement Agreement, Improvement Security and Final Parcel Map No. 20177 located at the northwest corner of Milliken Avenue and Riverside Drive.

RESOLUTION NO. 2021-141 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING FINAL PARCEL MAP NO. 20177 LOCATED AT THE NORTHWEST CORNER OF MILLIKEN AVENUE AND RIVERSIDE DRIVE.

15. COUNTY RADIO SYSTEM ACCESS AND MAINTENANCE AGREEMENT

The City Council approved and authorized the City Manager to execute a five-year radio system Access and Maintenance Agreement with the County of San Bernardino for an annual estimated amount of $1,013,531 and authorized the addition and update of operational necessary service levels and equipment consistent with City Council approved budgets. The estimated total cost of the agreement is $5,067,655.

16. ACCEPT A WRITTEN PETITION REQUESTING COMMENCEMENT OF CHANGE PROCEEDINGS TO COMMUNITY FACILITIES DISTRICT; ADOPT A RESOLUTION OF CONSIDERATION TO CHANGE THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE)

The City Council considered and:

A. Accepted a written petition requesting commencement of change proceedings from LS-ONTARIO II LLC, located in Irvine, California, to consider a change to the Rate and Method of Apportionment of the existing special tax of the City of Ontario Community Facilities District No. 57 (Neuhouse) and waive certain procedural matters, under the Mello-Roos Community Facilities Act of 1982;
B. Adopted a Resolution of Consideration to change the Rate and Method of Apportionment of the existing special tax of City of Ontario Community Facilities District No. 57 (Neuhouse) (the “CFD”) and set a public hearing for the formation of the CFD as part of the regularly scheduled City Council meeting on Tuesday, September 21, 2021.

RESOLUTION NO. 2021-142 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, OF CONSIDERATION TO CHANGE THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX

OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE).

17. INTRODUCTION OF 2021 RESIDENT SATISFACTION SURVEY RESULTS

The City Council received, filed and released the results of the 2021 Resident Satisfaction Survey as an update to the on-going evaluation of City departments from the perspective of residents.

18. DESIGNATION OF VOTING DELEGATES FOR THE LEAGUE OF CALIFORNIA CITIES ANNUAL BUSINESS MEETING

The City Council designated Council Member Debra Dorst-Porada as the City's voting delegate and Mayor pro Tem Alan D. Wapner as an alternate for the League of California Cities Annual Business Meeting scheduled for September 24, 2021.

19. AN AMENDMENT TO THE GOODS AND EQUIPMENT AGREEMENT WITH SIERRA CONTAINER GROUP FOR THE PURCHASE OF REFUSE AND RECYCLING CONTAINERS

The City Council approved and authorized the City Manager to execute Amendment No. 1 to the Goods and Equipment with Sierra Container Group of Ocala, Florida, for the purchase of refuse and recycling containers in the amount of $1,296,000 annually over a three-year term for a revised total amount of $4,188,000.

20. AMENDMENT TO THE MAINTENANCE SERVICES AGREEMENT WITH GREENTECH LANDSCAPE, INC.

The City Council authorized the City Manager to execute Amendment No. 1 to the existing Maintenance Services Agreement with Greentech Landscape, Inc. of Whittier, California to perform landscape maintenance services for five newly acquired locations in the Ontario Ranch area, by an amount not to exceed $283,204.80 for three years.

21. A CONSTRUCTION CONTRACT FOR ADA CONCRETE RAMP CONSTRUCTION SERVICES

The City Council authorized the City Manager to execute a one-year construction contract with CT&T Concrete Paving Inc. of Diamond Bar, California, for ADA Concrete Ramp Construction services in the amount of $145,100, plus a contingency of $29,900 for a not to exceed amount of $175,000.

22. PURCHASE OF WATER SYSTEM MATERIALS

The City Council approved and authorized the purchase of miscellaneous waterworks materials in the amount of $265,000 with United Water Works of Santa Ana, California; and $265,000 with Western Water Works Supply Company of Chino Hills, California, for a total aggregate not-to-exceed amount of $530,000, at the set pricing levels per Bid No. 1453.

23. CONSTRUCTION CONTRACT, PROFESSIONAL SERVICES AGREEMENT, AND TWO AMENDMENTS FOR THE EQUIPPING OF WELL NO. 43 PROJECT

The City Council took the following actions:

A. Approved the plans and specifications and awarded Contract No. UT 1024 to R.C. Foster Corp. of Corona, California, for the construction of the Equipping Well No. 43 Project, in the amount of $4,335,100 plus a 15% contingency of $650,265, for a total amount of $4,985,365; and authorized the City Manager to execute said contract and file a notice of completion at the conclusion of all construction activities related to the project.
B. Approved and authorized the City Manager to execute a Professional Services Agreement with Albert A. Webb Associates of Riverside, California, in the amount of $111,046 for construction engineering services.
C. Approved and authorized the City Manager to execute an amendment with Group Delta Consultants Inc. of Ontario, California, in the amount of $42,233 for geotechnical material testing services and extend the term of the agreement by one year, the final extension per the original agreement.
D. Approved and authorized the City Manager to execute an amendment with AKM Consulting Engineers of Irvine, California, in the amount of $279,191 for construction management services.

24. AMENDMENTS TO THE CITYWIDE FINANCIAL ENTERPRISE PLANNING RESOURCE (ERP) SYSTEM AGREEMENTS

The City Council authorized the City Manager to execute Amendments related to the Agreements to the purchase and implementation of a new citywide Financial Enterprise Planning (ERP) system:

A. Amendment to the five (5) year master subscription agreement (MSA) with Workday, Inc., of Pleasanton, California, for the additional software purchase, licensing, and maintenance as well as additional training services of Workday Finance, an Enterprise Resource Planning (ERP) software solution on a hosted, cloud-based software as a service (SAAS) platform, in the amount of $97,568, for a revised not to exceed amount of $2,291,353.
B. Amendment to the Professional Services Agreement with Collaborative Solutions, LLC, of Reston, Virginia, to expand the scope to include additional consulting services related to the implementation of the new Workday Finance

ERP system in the amount of $1,088,735 plus a 10% contingency of $108,874, for a revised not to exceed amount of $3,847,907.

C. Amendment to the five (5) year Service Agreement with Can/Am Technologies, Inc., of Lakewood, Colorado, for the additional software purchase, licensing and maintenance of Teller Software, a centralized cashiering system in the amount of $92,443, for a revised not to exceed amount of $547,150.
D. Amendment to the Professional Services Agreement with SDI Presence, LLC, of Chicago, Illinois, to expand the scope of work to include consulting services throughout the implementation of the ERP system in the amount of $159,950 plus a 10% contingency of $15,995, for a revised not to exceed amount of $840,490.
E. Amendment to the Professional Services Agreement with M Jack Brooks, JD, of Costa Mesa, California, to expand the scope of work to include professional accounting services throughout the implementation of the ERP system for an increase of $175,000, for a revised not to exceed amount of $825,000.
F. Authorized an additional $347,713 to the 20% project contingency, for a revised not to exceed authorized contingency amount of $1,079,990, to address any unforeseen issues that may arise during the implementation.

25. PUBLIC WORKS CONSTRUCTION CONTRACT FOR ASPHALT GRINDING SERVICES WITH PAVEMENT RECYCLING SYSTEMS, INC.

The City Council approved and authorized the City Manager to execute a second option year and increase the authorized contract by an amount of $189,336 annually to the Public Works Construction Contract with Pavement Recycling Systems, Inc., located in Jurupa Valley, California, for Fiscal Year 2021-22.

PUBLIC HEARINGS

26. A PUBLIC HEARING TO CONSIDER AN APPEAL OF THE PLANNING COMMISSION'S DECISION TO APPROVE (I) A DEVELOPMENT PLAN (FILE NO. PDEV18-022) TO CONSTRUCT A 6,870 SQUARE-FOOT INDUSTRIAL BUILDING AND (II) A CONDITIONAL USE PERMIT (FILE NO. PCUP18-021) TO ESTABLISH AND OPERATE A TOWING SERVICE ON 3.1 ACRES OF LAND LOCATED AT 580 EAST BELMONT STREET WITHIN THE IL (LIGHT INDUSTRIAL) ZONING DISTRICT (APNS: 1049-491-01, 1049-491-02, AND 1049 491-03).

This item was cancelled, no action was taken.

27. A PUBLIC HEARING TO CONSIDER AN ORDINANCE AMENDING CHAPTER 7 OF TITLE 6 OF THE ONTARIO MUNICIPAL CODE RELATED TO PUBLIC SEWER SYSTEMS

The City Council introduced and waived further reading of an ordinance amending Chapter 7 of Title 6 of the Ontario Municipal Code pertaining to protection and regulation of the City's sewerage collection system.

ORDIANANCE NO. 3190 (FIRST READING) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING CHAPTER 7 TITLE 6 OF THE MUNICIPAL CODE RELATING TO PUBLIC SEWER SYSTEM.

Notice of public hearing was duly given and affidavits of compliance are on file in the Records Management Department.

There were no written communications. Mayor Leon opened the public hearing asking those persons interested in this item to speak. Hearing no one, Mayor Leon closed the public hearing.

MOTION: Moved by Council Member Dorst-Porada, seconded by Council Member Bowman, and carried by a unanimous 4-0-1 vote, with Mayor pro Tem Wapner absent, to introduce Ordinance No. 3190.

STAFF MATTERS

City Manager Ochoa noted the passing of Integrated Waste Employee, Ruben Wong and extended condolences to Mr. Wong's friends and family.

COUNCIL MATTERS

Council Member Dorst-Porada spoke in opposition of SB-9 and announced upcoming community events.

Mayor Leon spoke in opposition of SB-9 and honored WWII Veteran Jimmy Delgado for his service.

Council Member Bowman made no comments.

Council Member Valencia extended his condolences to the Wong family and announced upcoming community events.

ADJOURNMENT

Mayor Leon adjourned the meetings of the Joint Agencies at 7:14 p.m. in memory of Integrated Waste employee, Ruben Wong and announced the next regular meeting to be held on Tuesday, September 7, 2021.

Respectfully submitted,

_____

SHEILA MAUTZ, CITY CLERK/SECRETARY

APPROVED:

_____
PAUL S. LEON, MAYOR/CHAIRMAN

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Communications and Community Relations Prepared By: Tricia Almiron Staff Member Presenting: Dan Bell, Communications and Community Relations Director Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 3

SUBJECT: LEGISLATIVE UPDATE

RECOMMENDATION: That the City Council receive and file the legislative update.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: There is no direct fiscal impact associated with the receiving and filing of this report.

BACKGROUND & ANALYSIS: Legislative Update

State Update: California State lawmakers concluded their legislative session on September 10, 2021 after months of debating bills related to the COVID-19 pandemic, education, and several other issues. Legislative leaders pushed police reform, drought and wildfire preparedness, a massive state budget surplus which funds universal pre-K, expanded health care coverage for undocumented immigrants, and projects to prepare for climate impacts.

The Legislature introduced over 2,000 bills and passed roughly 900 this year. Now, hundreds of bills are headed to the Governor. Governor Newsom has until October 10, 2021 to sign or veto bills passed by the Legislature. Hundreds of other bills were delayed until next year under a designation known as a "two-year bill," meaning they will be taken back up in the second year of the Legislative session in January 2022.

While some politically volatile issues were sidelined, others were left unfinished. Sharp disagreements between Assembly Democrats and the Governor's administration hindered plans for lawmakers to approve the sale of $4.2 billion in state bonds earmarked for high-speed rail, providing funds the train project needs to continue current construction on the struggling project. In the end, negotiations over funding for the train and other transportation projects will resume early next year. The Speaker and Assembly Democratic leaders have insisted some of the funding be used to boost urban rail projects in Southern California.

Ontario's state advocacy efforts focused on a number of key topics including Broadband, Land Use, Public Safety and Sales Tax. AB 744 (Rodriguez), the City's sponsored bill (Relinquishment of control of Euclid Avenue), was sent to Governor Newsom on September 3, 2021. Staff has been in contact with

the Governor's office and have not heard any concerns.

A pair of housing bills that were a major priority for Senate Democratic leadership were approved before the final week of the session. The bills, part of a housing package put forth by the Senate Pro Tem, allow for denser housing such as duplexes and multi-units to be built on single-family lots. Senate Bill 9 (Atkins) would allow homeowners to split their lots and build additional units, including duplexes, on lots zoned only for single-family housing. Senate Bill 10 (Wiener) would allow cities to zone for up to 10 housing units per parcel in urban areas or places close to transit if they choose. The City was very vocal on its opposition on both bills. Letters were sent to Senate and Assembly committee chairs throughout each step of the legislative process. Ontario's strong opposition was shared with regional stakeholders and the Inland Empire Cal Cities Division. Lastly, our veto request was sent to the Governor on August 30, 2021.

Staff worked closely with the City's State Advocates on the newest Sales Tax legislation, SB 792 (Glazer). Like many bills proposed in the past, SB 792 aims to add a section to the Revenue and Taxation code. The City maintained a "watch" position on this bill in order to work with stakeholders, and the author, on amendments and best practices for Ontario. This bill will require online retailers that generate over $50 million in annual sales to report the delivery location by city or ZIP code of the purchaser. This bill is purely a data driven tool aimed to gather information and by extension to continue the work of the Cal Cities City Manager Working Group. The Bradley-Burns Uniform Local Sales and Use Tax Law imposes tax on the retail sale of merchandise or goods within the State. The State collects the Bradley-Burns tax on behalf of cities and counties and distributes the revenue to local governments in California. The Bradley-Burns tax rate is 1.25 percent. Of this, 1 percent is allocated to unincorporated county or cities to use at their discretion, with the remaining 0.25 percent to support local transportation programs. The bill passed the last day of Session and is now before the Governor.

The budget committees finished their final actions for the year on the 2021-22 Budget, with 15 budget trailer bills and one budget bill junior moving to the Governor.

Aside from the Recall, the Governor has until October 10, 2021 to act on legislation and has stated he intends to do so. The Secretary of State has until October 14, 2021 to certify the election.

A list of bills the City tracked and took positions on are included in Attachment 1.

Legislative Platform: Ontario's Legislative Platform serves as the foundation for understanding the perspective of the Council on key issues that are anticipated to be considered during each legislative session. The adopted legislative platform guides Staff's analysis and recommendations on pending legislative and regulatory items.

The City's Legislative Platform is included as Attachment 2.

City of Ontario
Legislative Bill List 9/13/21

AB 26 **(Holden D) Peace officers: use of force.**
Current Text: Enrollment: 9/8/2021 html pdf
Last Amend: 7/7/2021
Status: 9/8/2021-Enrolled and presented to the Governor at 4:30 p.m.
Location: 9/8/2021-A. ENROLLED
Summary: Current law requires each law enforcement agency, on or before January 1, 2021, to maintain a policy that provides a minimum standard on the use of force. Current law requires that policy, among other things, to require that officers report potential excessive force to a superior officer when present and observing another officer using force that the officer believes to be unnecessary, and to require that officers intercede when present and observing another officer using force that is clearly beyond that which is necessary, as specified. This bill would require those law enforcement policies to require those officers to immediately report potential excessive force, as defined.

Position
Watch

AB 43 **(Friedman D) Traffic safety.**
Current Text: Enrollment: 9/9/2021 html pdf
Last Amend: 9/1/2021
Status: 9/9/2021-Senate amendments concurred in. To Engrossing and Enrolling.
Location: 9/9/2021-A. ENROLLMENT
Summary: Current law establishes various default speed limits for vehicles upon highways, as specified. Current law authorizes state and local authorities to adjust these default speed limits, as specified, based upon certain findings determined by an engineering and traffic survey. Existing law defines an engineering and traffic survey and prescribes specified factors that must be included in the survey, including prevailing speeds and road conditions. Current law authorizes local authorities to consider additional factors, including pedestrian and bicyclist safety. This bill would authorize local authorities to consider the safety of vulnerable pedestrian groups, as specified.

Position
Watch

AB 48 **(Gonzalez, Lorena D) Law enforcement: use of force.**
Current Text: Enrolled: 9/10/2021 html pdf
Last Amend: 8/26/2021
Status: 9/8/2021-Senate amendments concurred in. To Engrossing and Enrolling.
Location: 9/8/2021-A. ENROLLMENT
Summary: Would prohibit the use of kinetic energy projectiles or chemical agents by any law enforcement agency to disperse any assembly, protest, or demonstration, except in compliance with specified standards set by the bill, and would prohibit their use solely due to a violation of an imposed curfew, verbal threat, or noncompliance with a law enforcement directive. The bill would include in the standards for the use of kinetic energy projectiles and chemical agents to disperse gatherings the requirement that, among other things, those weapons only be used to defend against a threat to life or serious bodily injury to any individual, including a peace officer, or to bring an objectively dangerous and unlawful situation safely and effectively under control.

Position
Watch

AB 115 **(Bloom D) Planning and zoning: commercial zoning: housing development.**
Current Text: Amended: 4/20/2021 html pdf
Last Amend: 4/20/2021
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 4/15/2021)(May be acted upon Jan 2022)
Location: 4/30/2021-A. 2 YEAR
Summary: Would, notwithstanding any inconsistent provision of a city's or county's general plan, specific plan, zoning ordinance, or regulation, would require that a housing development be an authorized use on a site designated in any local agency's zoning code or maps for commercial uses

if certain conditions apply. Among these conditions, the bill would require that the housing development be subject to a recorded deed restriction requiring that at least 20% of the units have an affordable housing cost or affordable rent for lower income households, as those terms are defined, and located on a site that satisfies specified criteria.

Position
Watch

AB 217 **(Valladares R) Sales and use taxes: exemption: tax holiday: school supplies.**
Current Text: Introduced: 1/11/2021 html pdf
Status: 3/22/2021-In committee: Hearing postponed by committee.
Location: 1/28/2021-A. REV. & TAX
Summary: Would exempt from Sales and Use taxes the gross receipts from the sale of, and the storage, use, or other consumption of, qualified school supplies, as defined, for the three-day period beginning at 12:01 a.m. on July 30, 2022, and ending at 11:59 p.m. on August 1, 2022.

Position
Watch

AB 296 **(Gipson D) Sales and use taxes: exclusion: pawnbrokers: transfer of vested property.**
Current Text: Enrollment: 9/7/2021 html pdf
Status: 9/7/2021-Enrolled and presented to the Governor at 4 p.m.
Location: 9/7/2021-A. ENROLLED
Summary: Current law, until January 1, 2022, excludes the transfer of vested property by a pawnbroker to a person who pledged the property to the pawnbroker as security for a loan, if specified requirements are met, from the definition of "sale" and "purchase," thus excluding that transfer from imposition of sales and use tax. This bill would extend the exclusion of the transfer of vested property by a pawnbroker to the person who pledged it, as described above, until January 1, 2027.

Position
Watch

AB 339 **(Lee D) Local government: open and public meetings.**
Current Text: Enrollment: 9/9/2021 html pdf
Last Amend: 9/3/2021
Status: 9/9/2021-Read third time. Passed. Ordered to the Assembly. (Ayes 25. Noes 8.). In Assembly. Concurrence in Senate amendments pending. Assembly Rule 63 suspended. Senate amendments concurred in. To Engrossing and Enrolling.
Location: 9/9/2021-A. ENROLLMENT
Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Under existing law, a member of the legislative body who attends a meeting where action is taken in violation of this provision, with the intent to deprive the public of information that the member knows the public is entitled to, is guilty of a crime. This bill would require local agencies to conduct meetings subject to the act consistent with applicable state and federal civil rights laws, as specified.

Position
Watch

AB 361 **(Rivas, Robert D) Open meetings: state and local agencies: teleconferences.**
Current Text: Enrollment: 9/10/2021 html pdf
Last Amend: 9/3/2021
Status: 9/10/2021-Read second time. Ordered to third reading. Senate Rules Suspended Read third time. Urgency clause adopted. Passed. Ordered to the Assembly. (Ayes 28. Noes 7.). In Assembly. Concurrence in Senate amendments pending. Ordered to the unfinished business file. Urgency clause adopted. Senate amendments concurred in. To Engrossing and Enrolling.
Location: 9/10/2021-A. ENROLLMENT
Summary: Would, until January 1, 2024, authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the

health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

Position
Watch

AB 365 **(O'Donnell D) Sales and use taxes: exclusion: zero-emission and near-zero-emission drayage trucks.**
Current Text: Introduced: 2/1/2021 html pdf
Status: 2/12/2021-Referred to Com. on REV. & TAX.
Location: 2/12/2021-A. REV. & TAX
Summary: Current sales and use tax laws impose taxes on retailers measured by gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, measured by sales price. The Sales and Use Tax Law defines the terms "gross receipts" and "sales price." This bill would exclude from the terms "gross receipts" and "sales price" for purposes of the Sales and Use Tax Law the amount charged for the purchase of a new or used drayage truck that qualifies, on or after January 1, 2021, for certain emission reduction programs.

Position
Watch

AB 490 **(Gipson D) Law enforcement agency policies: arrests: positional asphyxia.**
Current Text: Enrollment: 9/9/2021 html pdf
Last Amend: 8/26/2021
Status: 9/9/2021-Senate amendments concurred in. To Engrossing and Enrolling.
Location: 9/9/2021-A. ENROLLMENT
Summary: Would prohibit a law enforcement agency from authorizing techniques or transport methods that involve a substantial risk of positional asphyxia, as defined.By requiring local agencies to amend use of force policies, this bill would impose a state-mandated local program.

Position
Watch

AB 537 **(Quirk D) Communications: wireless telecommunications and broadband facilities.**
Current Text: Enrollment: 9/10/2021 html pdf
Last Amend: 8/26/2021
Status: 9/10/2021-Enrolled and presented to the Governor at 4 p.m.
Location: 9/10/2021-A. ENROLLED
Summary: Current law requires a collocation or siting application for a wireless telecommunications facility be deemed approved if a city or county fails to approve or disapprove the application within the time periods specified in applicable FCC decisions, all required public notices have been provided regarding the application, and the applicant has provided a notice to the city or county that the time period has lapsed. This bill would require that the time periods described above be determined pursuant to specified FCC rules. The bill would require that the city, county, or city and county notify the applicant of the incompleteness of an application within the time periods established by applicable FCC rules. The bill would require that the time period for a city or county to approve or disapprove a collocation or siting application commence when the applicant makes the first required submission or takes the first required step, as specified.

Position
Oppose

AB 594 **(McCarty D) Law enforcement policies.**
Current Text: Amended: 3/16/2021 html pdf
Last Amend: 3/16/2021
Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/14/2021)(May be acted upon Jan 2022)
Location: 5/25/2021-A. 2 YEAR
Summary: Current law requires each law enforcement agency to maintain a policy that provides guidelines on the use of force, and to annually furnish specified information to the Department of Justice regarding the use of force by peace officers employed by that agency. Current law requires the Attorney General to investigate incidents of an officer-involved shooting resulting in the death of

an unarmed civilian, as specified. deadly use of force incidents other than those required to be investigated by the Attorney General, require an agency to cause a criminal investigation of these incidents to be conducted, and would prohibit a law enforcement agency from having primary responsibility for conducting the criminal investigation into those incidents involving an officer employed by that agency. This bill would instead provide alternative protocols for investigations of those incidents, including investigation by the district attorney's office, another law enforcement agency, or a multidisciplinary and multiagency task force. The bill would specify that these requirements apply only to a criminal investigation and not to any administrative or disciplinary investigation.

Position
Watch

AB 602 **(Grayson D) Development fees: impact fee nexus study.**
Current Text: Enrolled: 9/10/2021 html pdf
Last Amend: 8/26/2021
Status: 9/8/2021-Assembly Rule 77 suspended. (Ayes 42. Noes 13.) Senate amendments concurred in. To Engrossing and Enrolling.
Location: 9/8/2021-A. ENROLLMENT
Summary: Current law requires a city, county, or special district that has an internet website to make available on its internet website certain information, as applicable, including its current schedule of fees and exactions. This bill, among other things, would require, on and after January 1, 2022, a local agency that conducts an impact fee nexus study to follow specific standards and practices, including, but not limited to, (1) that prior to the adoption of an associated development fee, an impact fee nexus study be adopted, (2) that the study identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is necessary, and (3) if the study is adopted after July 1, 2022, either calculate a fee levied or imposed on a housing development project proportionately to the square footage of the proposed units, or make specified findings explaining why square footage is not an appropriate metric to calculate the fees.

Position
Watch

AB 603 **(McCarty D) Law enforcement settlements and judgments: reporting.**
Current Text: Enrolled: 9/9/2021 html pdf
Last Amend: 8/26/2021
Status: 9/7/2021-Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 64. Noes 0.).
Location: 9/7/2021-A. ENROLLMENT
Summary: Would require municipalities, as defined, to annually post on their internet websites specified information relating to settlements and judgments resulting from allegations of improper police conduct, including, among other information, amounts paid, broken down by individual settlement and judgment, and information on bonds used to finance use of force settlement and judgment payments. The bill would require the Transportation Agency to annually post the same information on its internet website regarding settlements and judgments against the Department of the California Highway Patrol. By increasing requirements for local governments, this bill would impose a state-mandated local program.

Position
Watch

AB 607 **(Arambula D) Sales and use taxes: exemptions: blood screening testing.**
Current Text: Introduced: 2/12/2021 html pdf
Status: 3/22/2021-In committee: Hearing postponed by committee.
Location: 2/25/2021-A. REV. & TAX
Summary: Would, on and after January 1, 2022, and before January 1, 2027, exempt the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, any reagents or chemicals, and lab equipment and supplies, used by a licensed blood bank to perform blood screening tests on donated human blood.

Position
Watch

AB 672 **(Garcia, Cristina D) Publicly owned golf courses: conversion: affordable housing.**

Current Text: Amended: 9/9/2021 html pdf
Last Amend: 9/9/2021
Status: 9/10/2021-Referred to Com. on H. & C.D.
Location: 9/9/2021-A. H. & C.D.
Summary: Would, upon appropriation by the Legislature, require the Department of Housing and Community Development to administer a program to provide incentives in the form of grants to local governments that make publicly owned golf courses available for housing and publicly accessible open spaces, as specified.

Position
High Watch

AB 703 **(Rubio, Blanca D) Open meetings: local agencies: teleconferences.**
Current Text: Amended: 4/29/2021 html pdf
Last Amend: 4/29/2021
Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 2/25/2021)(May be acted upon Jan 2021)
Location: 5/7/2021-A. 2 YEAR
Summary: Current law, by Executive Order N-29-20, suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic, provided that notice requirements are met, the ability of the public to observe and comment is preserved, as specified, and that a local agency permitting teleconferencing have a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified. This bill would remove the notice requirements particular to teleconferencing and would revise the requirements of the act to allow for teleconferencing subject to existing provisions regarding the posting of notice of an agenda, provided that the public is allowed to observe the meeting and address the legislative body directly both in person and remotely via a call-in option or internet-based service option, and that a quorum of members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the jurisdiction.

Position
Watch

AB 718 **(Cunningham R) Peace officers: investigations of misconduct.**
Current Text: Introduced: 2/16/2021 html pdf
Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 7/5/2021)(May be acted upon Jan 2022)
Location: 8/27/2021-S. 2 YEAR
Summary: Would require a law enforcement agency or oversight agency to complete its investigation into an allegation of the use of force resulting in death or great bodily injury, sexual assault, discharge of a firearm, or dishonesty relating to the reporting, investigation, or prosecution of a crime or misconduct by another peace officer or custodial officer, despite the peace officer's or custodial officer's voluntary separation from the employing agency. The bill would require the investigation to result in a finding that the allegation is either sustained, not sustained, unfounded, or exonerated, as defined. The bill would also require an agency other than an officer's employing agency that conducts an investigation of these allegations to disclose its findings with the employing agency no later than the conclusion of the investigation.

Position
Watch

AB 722 **(Kiley R) Sales and use taxes.**
Current Text: Introduced: 2/16/2021 html pdf
Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/16/2021)(May be acted upon Jan 2021)
Location: 5/7/2021-A. 2 YEAR
Summary: Current sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property and punishes a violation of those laws with a fine of not less than $1,000 and not more than $5,000, imprisonment not exceeding one year in the county jail, or both.This bill would make nonsubstantive changes to those provisions.

Position
Watch

AB 744 **(Rodriguez D) State highways: State Route 83: reduction.**

Current Text: Enrollment: 9/10/2021 html pdf

Last Amend: 4/5/2021

Status: 9/10/2021-Enrolled and presented to the Governor at 4 p.m.

Location: 9/10/2021-A. ENROLLED

Summary: Would authorize the California Transportation Commission to relinquish to the City of Ontario all or a portion of State Route 83 within the city's jurisdiction and prescribe conditions that apply upon relinquishment.

Position

Sponsor

AB 773 **(Nazarian D) Street closures and designations.**

Current Text: Enrollment: 9/2/2021 html pdf

Last Amend: 7/5/2021

Status: 9/2/2021-Enrolled and presented to the Governor at 3 p.m.

Location: 9/2/2021-A. ENROLLED

Summary: Would authorize a local authority to adopt a rule or regulation by ordinance to implement a slow street program, which may include closures to vehicular traffic or through vehicular traffic of neighborhood local streets with connections to citywide bicycle networks, destinations that are within walking distance, or green space. The bill would require the local authority to meet specified conditions to implement a slow street, including a determination that closure or traffic restriction is necessary for the safety and protection of persons using the closed or restricted portion of the street, conducting an outreach and engagement process, and clearly designating the closure or traffic restriction with specific signage.

Position

Watch

AB 787 **(Gabriel D) Planning and zoning: housing element: converted affordable housing units.**

Current Text: Enrollment: 9/9/2021 html pdf

Last Amend: 8/31/2021

Status: 9/9/2021-Senate amendments concurred in. To Engrossing and Enrolling.

Location: 9/9/2021-A. ENROLLMENT

Summary: Current law requires the planning agency of a city or county to provide an annual report that includes specified information by April 1 of each year to specified entities, including the Department of Housing and Community Development. Among other things, existing law requires that this report include the progress in meeting the city’s or county’s share of regional housing needs and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing, as specified. This bill would authorize a planning agency to include in its annual report, for up to 25% of a jurisdiction’s moderate-income regional housing need allocation, the number of units in an existing multifamily building that were converted to deed-restricted rental housing for moderate-income households by the imposition of affordability covenants and restrictions for the unit, as specified.

Position

Watch

AB 840 **(Holden D) County transportation commissions: regional transit service: airports.**

Current Text: Amended: 3/15/2021 html pdf

Last Amend: 3/15/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 3/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the county transportation commissions in the Counties of Los Angeles and San Bernardino to jointly develop, in consultation with certain governmental agencies, a funding and implementation program for regional transit services to include service to international airports within the multicounty region, as provided. The bill would require the initial regional transit services draft program under these provisions to be completed on or before December 1, 2022. The bill would require the county transportation commissions in the Counties of Los Angeles and San Bernardino to hold a joint public hearing in each county in their jurisdiction on the draft program no earlier than 30 days after the draft has been completed.

Position
High Watch

AB 845 **(Rodriguez D) Disability retirement: COVID-19: presumption.**
Current Text: Chaptered: 7/23/2021 html pdf
Last Amend: 3/30/2021
Status: 7/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 122, Statutes of 2021.
Location: 7/23/2021-A. CHAPTERED
Summary: Current law prescribes various requirements for the organization and administration of public retirement systems, which typically provide pension, disability, and death benefits to their members. Current law provides that participants in certain membership categories may be entitled to special benefits if death or disability arises in the course of employment. The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its plan or plans to comply with that act and establishes, among other things, limits on defined benefit formulas and caps on pensionable compensation. This bill, until January 1, 2023, would create a presumption, applicable to the retirement systems that PEPRA regulates and to specified members in those systems, that would be applied to disability retirements on the basis, in whole or in part, of a COVID-19-related illness. In this circumstance, the bill would require that it be presumed the disability arose out of, or in the course of, the member's employment. The bill would authorize the presumption to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system would be required to find in accordance with the presumption.

Position
Watch

AB 879 **(Rubio, Blanca D) Personal income tax: corporation tax: sales and use taxes: California Tax Amnesty and Revenue Recovery Act.**
Current Text: Amended: 5/3/2021 html pdf
Last Amend: 5/3/2021
Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2021)(May be acted upon Jan 2022)
Location: 5/25/2021-A. 2 YEAR
Summary: Would require the California Department of Tax and Fee Administration and the Franchise Tax Board to administer the California Tax Amnesty and Revenue Recovery Act, a tax amnesty program, as applicable, during the period beginning on September 1, 2022, and ending October 31, 2022, inclusive, for specified taxpayers with respect to penalties and fees for tax reporting periods beginning on or after January 1, 2020, and before January 1, 2021. The bill would require the applicant to the amnesty program to file the application under the penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.

Position
Watch

AB 906 **(Carrillo D) Zero-emission trucks: tax and fee exemptions.**
Current Text: Introduced: 2/17/2021 html pdf
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was REV. & TAX on 2/25/2021)(May be acted upon Jan 2022)
Location: 4/30/2021-A. 2 YEAR
Summary: Current sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. Those laws provide various exemptions from those taxes. This bill would exempt from those taxes, on and after January 1, 2022, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, fuel for the operation of a zero-emission medium- or heavy-duty truck that is the subject of a lease entered into after July 1, 2022, with specified characteristics.

Position
Watch

AB 931 **(Villapudua D) Peace officer training: duty to intercede.**
Current Text: Amended: 5/24/2021 html pdf
Last Amend: 5/24/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was PUB. S. on 6/16/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-S. 2 YEAR

Summary: Current law requires specified categories of law enforcement officers to meet training standards pursuant to courses of training certified by the Commission on Peace Officer Standards and Training. Existing law requires the course or courses of the regular basic course for law enforcement officers to include, among other things, training on the duty to intercede. This bill would require the commission to develop training on the duty to intercede, to include, among other elements, a robust discussion of the science of active bystandership. The bill would additionally require specified law enforcement officers to complete an updated course of instruction on the duty to intercede every 2 years.

Position

Watch

AB 937 **(Carrillo D) Immigration enforcement.**

Current Text: Amended: 9/3/2021 html pdf

Last Amend: 9/3/2021

Status: 9/10/2021-Ordered to inactive file by unanimous consent.

Location: 9/10/2021-S. INACTIVE FILE

Summary: The California Values Act, prohibits a California law enforcement agency from providing a person's release date, or responding to a request for notification of a release date, unless that information is available to the public, and prohibits the transfer of an individual to immigration authorities, as specified, unless the person has been convicted of specified crimes or arrested for a serious or violent felony. This bill would prohibit any state or local agency from arresting or assisting with the arrest, confinement, detention, transfer, interrogation, or deportation of an individual for an immigration enforcement purpose, as specified. The bill would additionally prohibit state or local agencies or courts from using immigration status as a factor to deny or to recommend denial of probation or participation in any diversion, rehabilitation, mental health program, or placement in a credit-earning program or class, or to determine custodial classification level, to deny mandatory supervision, or to lengthen the portion of supervision served in custody.

Position

Oppose

AB 1075 **(Wicks D) Planning and zoning: residential developments.**

Current Text: Amended: 3/18/2021 html pdf

Last Amend: 3/18/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 3/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require a local government to deem a residential development compliant with its local zoning requirements if the proposed development is located on a site that meets specified requirements, including that the development is not located within a wetland, as defined, or within a very high fire hazard severity zone, as defined, and that the proposed development is zoned residential. The bill would require the residential development to meet certain requirements, including that the development meets objective design review standards. If the proposed project is subject to an inclusionary housing ordinance when the project application is submitted, the bill would require the project to satisfy the requirements of the inclusionary housing ordinance.

Position

Watch

AB 1108 **(Cunningham R) Sales and use taxes: exemption: lease of solar electric generation systems: Greenhouse Gas Reduction Fund: transfer.**

Current Text: Introduced: 2/18/2021 html pdf

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was REV. & TAX on 3/4/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The Sales and Use Tax Law provides various exemptions from those taxes, including a partial exemption from those taxes, on and after January 1, 2018, and before July 1, 2030, from the sale of, and the storage, use, or other consumption of, qualified tangible personal property purchased for use by a qualified person, as defined, to be used primarily in the generation or production, as defined, or storage and distribution, as defined, of electric power. This bill, on and

after January 1, 2022, and before July 1, 2030, would provide that this partial exemption also applies to the rentals payable pursuant to the leases of tangible personal property provided the lessee is a resident leasing a solar electric generation system that meets or exceeds the compliance requirements of equipment used for purposes of complying with specified state building standards and the tangible personal property is used in specified activities.

Position
Watch

AB 1121 **(Rodriguez D) Sales and use taxes: exemption: emergency preparation items.**
Current Text: Introduced: 2/18/2021 html pdf
Status: 3/4/2021-Referred to Com. on REV. & TAX.
Location: 3/4/2021-A. REV. & TAX
Summary: Current sales and use tax laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, and provides various exemptions from the taxes imposed by those laws. This bill, on and after January 1, 2022, until January 1, 2024, would exempt from those taxes the gross receipts from the sale of, and the storage, use, or other consumption of, emergency preparation items, as defined, sold or purchased during the 3-day period beginning at 12:01 a.m. on the Saturday before the last Monday in June and ending at midnight on the last Monday in June.

Position
Watch

AB 1135 **(Grayson D) State of California Housing Allocation Act.**
Current Text: Amended: 3/25/2021 html pdf
Last Amend: 3/25/2021
Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2021)(May be acted upon Jan 2022)
Location: 5/25/2021-A. 2 YEAR
Summary: Would enact the State of California Housing Allocation Act, which would require the Business, Consumer Services, and Housing Agency, HCD, CalHFA, and CTCAC, no later than January 1, 2023, to jointly establish and operate a single, centralized housing funding allocation committee, which would be within the Business, Consumer Services, and Housing Agency and comprised of representatives of those entities. The bill would require the committee to be responsible for allocating state controlled financing to housing developments and to serve as the point of contact for developers seeking to build affordable housing in California.

Position
Oppose

AB 1147 **(Friedman D) Regional transportation plan: Active Transportation Program.**
Current Text: Enrollment: 9/10/2021 html pdf
Last Amend: 8/16/2021
Status: 9/10/2021-Enrolled and presented to the Governor at 4 p.m.
Location: 9/10/2021-A. ENROLLED
Summary: Current law requires the Strategic Growth Council, by January 31, 2022, to complete an overview of the California Transportation Plan and all sustainable communities strategies and alternative planning strategies, an assessment of how implementation of the California Transportation Plan, sustainable communities strategies, and alternative planning strategies will influence the configuration of the statewide integrated multimodal transportation system, and a review of the potential impacts and opportunities for coordination of specified funding programs. This bill would require the council to convene key state agencies, metropolitan planning agencies, regional transportation agencies, and local governments to assist the council in completing the report.

Position
Watch

AB 1163 **(Nazarian D) Local government: taxation: prohibition: groceries.**
Current Text: Introduced: 2/18/2021 html pdf
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was REV. & TAX on 2/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law, until January 1, 2031, prohibits the imposition, increase, levy and collection, or enforcement by a local agency of any tax, fee, or other assessment on groceries, except as provided, and allows a local agency to continue to levy and collect, enforce, or reauthorize any tax, fee, or other assessment on groceries imposed, extended, or increased on or before January 1, 2018. Current law also requires the California Department of Tax and Fee Administration to cease administering the Bradley-Burns local sales and use tax of a local agency that is found by a court, as provided, to have violated the grocery tax prohibition. This bill would repeal the prohibition on the imposition, increase, levy and collection, or enforcement by a local agency of any tax, fee, or other assessment on groceries, including the requirement that the department cease administering a local sales and use tax.

Position
Watch

AB 1260 **(Chen R) California Environmental Quality Act: exemptions: transportation-related projects.**

Current Text: Amended: 7/6/2021 html pdf

Last Amend: 7/6/2021

Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/16/2021)(May be acted upon Jan 2022)

Location: 8/27/2021-S. 2 YEAR

Summary: CEQA includes exemptions from its environmental review requirements for numerous categories of projects, including, among others, projects for the institution or increase of passenger or commuter services on rail or highway rights-of-way already in use and projects by a public transit agency to construct or maintain infrastructure to charge or refuel zero-emission transit buses. This bill would further exempt from the requirements of CEQA projects by a public transit agency to construct or maintain infrastructure to charge or refuel zero-emission trains, provided certain requirements are met, including giving prior notice to the public and holding a noticed public meeting, as provided.

Position
Watch

AB 1296 **(Kamlager D) South Coast Air Quality Management District: district board: membership.**

Current Text: Introduced: 2/19/2021 html pdf

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was NAT. RES. on 3/4/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Curent law establishes the South Coast Air Quality Management District as the district with the responsibility for controlling air pollution from sources other than vehicular sources in the South Coast Air Basin. Current law establishes a district board consisting of 13 members to govern the south coast district. Current law requires one member of the district board to be appointed by the Senate Committee on Rules and one member to be appointed by the Speaker of the Assembly. This bill would increase the number of members of the district board of the south coast district to 15 members by adding 2 environmental justice appointees, one appointed by the Senate Committee on Rules and one appointed by the Speaker of the Assembly.

Position
High Watch

AB 1354 **(Grayson D) Public employees' retirement.**

Current Text: Introduced: 2/19/2021 html pdf

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/19/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Current law, the California Public Employees' Pension Reform Act of 2013, prescribes various limits on public employee retirement systems and public employers, as specified. The act generally prohibits a retired person from being employed by a public employer in the same public retirement system from which the retiree receives pension benefits without reinstatement from retirement into that system, subject to certain exceptions. This bill would make nonsubstantive changes to that provision.

Position

Watch

AB 1398 **(Bloom D) Planning and zoning: housing element: rezoning of sites: prohousing local policies.**

Current Text: Enrollment: 9/9/2021 html pdf

Last Amend: 9/3/2021

Status: 9/9/2021-Senate amendments concurred in. To Engrossing and Enrolling.

Location: 9/9/2021-A. ENROLLMENT

Summary: The Planning and Zoning Law, requires a county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other things, a housing element. Current law requires that the housing element include, among other things, an inventory of land suitable and available for residential development. If the inventory of sites does not identify adequate sites to accommodate the need for groups of all household income levels, as provided, current law requires that the local government rezone sites within specified time periods. If the local government fails to adopt a housing element within 120 days of the applicable statutory deadline, existing law requires that the local government (A) complete this rezoning no later than 3 years and 120 days from the statutory deadline for the adoption of the housing element and (B) revise its housing element every 4 years until the local government has adopted at least 2 consecutive revisions by the statutory deadline. This bill would require a local government that fails to adopt a housing element that the Department of Housing and Community Development has found to be in substantial compliance with state law within 120 days of the statutory deadline to complete this rezoning no later than one year from the statutory deadline for the adoption of the housing element.

Position

Watch

AB 1402 **(Levine D) Marketplace facilitator: fee collection.**

Current Text: Enrollment: 9/9/2021 html pdf

Last Amend: 6/18/2021

Status: 9/9/2021-Enrolled and presented to the Governor at 4 p.m.

Location: 9/9/2021-A. ENROLLED

Summary: This bill would extend the requirements of a marketplace facilitator relating to registration pursuant to the Sales and Use Tax Law to a law, as specified, that imposes a fee administered pursuant to the Fee Collection Procedures Law. The bill would treat a marketplace facilitator that is registered or required to register with the department under the Fee Collection Procedures Law, and who facilitates a retail sale of tangible personal property by a marketplace seller, as the retailer or dealer or both for purposes of collecting and remitting fees imposed upon the consumer in relation to that retail sale. The bill would further require a marketplace seller to register with the department for purposes of taxes or fees administered pursuant to the Fee Collection Procedures Law for sales made on its own behalf and not facilitated by a registered marketplace facilitator. This bill contains other existing laws.

Position

Watch

AB 1424 **(Nguyen R) Sales and use taxes: public hearings.**

Current Text: Amended: 3/18/2021 html pdf

Last Amend: 3/18/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was REV. & TAX on 3/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The Sales and Use Tax Law, administered and enforced by the California Department of Tax and Fee Administration, requires the department to perform annually a systematic identification of areas of recurrent taxpayer noncompliance and to report these findings in its specified annual report to the Governor. Current law requires the department, in order to prepare the report, to conduct an annual hearing where taxpayers are allowed to present their proposals on changes to the Sales and Use Tax Law. This bill would require the department to ensure participation in the annual hearing may be virtual or remote.

Position

Watch

AB 1501 **(Santiago D) Planning and zoning: housing development: very low and lower income households.**

Current Text: Amended: 3/25/2021 html pdf
Last Amend: 3/25/2021
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 3/25/2021)(May be acted upon Jan 2022)
Location: 4/30/2021-A. 2 YEAR
Summary: Current law requires the Department of Housing and Community Development, in consultation with each council of governments, to determine each region's existing and projected housing need, and requires each council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. If the inventory of sites included in a housing element as described above does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to the allocation of regional housing need, current law requires that the local government rezone sites within specified deadlines, as provided. This bill, if specified local governments within the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura fail to complete this rezoning to accommodate 100% of the need for housing for very low and lower income households allocated pursuant to Section 65584 within one year of the statutory deadline for that rezoning, would require the department to complete that rezoning on behalf of the local government within one year after the local government becomes subject to these provisions.

Position
High Watch

AB 1573 **(Committee on Jobs, Economic Development, and the Economy) Small business technical assistance: California Business Retention Program.**
Current Text: Amended: 4/20/2021 html pdf
Last Amend: 4/20/2021
Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/16/2021)(May be acted upon Jan 2022)
Location: 8/27/2021-S. 2 YEAR
Summary: Current law, until January 1, 2024, establishes the California Small Business Development Technical Assistance Expansion Program of 2018 within the Governor's Office of Business and Economic Development, also known as GO-Biz, for the purpose of assisting small businesses through free or low-cost one-on-one consulting and low-cost training by entering into grant agreements with one or more federal small business technical assistance centers. This bill, among other things, would add the definition of "small business technical assistance center," which means federal small business technical assistance centers or local governments, or tax exempt nonprofit community-based organizations with a mission that includes economic or business development that operates entrepreneurial or small business development programs that provide free or low-cost services to underserved businesses and entrepreneurs, thereby expanding the scope of those entities eligible for grants under the program.

Position
High Watch

ACA 5 **(Voepel R) Motor vehicles: fuel taxes, sales and use taxes, and fees: expenditure restrictions.**
Current Text: Introduced: 2/19/2021 html pdf
Status: 4/22/2021-Referred to Com. on TRANS.
Location: 4/22/2021-A. TRANS.
Summary: The California Constitution restricts the expenditure of revenues from taxes imposed by the state on fuels used in motor vehicles upon public streets and highways to street and highway and certain mass transit purposes. These restrictions do not apply to revenues from taxes or fees imposed under the Sales and Use Tax Law or the Vehicle License Fee Law. This measure would explicitly restrict the expenditure of all interest earned and other increment derived from the investment of those tax revenues and any proceeds from the lease or sale of real property acquired using those tax revenues only for the purposes described above.

Position
Watch

SB 2 **(Bradford D) Peace officers: certification: civil rights.**
Current Text: Enrolled: 9/10/2021 html pdf
Last Amend: 9/1/2021
Status: 9/8/2021-Assembly amendments concurred in. (Ayes 28. Noes 9.) Ordered to engrossing

and enrolling.
Location: 9/8/2021-S. ENROLLMENT
Summary: Under current law, the Tom Bane Civil Rights Act, if a person or persons, whether or not acting under color of law, interferes or attempts to interfere, by threats, intimidation, or coercion, with the exercise or enjoyment by any individual or individuals of rights secured by the Constitution or laws of the United States, or of the rights secured by the Constitution or laws of this state, the Attorney General, or any district attorney or city attorney, is authorized to bring a civil action for injunctive and other appropriate equitable relief in the name of the people of the State of California, in order to protect the exercise or enjoyment of the right or rights secured. Current law also authorizes an action brought by the Attorney General, or any district attorney or city attorney, to seek a civil penalty of $25,000. Current law also allows an individual whose exercise or enjoyment of rights has been interfered with to prosecute a civil action for damages on their own behalf. This bill would eliminate certain immunity provisions for peace officers and custodial officers, or public entities employing peace officers or custodial officers sued under the act.

Position
Watch

SB 9 **(Atkins D) Housing development: approvals.**
Current Text: Enrollment: 9/3/2021 html pdf
Last Amend: 8/16/2021
Status: 9/3/2021-Enrolled and presented to the Governor at 2 p.m.
Location: 9/3/2021-S. ENROLLED
Summary: The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.This bill, among other things, would require a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

Position
Oppose

SB 10 **(Wiener D) Planning and zoning: housing development: density.**
Current Text: Enrollment: 9/3/2021 html pdf
Last Amend: 7/5/2021
Status: 9/3/2021-Enrolled and presented to the Governor at 2 p.m.
Location: 9/3/2021-S. ENROLLED
Summary: Would, notwithstanding any local restrictions on adopting zoning ordinances, authorize a local government to adopt an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified in the ordinance, if the parcel is located in a transit-rich area or an urban infill site, as those terms are defined. The bill would prohibit a local government from adopting an ordinance pursuant to these provisions on or after January 1, 2029. The bill would specify that an ordinance adopted under these provisions, and any resolution to amend the jurisdiction's General Plan, ordinance, or other local regulation adopted to be consistent with that ordinance, is not a project for purposes of the California Environmental Quality Act. The bill would prohibit an ordinance adopted under these provisions from superceding a local restriction enacted or approved by a local initiative that designates publicly owned land as open-space land or for park or recreational purposes.

Position
Oppose

SB 15 **(Portantino D) Housing development: incentives: rezoning of idle retail sites.**
Current Text: Amended: 5/20/2021 html pdf
Last Amend: 5/20/2021
Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was DESK on 6/1/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-A. 2 YEAR

Summary: Current law establishes, among other housing programs, the Workforce Housing Reward Program, which requires the Department of Housing and Community Development to make local assistance grants to cities, counties, and cities and counties that provide land use approval to housing developments that are affordable to very low and low-income households. This bill, upon appropriation by the Legislature in the Budget Act or other act, would require the department to administer a program to provide incentives in the form of grants allocated as provided to local governments that rezone idle sites used for a big box retailer or a commercial shopping center to instead allow the development of housing, as defined.

Position
Watch

SB 16 **(Skinner D) Peace officers: release of records.**

Current Text: Enrollment: 9/9/2021 html pdf

Last Amend: 8/30/2021

Status: 9/9/2021-Enrolled and presented to the Governor at 1 p.m.

Location: 9/9/2021-S. ENROLLED

Summary: Current law makes peace officer and custodial officer personnel records and specified records maintained by any state or local agency, or information obtained from these records, confidential and prohibits these records from being disclosed in any criminal or civil proceeding except by discovery. Current law sets forth exceptions to this policy, including, among others, records relating to specified incidents involving the discharge of a firearm, sexual assault, perjury, or misconduct by a peace officer or custodial officer. Existing law makes a record related to an incident involving the use of force against a person resulting in death or great bodily injury subject to disclosure. Current law requires a state or local agency to make these excepted records available for inspection pursuant to the California Public Records Act, subject to redaction as specified. This bill would make a sustained finding involving force that is unreasonable or excessive, and any sustained finding that an officer failed to intervene against another officer using unreasonable or excessive force, subject to disclosure.

Position
Watch

SB 66 **(Allen D) California Council on the Future of Transportation: advisory committee: autonomous vehicle technology.**

Current Text: Amended: 4/28/2021 html pdf

Last Amend: 4/28/2021

Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/19/2021)(May be acted upon Jan 2022)

Location: 8/27/2021-A. 2 YEAR

Summary: Would require the Secretary of Transportation to establish an advisory committee, the California Council on the Future of Transportation, to provide the Governor and the Legislature with recommendations for changes in state policy to ensure that as autonomous vehicles are deployed, they enhance the state's efforts to increase road and transit safety, promote equity, and meet public health and environmental objectives. The bill would require the council to be chaired by the secretary and consist of 23 additional members, selected by the chair or designated, as specified.

Position
Watch

SB 210 **(Wiener D) Automated license plate recognition systems: use of data.**

Current Text: Amended: 3/15/2021 html pdf

Last Amend: 3/15/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/5/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-S. 2 YEAR

Summary: Current law authorizes the Department of the California Highway Patrol to retain license plate data captured by license plate reader technology, also referred to as an automated license plate recognition (ALPR) system, for not more than 60 days unless the data is being used as evidence or for the investigation of felonies. Current law authorizes the department to share that data with law enforcement agencies for specified purposes and requires both an ALPR operator and an ALPR end-user, as those terms are defined, to implement a usage and privacy policy regarding that ALPR information, as specified. Current law requires that the usage and privacy policy implemented by an ALPR operator or an ALPR end-user include the length of time ALPR information

will be retained and the process the ALPR operator and ALPR end-user will utilize to determine if and when to destroy retained ALPR information. This bill would include in those usage and privacy policies a requirement that, if the ALPR operator or ALPR end-user is a public agency and not an airport authority, ALPR data that does not match a hot list be destroyed within 24 hours.

Position
Oppose

SB 261 **(Allen D) Regional transportation plans: sustainable communities strategies.**
Current Text: Introduced: 1/27/2021 html pdf
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 3/15/2021)(May be acted upon Jan 2022)
Location: 4/30/2021-S. 2 YEAR
Summary: current law requires certain transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system. Certain of these agencies are designated under federal law as metropolitan planning organizations. Existing law requires that each regional transportation plan include a sustainable communities strategy developed to achieve greenhouse gas emission reduction targets for the automobile and light truck sector for 2020 and 2035 established by the State Air Resources Board. This bill would require that the sustainable communities strategy be developed to additionally achieve greenhouse gas emission reduction targets for the automobile and light truck sector for 2045 and 2050 and vehicle miles traveled reduction targets for 2035, 2045, and 2050 established by the board. The bill would make various conforming changes to integrate those additional targets into regional transportation plans.

Position
Watch

SB 262 **(Hertzberg D) Bail.**
Current Text: Amended: 9/2/2021 html pdf
Last Amend: 9/2/2021
Status: 9/9/2021-Ordered to inactive file on request of Assembly Member Chau.
Location: 9/9/2021-A. INACTIVE FILE
Summary: Current law requires the superior court judges in each county to prepare, adopt, and annually revise a uniform countywide schedule of bail, as specified, and requires the superior court judges, when adopting that schedule, to consider the seriousness of the offense charged and assign an additional amount of required bail for each aggravating or enhancing factor chargeable in the complaint, as specified.This bill would instead require the Judicial Council to, starting January 1, 2023, prepare, adopt, and annually revise a statewide bail schedule. The bill would require the Judicial Council, when adopting that schedule, to consider the seriousness of the offense charged and input from stakeholders, experts, and other interested parties. The bill would require the court, prior to setting bail, to consider whether nonfinancial conditions will reasonably protect the public and the victim and reasonably assure the arrestee's presence at trial.

Position
Watch

SB 278 **(Leyva D) Public Employees' Retirement System: disallowed compensation: benefit adjustments.**
Current Text: Enrolled: 9/10/2021 html pdf
Last Amend: 9/3/2021
Status: 9/8/2021-Assembly amendments concurred in. (Ayes 37. Noes 1.) Ordered to engrossing and enrolling.
Location: 9/8/2021-S. ENROLLMENT
Summary: The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation. This bill would establish new procedures under PERL for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting

agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation.

Position
Watch

SB 299 **(Leyva D) Victim compensation: use of force by a law enforcement officer.**
Current Text: Amended: 9/1/2021 html pdf
Last Amend: 9/1/2021
Status: 9/10/2021-Ordered to inactive file on request of Assembly Member Reyes.
Location: 9/10/2021-A. INACTIVE FILE
Summary: Current law provides for the compensation of victims and derivative victims of specified types of crimes by the California Victim Compensation Board from the Restitution Fund, a continuously appropriated fund, for specified losses suffered as a result of those crimes. Current law defines various terms for purposes of these provisions, including "crime," which includes any public offense wherever it may take place that would constitute a misdemeanor or felony. This bill would revise the definition of "crime" to include any public offense described above regardless of whether any person is arrested for, charged with, or convicted of the commission of the crime.

Position
Watch

SB 301 **(Skinner D) Marketplaces: online marketplaces.**
Current Text: Amended: 3/10/2021 html pdf
Last Amend: 3/10/2021
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was JUD. on 3/18/2021)(May be acted upon Jan 2022)
Location: 4/30/2021-S. 2 YEAR
Summary: Would, commencing July 1, 2022, require online marketplaces, as defined, to regulate high-volume third party sellers, as defined, on the online marketplace by requiring a high-volume third-party seller to provide to the online marketplace specified information, including contact information, a business tax identification number or, if the high-volume third-party seller does not have a business tax identification number, a taxpayer identification number, and keep that information provided by a third-party seller for no less than 5 years on a secured server.

Position
Watch

SB 342 **(Gonzalez D) South Coast Air Quality Management District: board membership.**
Current Text: Amended: 5/26/2021 html pdf
Last Amend: 5/26/2021
Status: 6/4/2021-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/3/2021)(May be acted upon Jan 2022)
Location: 6/4/2021-S. 2 YEAR
Summary: Current law establishes the South Coast Air Quality Management District vested with the authority to regulate air emissions from stationary sources located in the South Coast Air Basin and establishes a district board, consisting of 13 members. This bill would add 2 members to the district board, appointed by the Senate Committee on Rules and the Speaker of the Assembly. The bill would require the 2 additional members to reside in and work directly with communities in the South Coast Air Basin that are disproportionately burdened by and vulnerable to high levels of pollution and issues of environmental justice. The bill would also require a candidate for these positions to meet other specified requirements.

Position
High Watch

SB 475 **(Cortese D) Transportation planning: sustainable communities strategies.**
Current Text: Amended: 3/10/2021 html pdf
Last Amend: 3/10/2021
Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 4/26/2021)(May be acted upon Jan 2022)
Location: 4/30/2021-S. 2 YEAR
Summary: Would require the State Air Resources Board, on or before June 30, 2023, and in coordination with the California Transportation Commission and the Department of Housing and Community Development, to issue new guidelines on sustainable communities strategies and

require these guidelines to be updated thereafter at least every 4 years. The bill would delete the provisions related to the Regional Targets Advisory Committee and instead require the State Air Resources Board to appoint, on or before January 31, 2022, the State-Regional Collaborative for Climate, Equity, and Resilience, consisting of representatives of various entities. The bill would require the State-Regional Collaborative for Climate, Equity, and Resilience to develop a quantitative tool for metropolitan planning organizations to use to evaluate a transportation plan's consistency with long-range greenhouse gas emission reduction targets and recommend guidelines for metropolitan planning organizations to use when crafting long-range strategies that integrate state goals related to climate resilience and social equity.

Position
Watch

SB 478 **(Wiener D) Planning and Zoning Law: housing development projects.**
Current Text: Enrollment: 9/9/2021 html pdf
Last Amend: 9/2/2021
Status: 9/9/2021-Assembly amendments concurred in. (Ayes 30. Noes 6.) Ordered to engrossing and enrolling.
Location: 9/9/2021-S. ENROLLMENT
Summary: The Planning and Zoning Law requires the Department of Housing and Community Development to notify the city, county, or city and county, and authorizes the department to notify the Attorney General, that the city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to that element, or any specified action or failure to act, does not substantially comply with the law as it pertains to housing elements or that any local government has taken an action in violation of certain housing laws. This bill would prohibit a local agency, as defined, from imposing a floor area ratio standard that is less than 1.0 on a housing development project that consists of 3 to 7 units, or less than 1.25 on a housing development project that consists of 8 to 10 units.

Position
Watch

SB 542 **(Limón D) Sales and use taxes: exemption: medium- or heavy-duty zero-emission trucks.**
Current Text: Amended: 5/25/2021 html pdf
Last Amend: 5/25/2021
Status: 6/1/2021-Ordered to inactive file on request of Senator Limón.
Location: 6/1/2021-S. INACTIVE FILE
Summary: Current sales and use tax laws impose taxes on retailers measured by gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, measured by sales price. The Sales and Use Tax Law provides various exemptions from those taxes. This bill would provide an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, a qualified motor vehicle. The bill would define "qualified motor vehicle" as a specified zero-emission truck. The bill would disallow the exemption for sales or uses made on or after January 1, 2025, if the purchaser also received other specified benefits.

Position
Watch

SB 556 **(Dodd D) Street light poles, traffic signal poles: small wireless facilities attachments.**
Current Text: Enrollment: 9/9/2021 html pdf
Last Amend: 6/28/2021
Status: 9/9/2021-Enrolled and presented to the Governor at 1 p.m.
Location: 9/9/2021-S. ENROLLED
Summary: Wuld prohibit a local government or local publicly owned electric utility from unreasonably denying the leasing or licensing of its street light poles or traffic signal poles to communications service providers for the purpose of placing small wireless facilities on those poles. The bill would require that street light poles and traffic signal poles be made available for the placement of small wireless facilities under fair, reasonable, and nondiscriminatory fees, as provided. The bill would authorize a local government or local publicly owned electric utility to condition access to its street light poles or traffic signal poles on reasonable terms and conditions, including reasonable aesthetic and safety standards.

Position
Watch

SB 634 **(Committee on Labor, Public Employment and Retirement) Public employees' retirement.**
Current Text: Enrollment: 8/30/2021 html pdf
Last Amend: 6/14/2021
Status: 8/30/2021-Enrolled and presented to the Governor at 1 p.m.
Location: 8/30/2021-S. ENROLLED
Summary: STRS is administrated by the Teachers' Retirement Board. Current law requires STRS to pay premiums associated with Medicare Part A for certain retired or disabled members, as specified. Current law creates the Cash Balance Benefit Program, which is administered by the board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Current law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system. This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that STRS pay certain Medicare Part A premiums.

Position
Watch

SB 640 **(Becker D) Transportation financing: jointly funded projects.**
Current Text: Chaptered: 7/16/2021 html pdf
Last Amend: 5/20/2021
Status: 7/16/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 108, Statutes of 2021.
Location: 7/16/2021-S. CHAPTERED
Summary: Current law provides for the deposit of various funds, including revenues from certain increases in fuel taxes and vehicle fees, for the program into the Road Maintenance and Rehabilitation Account. After certain allocations for the program are made, existing law requires the remaining funds available for the program to be continuously appropriated 50% for allocation to the department for maintenance of the state highway system or for the State Highway Operation and Protection Program and 50% for apportionment to cities and counties by the Controller pursuant to a specified formula. Current law requires a city or county to submit to the California Transportation Commission a list of proposed projects, as specified, to be eligible for an apportionment of those funds. This bill would authorize cities and counties to propose projects to be jointly funded by the cities and counties' apportionments of those funds, as specified.

Position
Watch

SB 653 **(Wieckowski D) Vehicles: local agency charges: use of streets or highways.**
Current Text: Introduced: 2/19/2021 html pdf
Status: 3/3/2021-Referred to Com. on RLS.
Location: 2/19/2021-S. RLS.
Summary: Current law prohibits a local agency from imposing a tax, permit fee, or other charge for the privilege of using its streets or highways, other than a permit fee for extra legal loads, after December 31, 1990, unless the local agency had imposed the fee prior to June 1, 1989.This bill would delete obsolete references and make other technical, nonsubstantive changes to these provisions.

Position
Watch

SB 674 **(Durazo D) Public Contracts: workforce development: covered public contracts.**
Current Text: Amended: 8/30/2021 html pdf
Last Amend: 8/30/2021
Status: 9/9/2021-Ordered to inactive file on request of Assembly Member Chau.
Location: 9/9/2021-A. INACTIVE FILE
Summary: Would require the Labor and Workforce Development Agency to create 2 programs, to be known as the California Jobs Plan Program and the United States Jobs Plan Program. The bill would require the programs to meet specified objectives, including supporting the creation and retention of quality, nontemporary full-time jobs, as specified, and the hiring of displaced workers

and individuals facing barriers to employment. The bill would require, as a component of applications for covered public contracts, as defined, the creation of forms for each program that state the minimum numbers of proposed jobs that are projected to be retained and created if the applicant wins the covered public contract. These components of the application would be known as the California Jobs Plan and the United States Jobs Plan, which the bill would define.

Position
Watch

SB 771 **(Becker D) Sales and Use Tax Law: zero emissions vehicle exemption.**
Current Text: Amended: 5/11/2021 html pdf
Last Amend: 5/11/2021
Status: 5/26/2021-Read third time. Passed. (Ayes 34. Noes 4.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.
Location: 5/26/2021-A. DESK
Summary: Current state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes. This bill, on or after January 1, 2022, would provide an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, a qualified motor vehicle, as defined, sold to a qualified buyer, as defined. The bill would provide that this exemption does not apply to specified state sales and use taxes from which the proceeds are deposited into the Local Revenue Fund, the Local Revenue Fund 2011, or the Local Public Safety Fund.

Position
Watch

SB 792 **(Glazer D) Sales and use tax: returns: online transactions: local jurisdiction schedule.**
Current Text: Enrollment: 9/10/2021 html pdf
Last Amend: 8/26/2021
Status: 9/10/2021-Read third time. Passed. Ordered to the Senate. In Senate. Concurrence in Assembly amendments pending. Assembly amendments concurred in. (Ayes 31. Noes 4.) Ordered to engrossing and enrolling.
Location: 9/10/2021-S. ENROLLMENT
Summary: Current law authorizes the Department of Tax and Fee Administration to require the filing of reports by any person or class of persons with information relating to sales of tangible personal property, the storage, use, or other consumption of which is subject to the use tax, as specified. Current law requires a retailer or purchaser subject to the sales and use tax to file, on or before the last day of the month following each quarterly period, a return for the preceding quarterly period. This bill, for reporting periods beginning on or after January 1, 2022, would require a qualified retailer, defined as a retailer whose annual qualified sales of tangible personal property transacted online exceeded $50,000,000 for the previous calendar year, to include with each tax return a schedule that reports for each local jurisdiction the gross receipts from the qualified sale of tangible personal property shipped or delivered to a purchaser in that jurisdiction.

Position
Watch

SB 820 **(Committee on Governmental Organization) Horse racing: state-designated fairs: allocation of revenues: gross receipts for sales and use tax.**
Current Text: Enrollment: 9/10/2021 html pdf
Last Amend: 8/30/2021
Status: 9/10/2021-Assembly amendments concurred in. (Ayes 37. Noes 0.) Ordered to engrossing and enrolling.
Location: 9/10/2021-S. ENROLLMENT
Summary: Current law requires a tax return filed with the California Department of Tax and Fee Administration (CDTFA) that reports gross receipts for sales and use tax purposes to segregate the gross receipts of the seller and the sales price of the property on a line or a separate form when the place of sale in this state or for use in this state is on or within the real property of a state-designated fair, as defined, or any real property of a state-designated fair that is leased to another party. Current law requires, on or before November 1 of each year, the CDTFA to report to the Department of Finance the amount of the total gross receipts segregated on these tax returns, and that ¾ of 1% of the total gross receipts be included in the next annual Governor's Budget for use

by the Department of Food and Agriculture for allocation to fairs and that those funds be transferred by the Controller to the Fair and Exposition Fund in the State Treasury, as prescribed. This bill would require, on or before November 1 of each year, the CDTFA to report to the Department of Finance the amount of the total gross receipts segregated on these tax returns filed for the prior fiscal year.

Position
Watch

Total Measures: 67
Total Tracking Forms: 67



LEGISLATIVE PLATFORM

CITY • OF • ONTARIO • 2020

ONTARIO CITY COUNCIL



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PAUL S. LEON



MAYOR PRO TEM
DEBRA DORST-PORADA



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PURPOSE STATEMENT

The 2020 Legislative Platform provides a framework for the City of Ontario's Legislative Program. Adopted annually, the City's Legislative Platform serves as a reference guide for legislative positions and objectives that provide direction for City Staff throughout the year. The Legislative Platform is an embodiment of the City Council Goals and is the foundation of a focused advocacy strategy.



LEGISLATIVE PROGRAM

The primary objective of the Legislative Platform is to establish official City positions on clearly stated legislative issues at the start of the legislative year.

The Legislative Platform is developed and maintained using the goals and objectives of the City Council, a review of legislative priorities from the League of California Cities, the County of San Bernardino, Southern California Association of Governments (SCAG), and San Bernardino County Transportation Authority (SBCTA), input from City Staff, research of current law and pending legislation, as well as discussions with local legislative staff and the City's legislative advocates.

Federal and state legislative proposals and policies consistent with the Legislative Platform may be supported by the City. Those policies or proposals inconsistent with this agenda may be opposed by the City. Generally, the City will not address matters that are not pertinent to the City's local government services, such as social or international issues. The City may take nuanced positions such as support or oppose "if amended" as a situation warrants, but will not issue letters of concern without express City Council approval.

City departments are encouraged to monitor and be knowledgeable of any legislative issues related to their discipline. However, any requests for the City to take positions on a legislative matter must be directed to the Management Services Agency. City departments may not take positions on legislative issues without Management Services Agency review and City Manager approval.

2020 **PRIORITY LEGISLATIVE POSITIONS**

STATE

- Support efforts, such as the Reducing Crime and Keeping California Safe Act of 2020, to assist law enforcement and counter rising crime rates statewide.
- Oppose legislation seeking to reallocate revenue obtained from the Bradley-Burns Uniform Local Sales and Use Tax.
- Oppose legislation seeking to block local governments from using economic development tools to generate revenue and facilitate job creation.
- Support legislation and CalPERS regulations that ensure the sustainability of public pension and retirement systems.
- Oppose legislation that eliminates local control of housing development by exempting classes of projects or types of uses from City land use regulations, or dilutes the City's authority to determine density, aesthetic, or parking requirements.
- Pursue funding for revitalization efforts in Downtown Ontario.
- Support efforts to place transit investments in San Bernardino County, subject to the appropriate consultation and consent of concerned local jurisdictions.
- Support the allocation of new funding for homelessness services and the construction of transitional housing facilities.
- Oppose legislation and regulations which preempt local control and regulatory authority on cannabis manufacturing, sales, and delivery.
- Oppose legislation that prohibits cities from contracting for personal services or creates burdensome reporting requirements for doing so.
- Oppose any linkage of state SB 1 funding, or other state grant funding, to the satisfaction of state housing requirements, including Regional Housing Needs Assessment quotas.



FEDERAL

- Support the increase of Federal Housing Administration mortgage loan limits in San Bernardino County.
- Support allocations of funding to address airplane sound mitigation.
- Support the preservation of tax-exempt private activity bonds and the low income housing tax credit program.
- Support new appropriations of funds for the maintenance and construction of transportation and airport infrastructure.
- Support legislation to reverse the FAA's determination that the Airport and Airway Improvement Act requires state and county sales taxes revenues derived from jet fuel sales to be used only for air travel-related expenses.
- Support congressional review and attention to ensure that local businesses and residents are not disproportionately or adversely effected by the enforcement of federal regulations concerning Virulent Newcastle Disease.

COUNTY/REGIONAL

- Support studies and funding to improve access to Ontario International Airport, including rail, contingent on local control of the project segments within San Bernardino County.
- Support efforts to implement commuter rail service on Union Pacific Railroad's Alhambra Subdivision, and to establish train stops at downtown Ontario as well as the Ontario International Airport.
- Support efforts to secure funding necessary to extend Foothill Gold Line light rail service to Claremont and ultimately the Montclair Transit Center, as well as to secure funding to complete a plan to facilitate service to Ontario International Airport.
- Support efforts to preserve local control and ensure adequate representation of the City and its interests at the Chino Basin Watermaster and Inland Empire Utilities Agency.
- Support regional efforts to promote Ontario International Airport.
- Oppose any efforts to eliminate or erode City control over 9-1-1 dispatch, including the City's ability to maintain its own data system.
- Support efforts to link greater amounts of funding to jurisdictions with large allocations under the Regional Housing Needs Assessment
- Support efforts to encourage the construction of schools in Ontario Ranch, including the identification of priority school sites.
- Support studies to consider the consolidation of Omnitrans with SBCTA.
- Actively communicate with local and regional agencies to coordinate the deployment of resource to address regional issues such as Virulent Newcastle Disease and Citrus Greening Disease.

ADDITIONAL 2020 LEGISLATIVE POSITIONS - **STATE**

Transportation and Infrastructure

- Work with regional partners—governmental, private, and nonprofit—to identify and pursue funding for projects improving infrastructure within the City.
- Support funding for non-motorized/active transportation infrastructure such as bicycle trails and pedestrian access.
- Support the consideration of public-private partnerships (P3s) in the development of transportation improvements.
- Support legislation and programs that fund transit-oriented development near rail and bus rapid transit stations while maintaining local control.
- Support legislation that protects local government authority over telecommunications facilities placed within public right-of-ways to include the aesthetics of equipment installed by contractors.
- Collaborate with regional transportation agencies to impact regulatory policies to bring equity and fairness to the Inland Empire region.

Revenue and Taxation

- Support state funding to assist local governments with meeting regional greenhouse gas reduction goals, including, but not limited to, grants, incentive funding, and economic development tools.
- Oppose legislation that would impose state-mandated costs for which there is no guarantee of local reimbursement.
- Oppose any legislation which would pre-empt or reduce local discretion over locally-imposed taxes.
- Oppose legislation that would eliminate the tax exemption for municipal bonds.
- Protect local government authority to collect revenues from telecommunication providers installing equipment within public right-of-ways.
- Support legislation to restore incremental tax funding options to cities, either as infrastructure finance districts, redevelopment agencies, or new funding programs.
- Oppose authority for sales tax initiatives that do not directly return a reasonably equivalent amount of sales tax revenue generated in Ontario back to the City.
- Oppose efforts to divert transportation revenues for non-transportation purposes.
- Oppose efforts to impose state requirements without the consent of the local agency for the expenditure of locally raised revenues.

ADDITIONAL 2020 LEGISLATIVE POSITIONS - **STATE**

Public Safety

- Oppose regulation that limits a local agency's ability to enforce California Vehicle Code sections or ordinances on parking, particularly the "72-Hour" rule for immobile vehicles.
- Support efforts to coordinate disaster preparedness programs in local jurisdictions and support guidelines to identify the strengths and weaknesses of local preparedness efforts.
- Oppose legislation which would interfere with the ability of law enforcement to remove individuals, either in person or in a vehicle, from public facilities, property, or streets.
- Oppose further legalization of marijuana beyond Proposition 64 allowances.
- Support legislation to regulate the sale of refined butane, for the purpose of curtailing the manufacture of illegal butane honey oil.
- Oppose the expansion of fireworks usage, including the creation of a second sales period before the New Year's holiday.
- Support legislation affirming the ability of local government to restrict the presence and residency of sex offenders near schools, parks, and other locations frequented by children.
- Oppose legislation restricting police tactics when responding to emergency calls.
- Oppose legislation which would interfere with a City's ability to use emerging technology to bolster law enforcement efforts.





Housing and Land Use Planning

- Support legislation that revises the California Environmental Quality Act (CEQA) for purposes of expediting land use and housing projects.
- Support the streamlining of right-of-way acquisition processes.
- Support reduction of housing density requirements to qualify for state grant funding.
- Oppose additional affordable housing production mandates unless funding is appropriated to finance the mandate.
- Support funding and tax incentives for the identification, acquisition, maintenance, adaptive reuse and restoration of historic sites and structures.
- Oppose legislation that eliminates local control over the placement of small cell wireless facilities.
- Support legislation to allow local jurisdictions to work with others to fulfill RHNA requirements in order to meet regional demand.

ADDITIONAL 2020 LEGISLATIVE POSITIONS - **STATE**

Administrative and Employment Related

- Oppose legislation that mandates costly and unnecessary procedures related to the election process.
- Support efforts to update the Ralph M. Brown Act to help streamline and expedite public meetings.
- Oppose efforts to restrict local control on city districting decisions.
- Oppose legislation that would lessen the ability of local governments to enforce contractual language agreed to and contained within existing franchise documents.
- Support legislation to apply comparative fault to inverse condemnation actions involving a public entity.
- Oppose legislation which would allow the state to modify terms of an executed Joint Powers Authority (JPA) agreement.
- Oppose legislation or policies altering CalPERS eligibility and threshold requirements in a manner detrimental to local government interests.
- Oppose legislation and unfunded mandates imposing impractical requirements on records collection.
- Oppose efforts to strip local governments of their ability to determine term limits within their own jurisdictions.

Community and Human Services

- Support continued state funding for local art, cultural, and music programs.
- Support grants for sustainable growth, environmental equity and healthy living projects.
- Support tax credits for seismic retrofitting of commercial and residential buildings.
- Oppose any regulation mandating the curbside collection of household hazardous waste.
- Support funding for programs such as Mercy House, which help the homeless transition into housing and employment.

Environment

- Support efforts to streamline and improve the CEQA process.
- Support programs to provide refueling/recharging infrastructure for alternative fuel or electric vehicles.
- Support efforts to fund safe and affordable drinking water initiatives without increasing fees for rate payers.
- Support funding for the retrofitting of municipal buildings to increase energy efficiency.
- Support financial incentives for water reuse, and legislation that encourages the treatment of municipal wastewater for non-potable reuse and promotes the development of reasonable regulations to encourage and maximize the responsible use of reclaimed water.
- Support efforts to remediate groundwater contamination.
- Support funding for the implementation of climate action plans.
- Support measures that assist cities and local businesses with state mandated organics recycling requirements.
- Oppose efforts to mandate residential gallons-per-capita restrictions.

ADDITIONAL 2020 LEGISLATIVE POSITIONS

FEDERAL







- Assist SBCTA, Omnitrans, and OIAA in pursuing grant funding for infrastructure projects within the City, or those which benefit the City and/or the region.
- Advocate for legislation and regulation that encourages home ownership in the Inland Empire, and that helps facilitate the construction of work force housing.
- Support local control of cell phone towers, including control over placement and design.
- Support local control over cable providers.
- Support legislative efforts to promote net neutrality without regulating internet providers as utilities.
- Support efforts to expand municipal broadband and cooperation of service delivery with the private sector.
- Support local options to privatize various aspects of transportation that would maximize available federal funding.
- Support recognition of the importance of inland ports to overall goods movement systems as part of any investment plan.
- Support streamlined environmental revisions that remove duplication of state and federal processes.
- Support efforts to reform the National Environmental Policy Act in order to create a more efficient process to access federal funds for local projects of all sizes.
- Support efforts to secure funds to facilitate the conversion of public sector fleets to alternative fuels to meet local, state, and federal fleet conversion mandates.
- Maintain full funding for the Staffing for Adequate Fire and Emergency Response (SAFER) and the Assistance to Firefighters grant programs and retain the local cost share waiver for both programs.
- Maintain funding for disaster preparedness, prevention, recovery, and response for all-hazard threats, including resources to upgrade to existing flood control systems.
- Support legislation that provides incentives and resources to expand local planning policies that integrate housing, transportation and land use.
- Maintain the tax-exempt status of municipal bonds and oppose proposals to cap the investor tax deduction on municipal securities investments.
- Support efforts to mitigate potential adverse impact on local small businesses due to tariff implementation.
- Support efforts to apply Base Realignment and Closure (BRAC) funding to the environmental remediation, including facility demolition, for facilities closed by prior BRAC rounds.
- Oppose efforts that preempt local government regulation of the use of drones.
- Support legislation that provides immunity to local governments that designate drone "recreational areas."

ADDITIONAL 2020 LEGISLATIVE POSITIONS

COUNTY/REGIONAL



- Pursue funding for projects that improve the quality of life in Ontario.
- Support the allocation of SBCTA transportation funding for projects based on the amount of revenue generated in each jurisdiction.
- Support local input on regional land use and planning issues at SBCTA and SCAG.
- Support efforts to increase the amount of transportation funds allocated to local jurisdictions for discretionary projects.
- Oppose unfunded mandates to the City for any new or continuing program/service.
- Support regional economic development policies that provide for planned economic growth in the City and neighboring communities.
- Support continued development of the SBCTA Non-Motorized Transportation Plan.
- Support expanded public transit options, particularly routes serving Ontario Ranch, Downtown Ontario and the Ontario Airport Metro Center.
- Pursue funding for full bus rapid transit service infrastructure on Holt Boulevard, including center lanes, stations, street widening, and entitlements from Vineyard Avenue to Benson Avenue.
- Pursue Measure I funding for pavement improvement, grade separation projects, and interchange replacements.
- Preserve the City's water rights and encourage regional plans to mitigate drought conditions.
- Support reform of SCAQMD policies to mitigate impacts on the city and regional economy.
- Support accountability measures to increase communication with regional agencies seeking to implement fee increases.

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Economic Development Prepared By: Charity Hernandez Staff Member Presenting: Jennifer McLain Hiramoto, Economic Development Director Reviewed By: Jennifer Hiramoto Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 4

SUBJECT: A LEASE AGREEMENT BETWEEN THE UNIVERSITY OF LA VERNE AND THE CITY OF ONTARIO

RECOMMENDATION: That the City Council consider the lease of City owned property at 214 E. Holt Boulevard; and adopt a resolution approving a Ground Lease ("Lease") between the City of Ontario and the University of La Verne (on file in the Records Management Department); and authorize the City Manager to execute the Lease and all other documents required for implementation of the Lease.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Healthy City Programs, Policies and Activities

FISCAL IMPACT: The lease rate for the property is proposed at $1 per year. This Lease is the first phase in two separate but related expansion projects presented by both the City of Ontario and the University of La Verne.

BACKGROUND & ANALYSIS: The University of La Verne ("the University") envisions an innovation and education corridor within Ontario; one that builds upon the proximity of its main campus in the region and the University of La Verne College of Law building located in the heart of Downtown Ontario ("Downtown"). The University's future expansion plans in Ontario include developing the future College of Health and Community Well Being Campus, and the Randall Lewis Center for Innovation, Social Impact and Entrepreneurship. The addition of these campuses to the City's Downtown achieves the City of Ontario's priorities of further increasing the workforce population in Downtown, as well as encourage the development of a pipeline of talent that could add more high-paying wage jobs to the City.

Meanwhile, the City of Ontario envisions a robust Civic Center Campus, and one that modernizes facilities for public employees, brings more workers to Downtown, and better utilizes all space in the Downtown core. This future expansion of the Civic Center Campus will include: the addition of the Ontario Montclair-School District headquarters; the modernizing of the City Hall Annex, which would centralize City Hall services; the construction of a 700-space parking structure for shared use between

Ontario City Hall, Ontario-Montclair School District and the University of La Verne College of Law; and, the modernization of Fire Station 1. In order to advance this vision, a collaboration with the University must be pursued as this future build-out contemplates utilizing University-owned property.

This Lease is the first phase in a future exchange of properties between the City and the University, which will be further articulated in a Memorandum of Understanding ("MOU") and Exclusive Negotiating Agreement ("ENA") between the two parties. Among the components of the future exchange, as defined in the MOU and ENA and referenced to in the Lease, includes a potential exchange of land between the University of La Verne's parking lot, at 320 E. D Street, with City-owned property, including 214 E. Holt Boulevard. This exchange would enable the City to move forward with its plans to develop a robust Civic Center Campus, while also providing the opportunity for the University of La Verne to provide a home for the future Randall Lewis Center and College of Health and Community Well Being Campus.

The City-owned property at 214 E. Holt Boulevard is approximately 13,000 square feet, and is currently vacant. It will be leased to the University for $1 per year for a ten-year period, with an option to extend an additional ten years. It is contingent upon the University obtaining a $5,000,000 economic development grant ("Grant"). These funds will go toward the future development of the Campus at 214 E. Holt Boulevard and the entire 1.5-acre block, bounded by Holt to the north, Lemon to the West, Plum to the East, and Transit to the South. The 214 E. Holt Boulevard location is one of ten properties in this 1.5-acre site, and should the University wish to further develop this block, it would require assistance from the City in obtaining all parcels.

Should the University be successful in obtaining the Grant, and the City be successful in acquiring all parcels in the block, this entire block will serve as the future location of the University's future campus. These terms are also further articulated in a separate ENA.

A summary of the lease terms for the Ground Lease Agreement include the following:

- Term: The Term shall end on the earliest of (a) the date that Tenant receives notice that it did not receive the Grant; (b) a date mutually agreed upon by the Parties pursuant to a separate writing; or (c) ten years from the Commencement Date. Only if the Term's end date is ten years from the Commencement Date, and so long as Tenant is not in default of this Lease, Tenant shall be entitled to two options to extend the Term for an additional ten years each.
- Rent: $1.00 per year.
- Parking: There is no dedicated parking for the Premises.
- Option to Purchase: Tenant shall have an option to purchase the Premises, effective five years after completing the University expansion project.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, (I) DECLARING THAT CERTAIN REAL PROPERTY LOCATED AT 214 E. HOLT AVE. IN ONTARIO, CALIFORNIA TO BE EXEMPT SURPLUS LAND; (II) APPROVING A LEASE AGREEMENT WITH THE UNIVERSITY OF LA VERNE; (III) AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY WITH RESPECT THERETO; AND (IV) FINDING THAT NO FURTHER CEQA ANALYSIS IS NECESSARY.

WHEREAS, the City of Ontario (the "City") owns in fee simple that certain real property located at 214 E. Holt Ave. in Ontario, California (the "Land"), on which is improved a vacant building that is currently uninhabitable (the "Building," and together with the Land, the "Property"); and

WHEREAS, the University of La Verne ("ULV") desires to lease the Property pursuant to a lease agreement (the "Lease") as the first part of a larger transaction by which ULV and the City will potentially exchange properties to their mutual benefit; and

WHEREAS, ULV needs the Lease in order to be eligible to apply for certain grants, which funds may go toward ULV's development goals; and

WHEREAS, the City desires to assist ULV in anticipation of receiving ULV's assistance in connection with the City's own development goals; and

WHEREAS, the Property is not necessary for the City's use; and

WHEREAS, the City has determined that leasing the Property to ULV under the terms and conditions of the Lease is in the best interests of the City and its residents.

NOW, THEREFORE, THE CITY DOES HEREBY RESOLVE AND DECLARE AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct and incorporated into this Resolution by reference.

SECTION 2. Finding of Exemption from Surplus Land Act. The City hereby finds that the Property is exempt surplus land under the Surplus Land Act (Government Code section 54220 *et seq.*) (the "Act"), because it is one part of a larger potential exchange of real property between the City and ULV, and the land to be received by the City from ULV is necessary for the City's use.

SECTION 3. Approval of Lease. The City Council hereby approves the Lease in substantially the form attached hereto as Exhibit A and on file with the City Clerk, together with such additions thereto and changes therein as the City Attorney shall deem necessary, desirable or appropriate, the execution of which by the City Manager shall be conclusive evidence of the approval of any such additions and changes.

SECTION 4. City Manager Authorization. The City Manager is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to the final form of the Lease for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Lease. The City Manager and his designees are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the staff and the City Attorney they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 5. CEQA. The California Environmental Quality Act (Pub. Res. Code § 21000 *et seq.*) ("CEQA") does not apply here, because declaration of the Property as exempt surplus land under the Act, approval of the Lease, and authorization of the City Manager to execute the Lease do not constitute a "project" as defined in Cal. Code Regs. tit. 14 ("CEQA Guidelines") § 15378, in that such actions, taken as a whole, have no "potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." In the alternative, even if such actions constitute a "project," they are exempt under CEQA Guidelines § 15061(b)(3), because they have no "potential for causing a significant effect on the environment."

SECTION 6. Effective Date. This Resolution shall take effect upon adoption.

The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of September 2021.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2021- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held September 21, 2021 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2021- duly passed and adopted by the Ontario City Council at their regular meeting held September 21, 2021.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

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LEASE AGREEMENT

214 E. HOLT BOULEVARD

by and between

CITY OF ONTARIO ("LANDLORD")

and

UNIVERSITY OF LA VERNE ("TENANT")

_____ _____, 2021

LEASE AGREEMENT

This LEASE AGREEMENT (the "Lease") is made and entered into to be effective as of the _____ day of _____, 2021 (the "Effective Date"), by and between the CITY OF ONTARIO, a California municipal corporation ("City" or "Landlord"), and THE UNIVERSITY OF LA VERNE, a California non-profit corporation ("University" or "Tenant"). Landlord and Tenant are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

R E C I T A L S:

A. Landlord is the owner of that certain real property (APN 1048-541-15), commonly known as 214 E. Holt Boulevard in Ontario, California (the "Site") and the approximately 13,000-square foot building and improvements thereon (together, the "Building"). The Site and the Building together shall be referred to herein as the "Premises" and are depicted at **Exhibit A**.

B. Tenant desires to lease the Premises, with an option to take, in order to begin realizing its vision of creating an innovation and education corridor within the City – one that builds upon the proximity of the University's main campus, as well as the University's College of Law building in the heart of downtown Ontario.

C. Tenant requires the Lease to be eligible to receive a grant from an economic development grant in the amount of $5,000,000 (the "Grant") in order to develop the Site to be the University's future College of Health campus as well as the Randall Lewis Center for Innovation, Social Impact and Entrepreneurship.

D. The addition of such campuses to the City's downtown achieves the City's goals of further infusing workforce population in the downtown area, as well as to encourage the development of a pipeline of talent that adds more high-paying jobs to the City.

E. The Lease represents the first phase of an overall exchange of real property between the City and the University, which intends to transfer a parking lot it owns, located at 320 E. D Street to the City.

F. The Parties intend to enter into a Memorandum of Understanding that sets forth the Parties' intention with respect to the larger development project and exchange of real property, of which this Lease is but one component.

G. The Parties intend to enter into an Exclusive Negotiating Agreement that sets forth the Parties' intention with the respect to the future acquisition and development of a 1.5-acre site, bound by Holt to the north, Lemon to the West, Plum to the East, and Transit to the south (the "Holt Block").

H. Tenant envisions developing the Premises and eventually, upon acquisition, the entirety of the Holt Block, for a future campus (the "ULV Expansion Project") that will require dedicated parking. Should Tenant be successful in completing the ULV Expansion Project, Landlord would work cooperatively with Tenant to negotiate satisfactory parking arrangements, including potentially at the public parking structure located at 228 E. Transit Street.

C O V E N A N T S:

In consideration of the foregoing Recitals, which are incorporated into this Lease by this reference, and the mutual covenants and conditions contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both Landlord and Tenant, the Parties agree as follows:

ARTICLE I
SUMMARY OF FUNDAMENTAL LEASE TERMS

Subject to the more complete statement of certain of the Lease terms and conditions elsewhere in this Lease (which more complete description shall prevail to the extent of any inconsistency or conflict with the provisions set forth in this Article I), the fundamental business terms of this Lease are summarized herein below:

(i) Landlord: City of Ontario, a municipal corporation, and any successor to or assignee of City's fee ownership of the Site, the Building, or the Premises as a whole.

(ii) Tenant: The University of La Verne, a California non-profit corporation, and any permitted assignee or transferee of the University's leasehold interest in the Premises approved by Landlord in accordance with this Agreement, as set forth in Article XI.

(iii) Premises: The Site and Building described in Recital, paragraph A.

(iv) Term; Options to Extend: The Term shall end on the earliest of (a) the date that Tenant receives notice that it did not receive the Grant; (b) a date mutually agreed upon by the Parties pursuant to a separate writing; or (c) ten (10) years from the Commencement Date. Only if the Term's end date is ten (10) years from the Commencement Date, and so long as Tenant is not in default of this Lease, Tenant shall be entitled to two (2) options to extend the Term for an additional ten (10) years each (each, an "Option" and each extension of the Term, an "Extended Term")., as more particularly set forth in Article IV.

(v) Rent: $1.00 per year, as more particularly set forth in Article V.

(vi) Permitted Uses: Consistent with Article VII.

(vii) Parking: There is no dedicated parking for the Premises.

(viii) Option to Take: Tenant shall have an option to accept a grant of the Premises, effective five (5) years after completing the ULV Expansion Project, as more particularly described in Article XVII.

(ix) Addresses for Notices and Agents for Service of Process:

To Landlord: City of Ontario
303 East "B" Street

Ontario, CA 91764
Attn: City Manager

To Tenant: University of La Verne
1950 3rd Street
La Verne, CA 91750
Attn: President Devorah Lieberman

ARTICLE II
LEASE OF PREMISES

SECTION 2.01 GENERAL.

Subject to the terms and conditions set forth in this Lease, Landlord hereby agrees to lease the Premises to Tenant and Tenant hereby agrees to lease the Premises from Landlord.

SECTION 2.02 QUIET ENJOYMENT.

Landlord agrees that, subject to the limitations expressly set forth in this Lease, Tenant, upon payment of the Rent and performing the terms and covenants in this Lease required to be performed by Tenant, may quietly have, hold, and enjoy the Premises during the Term and any holdover period, as applicable, without hindrance or interruption by Landlord. Notwithstanding the foregoing and any other provision set forth in this Lease to the contrary, Landlord reserves the right to temporarily or permanently close all or portions of the Premises, (a) upon at least fourteen (14) days' written notice and as Landlord may determine in its sole and absolute discretion is necessary or appropriate, for maintenance, repairs, reconstruction, and for other economic reasons; and (b) upon at least 12 hours' written or oral notice and as Landlord may determine in its sole and absolute discretion is necessary or appropriate, for public health or safety reasons.

SECTION 2.03 AS-IS CONDITION.

From and after the Commencement Date (as that term is defined in Section 4.01 herein below), the Premises will be leased in an as-is physical condition only. By Tenant's taking of possession of the Premises, Tenant thereby acknowledges the Premises are in good and tenantable condition for the purposes intended and that Tenant will not hold Landlord responsible for any repairs or improvements thereon.

ARTICLE III
PREMISES

SECTION 3.01 GENERAL

The "Premises" shall consist of that certain real property and the improvements thereon, located at 214 E. Holt Boulevard, Ontario, California.

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ARTICLE IV
TERM

SECTION 4.01 COMMENCEMENT AND DURATION; OPTIONS TO EXTEND.

The "Term" of this Lease shall commence on the "Commencement Date," which shall be the 1st day of the month in which Tenant occupies and uses the Premises. Starting from 12:00 a.m. on the Commencement Date and subject to Section 14.09, the Term shall end on the earliest of (a) the date that Tenant receives notice that it did not receive the Grant; (b) a date mutually agreed upon by the Parties pursuant to a separate writing; or (c) ten (10) years from the Commencement Date. Only if the Term's end date is ten (10) years from the Commencement Date, and so long as Tenant is not in default of this Lease, Tenant shall be entitled to two (2) options to extend the Term for an additional ten (10) years each (each, an "Option" and each extension of the Term, an "Extended Term"). In order to exercise an Option, Tenant shall provide written notice to Landlord, pursuant to Section 18.20 and to Landlord's address set forth in Article I, no later than forty-five (45) days before the end of the Term or Extended Term, as the case may be. For the avoidance of doubt, if Tenant does not receive the Grant, the Lease shall automatically terminate on the date Tenant receives notice thereof, and Tenant shall be ineligible to exercise the Options. If the Parties mutually agree in writing to terminate the Lease, then Tenant shall be ineligible to exercise the Options. For reference purposes, the date of Tenant's move-in shall be noted here: (_____), the Commencement Date shall be noted here: (_____), and the expiration of the Term shall be noted here: (_____).

SECTION 4.02 SURRENDER; HOLDING OVER.

Upon the expiration or earlier termination of this Lease, whether by lapse of time or otherwise, Tenant agrees to peaceably yield up and surrender the Premises to Landlord, including all such improvements and trade fixtures in good order, repair, and condition, reasonable wear and tear and damage by casualty excepted. In the event Tenant continues in possession of the Premises after the Term with the consent of Landlord, express or implied, such holding over shall be deemed a tenancy from month to month subject to all the terms and conditions of this Lease, and Tenant shall pay rent in the same manner and on the same basis as was in effect immediately prior to such holding over; provided, however, that upon no less than forty-five (45) days' written notice to Tenant, Landlord may (i) modify the terms of the month-to-month tenancy or (ii) terminate the month-to-month tenancy (in which event Tenant shall vacate the Premises and surrender the same to Landlord). No holding over by Tenant, whether with or without Landlord's consent, shall operate to extend the Term.

ARTICLE V
RENT

SECTION 5.01 AMOUNT OF RENT.

Rent shall be $1.00 per year, adjustable and negotiable by the Parties during the period that is thirty (30) days prior to the expiration of the Term. In the event of a month-to-month tenancy as

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contemplated in Section 4.02, the Rent shall be adjustable and negotiable at any time as by and between the Parties.

SECTION 5.02 TIME OF PAYMENT.

Tenant's obligation to pay Rent shall commence as of the Commencement Date (herein, the "Rent Commencement Date"), and Tenant's obligations to pay Rent shall continue thereafter throughout the Term and any holdover period. Rent shall be due and payable on an annual basis. Tenant shall pay Rent to Landlord no later than the anniversary date of the Commencement Date. Notwithstanding the foregoing, for the first year of the Lease, Rent shall be due on the 1st day of the month following the Commencement Date.

SECTION 5.03 MANNER OF PAYMENT.

All Rent under this Lease shall be paid by Tenant to Landlord without prior demand therefor, and without any deduction or offset whatever, in lawful money of the United States of America which shall be legal tender at the time of payment, at:

City of Ontario
303 East "B" Street
Ontario, California 91764
Attention: Cashier

or to such other person or at such other place as Landlord may from time to time designate in writing. The acceptance by Landlord of Tenant's payment shall not constitute a waiver of Landlord's right to subsequently demand that any additional amount be paid that may be owing.

SECTION 5.04 ACCEPTANCE OF PAYMENT NOT WAIVER.

Landlord's acceptance of Rent at any time shall not constitute a waiver of any rights Landlord may have under California Code of Civil Procedure § 1161 *et seq.*, including any right Landlord may have to recover possession of the Premises.

ARTICLE VI
TAXES AND UTILITY CHARGES

SECTION 6.01 TAXES.

6.01.1 Taxes for Possession of Premises.

Tenant shall timely pay any and all taxes, assessments, and other charges, however described (hereinafter collectively referred to as "Taxes"), that are levied, assessed, or imposed by any governmental agency against the Premises, or any portion thereof (including without limitation any possessory interest tax imposed on Tenant's leasehold interest created by this Lease), or any improvements or other property in or on the Premises (including any personal property of any kind (including fixtures) owned by or placed in, upon, or about the Premises by or on behalf of Tenant)

for any period from and after the Commencement Date until the termination or expiration of the Term of this Lease or such later date that Tenant actually vacates the Premises.

6.01.2 Right to Contest Taxes.

Tenant may at any time, in good faith and upon reasonable grounds, protest, dispute, or contest the validity or amount of the whole or any part of Taxes for which Tenant is responsible and in this regard Tenant may in good faith diligently conduct any necessary proceedings to void, reduce, recover, or seek a refund of the same. It is understood that Tenant shall not, in the event of and during the bona fide and diligent prosecution of any such proceeding, be deemed to be in default in respect to the payment of any disputed Taxes so long as Tenant complies with the following provisions:

(i) Tenant shall prosecute any such proceeding to a final conclusion as speedily as is reasonably possible;

(ii) Neither the Premises nor any part thereof shall by reason of any such proceeding be, in the reasonable judgment of Landlord, in danger of being forfeited, lost, or materially affected;

(iii) Tenant shall deposit with Landlord or at the election of Landlord with a bank or trust company ("Escrow Agent") situated in San Bernardino County, California, mutually acceptable to Landlord and Tenant, cash or an irrevocable letter of credit or a bond in the amount so contested and unpaid, together with all interest and penalties in connection therewith, and all charges that may be assessed against or become a charge on the Premises or any part thereof in such proceeding (to the extent that the amount of such interest, penalties, and charges are then ascertainable);

(iv) Any such proceeding to contest the validity or amount of any Taxes or to recover any Taxes paid by Tenant shall be prosecuted by Tenant at Tenant's sole cost and expense, and Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claim, liability, loss, cost, or expense of any kind, including but not limited to reasonable attorneys' fees and expenses, which may be imposed upon or incurred by Landlord in connection therewith; and

(v) Upon the termination of any such proceedings it shall be the obligation of Tenant to promptly pay the unpaid portion of any such Taxes or part thereof as are finally determined in such proceedings to be due and owing, together with all costs, fees, interest, penalties, or other liabilities in connection therewith, and, upon such payment, Landlord shall direct the Escrow Agent to return any amount deposited with it, not theretofore expended, with respect to such Taxes; provided, however, Landlord, if requested by Tenant, shall direct that the Escrow Agent disburse the monies on deposit with it directly to the taxing authority to whom the Taxes are payable.

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SECTION 6.02 UTILITIES.

6.02.1 Payment for Services.

(i) Electricity, telephone, cable, and internet. Tenant shall open or cause to be opened separate electricity, telephone, cable, and internet service accounts for Tenant's use on the Premises. Tenant shall timely pay when due any and all utility charges and fees, however described, for electricity, telephone, cable television, internet, and telecommunications services, and any other utility services provided to or for the benefit of the Premises.

(ii) Water, sewer, trash, gas, storm drain, and Clean Ocean. Tenant shall pay ordinary charges and assessments incurred for water, sewer, trash, gas, storm drain, and Clean Ocean utility services at the Premises.

6.02.2 Interruption of Services.

So long as Landlord does not default in the performance of its obligations and duties hereunder, Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption, unless protracted and due to Landlord's active negligence or willful misconduct, shall entitle Tenant to terminate this Lease or to an abatement of Rent or other amounts due hereunder.

ARTICLE VII
USE OF PREMISES

SECTION 7.01 USE.

The Premises shall be used for any lawful purpose.

SECTION 7.02 RESTRICTIONS ON USE.

Except as may be provided below in this Section 7.03, Tenant, at its sole cost and expense, shall faithfully observe in the use, occupancy, and possession of the Premises all municipal and county ordinances, and all state and federal statutes now in force and which may hereafter be in force, and Tenant shall fully comply at its sole expense with all regulations, orders, permits, and other requirements issued or made pursuant to any such ordinances and statutes. The final non-appealable judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such statute, ordinance, regulation, order, permit, or other requirement for which Tenant is responsible in its use, occupancy, or possession of the Premises shall be conclusive of that fact as between Landlord and Tenant.

7.02.1 Access for Disabled Persons.

Tenant shall not perform any improvement work that would render the Premises non-compliant with any disabled person access law, including but not limited to the Americans with Disabilities Act ("ADA"). For purposes of this Section 7.03.1, "improvement work" shall mean

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any work for which a building permit is required. Tenant shall be responsible for notifying Landlord of any claim of ADA non-compliance asserted by any third party.

7.02.2 Nuisance, Waste, Peaceful Co-existence.

Tenant shall not commit or allow to be committed by any officer, director, employee, agent, guest or invitee any nuisance, act of waste, or other act in or about the Premises that will in any manner whatsoever obstruct or interfere with the rights of the general public or injure or threaten to injure or annoy them; nor shall Tenant allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose. Tenant shall not store any flammable or hazardous materials anywhere on the Premises, including in the Building.

It is expressly understood and agreed that Tenant operations on the Premises shall not disturb the peace of the general public. Tenant shall take no action and allow no action to be taken by any officer, director, employee, agent, guest or invitee that would directly or indirectly disturb the peace, and any such action shall be deemed to be a material breach of this Lease.

SECTION 7.03 TENANT'S CONDUCT OF BUSINESS.

Tenant shall be responsible for the Premises being at all times in a neat, clean, and orderly condition. Any failure of compliance with this Section shall be deemed to be a material breach of this Lease.

ARTICLE VIII
MAINTENANCE AND REPAIRS

SECTION 8.01 GENERAL PROVISIONS.

Commencing on the Commencement Date and at all times thereafter during the Term and any holdover period, Tenant shall at its expense maintain the Premises (including without limitation the interior ceilings, interior walls, the electrical, plumbing, grease trap and HVAC systems within or servicing the Premises, the building foundation, utilities, and structural supports for the building leased to Tenant), and all improvements, fixtures, and personal property located within the Premises in a first-class condition, and in good order and repair, free of litter and trash, reasonable wear and tear and casualty damage excepted. Tenant shall maintain all potted plants, and other live plants Tenant installs in and about the Premises in a healthy, pruned, and neat condition, and Tenant shall promptly remove and replace any dead or diseased plants. Except as expressly set forth in Articles IX and X, Landlord shall have no responsibility for maintenance or repair of the Premises or any improvements, fixtures, or personal property located thereon.

Tenant shall be responsible for the day-to-day maintenance and repair of the Premises and all portions thereof, including, without limitation, all of Tenant's fixtures and equipment, the exterior and interior windows, all Tenant signs, door and window locks and closing devices, and all window sashes, casements or frames, doors and door frames, floor coverings, including carpeting, and other special flooring. Tenant shall promptly replace all broken glass, both exterior and interior, with glass of the same kind, size, and quality.

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SECTION 8.02 LANDLORD'S RIGHT OF SUBSTITUTED PERFORMANCE.

If at any time during the Term Tenant refuses or neglects to make repairs or maintain the Premises or any part thereof, in a manner consistent with the terms of this Lease or otherwise reasonably satisfactory to Landlord, Landlord shall have the right, upon giving Tenant reasonable written notice of its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event Landlord's cost for such work shall be reimbursed by Tenant to Landlord within ten (10) business days after Tenant's receipt of an invoice therefor.

ARTICLE IX
CONSTRUCTION, ADDITIONS, ALTERATIONS, AND IMPROVEMENTS

SECTION 9.01 LANDLORD'S IMPROVEMENTS.

Landlord's equipment and fixtures existing on and in the Premises as of the Commencement Date are and shall remain property of Landlord throughout the Term and any holdover period.

SECTION 9.02 TENANT IMPROVEMENTS.

Tenant shall not have the right or allow others to make additions, alterations, or improvements to the Premises without the prior written consent of Landlord, which consent Landlord shall not unreasonably delay, condition, or deny. In addition to securing Landlord's prior written consent, Tenant shall also be responsible for securing any necessary permits from the relevant government entities in order to make improvements. Nothing set forth in this Lease is intended or shall be interpreted to limit or restrict Landlord's exercise of its police powers, including with respect to the consideration and approval of required applications for development and building entitlements.

Any and all additions, alterations, and improvements by Tenant shall be made at Tenant's expense in accordance with the following: (i) such work, including, without limitation, Tenant's final working drawings, plans, specifications, and choice of contractors, subcontractors, and suppliers shall be subject to the continuing approval of Landlord, which information shall be furnished to Landlord for Landlord's review and approval before the work is commenced, and any work not acceptable to the appropriate governmental entity or not reasonably satisfactory to Landlord shall be promptly replaced at Tenant's expense; (ii) notwithstanding any failure by Landlord to object to any such work, Landlord shall not be responsible therefor; (iii) such work shall not adversely affect the outside appearance and strength of the Premises or the mechanical, electrical, and plumbing services and equipment thereof; (iv) such work shall not alter, add to, or otherwise change the exterior of the Premises, without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion; (v) such work shall not cause or create a dangerous or hazardous condition and shall not interfere with or disturb peace of the general public; (vi) Tenant shall cause all such work to be performed in such a manner as not to obstruct the access to the Premises; (vii) such work shall be done in a good and workmanlike manner and in compliance with all applicable legal requirements and shall be diligently prosecuted to completion; (viii) Tenant's contractor or each of its subcontractors shall be bonded with sureties satisfactory to Landlord in an amount sufficient to ensure full performance of the work to be done

by Tenant and to ensure full payment to materialmen; (ix) Tenant and its contractor and subcontractors shall carry such worker's compensation general liability and personal and property damage insurance as Landlord may reasonably require; (x) such insurance shall be adequate to protect Landlord and shall name Landlord as an additional insured; (xi) Tenant shall defend, indemnify, and hold harmless Landlord and its elected and appointed officials, officers, directors, employees, and agents (all of the foregoing being hereinafter collectively referred to as the "Indemnitees") from and against any and all claims, actions, damages, liabilities, and expenses (including, without limitation, reasonable attorneys' fees) directly or indirectly arising out of or incurred in connection with, and any and all claims, demands, suits, actions for or in relation to, wages or cost of materials or equipment used in connection with, additions, alterations and improvements made or caused to be made by Tenant; and (xii) Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notice that may be provided by law which Landlord may deem necessary or advisable for the protection of Landlord and the Premises from mechanics' lien or stop notice claims. The restrictions contained in this Section 9.02 with respect to Tenant's contractors, subcontractors, and suppliers shall apply regardless whether such persons or entities are employees or agents of, or otherwise affiliated with Tenant.

SECTION 9.03 TENANT'S PROPERTY.

Except for any and all building or structural improvements and trade fixtures permanently affixed to the Premises, which shall immediately become and remain the property of Landlord, any and all items of personal property, including but not limited to trade fixtures not permanently affixed to the Premises, and other furniture, furnishings, and other non-fixture equipment constructed or placed on the Premises after Landlord's delivery of the Premises to Tenant shall be and remain the property of Tenant upon termination. Tenant shall remove from the Premises all such items of property prior to the termination of this Lease, unless some other disposition is agreed to in writing with Landlord. Tenant may also remove any signs containing Tenant's name, trademark, symbol, logo, or design regardless of whether same are attached or affixed to the real property and regardless of their characterization as real or personal property or fixtures under law.

Upon termination of this Lease, if Tenant causes any damage to the Premises or other property of Landlord by removing any property whatsoever, Tenant shall at its own expense repair and restore the Premises and other Landlord property, as applicable, as nearly as practicable to the condition such property was in prior to said damage and in compliance with Section 8.01 of this Lease.

If for any reason Tenant leaves any of Tenant's property in or around the Premises after the termination or expiration of this Lease, Tenant shall be conclusively deemed to have abandoned such property in place in addition to whatever rights Landlord may have and Landlord shall have the right to immediately remove, destroy and dispose of, or reuse the same at Landlord's sole option without any further obligation to Tenant. In such circumstance, Tenant hereby releases and waives any rights and claims that it might otherwise have against Landlord to notice, an opportunity to reclaim Tenant's property, and any right to compensation for Landlord's use or disposal of Tenant's property under California Civil Code § 1980 *et seq.* and any other applicable provision of law.

SECTION 9.04 TENANT'S COVENANT TO PAY FOR TENANT IMPROVEMENTS; MATERIAL CONDITION.

Tenant hereby acknowledges and agrees that the execution of this Lease by Landlord and the conveyance to Tenant of the leasehold interest in the Premises set forth herein has been made in material reliance upon Tenant's representation, covenant, and warranty that Tenant has the means and ability to pay for the Tenant Improvements to the Premises upon delivery of said Premises to Tenant. In the event Tenant fails to pay for any of the Tenant Improvements that Tenant shall be responsible for providing and installing pursuant to this Lease or any amendment hereto, and Tenant does not cure any such failure pursuant to Section 14.01.3 of this Lease, Tenant shall be deemed to have committed a material Default and Landlord shall have the right to terminate this Lease and pursue any and all other remedies that may be available pursuant to Article XIV of this Lease.

ARTICLE X
INSURANCE; INDEMNITY

SECTION 10.01 LANDLORD'S INSURANCE.

Landlord, at its sole expense, shall maintain in effect for the entire Term of this Lease a policy or policies of property damage insurance for the Premises. Landlord shall only be responsible for maintaining insurance that covers physical damage to the Building, and for no other purpose. The coverage amount for said insurance shall be not less than the full replacement cost of the Building. Landlord shall also have the right, but not the obligation, to procure and maintain an insurance policy or policies covering other perils which may pose a potential material loss to the Premises. The proceeds of such policy or policies procured and maintained pursuant to this Section 10.01 shall be payable to Landlord.

SECTION 10.02 TENANT'S INSURANCE.

Tenant, at its sole expense, shall procure and maintain in effect the following policies of insurance for the entire Term and any holdover period:

(a) Comprehensive General Liability Insurance.

A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than Two Million Dollars ($2,000,000) for bodily injury, death, and property damage or destruction of property on and about the Premises. Said insurance shall include coverage for, among other risks and perils, all businesses and operations on the Premises (including any businesses and operations conducted by third parties, regardless of whether such third party businesses and operations violate this Lease, and without any waiver by Landlord of any other right or remedy it may have against Tenant with respect thereto), premises and operations, blanket contractual, cross liability, broad form property damage, independent contractors, owned and non-owned automobile and vehicle coverage, garagekeeper's liability (if Tenant manages parking or provides valet parking services), and dramshop and liquor liability coverage. The amount of any deductible or self-insured retention under said policy shall not exceed One Thousand Dollars ($1,000) without Landlord's written consent. Landlord shall have the right at any

time during the Term, not more frequently, than once every three (3) years, to deliver written notice to Tenant requiring Tenant to increase the amount of such policy so long as the required percentage increase in the coverage amount does not exceed the percentage increase in the Consumer Price Index published by the United States Department of Labor (All Items) for the smallest geographic area within which the Premises are located or are most proximate between the Commencement Date and the date of Landlord's notice, and in such event Tenant shall procure the increased amount of insurance and provide proof of same to Landlord within thirty (30) days. Such insurance shall be primary insurance and not participating with or in excess of any coverage which Landlord may carry. All such insurance shall specifically insure the performance by Tenant of the indemnity agreement set forth in Section 10.05 of this Lease as to liability for damage to property or injury to or death of persons.

(b) Worker's Compensation Insurance.

A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure, and provide legal defense for both Landlord and Tenant against any loss, claim, or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Tenant in the course of carrying out the work or services contemplated in this Lease.

(c) Fire and Extended Coverage Insurance.

A policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, covering all Tenant Improvements to the Premises and Tenant's trade fixtures, furnishings, equipment, and personal property on the Premises in an amount equal to one hundred percent (100%) of the replacement costs thereof.

Prior to the Commencement Date pursuant to Section 4.01 of this Lease, Tenant shall file with the Landlord's City Clerk, in a form and content satisfactory to Landlord, certificates of insurance for all of the above policies. All of the above policies shall be carried by companies rated "B-plus" (B+) or better in Best's Insurance Guide, and shall be primary insurance and name Landlord and its officers, employees, and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against Landlord and against its officers, employees, and agents, and their respective insurers. All of said policies of insurance shall provide that the said insurance may not be amended or cancelled without providing thirty (30) days prior written notice to Landlord. In the event any of said policies of insurance are cancelled or not renewed or extended, Tenant shall, prior to the cancellation or expiration date, submit new evidence of insurance to Landlord. No operations or services authorized pursuant to this Lease shall commence or continue until Tenant has provided Landlord with certificates of insurance or appropriate insurance binders evidencing the above insurance coverages, and said certificates of insurance or binders are approved by Landlord.

SECTION 10.03 WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive, to the maximum extent permitted by law and any policies issued by their respective insurance companies, any and all rights of recovery against the other, or against the employees, agents, and representatives of the other, for loss of or damage to such waiving Party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Upon obtaining such insurance, Landlord and Tenant shall give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease. Tenant shall obtain and furnish evidence to Landlord of the waiver of subrogation in favor of Landlord from all insurance carriers furnishing insurance hereunder.

SECTION 10.04 INCREASES IN INSURANCE COSTS.

Tenant shall not allow for any stock or goods to be carried or allow anything to be done in, on, or about the Premises at any time during the Term of this Lease which will in any way tend to increase the insurance rates or the risks against which Landlord maintains an insurance policy for the Premises building. Tenant shall pay to Landlord forthwith upon demand the amount of any increase in premiums for insurance carried by Landlord for the Building resulting from Tenant's acts or omissions, whether or not Landlord shall have consented to such acts or omissions on the part of Tenant.

SECTION 10.05 INDEMNITY.

Regardless of any limitations on and exclusions from coverage of any insurance policies obtained by Tenant, Tenant shall fully indemnify, defend, and hold harmless Landlord and its elected and appointed officials, officers, directors, employees, and agents, and each of them (the foregoing being hereinafter collectively referred to as the "Indemnitees"), from and against any and all claims, actions, damages, liabilities, and expenses (including, without limitation, attorneys' fees) for damage to property (including Tenant's property) and injury to or death of persons (including officers, directors, employees, or agents of Tenant) directly or indirectly arising from or out of Tenant's occupancy or use of the Premises or any part thereof, including the means of ingress into or egress from the Premises, whether or not occasioned in part by any act or omission of the Indemnitees, regardless of their passive or active negligence, and to the maximum extent permitted by law. If the Premises are not surrendered at the time required pursuant to this Lease, Tenant shall indemnify, defend, and hold harmless the Indemnitees against loss or liability resulting from the delay by Tenant in so surrendering the Premises, including, without limitation, claims made by any succeeding tenant, other than Landlord or an affiliate of Landlord.

SECTION 10.06 EXEMPTION OF LANDLORD.

So long as Landlord does not default in the performance of its obligations and duties pursuant to this Lease, Landlord shall not be liable to Tenant for injury or damage which may be sustained by any person, property, or effects of Tenant or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water, or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of the pipe, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures of the

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same, whether such damage or injury results from conditions arising upon the Premises or from other sources.

SECTION 10.07 CASUALTY DAMAGE.

10.07.1 Destruction by Risk Covered by Insurance.

If the Premises are totally or partially destroyed by a risk covered by insurance carried by Landlord, rendering the Premises totally or partially inaccessible or unusable, Landlord shall utilize the insurance proceeds to restore the Premises to substantially the same condition as they were in prior to such destruction. Restoration shall be commenced as soon as reasonably practicable, and in no event later than ninety (90) days after the later of (i) such destruction occurs or (ii) the date such insurance proceeds are made available for such restoration, and thereafter the work shall be diligently pursued to completion.

If the Premises are totally or partially destroyed by a risk covered by insurance carried by Tenant, rendering the Premises totally or partially inaccessible or unusable, Tenant shall utilize the insurance proceeds to restore the Premises to substantially the same condition as they were in immediately prior to such destruction. Restoration shall be commenced as soon as reasonably practicable, and in no event later than ninety (90) days after the later of (i) the date such destruction occurs or (ii) the date such insurance proceeds are made available for such restoration, and thereafter the work shall be diligently pursued to completion.

10.07.2 Damage Not Covered by Insurance.

If the Premises are totally or substantially destroyed by a risk not covered by and not required to be covered by insurance, then either Party may at its option elect to terminate this Lease by giving written notice to the other Party within fifteen (15) days after determining the replacement cost; provided, however, that in such event this Lease shall not terminate if the non-terminating Party shall, within thirty (30) days after receipt of such notice give written notice to the terminating Party of its election to cause the repair and restoration of the Premises, as applicable, at its cost. In such event, the Party electing to cause the repair and restoration shall, at its sole expense, provide the funds necessary therefore and shall thereafter promptly and diligently repair and restore the Premises. Each Party agrees in such event to assign all insurance proceeds to the Party electing to make the repairs. As used herein, the term "substantially destroyed" shall mean that the uninsured replacement cost exceeds the sum of Three Hundred Thousand dollars and no cents ($300,000.00).

10.07.3 Replacement of Tenant's Property.

In the event of the damage or destruction of improvements located on the Premises not giving rise to a termination of this Lease, Tenant shall, at its own expense, replace and repair all Tenant's trade fixtures, equipment, machinery, furnishings, furniture and inventory as soon as possible to permit the prompt continuation of Tenant's business from the Premises.

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10.07.4 Damage Near End of Lease Term.

In the event more than fifty percent (50%) of the Premises are totally destroyed during the Term or during any holdover period, Tenant and Landlord shall each have the option to terminate this Lease on written notice to the other of exercise thereof within thirty (30) days after such destruction.

ARTICLE XI
ASSIGNMENTS AND SUBLETTING

SECTION 11.01 REQUIREMENT OF LANDLORD'S CONSENT.

This Lease is a personal contract in that Landlord has entered into this Lease to a material extent because of the unique character and quality of Tenant. Accordingly, Tenant shall not transfer, assign, sublet, devise, bequeath, enter into license or concession agreements, change ownership, mortgage, or hypothecate (hereinafter, collectively, "Transfer") this Lease or Tenant's interest in and to all or any portion of the Premises without first procuring the written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Any attempted Transfer without Landlord's written consent shall be void and shall confer no right upon any third person. If Tenant enters into a sublease or other arrangement for occupancy of any portion of the Premises by any third party without Landlord's consent and such sublease or other arrangement remains in effect notwithstanding the consent requirements contained herein, Tenant shall immediately pay Landlord as additional Rent any consideration received or retained by Tenant, and Landlord's acceptance of such additional Rent shall not limit or restrict any other right or remedy Landlord shall have under this Lease for Tenant's Default.

SECTION 11.02 CERTAIN TRANSFERS.

For the purpose of this Article, each of the following shall constitute a "Transfer": (i) if Tenant is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of any partners or the dissolution of the partnership; (ii) if Tenant consists of more than one person, a purported assignment, voluntary, involuntary, or by operation of law, from one person to another; and (iii) if Tenant is a corporation (whose stock is not traded through an exchange or over the counter) any liquidation, dissolution, merger, consolidation, or other reorganization of Tenant, or the sale, exchange, trade, assignment, hypothecation, or other transfer of an aggregate of twenty-five percent (25%) or more of the capital stock of Tenant, or the sale of an aggregate of twenty-five percent (25%) or more of the value of the assets of Tenant.

SECTION 11.03 OBLIGATIONS AND LIABILITIES OF TRANSFEREE.

Each Transfer to which there has been consent shall be by an instrument in writing in form satisfactory to Landlord, and shall be executed by the transferor in each instance; and each transferee shall agree in writing for the benefit of Landlord herein to assume, to be bound by, and to perform the terms, covenants, and conditions of this Lease to be done, kept, and performed by Tenant, including the payment of all amounts due under this Lease. Failure to comply with the provisions of this section shall operate to prevent any such Transfer from becoming effective.

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SECTION 11.04 NO WAIVER OR RELEASE.

Consent to any Transfer which may be given by Landlord or the acceptance of any Rent by Landlord from Tenant or any third party, shall not constitute a waiver by Landlord of the provisions of this Article or a release of Tenant from the full performance by it of the covenants contained herein to be performed by Tenant. Any consent given by Landlord to any Transfer shall not relieve Tenant from the requirement of obtaining the written consent of Landlord to any subsequent Transfer. The restrictions on transferability contained in this Article shall be considered a continuous covenant and shall run with the land.

ARTICLE XII
MECHANICS' LIENS

Tenant shall give Landlord twenty (20) days' prior written notice before any construction work on the Premises is undertaken by or on behalf of Tenant. Tenant shall do all things reasonably necessary to prevent the filing of any mechanics' liens or other liens against the Premises, or any part thereof, by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises, or any part thereof, through or under Tenant. Without limiting the generality of the foregoing, Tenant shall record a notice of completion promptly upon the completion of any such work, labor, services or supplying of materials, in the manner permitted by law. If any such lien shall at any time be filed, Tenant shall promptly notify Landlord of same and shall either cause the same to be discharged of record within twenty (20) days after the date of filing the same, or, if Tenant, in its discretion and good faith, determines that such lien should be contested, it shall furnish such security as may be required by law to prevent any foreclosure proceedings against the Premises, or any part thereof, or Tenant's interest therein, during the pendency of such contest. If Tenant shall fail to discharge such lien within such period or fail to furnish such security, then, in addition to all other rights or remedies, Landlord may, but shall not be obligated to, discharge the same no sooner than five (5) days after delivery of written notice to Tenant (and assuming Tenant has not cured its default within that period of time) (i) by paying the amount claimed to be due, (ii) by procuring the discharge of such lien by deposit in court, (iii) by giving security, or (iv) in such other manner as is, or may be, prescribed by law. Any amount paid by Landlord for any of the aforesaid purposes, including all reasonable attorney's fees to procure the discharge of such lien with all necessary disbursements in connection therewith, with interest thereon at the rate of ten percent (10%) per annum or the maximum rate permitted by law, whichever is less, from the date of payment, shall be repaid by Tenant to Landlord on demand. Nothing herein contained shall imply any consent or agreement on the part of Landlord to subject the Premises, or any part thereof, to liability under any mechanics' lien law.

ARTICLE XIII
SURPLUS LAND ACT

SECTION 13.01 ACKNOWLEDGEMENT OF RISK

The Parties acknowledge and agree that, notwithstanding their belief that the Lease is exempt from the Surplus Land Act (Government Code § 54220 *et seq.*) (the "Surplus Land Act") as part of an exchange of real property between the Parties, there is a risk that the California

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Department of Housing and Community Development ("HCD") may disagree and issue to Landlord a notice of violation of the Surplus Land Act (a "Notice of Violation")

SECTION 13.02 NOTICE OF VIOLATION; PENALTY; INDEMNIFICATION

If Landlord receives a Notice of Violation from HCD, the Parties will meet and confer and use their best efforts to agree to one of the following options (together, the "SLA Options"):

13.02.1 Cure Violation; Lease Reinstatement or Tenant Reimbursement for Improvements.

(a) Under this option, the Parties will mutually agree to immediately terminate the Lease (such date, the "SLA Termination Date") to allow Landlord to follow the procedures of the Surplus Land Act. Assuming Landlord finds that the Premises are not exempt from the Surplus Land Act, during the 60-day notice of availability ("NOA") period and any 90-day good faith negotiation period, Landlord will permit Tenant to holdover on the Premises pursuant to Section 4.02 (the "Holdover Period"), unless and until Landlord comes to terms with an entity through the Surplus Land Act.

(b) Within thirty (30) days of the beginning of the Holdover Period, Tenant shall deliver to Landlord documentation to support Tenant's actual costs for the construction of all improvements by Tenant on the Premises pursuant to Section 9.02 (the "Improvements") – such eligible costs to include labor, materials, and professional services directly related to construction of the Improvements ("Eligible Costs").

(c) If, at the end of the Surplus Land Act process, Landlord does not agree to price and terms with any entity to which notice of availability of the Premises was given pursuant to the Surplus Land Act ("NOA"), or if no entity to which an NOA was given responds to that notice, then, upon receipt of final approval by HCD pursuant to Government Code Section 54230.5(b)(1) that Landlord has complied with the Surplus Land Act, the Parties will reinstate the Lease with all terms the same as they existed on the SLA Termination Date (such date, the "Lease Reinstatement Date"), and the Lease shall continue; provided, however, that the Term will have been tolled during the period from the SLA Termination Date to the Lease Reinstatement Date; and provided further, however, that prior to the Lease Reinstatement Date, Tenant agrees that Landlord may record a restrictive covenant pursuant to Government Code Section 54233 against title on the Site.

(d) If, through the Surplus Land Act process, Landlord comes to terms with an entity to which an NOA was given, Landlord shall reimburse Tenant for all Eligible Costs from the proceeds of sale or lease from the third party entity (the "SLA Disposition Proceeds") up to the full amount of SLA Disposition Proceeds; provided, however, that City shall not be obligated to reimburse Tenant for Eligible Costs from any source beyond the SLA Disposition Proceeds.

13.02.2 Penalty; Indemnification.

Under this option, the Parties will mutually agree to continue the Lease and, should HCD assess a penalty pursuant to Government Code Section 54230.5(a)(1) (an "SLA Penalty"), Tenant

agrees to indemnify Landlord for the full amount of the SLA Penalty to the fullest extent allowable under Section 10.05 and the law.

13.02.3 Landlord's Discretion.

In the event that the Parties cannot mutually agree on either of the two SLA Options above, Landlord shall have the final decisionmaking power to pursue one or the other SLA Option or a different option not identified here. If Landlord chooses a third option that is not an SLA Option, Landlord will meet and confer with Tenant in good faith and endeavor to come to agreement on such third option.

SECTION 13.03 INJUNCTIVE ORDER

If HCD orders this Lease terminated or void *ab initio*, the Lease shall be deemed terminated as of the date of such HCD order (the "HCD Termination Date"). Landlord will then follow the procedures of the Surplus Land Act, and the Parties will proceed pursuant to Section 13.02.1 above.

ARTICLE XIV
DEFAULT, TERMINATION, AND REMEDIES

SECTION 14.01 DEFINITION OF DEFAULT.

The occurrence of any one or more of the following events shall constitute a material "Default" of this Lease by Tenant:

14.01.1 Rent Default.

The failure by Tenant to make, as and when due, any payment of Rent or other charges payable by Tenant hereunder, where such failure has continued for a period of ten (10) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice otherwise required under Sections 1161 and 1162 of the California Code of Civil Procedure.

14.01.2 Abandonment.

The abandonment or vacation of the Premises by Tenant. As used herein, abandonment is defined to include, without limitation, any absence of Tenant from the Premises for fifteen (15) consecutive days or longer, excepting such failures as may be excused due to the occurrence of casualty losses or other events of force majeure as set forth in Section 18.16 of this Lease.

14.01.3 Failure to Perform Covenants.

The failure by Tenant to observe or perform any of the express or implied covenants, promises, agreements, or provisions of this Lease to be observed or performed by Tenant, where such failure has continued for a period of fifteen (15) days after written notice thereof from

Landlord to Tenant (or such other time period as may be expressly provided herein); provided, however, that if such failure to observe or perform cannot be cured with such fifteen (15) day period due to causes referred to in Section 18.16, Tenant shall not be deemed in Default of this Lease if, within such fifteen (15) day period, Tenant promptly commences to cure such failure and thereafter diligently pursues the cure to completion. Any such notice shall be in lieu of, and not in addition to any notice otherwise required under Sections 1161 and 1162 of the California Code of Civil Procedure. In the event Tenant fails to comply with the same term, covenant, or condition of this Lease on three (3) occasions during any twelve (12) month period of the Term, and is given notice as provided herein for each such failure, then each failure thereafter during such twelve (12) month period shall at the sole option of Landlord constitute an incurable Default. The fifteen (15) day curing period provided for in this Subsection shall in no event be construed to lengthen or extend the curing periods provided elsewhere in this Section. Furthermore, if the covenant, promise, agreement, or provision of this Lease which Tenant fails to observe or perform is of such a nature that it cannot afterward be performed, then such failure shall constitute an incurable Default immediately upon occurrence and no notice or time to effect a cure need be given to Tenant.

14.01.4 Falsification of Statements.

The falsification by Tenant or an agent of Tenant of any report or statement required to be furnished to Landlord pursuant to the terms of this Lease, which at the sole option of Landlord shall constitute an incurable Default.

14.01.5 Assignment of Leasehold Interest.

The Transfer of Tenant's rights and interest in this Lease without Landlord's prior written consent, as set forth in Article XI.

14.01.6 Insolvency

Insolvency, which shall be the (i) making by Tenant of any general assignment for the benefit of creditors; (ii) filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); (iii) appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located on the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; (iv) attachment, execution or other judicial seizure of substantially all of Tenant's assets located on the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days thereafter; or (v) Tenant's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts.

SECTION 14.02 NOTICE OF DEFAULT.

Notices given under this Article shall specify the alleged Default and the applicable provisions of this Lease and shall demand that Tenant perform or cause to be performed the provisions of this Lease, or pay Rent or other sum that is otherwise due, within the applicable period or quit the Premises.

SECTION 14.03 LANDLORD'S REMEDIES.

Upon the occurrence of a Default by Tenant, or at any time thereafter during the continuance of such Default, in addition to and not by way of limitation of any other rights and remedies Landlord may have under this Lease and applicable law, Landlord shall have the right, at its option and without further notice or demand of any kind to Tenant, to any and all of the following remedies:

14.03.1 Continuation of Tenant's Interest.

Landlord may continue Tenant's interest in the Lease and Premises in full force and effect, and Landlord shall have the right to collect any Rent payable to Landlord when due. During the period Tenant is in Default, unless Tenant is diligently proceeding to cure the Default, Landlord may enter the Premises and relet them or any part thereof to a third party or parties. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including costs for advertisements and brokerage fees. Reletting may be for a period shorter or longer than the remaining Term of this Lease. Tenant shall pay to Landlord Rent due under this Lease on the date such Rent is due, which payment shall be adjusted by the amount of Rent Landlord receives from any reletting. No act of malfeasance, effort to relet, or any other act by Landlord allowed by this Subsection 14.03.1 shall terminate Tenant's interest in the Lease unless Landlord notifies Tenant in writing that Landlord elects to terminate.

14.03.2 Termination of Tenant's Interest.

Landlord may terminate Tenant's right to possession of the Premises at any time if the Grant is not successfully obtained or at any time while Tenant is in Default, provided that Tenant is not diligently proceeding to cure such Default, by giving Tenant written notice specifying that the Default has not been cured and that Landlord has terminated this Lease, effective as of the date of termination set forth in such notice. Tenant's interest in this Lease shall terminate on the date specified in such notice as fully and completely as if such date were the date originally fixed for the expiration of the Term, and Tenant shall quit and surrender the Premises. No act by Landlord other than giving such notice of termination to Tenant shall terminate Tenant's interest in this Lease. Upon termination of Tenant's interest, in addition to any other rights Landlord has pursuant to this Lease or at law or in equity, Landlord shall have the rights described in Section 14.04.1 of this Lease.

14.03.3 Right to Appoint Receiver.

Landlord shall have the right to have a receiver appointed to collect Rent and conduct Tenant's business while Tenant is in Default, provided Tenant has not commenced to cure and is not diligently proceeding to cure said Default. Neither the filing of a petition for the appointment of a receiver nor the appointment thereof shall constitute an election by Landlord to terminate this Lease.

14.03.4 Right to Cure at Tenant's Expense.

Landlord may, at any time after Tenant commits a Default, cure such Default at Tenant's expense if such Default is curable. If Landlord at any time, by reason of Tenant's Default, pays

any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to City at the time the sum is paid, and if paid at a later date, shall bear interest in the amount of ten percent (10%) per annum or the maximum rate allowed by law, whichever is less, from the date the sum is paid by Landlord until reimbursement by Tenant.

SECTION 14.04 TERMINATION OF LEASE DAMAGES.

Upon Landlord's termination of this Lease, as set forth in Section 14.03, Landlord may recover as damages from Tenant any and all of the following:

14.04.1 Unpaid Rent at Termination.

The worth, at the time of award, of the unpaid and past due Rent at the time of termination.

14.04.2 Unpaid Rent at Award.

The worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after the date of termination until the date of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided.

14.04.3 Future Rent.

The worth, at the time of award, of the amount by which the unpaid Rent for the balance of the Term exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided.

14.04.4 Other Amounts.

Any other amount necessary to compensate Landlord for all of the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, whether through inability to relet the Premises on satisfactory terms or otherwise, specifically including, but not limited to, (i) all reasonable expenses necessary to relet the Premises, which shall include the cost of advertisements and brokerage fees, and (ii) any increase in insurance premiums caused by the vacancy of the Premises.

SECTION 14.05 TERMS DEFINED.

As used in section 14.04, the following terms are defined:

14.05.1 Worth at the Time of Award.

The "worth at the time of award" of the amounts referred to in Subsections 14.01.1 and 14.01.2 is computed by allowing interest from the due date thereof to the date of payment at the rate of ten percent (10%) per annum or the maximum rate permitted by law, whichever is less. The "worth at the time of award" of the amount referred to in Subsection 14.01.3 is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

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14.05.2 Time of Award.

The "time of award" as used in Subsections 14.01.1, 14.01.2, and 14.01.3 is the date on which judgment is entered by a court of competent jurisdiction.

SECTION 14.06 LANDLORD'S DEFAULT.

Landlord shall be in Default of this Lease if it fails or refuses to perform any provision of this Lease that it is obligated to perform if the failure to perform is not cured within thirty (30) days after written notice of default has been received by Landlord from Tenant. If such Default cannot be reasonably cured within thirty (30) days, Landlord shall not be in Default if Landlord commences to cure the Default within the thirty (30) day period and thereafter diligently and in good faith continues to cure the Default.

SECTION 14.07 INDEMNIFICATION UNAFFECTED.

Nothing in this Article shall limit or otherwise impair the right of Landlord to indemnification from Tenant under this Lease, whether before or after this Lease expires or is terminated.

SECTION 14.08 NO TERMINATION.

Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due.

SECTION 14.09 [RESERVED]

SECTION 14.10 TERMINATION AND ENTRY.

In the event Landlord terminates this Lease, Landlord may (upon such notice as is expressly provided in this Article XIV) re-enter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim under this Lease. Such termination shall not relieve Tenant of any obligation hereunder that has accrued prior to the date of such termination. Landlord may take possession of all personal property of Tenant and of any other person that is located on the Premises and may store all such personal property on behalf of and at the risk and expense of Tenant. Within thirty (30) days after Landlord takes possession thereof, Tenant may redeem such personal property upon payment to Landlord in full of all amounts then due from Tenant to Landlord hereunder and all costs incurred by Landlord in providing such storage. If Tenant fails to redeem such personal property within such period Landlord may sell such personal property in any reasonable manner and shall apply the proceeds from such sale actually collected by Landlord from such sale first against the costs of storage and sale and then against any other obligation due from Tenant hereunder. Tenant recognizes these rights as just and adequate remedies and hereby expressly waives any and all rights of redemption granted by or under present or future laws (including, without limitation, Sections 1174 and 1179 of California

Code of Civil Procedure) in the event of Tenant's being evicted or dispossessed for any cause, or in the event of Landlord's obtaining possession of the Premises by reason of a Default of Tenant under this Lease, or otherwise.

SECTION 14.11 LIEN FOR RENT.

Tenant hereby grants to Landlord a lien and security interest on all property of Tenant now or hereafter placed in or upon the Premises, and such property shall be and remain subject to such lien and security interest of Landlord for payment of all Rent and any other amount required to be paid by Tenant under this Lease. Said lien and security interest shall be in addition to and cumulative of the Landlord's liens and provided by law. This Lease shall constitute a security agreement under the California Commercial Code (the "CCC") so that Landlord shall and may enforce a security interest on all property now or hereafter placed by or on behalf of Tenant in or on the Premises, including, but not limited to, all fixtures, machinery, equipment, furnishings, and other articles of personal property. Tenant shall execute as debtor such financing statement or statements as Landlord may now or hereafter reasonably request in order that such security interest or interests may be protected pursuant to the CCC. Landlord may at its election at any time file a copy of this Lease as a financing statement. Landlord, as secured Party, shall be entitled to all of the rights and remedies afforded a secured Party under the CCC.

SECTION 14.12 WAIVER.

No delay or omission in the exercise of any right or remedy of Landlord shall impair such a right or remedy or be construed as a waiver. The waiver by Landlord of any failure by Tenant to perform any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent or preceding failure or breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Rent (or a portion thereof) by Landlord shall not be deemed to be a waiver of any previous breach by Tenant of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the Rent (or portion thereof) so accepted, regardless of Landlord's knowledge of such prior existing failure or breach at the time and acceptance of such Rent. Without limitation on the foregoing, no payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent due under this Lease shall be deemed to be other than on account of the earliest Rent due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy available to Landlord; no receipt of money by Landlord from Tenant after the termination of this Lease or after the service of any notice of the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the Term, or affect any such notice, demand or suit; and acceptance of any payment from a debtor in possession, a trustee or any other person acting on behalf of Tenant or Tenant's estate shall not waive or cure a default hereunder. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant requiring Landlord's consent or approval.

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SECTION 14.13 SURRENDER.

Prior to expiration of the Term, only an express written notice from Landlord to Tenant of Landlord's intention to accept a surrender by Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of this Lease. No other act or conduct of Landlord including, without limitation the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises before the expiration of the Term. Landlord shall not by any re-entry or other act be deemed to have accepted any surrender by Tenant of the Premises or Tenant's interest therein, or be deemed to have terminated this Lease, or to have relieved Tenant of any obligation hereunder, unless Landlord shall have given Tenant written notice of Landlord's election to terminate this Lease.

SECTION 14.14 CUMULATIVE REMEDIES.

In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation or attempted or threatened violation of any of the covenants, agreements, conditions or provisions of this Lease, or to a decree compelling performance of any of the other covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Except as provided herein or as provided under applicable California law in effect at the time of execution hereof, the rights and remedies reserved to Landlord in this Article XIV are independent and cumulative and in addition to all other rights available to Landlord under this Lease, at law or in equity, and Landlord may pursue any or all of such rights and remedies, at the same time or otherwise.

ARTICLE XV
COMMON AREAS: USE, MAINTENANCE AND COSTS

SECTION 15.01 DEFINITIONS.

As used herein, "Common Areas" shall mean all areas and improvements within the interior and exterior boundaries of the Premises. Common Areas shall include parking areas, walkways, driveways, delivery passages, curbs, sidewalks, landscaped and planted areas, service areas, exterior and interior access ways and stairways, retaining walls, paving, light fixtures, and other areas and non-building improvements that are inside of or within the vicinity of the Premises, where said Common Areas are provided by Landlord for the common use of Landlord, tenants and their respective employees, agents and invitees, and the general public. Landlord may make changes at any time in the size, shape, location, number, and extent of the Common Areas and may provide substitute parking, so long as Tenant's access to the Premises are not unreasonably impaired. No such change shall entitle Tenant to any abatement of Rent. Before instituting any such changes, Landlord shall notify Tenant thereof and consult with Tenant thereon, but Tenant's consent thereto shall not be required and Landlord may institute such changes in its sole discretion.

SECTION 15.02 TENANT'S RIGHT TO USE; TENANT'S COOPERATION.

Tenant and its employees, agents, and invitees shall be entitled to use the Common Areas in common with Landlord and with other persons authorized by Landlord. The rights of Tenant in and to the Common Areas shall at all times be subject to the rights of Landlord to use the same in

common with Tenant. Tenant shall keep the Common Areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation.

SECTION 15.03 CONTROL BY LANDLORD.

15.03.1 Management.

Landlord shall operate, manage, equip, police, insure, light, repair, clean, and maintain the Common Areas. Landlord may temporarily close the Common Areas, or any portion or portions thereof, for repairs or alterations, or to prevent a dedication thereof or the accrual of prescriptive right therein.

15.03.2 Exclusive Control.

Landlord shall at all times have exclusive control of all Common Areas and may at any time restrain any use thereof, except as otherwise provided by law or in this Lease. Landlord may at any time remove any unauthorized person from the Common Areas or prohibit the use thereof by unauthorized persons. If, in the opinion of Landlord, unauthorized persons are using any of the Common Areas, Tenant, upon demand of Landlord, shall remove such unauthorized persons by appropriate proceedings. Nothing herein shall affect the rights of Landlord at any time to remove any such unauthorized persons from the Common Areas or to restrain the use of any of the Common Areas by unauthorized persons.

SECTION 15.04 PARKING.

There is currently no dedicated parking for the Premises. Tenant shall be responsible for identifying and using available public and private parking for its employees, agents, guests, and invitees. Should Tenant be successful in completing the ULV Expansion Project, Landlord would work cooperatively with Tenant to negotiate satisfactory parking arrangements, including potentially at the public parking structure located at 228 E. Transit Street.

ARTICLE XVI
SIGNAGE

SECTION 16.01 PROHIBITED ACTIVITIES.

Tenant shall not have the right to:

(a) Install or affix to the exterior doors or windows of the Premises lighting fixtures, shades, awnings, or exterior decorations (including exterior painting); and

(b) [RESERVED].

Tenant shall not, without Landlord's prior written consent, do any of the following:

(a) Cause or permit to be used any advertising materials or methods which are objectionable to Landlord, including without limitation, loudspeakers, mechanical or moving

display devices, unusually bright or flashing lights, and similar devices, the effect of which may be seen or heard outside the Premises;

(b) Solicit business in the parking areas or other Common Areas, or distribute, or cause to be distributed, any handbills, flyers, or other advertising matter in the parking areas or in other Common Areas; or

(c) Use any sign or advertising that is not of professional quality.

SECTION 16.02 MAINTENANCE.

Tenant shall at all times maintain its windows and signs in a neat, clean and orderly condition. If, as to any sign exposed to the parking areas or other Common Areas, Tenant shall fail to do so after twenty-four (24) hours' written notice from Landlord, Landlord may repair, clean, or maintain such exterior sign and the cost thereof shall be payable by Tenant to Landlord upon demand as additional Rent.

ARTICLE XVII
OPTION TO TAKE

SECTION 17.01 OPTION TO TAKE

Provided Tenant is not in default beyond all notice and applicable cure periods hereunder, Tenant shall have the right to accept a grant of the Premises from the City at any time during the Term, including any Extended Term, of this Lease *and* after five (5) years after the completion of the ULV Expansion Project (the "Take Option"), upon giving notice in writing to Landlord (the "Purchase Notice") at least sixty (60) days prior to the expiration of the initial Term or any Extended Term hereof of Tenant's intention to purchase the Premises.

SECTION 17.02 GRANT DEED

If Tenant exercises this Take Option, then Landlord shall record the grant deed for the Premises, a form of which is attached hereto as Exhibit "B" (the "Grant Deed"), in the Official Records of San Bernardino County. Upon the recordation of the Grant Deed, this Lease shall terminate and end.

SECTION 17.03 TERMINATION OF TAKE OPTION; RIGHT OF REVERTER

If the ULV Expansion Project is not completed during the Term of the Lease, the Take Option shall automatically terminate without any notice. Upon the expiration of the Lease Term, unless the Take Option was exercised prior to such expiration, the Take Option shall also terminate

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without notice, provided that the Take Option shall continue after any amendment, continuation or reinstatement of this Lease.

ARTICLE XVIII
MISCELLANEOUS

SECTION 18.01 LANDLORD'S RIGHT OF ACCESS.

Upon reasonable prior notice to Tenant, Landlord and its agents shall have free access to inspect the Premises during Tenant's normal business hours (or at other times in the event of a sudden and unanticipated emergency), to make reasonable repairs or installations which Landlord may be required or permitted to make hereunder, to exhibit the Premises to prospective purchasers or tenants, and to post notices required or permitted by law.

SECTION 18.02 NONDISCRIMINATION.

Tenant covenants, by and for himself, and his successors and assigns, and this Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or any other protected class pursuant to federal, state, or local law, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises, nor shall Tenant, or any person claiming under or through Tenant, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of licensees, tenants, lessees, sublessees, subtenants, or vendees in the Premises.

The foregoing provisions shall be binding upon and shall obligate Landlord and Tenant and any transferees or assignees of either of them.

SECTION 18.03 TRANSFER OF LANDLORD'S INTEREST.

Upon any transfer of Landlord's interest in the Premises, the transferor shall be automatically relieved of all obligations and liabilities on the part of Landlord accruing after the date of such transfer.

SECTION 18.04 SEVERABILITY.

Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof, and such remaining provisions shall remain in full force and effect.

SECTION 18.05 TIME OF ESSENCE.

Time is of the essence with respect to every provision of this Lease.

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SECTION 18.06 LEASE NOT SUBJECT TO LEVY.

This Lease and the interest of Tenant hereunder shall not be subject to garnishment or sale under execution in any action or proceeding which may be brought against or by Tenant without the written consent of Landlord.

SECTION 18.07 NON-PARTNERSHIP.

It is understood and agreed that neither Party shall be construed or held to be a partner, joint venturer, affiliate, or associate of the other, nor shall either Party be liable for any debts or other obligations incurred by the other; and that the relationship of the Parties hereto is and at all times shall be and remain that of Landlord and Tenant.

SECTION 18.08 BROKERS.

Tenant hereby warrants and represents that Tenant has not dealt with any brokers. Tenant shall indemnify and hold harmless Landlord from any and all claims, costs, expenses (including, without limitation, attorneys' fees) and liability for any commission, brokerage fee, or other charge claims against Landlord by any broker, agent, or finder purporting to have been engaged by Tenant in connection with this Lease.

SECTION 18.09 QUITCLAIM.

At the termination of this Lease, Tenant shall execute, acknowledge, and deliver to Landlord, within ten (10) days after written demand from Landlord, any quitclaim deed or other document reasonably required by any reputable title company to remove the cloud of this Lease from the title to the real property subject to this Lease.

SECTION 18.10 SAFETY AND HEALTH.

Tenant shall at all times during the Term and any holdover period, comply with the requirements of the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 651 *et seq*., and any similar legislation in California (collectively, the "Act"), to the extent that the Act applies to the Premises and operations thereon. Without limiting the generality of the foregoing, Tenant shall maintain all working areas, all machinery, structures, electrical facilities, and the like upon the Premises in a condition that fully complies with the requirements of the Act, including such requirements as would be applicable with respect to agents, employees, or contractors of Landlord who may from time to time be present upon the Premises. Tenant shall indemnify and hold harmless Landlord from any liability, claims, or damages arising as a result of a breach of the foregoing covenant and from all costs, expenses, and charges arising therefrom including, without limitation, attorneys' fees and court costs incurred by Landlord in connection therewith, which indemnity obligation shall survive the termination of this Lease.

SECTION 18.11 ATTORNEY'S FEES.

If either Landlord or Tenant institutes any action or proceeding against the other relating to the provisions of this Lease, or any default hereunder, the unsuccessful Party in such action or

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proceeding shall reimburse the prevailing Party therein for the reasonable expenses, disbursements, and attorneys' fees incurred therein by the prevailing Party.

SECTION 18.12 CAPTIONS.

Article, Section, and Subsection captions in this Lease have been inserted solely for the convenience of the Parties, and such captions, headings, and titles shall in no way define or limit the scope, intent, or application of any provision of this Lease.

SECTION 18.13 INUREMENT; NO THIRD PARTY BENEFICIARY.

Subject to any provisions hereof restricting assignment or subletting by Tenant, the terms and conditions contained in the Lease shall bind the Parties and their successors and assigns. There are no third party beneficiaries to this Lease.

SECTION 18.14 CHOICE OF LAW.

This Lease shall be construed in accordance with and governed by the internal laws of the State of California, without regard to conflict of law principles.

SECTION 18.15 GENDER; NUMBER.

Throughout this Lease the stated gender shall be read to mean the feminine, masculine, or neuter, and the stated number shall be read to mean the singular or plural, as the context may require.

SECTION 18.16 FORCE MAJEURE.

In the event Landlord or Tenant is delayed, hindered, or prevented from performing any act required hereunder by reason of strikes, lockouts, or other labor troubles, inability to procure or shortage of materials or supplies, failure of power, energy shortages, restrictive governmental laws or regulations, inclement weather, fire, explosion, earthquake or other casualty, riots, insurrection, war, epidemic or pandemic, act of God, or other causes that are without the fault and beyond the reasonable control of such Party, then the performance of such Party shall be excused for and extended by the period of such delay. The provisions herein shall not operate to excuse Tenant from the prompt payment of Rent or any other payment required under this Lease, unless herein otherwise expressly provided to the contrary. In no event shall Tenant's inability to obtain financing, interest rates, or market conditions excuse Tenant's performance or entitle Tenant to an extension of time for performance of its obligations set forth in this Lease.

SECTION 18.17 NO REPRESENTATIONS OR WARRANTIES BY LANDLORD.

As of the Effective Date of this Lease, Tenant agrees to accept physical possession of the Premises, once constructed, subject to all matters of record and to all applicable zoning, municipal, county, state, and federal laws, ordinances, and regulations governing and regulating the use of the Premises. Tenant acknowledges that neither Landlord nor Landlord's agents have made any representation or warranty as to such matters of record, or as to such laws, ordinances, zoning

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regulations, or as to the condition of the Premises or the suitability of the Premises for the conduct of Tenant's business.

SECTION 18.18 EFFECTIVENESS OF LEASE.

Submission of this instrument for examination or signature by Tenant does not constitute an offer of or option to lease; it is not effective as a lease otherwise until execution by Landlord and delivery thereof to Tenant.

SECTION 18.19 INCORPORATION OF PRIOR LEASE AGREEMENTS.

This Lease and the Exhibits hereto cover in full each and every agreement of every kind or nature whatsoever between the Parties concerning the Premises, and all preliminary negotiations and agreements of whatsoever kind or nature, except those contained herein, are superseded and of no further force or effect. Landlord has made no representations or promises whatsoever with respect to the Premises, except those contained herein; and no other person, firm, or corporation has at any time had any authority from Landlord to make any representations or promises on behalf of Landlord, and Tenant expressly agrees that if any such representations or promises have been made by others, Tenant hereby waives all right to rely thereon. No verbal agreement or implied covenant shall be held to vary the provisions of this Lease, any statute, law or custom to the contrary notwithstanding. No provision of this Lease may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in it interest. Tenant, by initialing this section, acknowledges that it has read the same and understands it to be a waiver of any right to rely on any representations or agreements concerning the Premises not expressly set forth in this Lease.

TENANT'S INITIALS _____

LANDLORD'S INITIALS _____

SECTION 18.20 NOTICES.

Any notice required or permitted hereunder shall be in writing and shall be served personally or by certified or registered mail. If served by mail, notice shall be addressed as specified in Article I. Any notice given by mail shall be deemed to have been delivered seventy-two (72) hours after deposit in the United States mail, postage prepaid and addressed as specified in Article I. Either Party may by written notice to the other specify a different address for notice.

SECTION 18.21 SERVICE OF PROCESS.

Tenant hereby appoints as its agent for receiving service of legal process on behalf of Tenant the person or entity identified in Article I at the address specified therein. Tenant shall not revoke or rescind the above appointment or otherwise relieve or replace said agent without first notifying Landlord in writing of the name and address of another agent to be substituted in lieu thereof. Such notice shall specify the effective date of substitution.

SECTION 18.22 COUNTERPARTS.

This Lease may be signed by the Parties in several counterparts, and each of the signature pages shall be deemed to be an original copy and combined shall be a document binding on the Parties.

SECTION 18.23 EXHIBITS.

The following exhibits are attached hereto and incorporated by reference:

Exhibit "A" Depiction of the Premises

Exhibit "B" Form of Grant Deed

[Signature Page to Follow]

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IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease to be effective on the date first above written.

Landlord:

CITY OF ONTARIO,
a California municipal corporation

Dated: _____ By: _____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:
Best Best & Krieger

By: _____
Ruben Duran
City Attorney

Tenant:

UNIVERSITY OF LA VERNE,
a California non-profit corporation

Dated: _____ By: _____

Its: _____

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EXHIBIT “A”

DEPICTION OF THE PREMISES

EXHIBIT "B"

FORM OF GRANT DEED

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TABLE OF CONTENTS

Page

ARTICLE I SUMMARY OF FUNDAMENTAL LEASE TERMS 2

ARTICLE II LEASE OF PREMISES 3

SECTION 2.01 GENERAL. 3

SECTION 2.02 QUIET ENJOYMENT. 3

SECTION 2.03 AS-IS CONDITION. 3

ARTICLE III PREMISES 3

SECTION 3.01 GENERAL 3

SECTION 3.02 LANDLORD-SPONSORED EVENTS ..... **Error! Bookmark not defined.**

ARTICLE IV TERM 4

SECTION 4.01 COMMENCEMENT AND DURATION 4

SECTION 4.02 RESERVED. ..... **Error! Bookmark not defined.**

SECTION 4.03 SURRENDER; HOLDING OVER 4

ARTICLE V RENT 4

SECTION 5.01 AMOUNT OF RENT. 4

SECTION 5.02 TIME OF PAYMENT. 5

SECTION 5.03 MANNER OF PAYMENT. 5

ARTICLE VI TAXES AND UTILITY CHARGES 5

SECTION 6.01 TAXES 5

6.01.1 Taxes for Possession of Premises. 5

6.01.2 Right to Contest Taxes. 6

SECTION 6.02 UTILITIES. 7

6.02.1 Payment for Services. 7

6.02.2 Interruption of Services. 7

ARTICLE VII USE OF PREMISES 7

SECTION 7.01 USE. 7

SECTION 7.02 HOURS OF OPERATION. ..... **Error! Bookmark not defined.**

SECTION 7.03 RESTRICTIONS ON USE. 7

7.03.1 Access for Disabled Persons. 7

7.03.2 Nuisance, Waste, Peaceful Co-existence. 8

SECTION 7.04 TENANT'S CONDUCT OF BUSINESS. 8

Page

SECTION 7.05 TENANTS RIGHT TO SERVE FOOD AND BEVERAGES .....**Error! Bookmark not defined.**

ARTICLE VIII MAINTENANCE AND REPAIRS 8

SECTION 8.01 GENERAL PROVISIONS. 8

SECTION 8.02 RESERVED. .....**Error! Bookmark not defined.**

SECTION 8.03 LANDLORD'S RIGHT OF SUBSTITUTED PERFORMANCE. 9

ARTICLE IX CONSTRUCTION, ADDITIONS, ALTERATIONS, AND IMPROVEMENTS 9

SECTION 9.01 RESERVED. .....**Error! Bookmark not defined.**

SECTION 9.02 LANDLORD'S IMPROVEMENTS. 9

SECTION 9.03 TENANT IMPROVEMENTS. 9

SECTION 9.04 TENANT'S PROPERTY 10

SECTION 9.05 TENANT'S COVENANT TO PAY FOR TENANT IMPROVEMENTS; MATERIAL CONDITION. 11

ARTICLE X INSURANCE; INDEMNITY 11

SECTION 10.01 LANDLORD'S INSURANCE. 11

SECTION 10.02 TENANT'S INSURANCE. 11

SECTION 10.03 WAIVER OF SUBROGATION. 13

SECTION 10.04 INCREASES IN INSURANCE COSTS. 13

SECTION 10.05 INDEMNITY. 13

SECTION 10.06 EXEMPTION OF LANDLORD. 13

SECTION 10.07 CASUALTY DAMAGE. 14

10.07.1 Destruction by Risk Covered by Insurance. 14

10.07.2 Damage Not Covered by Insurance. 14

10.07.3 Replacement of Tenant's Property. 14

10.07.4 Damage Near End of Lease Term. 15

ARTICLE XI ASSIGNMENTS AND SUBLETTING 15

SECTION 11.01 REQUIREMENT OF LANDLORD'S CONSENT. 15

SECTION 11.02 CERTAIN TRANSFERS. 15

SECTION 11.03 OBLIGATIONS AND LIABILITIES OF TRANSFEREE. 15

SECTION 11.04 NO WAIVER OR RELEASE. 16

ARTICLE XII MECHANICS' LIENS 16

Page

ARTICLE XIII MARKETING..... **ERROR! BOOKMARK NOT DEFINED.**
ARTICLE XIV DEFAULT, TERMINATION, AND REMEDIES..... 18
SECTION 14.01 DEFINITION OF DEFAULT..... 18
14.01.1 Rent Default..... 18
14.01.2 Abandonment..... 18
14.01.3 Failure to Perform Covenants..... 18
14.01.4 Falsification of Statements..... 19
14.01.5 Assignment of Leasehold Interest..... 19
14.01.6 Insolvency..... 19
SECTION 14.02 NOTICE OF DEFAULT..... 19
SECTION 14.03 LANDLORD'S REMEDIES..... 20
14.03.1 Continuation of Tenant's Interest..... 20
14.03.2 Termination of Tenant's Interest..... 20
14.03.3 Right to Appoint Receiver..... 20
14.03.4 Right to Cure at Tenant's Expense..... 20
SECTION 14.04 TERMINATION OF LEASE DAMAGES..... 21
14.04.1 Unpaid Rent at Termination..... 21
14.04.2 Unpaid Rent at Award..... 21
14.04.3 Future Rent..... 21
14.04.4 Other Amounts..... 21
SECTION 14.05 TERMS DEFINED..... 21
14.05.1 Worth at the Time of Award..... 21
14.05.2 Time of Award..... 22
SECTION 14.06 LANDLORD'S DEFAULT..... 22
SECTION 14.07 INDEMNIFICATION UNAFFECTED..... 22
SECTION 14.08 NO TERMINATION..... 22
SECTION 14.09 TERMINATION DUE TO THIRD PARTY OPTION EXERCISE ..... **Error! Bookmark not defined.**
SECTION 14.10 TERMINATION AND ENTRY..... 22
SECTION 14.11 LIEN FOR RENT..... 23
SECTION 14.12 WAIVER..... 23
SECTION 14.13 SURRENDER..... 24

Page

SECTION 14.14 CUMULATIVE REMEDIES. 24
ARTICLE XV COMMON AREAS: USE, MAINTENANCE AND COSTS 24
SECTION 15.01 DEFINITIONS. 24
SECTION 15.02 TENANT'S RIGHT TO USE; TENANT'S COOPERATION. 24
SECTION 15.03 CONTROL BY LANDLORD. 25
15.03.1 Management. 25
15.03.2 Exclusive Control. 25
SECTION 15.04 PARKING. 25
ARTICLE XVI SIGNAGE 25
SECTION 16.01 PROHIBITED ACTIVITIES. 25
SECTION 16.02 MAINTENANCE. 26
ARTICLE XVII RESERVED ..... **ERROR! BOOKMARK NOT DEFINED.**
ARTICLE XVIII MISCELLANEOUS 27
SECTION 18.01 LANDLORD'S RIGHT OF ACCESS. 27
SECTION 18.02 NONDISCRIMINATION. 27
SECTION 18.03 TRANSFER OF LANDLORD'S INTEREST 27
SECTION 18.04 SEVERABILITY. 27
SECTION 18.05 TIME OF ESSENCE. 27
SECTION 18.06 LEASE NOT SUBJECT TO LEVY. 28
SECTION 18.07 NON-PARTNERSHIP. 28
SECTION 18.08 BROKERS. 28
SECTION 18.09 QUITCLAIM. 28
SECTION 18.10 SAFETY AND HEALTH. 28
SECTION 18.11 ATTORNEY'S FEES. 28
SECTION 18.12 CAPTIONS. 29
SECTION 18.13 INUREMENT; THIRD PARTY BENEFICIARY. 29
SECTION 18.14 CHOICE OF LAW. 29
SECTION 18.15 GENDER; NUMBER. 29
SECTION 18.16 FORCE MAJEURE. 29
SECTION 18.17 NO REPRESENTATIONS OR WARRANTIES BY LANDLORD 29

Page

SECTION 18.18 EFFECTIVENESS OF LEASE. 30
SECTION 18.19 INCORPORATION OF PRIOR LEASE AGREEMENTS..... 30
SECTION 18.20 NOTICES..... 30
SECTION 18.21 SERVICE OF PROCESS. 30
SECTION 18.22 COUNTERPARTS. 31
SECTION 18.23 EXHIBITS. 31

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Engineering Prepared By: Tricia Espinoza Department: Utilities Prepared By: Omar Gonzalez Staff Member Presenting: Scott Murphy, Executive Director Community Development Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 5

SUBJECT: A CONSTRUCTION CONTRACT AND AN AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT FOR ATP CYCLE 4: SAFE ROUTES TO SCHOOL PEDESTRIAN IMPROVEMENTS AROUND HAYNES, VISTA GRANDE AND OAKS SCHOOLS

RECOMMENDATION: That the City Council take the following actions:

1. Award a construction contract (on file in the Records Management Department) with All American Asphalt of Corona, California, for ATP Cycle 4: Safe Routes to School Pedestrian Improvements around Haynes, Vista Grande and Oaks Schools in the bid amount of $5,934,634 plus a ten percent (10%) contingency of $593,463, for a total authorized expenditure of $6,528,097 and authorize the City Manager to execute said contract and all related documents and file a notice of completion at the conclusion of all construction activities; and
2. Approve and authorize the City Manager to execute an amendment to the professional services agreement (on file in the Records Management Department) with KOA Corporation of Monterey Park, California, in the amount of $360,220 plus a ten percent (10%) contingency of $36,022 for a total amount of $396,242 for construction management and inspection services.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The Fiscal Year 2021-22 Adopted Budget includes appropriations for construction in the amount of $5,551,000 from General Fund Grants, Road Maintenance and Rehabilitation Account (SB1), and OMC Local Adjacent Street Development Impact Fees (DIF). The total recommended expenditure authorization for All American Asphalt consists of $5,934,634, plus a 10% contingency of $593,464 for a total of $6,528,098. The additional $977,098 will be funded in the amount of $139,500 from Water Capital Fund Balance and $837,598 from SB1 project savings from the FY21/22 Street Rehabilitation Project and TCC Mission Boulevard Project. The City will be reimbursed 86.6% of the construction costs, up to the grant allocation of $4,767,000, from the State of California.

The proposed first amendment with KOA Corporation recommends an expenditure authorization for

KOA Corporation consisting of $360,220, plus a 10% contingency of $36,022 for a total of $396,242. Funding for the services will also come from SB1 project savings from the FY21/22 Street Rehabilitation Project.

Upon approval, the additional appropriations from the Water Capital Fund and SB1 will be included in the Fiscal Year 2021-22 First Quarter Budget Update.

BACKGROUND & ANALYSIS: Safe Routes to School (SRTS) grants are awarded through the Active Transportation Program (ATP) and focus on projects that implement infrastructure improvements and educational programs that encourage and enable more children to safely walk to school.

The general scope of work to be performed under this contract consists of, but is not limited to: construction of PCC curb and gutter, sidewalk, ADA ramps, AC paving, street lighting, tree planting, traffic control, clearing and grubbing, grading, protection and demolition of existing public improvements within the public right-of-way, modifications to existing irrigation systems, drive approaches, driveways, signing and striping, pedestrian flash beacons, and any other appurtenances necessary to complete the improvements as described in the proposed Plans and Specifications. The scope of the project also includes modifications to water appurtenances and services to accommodate street widening. A project location map is provided for reference as Exhibit "A".

In July 2021, the City solicited bids for the project and seven bids were received. The following is a summary of the bid results:

COMPANY	**LOCATION**	**AMOUNT**
DOD Construction *(Bid Withdrawn)*	Bakersfield, CA	$ 5,539,945
All American Asphalt	Corona, CA	$ 6,634,634
CS Legacy	Chino, CA	$ 7,268,175
Sequel Contractors, Inc.	Santa Fe Springs, CA	$ 7,495,933
Vido Samarzich, Inc.	Rancho Cucamonga, CA	$ 7,782,255
CT&T Concrete Paving, Inc.	Diamond Bar, CA	$ 8,004,957
Gentry General Engineering	Rancho Cucamonga, CA	$ 8,194,226

After bid opening, DOD Construction withdrew their bid due to a clerical error. All American Asphalt submitted the next lowest responsive bid and has previously performed similar work for the City in a satisfactory manner. Staff elected not to include an optional bid item for one year of tree watering under this contract, which resulted in a contract amount lower than the bid amount. Staff has coordinated this task to be implemented under a separate contract with the Public Works Agency.

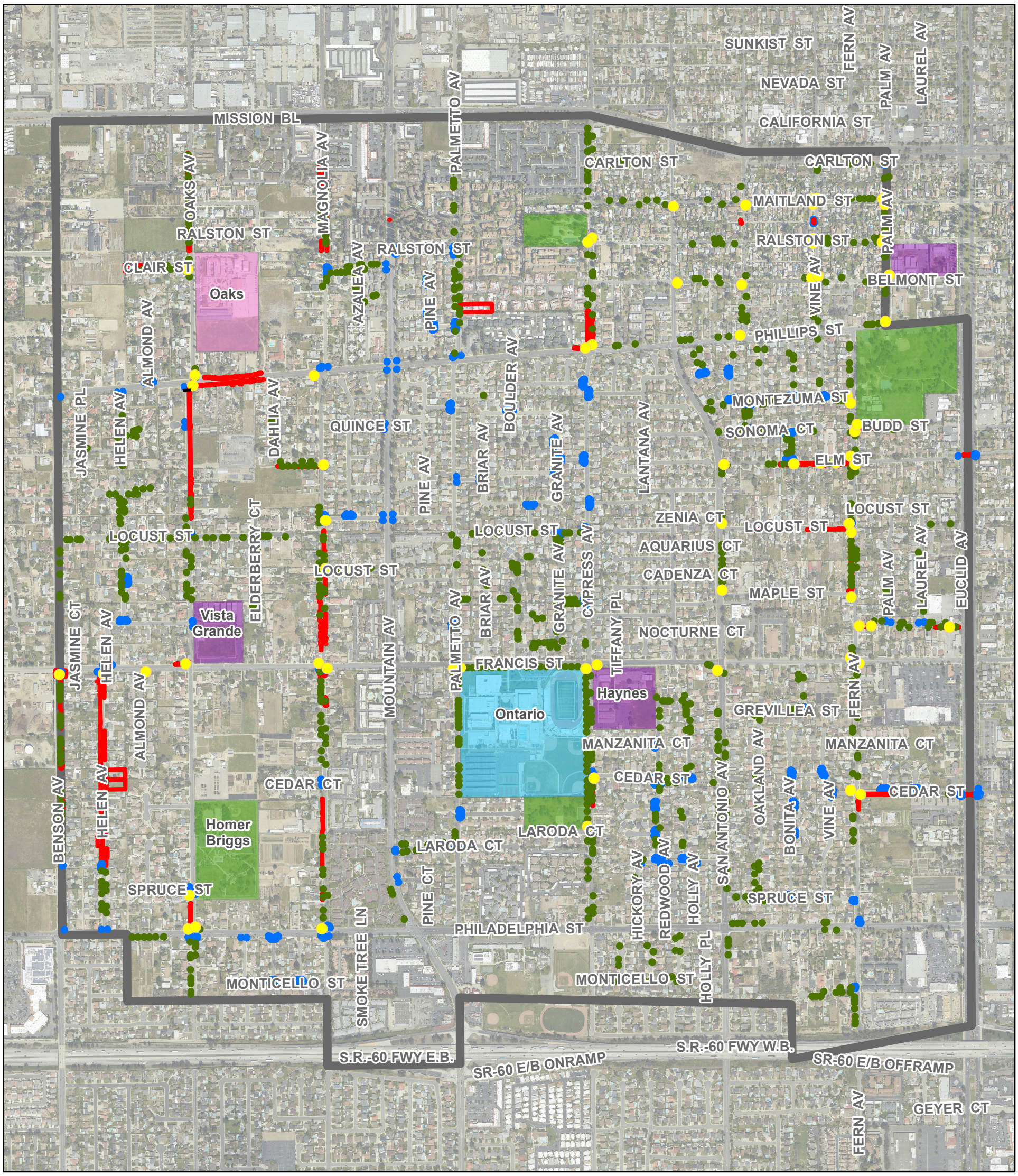
Support services will be required during construction of the ATP Cycle 4 Project. KOA Corporation will provide construction management and inspection services. City Council approved an on-call contract with KOA Corporation on August 17, 2021.

ENVIRONMENTAL REVIEW: Staff prepared an Addendum to The Ontario Plan (File No. PGPA06-001) EIR (SCH# 2008101140) certified by City Council on January 27, 2010. The environmental impacts of this Project were thoroughly analyzed in the EIR Addendum prepared for (File No. PDAV19-003) Pedestrian Improvements around Haynes, Vista Grande and Oaks Schools, including widening segments, missing sidewalks, street lights, landscaping, ramps and enhanced

pedestrian crossings. The City's Development Advisory Board approved File No. PADV19-003 on April 15, 2019 (Decision No. DAB19-011) and concluded that the Project will not result in new, or substantially more adverse, significant environmental impacts than those disclosed in the Ontario Plan EIR.

PROJECT LOCATION
ATP Cycle 4: Safe Routes to School
Pedestrian Improvements Around Haynes, Vista Grande and Oaks Elementary Schools

EXHIBIT "A"



Legend

- New Street Light
- New Tree
- New Sidewalk
- New Ramp
- Park
- Elementary School
- High School
- Middle School
- ATP Cycle 4 Boundary

N

0 2,500 5,000 10,000 Feet

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Engineering Prepared By: Raymond Lee Staff Member Presenting: Scott Murphy, Executive Director Community Development Reviewed By: Khoi Do Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 6

SUBJECT: FIRST AMENDMENT TO THE REGIONAL STORM DRAINAGE IMPROVEMENT REIMBURSEMENT AGREEMENT WITH THE CITY OF CHINO

RECOMMENDATION: That the City Council approve the First Amendment to the Regional Storm Drainage Improvement Reimbursement Agreement (on file in the Records Management Department) with the City of Chino and authorize the City Manager to execute said First Amendment.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the Growth and Evolution of the City's Economy
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: Per the existing Agreement, the total reimbursement amount associated with the Regional Storm Drainage Improvements for the City of Chino ("Chino") is $12,956,885. Pending City Council approval of the First Amendment ("Amendment"), the City of Ontario ("Ontario") will make a one-time reimbursement payment to Chino equal to the unencumbered available balance of the Regional Storm Drain Development Impact Fee ("DIF") fund (Fund 182) within 90 days following the City Council's approval of this Amendment. The unpaid balance of the reimbursement amount shall be automatically converted to a DIF Credit Certificate. The DIF Credit Certificate does not expire and may be used by Chino or its assignee to offset future Regional Storm Drain DIF payable to Ontario for development within Ontario Ranch.

Chino's receipt of the DIF Credit Certificate shall complete and conclude Ontario's obligation to pay any future reimbursement amounts to Chino. The one-time reimbursement payment and the conversion of the remaining balance to a DIF Credit Certificate has no impact or obligation on the City's General Fund. Furthermore, the one-time reimbursement payment of the unencumbered available balance will be included in the Second Quarter Budget Update Report presented to the City Council.

BACKGROUND & ANALYSIS: On August 21, 2012, the City of Ontario entered into a Regional Storm Drainage Improvement Reimbursement Agreement with the City of Chino for the reimbursement

of Ontario's share of drainage improvements in Chino serving the Grove Avenue corridor. Ontario's share of the improvement cost is $12,956,885 and is included in the Ontario Ranch Regional Storm Drain DIF Program.

Based on the existing Agreement, Ontario can only reimburse Chino from the payment of drainage fees collected from the development within the Grove Avenue Drainage Tributary Area. However, upon further examination of the latest land use within the Grove Avenue Drainage Tributary Area and the potential DIF collected within this area, it was determined that future development in the Grove Avenue Drainage Tributary Area alone will not generate enough DIF to reimburse the entire amount of Ontario's share of the improvement cost.

The proposed Amendment will allow Ontario to reimburse Chino from Regional Storm Drain DIF collected from development anywhere within Ontario Ranch. In addition, it allows a one-time conversion of the remaining balance of the reimbursement to a DIF Credit Certificate, which may be assigned by Chino to a third party who may then use those DIF Credits to offset future Regional Storm Drain DIF otherwise payable to Ontario for development within Ontario Ranch.

This Amendment has been reviewed and approved by the City Attorneys of both Ontario and Chino.

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Engineering Prepared By: Raymond Lee Staff Member Presenting: Scott Murphy, Executive Director Community Development Reviewed By: Khoi Do Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 7

SUBJECT: AGREEMENTS FOR THE PAYMENT OF OPERATIONS AND MAINTENANCE COSTS FOR THE MILL CREEK WETLANDS AND THE KIMBALL STORM DRAIN BASIN

RECOMMENDATION: That the City Council take the following actions:

A. Approve an agreement for the payment of Operations and Maintenance (O&M) Costs for the Mill Creek Wetlands (MCW) (on file in the Records Management Department) with the City of Chino (Chino), Chino Holding Company LLC (CHC), Chino Preserve Development Corporation (CPDC) and Preserve Master Maintenance Corporation (PMMC);
B. Approve an agreement for the payment of O&M Costs for the Kimball Storm Drain Basin (on file in the Records Management Department) with Chino, Chino Development Corporation (CDC) and PMMC; and
C. Authorize the City Manager to execute said agreements and future amendments within the City Council approved budget.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the Growth and Evolution of the City's Economy
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: Ontario is the lead agency responsible for the O&M of the MCW. Chino's fair share contribution is 17.4% of the annual costs of the total O&M, which is approximately $95,500. In addition to the annual O&M cost, Chino will provide a one-time reimbursement of $324,124 to Ontario for Chino's unpaid share of the past MCW O&M costs.

Chino is the lead agency responsible for the O&M of the Kimball Basin. Ontario's fair share contribution is 74.6% of the annual costs of the storm drain related O&M, which is approximately $23,600. In addition to the annual O&M cost, Ontario will provide a one-time reimbursement of $76,568 to Chino for Ontario's unpaid share of the past O&M costs.

The Fiscal Year 2021-22 Adopted Operating Budget includes appropriations of $549,195 in Maintenance & Repairs Services funds for Ontario's share of the O&M costs for the MCW and Kimball Basin. Future O&M costs will be included in future years' appropriations of the Operating Budget.

BACKGROUND & ANALYSIS: The MCW is a regional water quality treatment facility located in Chino that treats a portion of stormwater runoff and dry weather flows from both cities. Ontario has been maintaining this facility since its completion and will continue to take the lead in the O&M activities. CHC, CPDC, and PMMC owns or maintains properties in Chino that utilizes this facility for stormwater treatment purposes. Since all parties (Ontario, Chino, CHC, CPDC, and PMMC) benefit from and achieve stormwater permit compliance by the MCW, they desire to enter into an agreement to reimburse Ontario for its funding of the past O&M activities and to establish a system to fund future O&M activities.

Likewise, Chino has constructed the Kimball Basin that accepts storm drainage flows from both cities. To ensure the basin is properly maintained and continues to operate effectively, all parties (Ontario, Chino, CDC, and PMMC) desire to enter into an agreement to allow Ontario to reimburse CDC and PMMC for its funding of the past O&M activities and to establish the funding mechanism for future O&M activities.

Both agreements have been reviewed and approved by the City Attorney of both cities.

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Engineering Prepared By: Jaime Maciel-Carrera Staff Member Presenting: Scott Murphy, Executive Director Community Development Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 8

SUBJECT: A RESOLUTION ADOPTING THE MEASURE I FIVE-YEAR CAPITAL PROJECT NEEDS ANALYSIS FOR FISCAL YEARS 2022-23 TO 2026-27

RECOMMENDATION: That the City Council consider and adopt a Resolution approving the FY2022-23 through FY2026-27 Measure I Five-Year Capital Project Needs Analysis (CPNA) and authorize the City Manager to approve changes to the plan as may be required by the City and/or San Bernardino County Transportation Authority (SBCTA).

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the Growth and Evolution of the City's Economy
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The CPNA is a tool to assist the SBCTA Board of Directors and Staff in programming available and projected Measure I Fund revenues. The CPNA is not a budget commitment. The individual projects listed in the CPNA are either currently identified in the City of Ontario Capital Improvement Program Budget (CIP) or will be identified in the CIP at the time that the local fund share is needed and approved by the City Council.

BACKGROUND & ANALYSIS: San Bernardino County voters approved passage of the 2010 through 2040, thirty-year Measure I program in November 2004, authorizing San Bernardino Associated Governments, now SBCTA, to impose a one-half percent sales tax on retail transactions and use tax in the incorporated and unincorporated territories of the County of San Bernardino. Revenue from the tax can only be used for transportation improvements and traffic management programs authorized in the 2010-2040 Measure I Expenditure Plan set forth in Ordinance No. 04-1 of the Authority. The Expenditure Plan for the San Bernardino Valley Subarea, of which Ontario is a part, requires that Measure I revenue be applied to the following programs:

Freeways	29%
Freeway Interchanges	11%
Major Streets (including Railroad Grade Separations)	20%
Local Streets (per capita pass through)	20%
Metrolink/Passenger Rail	8%
Senior/Disabled Transit Service	8%
Express Bus/Bus Rapid Transit Service	2%

Traffic Management Systems 2%

The 2010-2040 Measure I Strategic Plan requires each local jurisdiction applying for revenue from the Measure I Major Street Arterial sub-program and Valley Freeway Interchange program to annually adopt and update a Five-Year CPNA. The Five-Year CPNA is not a funding commitment by either SBCTA or the City, but a tool to assist SBCTA staff and their Board of Directors in programming available Measure I Fund revenues. The CPNA is not a wish list but a financially constrained, realistic schedule of the projects for which the agency intends to use Measure I dollars. "Financially constrained" means that the required local Development Impact Fee (DIF) match contribution will be available before the project begins or the DIF match requirement has been met by an internal Measure I loan arranged with SBCTA in accordance with the Measure I Strategic Plan.

The Five-Year CPNA covers projects in the Measure I Major Street Arterial sub-program and Valley Freeway Interchange program. This year's Five-Year CPNA includes the following projects: Grove Avenue widening from Fourth Street to Airport Drive (design only); Grove Avenue/Holt Boulevard intersection widening; Mountain Avenue/Holt Boulevard intersection widening; Etiwanda Avenue/Airport Drive intersection improvements; and SR-60 at Archibald Avenue interchange improvements. Also included are three (3) projects that will be constructed as part of SBCTA's I-10 Express Lane Project - the Fourth Street bridge undercrossing improvement (between I-10 eastbound and westbound ramps); I-10 at Vineyard Avenue interchange improvements; and I-10 at Euclid Avenue interchange improvements. Grade separation projects are not included in the CPNA as they are accounted for in separate agreements.

The CPNA process requires that the City Council approve the CPNA by Resolution. City staff anticipates that there may need to be changes to the CPNA during the fiscal year. Therefore, Staff is recommending that the City Manager be given the authority to approve changes to the CPNA as requested by SBCTA and/or City staff, provided the changes do not conflict with the approved budget.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE MEASURE I FIVE-YEAR CAPITAL PROJECT NEEDS ANALYSIS FOR FY2022-23 TO FY2026-27.

WHEREAS, San Bernardino County voters approved passage of Measure I in November 2004, authorizing the San Bernardino County Transportation Authority to impose a one-half of one percent retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of San Bernardino; and

WHEREAS, revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plans set forth in Ordinance No. 04-1 of the Authority; and

WHEREAS, the Strategic Plan requires each local jurisdiction applying for revenue from certain Measure I Programs to annually adopt and update a Five-Year Capital Project Needs Analysis; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario, California, APPROVES the Measure I Five-Year Capital Project Needs Analysis for FY 2022-23 through FY2026-27, attached to this Resolution as Exhibit “A” and hereby incorporated by this reference.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of September 2021.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO LEGAL FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2021- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held September 21, 2021 by the following roll call vote, to wit:

AYES: MAYOR/COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2021- duly passed and adopted by the Ontario City Council at their regular meeting held September 21, 2021.

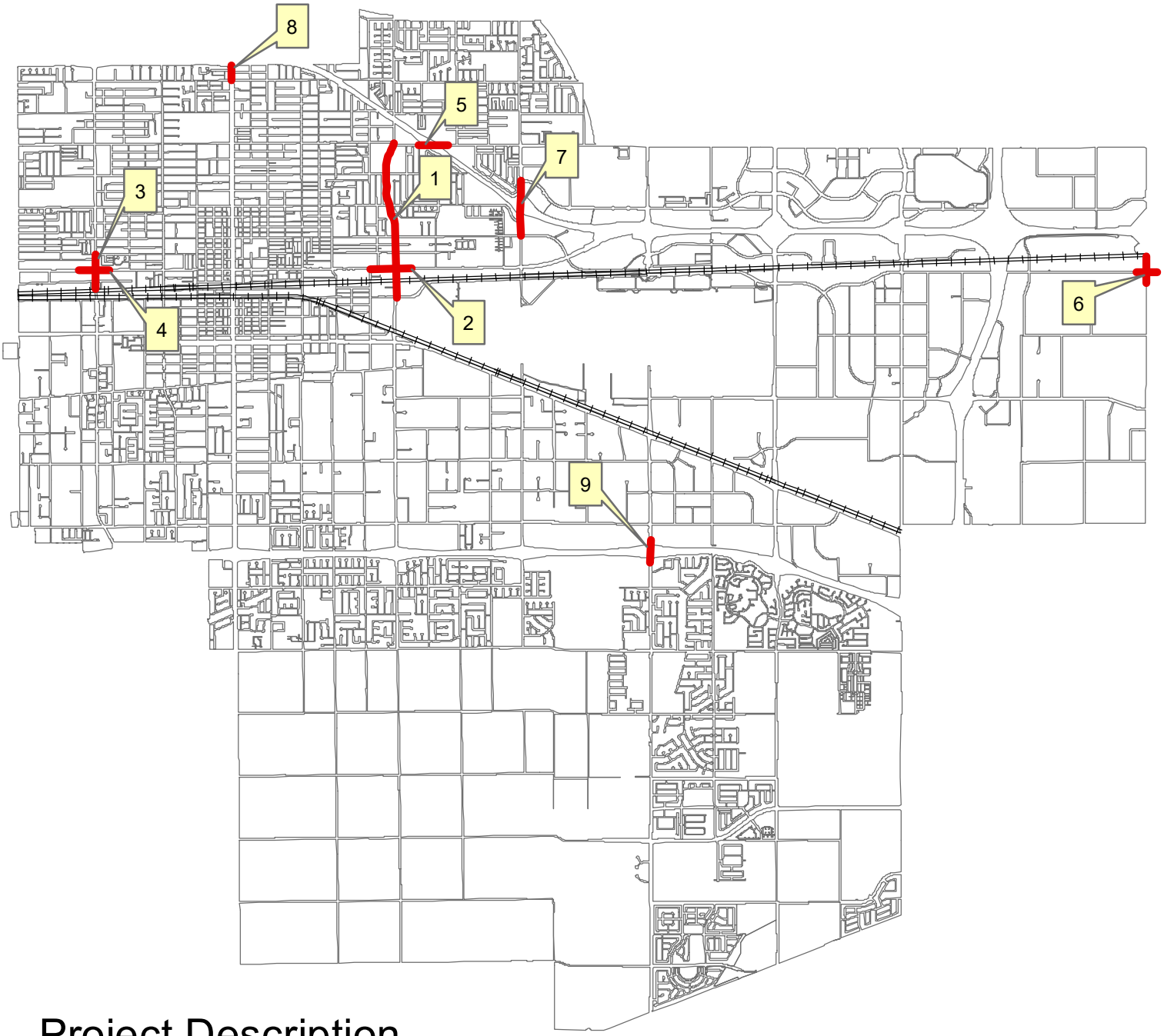
_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

Exhibit A

Five-Year Capital Project Needs Analysis

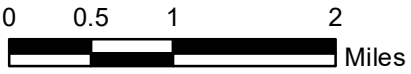
2022/2023 - 2026/2027



Project Description

1 Widen Grove Ave. from Fourth St. to Airport Dr. from 4 to 6 lanes.
2 Widen Holt Blvd. from 750 ft. west of to 750 ft. east of Grove Ave.from 4 to 6 lanes.
3 Widen Mountain Ave. between Brooks St. and Vesta St. from 4 to 6 lanes.
4 Widen Holt Blvd. from 750 ft. west of to 750 Ft. east of Mountain Ave. from 4 to 6 lanes.
5 Fourth Street Bridge Undercrossing Improvement.
6 Etiwanda Avenue and Airport Drive Intersection Improvements.
7 I-10 at Vineyard Ave. Interchange Improvements.
8 I-10 at Euclid Ave. Interchange Improvements.
9 SR-60 at Archibald Ave. Interchange Improvements.





August 17, 2020
By: Johnson Hua
S:\Engineering\TRAFFIC & TRANSPORTATION\TRAFFIC OPERATIONS\
Maps\Five-Year Capital Project Needs Analysis Grove 2022/2023 - 2026/2027.pd

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Arterial Sub-Program
Project Name: Widen Grove Ave from I-10 to Holt Blvd from 4 to 6 lanes, Including W. Cuc. Creek Bridge
Agency Project Name: Grove Corridor Widening (Fourth St to Airport Dr) and Holt Blvd/Grove Ave Intersection Widening
Agency reported Total Project Cost: $4,100,000
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **32,200,000**	**PA&ED**	MI ART	5,589	0	0	0	0	0	0	5,589
		DEMO	50,260	0	0	0	0	0	0	50,260
		DEV FEE	4,463	0	0	0	0	0	0	4,463
		Total	60,312	0	0	0	0	0	0	**60,312**
Total Presented Funding: **2,356,582**	**PS&E**	MI ART	164,726	0	0	0	0	0	0	164,726
		DEV FEE	131,544	0	0	0	0	0	0	131,544
		Total	296,270	0	0	0	0	0	0	**296,270**
Total Measure I Request: **1,282,315**	**ROW**	MI ART	34,750	104,250	0	0	0	0	0	139,000
		DEV FEE	27,750	83,250	0	0	0	0	0	111,000
		Total	62,500	187,500	0	0	0	0	0	**250,000**
	CONST	MI ART	0	243,250	729,750	0	0	0	0	973,000
		DEV FEE	0	194,250	582,750	0	0	0	0	777,000
		Total	0	437,500	1,312,500	0	0	0	0	**1,750,000**
	Total		**419,082**	**625,000**	**1,312,500**	**0**	**0**	**0**	**0**	**2,356,582**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: Costs include PA&ED of the Grove Corridor project; and PS&E, ROW and CON for the Grove portion of the Holt/Grove intersection project.

Last Update: 8/18/2020 2:40:26 PM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Arterial Sub-Program
Project Name: Widen Holt Blvd from Benson Ave to Vineyard Ave from 4 to 6 lanes
Agency Project Name: Widen Holt Blvd. from 750 ft. west to 750 ft. east of Grove Ave. from 4 to 6 lanes
Agency reported Total Project Cost: $2,400,000
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **48,817,215**	**PA&ED**	Total								
Total Presented Funding: **2,296,270**	**PS&E**	MI ART	164,726	0	0	0	0	0	0	164,726
		DEV FEE	131,544	0	0	0	0	0	0	131,544
		Total	296,270	0	0	0	0	0	0	**296,270**
Total Measure I Request: **1,276,726**	**ROW**	MI ART	34,750	104,250	0	0	0	0	0	139,000
		DEV FEE	27,750	83,250	0	0	0	0	0	111,000
		Total	62,500	187,500	0	0	0	0	0	**250,000**
	CONST	MI ART	0	243,250	729,750	0	0	0	0	973,000
		DEV FEE	0	194,250	582,750	0	0	0	0	777,000
		Total	0	437,500	1,312,500	0	0	0	0	**1,750,000**
	Total		**358,770**	**625,000**	**1,312,500**	**0**	**0**	**0**	**0**	**2,296,270**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: This is a portion of Nexus Project "Widen Holt Blvd from Benson Ave to Vineyard Ave from 4 to 6 lanes". Costs include the PS&E, ROW and CON for the Holt portion of the Holt/Grove intersection project.

Last Update: 8/18/2020 2:45:51 PM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Arterial Sub-Program
Project Name: Widen Mountain Ave from Sixth Street to s/o Holt Blvd
Agency Project Name: Widen Mountain Ave. between Brooks and Vesta Streets from 4 to 6 lanes
Agency reported Total Project Cost: $5,130,636
Escalation Factor:0%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **7,467,000**	**PA&ED**	Total								
Total Presented Funding: **5,130,636**	**PS&E**	MI ART	207,938	23,105	0	0	0	0	0	231,043
		DEV FEE	166,052	18,450	0	0	0	0	0	184,502
		Total	373,990	41,555	0	0	0	0	0	**415,545**
Total Measure I Request: **2,852,634**	**ROW**	MI ART	569,831	189,944	0	0	0	0	0	759,775
		DEV FEE	455,045	151,682	0	0	0	0	0	606,727
		Total	1,024,876	341,626	0	0	0	0	0	**1,366,502**
	CONST	MI ART	1,675,634	186,182	0	0	0	0	0	1,861,816
		DEV FEE	1,338,096	148,677	0	0	0	0	0	1,486,773
		Total	3,013,730	334,859	0	0	0	0	0	**3,348,589**
	Total		**4,412,596**	**718,040**	**0**	**0**	**0**	**0**	**0**	**5,130,636**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: This is a portion of Nexus Project "Widen Mountain Ave from Sixth Street to s/o Holt Blvd". Costs include the PS&E, ROW and CON for the Mountain portion of the Holt/Mountain intersection project.

Last Update: 9/3/2021 1:26:18 PM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Arterial Sub-Program
Project Name: Widen Holt Blvd from Benson Ave to Vineyard Ave from 4 to 6 lanes
Agency Project Name: Widen Holt Blvd. from 750 ft. west of to 750 ft. east of Mountain Ave. from 4 to 6 lanes
Agency reported Total Project Cost: $5,130,636
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **48,817,215**	**PA&ED**	Total								
Total Presented Funding: **5,130,636**	**PS&E**	MI ART	207,938	23,105	0	0	0	0	0	231,043
		DEV FEE	166,052	18,450	0	0	0	0	0	184,502
		Total	373,990	41,555	0	0	0	0	0	**415,545**
Total Measure I Request: **2,852,634**	**ROW**	MI ART	569,831	189,944	0	0	0	0	0	759,775
		DEV FEE	455,045	151,682	0	0	0	0	0	606,727
		Total	1,024,876	341,626	0	0	0	0	0	**1,366,502**
	CONST	MI ART	1,675,634	186,182	0	0	0	0	0	1,861,816
		DEV FEE	1,338,096	148,677	0	0	0	0	0	1,486,773
		Total	3,013,730	334,859	0	0	0	0	0	**3,348,589**
	Total		**4,412,596**	**718,040**	**0**	**0**	**0**	**0**	**0**	**5,130,636**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: This is a portion of Nexus Project "Widen Holt Blvd from Benson Ave to Vineyard Ave from 4 to 6 lanes". Costs include PS&E, ROW and CON for the Holt portion of the Holt/Mountain intersection project.

Last Update: 9/3/2021 1:43:41 PM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Arterial Sub-Program
Project Name: Replace 4th St structure between I-10 westbound ramps and I-10 eastbound ramps and widen to 5 lanes
Agency Project Name: Fourth Street Bridge Undercrossing Improvement
Agency reported Total Project Cost: $21,566,769
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **21,567,000**	**PA&ED**	MI ART	347,700	0	0	0	0	0	0	347,700
		DEV FEE	277,660	0	0	0	0	0	0	277,660
		Total	625,360	0	0	0	0	0	0	**625,360**
Total Presented Funding: **21,566,768**	**PS&E**	MI ART	626,127	0	0	0	0	0	0	626,127
		DEV FEE	500,001	0	0	0	0	0	0	500,001
		Total	1,126,128	0	0	0	0	0	0	**1,126,128**
Total Measure I Request: **11,991,122**	**ROW**	MI ART	1,218,008	0	0	0	0	0	0	1,218,008
		DEV FEE	972,654	0	0	0	0	0	0	972,654
		Total	2,190,662	0	0	0	0	0	0	**2,190,662**
	CONST	MI ART	8,740,300	1,058,987	0	0	0	0	0	9,799,287
		DEV FEE	1,441,567	0	0	0	0	0	0	1,441,567
		DEV LOAN	5,538,098	845,666	0	0	0	0	0	6,383,764
		Total	15,719,965	1,904,653	0	0	0	0	0	**17,624,618**
	Total		**19,662,115**	**1,904,653**	**0**	**0**	**0**	**0**	**0**	**21,566,768**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: Loan agreement for $6,383,764 of City DIF share. SBCTA is the lead agency on the project.

Last Update: 9/3/2021 9:49:14 AM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Arterial Sub-Program
Project Name: Spot Widen Airport Dr from Kettering to Etiwanda Ave from 2 to 4 lanes, including intersection at Etiwanda/Slover
Agency Project Name: Etiwanda Avenue and Airport Drive Intersection Improvements
Agency reported Total Project Cost:
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **5,270,000**	**PA&ED**	Total								
Total Presented Funding: **3,346,396**	**PS&E**	Total								**0**
Total Measure I Request: **1,860,596**	**ROW**	MI ART	55,600	0	0	0	0	0	0	55,600
		DEV FEE	44,400	0	0	0	0	0	0	44,400
		Total	100,000	0	0	0	0	0	0	**100,000**
	CONST	MI ART	1,353,747	451,249	0	0	0	0	0	1,804,996
		DEV FEE	1,081,050	360,350	0	0	0	0	0	1,441,400
		Total	2,434,797	811,599	0	0	0	0	0	**3,246,396**
	Total		**2,534,797**	**811,599**	**0**	**0**	**0**	**0**	**0**	**3,346,396**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: City of Fontana is the lead agency on the project.

Last Update: 9/3/2021 10:38:10 AM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Freeway Interchange Program
Project Name: I-10 & Vineyard Ave
Agency Project Name:
Agency reported Total Project Cost: $3,007,680
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **1,800,000**	**PA&ED**	MI VFI	32,112	0	0	0	0	0	0	32,112
		DEV FEE	48,168	0	0	0	0	0	0	48,168
		Total	80,280	0	0	0	0	0	0	**80,280**
Total Presented Funding: **3,007,680**	**PS&E**	MI VFI	64,224	0	0	0	0	0	0	64,224
		DEV FEE	96,336	0	0	0	0	0	0	96,336
		Total	160,560	0	0	0	0	0	0	**160,560**
Total Measure I Request: **1,203,072**	**ROW**	MI VFI	110,800	0	0	0	0	0	0	110,800
		DEV FEE	166,200	0	0	0	0	0	0	166,200
		Total	277,000	0	0	0	0	0	0	**277,000**
	CONST	MI VFI	889,734	106,202	0	0	0	0	0	995,936
		DEV FEE	1,334,602	159,302	0	0	0	0	0	1,493,904
		Total	2,224,336	265,504	0	0	0	0	0	**2,489,840**
	Total		**2,742,176**	**265,504**	**0**	**0**	**0**	**0**	**0**	**3,007,680**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: SBCTA is the lead agency on the project.

Last Update: 9/3/2021 10:44:47 AM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Freeway Interchange Program
Project Name: I-10 & Euclid Ave
Agency Project Name:
Agency reported Total Project Cost: $624,591
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **630,000**	**PA&ED**	MI VFI	118,944	0	0	0	0	0	0	118,944
		DEV FEE	16,704	0	0	0	0	0	0	16,704
		Total	135,648	0	0	0	0	0	0	**135,648**
Total Presented Funding: **4,873,866**	**PS&E**	MI VFI	225,994	0	0	0	0	0	0	225,994
		DEV FEE	31,738	0	0	0	0	0	0	31,738
		Total	257,732	0	0	0	0	0	0	**257,732**
Total Measure I Request: **4,249,275**	**ROW**	MI VFI	492,130	0	0	0	0	0	0	492,130
		DEV FEE	69,113	0	0	0	0	0	0	69,113
		Total	561,243	0	0	0	0	0	0	**561,243**
	CONST	MI VFI	3,043,320	368,887	0	0	0	0	0	3,412,207
		DEV FEE	453,243	53,793	0	0	0	0	0	507,036
		Total	3,496,563	422,680	0	0	0	0	0	**3,919,243**
	Total		**4,451,186**	**422,680**	**0**	**0**	**0**	**0**	**0**	**4,873,866**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: SBCTA is the lead agency on the project.

Last Update: 9/3/2021 10:47:36 AM

erence: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Ontario
Program: Valley Freeway Interchange Program
Project Name: SR-60 & Archibald Ave
Agency Project Name:
Agency reported Total Project Cost: $23,910,000
Escalation Factor:%

Actual Prior Year Dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 55.60% | Dev. Share: 44.40%

		Funding	Prior	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Future	Total
Nexus Total Project Cost (All phases): **9,650,000**	**PA&ED**	MI VFI	274,750	0	0	0	0	0	0	274,750
		DEV FEE	535,721	0	0	0	0	0	0	535,721
		Total	810,471	0	0	0	0	0	0	**810,471**
Total Presented Funding: **23,910,000**	**PS&E**	MI VFI	457,746	0	0	0	0	0	0	457,746
		DEV FEE	892,538	0	0	0	0	0	0	892,538
		Total	1,350,284	0	0	0	0	0	0	**1,350,284**
Total Measure I Request: **6,956,327**	**ROW**	MI VFI	301,493	339,000	0	0	0	0	0	640,493
		DEV FEE	587,866	661,000	0	0	0	0	0	1,248,866
		Total	889,359	1,000,000	0	0	0	0	0	**1,889,359**
	CONST	MI VFI	5,583,338	0	0	0	0	0	0	5,583,338
		DEV FEE	14,276,548	0	0	0	0	0	0	14,276,548
		Total	19,859,886	0	0	0	0	0	0	**19,859,886**
	Total		**22,910,000**	**1,000,000**	**0**	**0**	**0**	**0**	**0**	**23,910,000**

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 20/21 expenses.

Project Comments: SBCTA is the lead agency on the project.

Last Update: 9/3/2021 10:57:06 AM

erence: Measure I Policy 40006

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Housing Prepared By: Katryna Gonzalez Staff Member Presenting: Scott Murphy, Executive Director Community Development Approved By: 	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 9

SUBJECT: ONTARIO HOUSING AUTHORITY ANNUAL REPORT FOR FISCAL YEAR 2020-21

RECOMMENDATION: That the Board of Directors of the Ontario Housing Authority ("OHA") approve the OHA Annual Report for the Fiscal Year 2020-21 (on file in the Records Management Department) and authorize the Executive Director of the OHA to transmit to the California Department of Housing and Community Development the OHA Annual Report as required by State law.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Pursue City's Goals and Objectives by Working with Other Governmental Agencies
Focus Resources in Ontario's Commercial and Residential Neighborhoods

FISCAL IMPACT: Approval of this annual report has no direct fiscal impact.

BACKGROUND & ANALYSIS: In accordance with Health and Safety Code ("HSC") Sections 34328 and 34328.1, the Authority must prepare a complete report of its activities during the previous fiscal year. The OHA Annual Report must be filed with the City Clerk and submitted to the California Department of Housing and Community Development ("HCD").

The OHA Annual Report has been prepared to comply with the requirements of HSC Sections 34328, 34328.1, and 34312.3, which require the following information:

- A complete report of activities taken during the prior fiscal year;
- Verification of compliance with the following requirements:
    - Minimum amount of housing units affordable to lower income households in housing projects assisted;
    - Documentation regarding any minimum and maximum rent requirement for lower income households pursuant to state and federal requirements; and
    - Data on termination of tenancies due to domestic violence in housing authority units and a summary of actions taken to address termination of tenancies resulting from domestic violence.

All Ontario Housing Authority properties meet all affordability requirements.

CITY OF ONTARIO





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Prepared by the
Ontario Housing Authority
303 East B Street
Ontario, CA 91764
(909) 395-2006

Ontario Housing Authority
Annual Report for FY 2020-21

TABLE OF CONTENTS

I. INTRODUCTION 1

A. ANNUAL REPORT CONTENTS 1

II. AUTHORITY ACTIVITIES SUBJECT TO HSC 34312.3 1

A. BONDS FOR MULTI-FAMILY HOUSING 1

B. LOANS FOR MULTI-FAMILY HOUSING 1

C. FINANCING AGREEMENTS 2

D. AUTHORITY OWNED ASSETS 3

E. DEVELOPED AND/OR REHABILITATED HOUSING PROJECTS 5

F. SPECIAL PROGRAMS 5

III. HOUSING COMPLIANCE 5

A. HOUSING AFFORDABILITY REQUIREMENT 6

B. MINIMUM AND MAXIMUM RENTS 9

IV. DOMESTIC VIOLENCE 10

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ONTARIO HOUSING AUTHORITY

Annual Report for Fiscal Year 2020-21

I. INTRODUCTION

Pursuant to California Health and Safety Code ("HSC") 34328, all housing authorities must file annually with their respective City or County Clerk and with the California Department of Housing and Community Development ("HCD") a report ("Annual Report") of its activities for the preceding year.

A. ANNUAL REPORT CONTENTS

This Annual Report has been developed to comply with the reporting requirements of HSC 34328 and 34328.1, including:

i. To provide a complete report of activities during FY 2020-21 including: any bond issuances; loans, or finance agreements that the Ontario Housing Authority ("Authority") has entered into; and properties acquired, sold, developed, rehabilitated, or leased;

ii. To report on compliance with the requirements of HSC 34312.3 such as the minimum amount of housing units affordable to lower income households in projects assisted by the Authority, and establishment of base rents and/or maximum rental payments for lower income households; and

iii. To document any domestic violence tenancy terminations or Section 8 voucher terminations as required by HSC 34328.1

II. AUTHORITY ACTIVITIES SUBJECT TO HSC 34312.3

Pursuant to HSC Section 34312.3, the Authority must provide a complete report of its activities taken during the prior fiscal year, which includes bonds, loans, and financing agreements for multi-family rental projects.

A. BONDS FOR MULTI-FAMILY HOUSING

During FY 2020-21, the Authority did not issue any bonds.

B. LOANS FOR MULTI-FAMILY HOUSING

During FY 2020-21, the Authority did not enter into any loan agreements for Multi-Family Housing.

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C. FINANCING AGREEMENTS

During FY 2016-17, the Authority entered into two housing agreements including: Emporia Multi-Family Development, and Guadalupe Residence (411 N. Parkside). During FY 2017-18, the Authority entered into a financing agreement for the Virginia-Holt Multi-Family Development. During FY 2018-19, the Authority closed escrow and entered into financing agreements for the Emporia Place Development and the Virginia-Holt Multi-Family Development (a/k/a Vista Verde Apartments). During FY 2020-21, the Authority entered into one housing agreement for the Emporia Place Phase II Development.

Listed below is a summary of all the financing agreements and the actions that occurred during FY 2020-21:

1. Vista Verde Apartments (formerly known as Virginia Holt Apartments)

On November 7, 2017, the Authority approved a Disposition and Development Agreement (DDA) with National Community Renaissance of California (Developer), for the construction of a 101-unit housing development. As detailed in the DDA, the Authority will provide a gap loan of $4,420,000.

This development is a key component of the City of Ontario's Transformative Climate Communities (TCC) Program funding for the implementation of a variety of community development activities within and around downtown Ontario. The TCC Program is a competitive statewide grant program funded through the State's Cap-and-Trade Program, also known as the California Climate Investments (CCI). During January 2018, the SGC awarded $33.2 million to Ontario, one of only three projects within the State to be funded.

In addition, on March 19, 2019, the City of Ontario approved the issuance of multifamily housing bonds in the amount of $21,000,000 and a loan agreement for TCC funds in the amount of $14,729,325 to support the development of this project. On October 17, 2018, the Developer was awarded a $13.5 million 4% Low Income Tax Credit allocation.

Escrow closed on April 25, 2019, transferring the land from the Authority to Virginia-Holt Housing LP. This $36.7 million development began construction during Fiscal Year 2018-19 and was completed in March 2021. A grand opening celebration was held, and all units were leased and occupied in June 2021. The project will provide the following affordable housing units:

Vista Verde Affordability Restrictions			
	2BR	**3BR**	**Total Number of Units**
30% of AMI Units			
# of Units	15	6	**21**
50% of AMI Units			
# of Units	22	15	**37**
60% of AMI			
# of Units	32	10	**42**
Property Manager Unit	0	1	**1**
TOTAL UNITS	**69**	**32**	**101**

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2. **Guadalupe Residence (411 N. Parkside)**

On June 20, 2017, the Authority approved the HOME Partnership Agreement with the City of Ontario and Mercy House CHDO for the sale of an affordable housing project, located at 411 N. Parkside Avenue. As part of this project, Mercy House CHDO will purchase the property, located at 411 N. Parkside from the Ontario Housing Authority.

Escrow was closed on February 14, 2018, transferring the property to Mercy House CHDO. All units were previously restricted to moderate-income households and have now been converted to provide five units restricted to low-income households and three units to very low-income households. The rehabilitation scope of work was developed during FY 2019-20. The construction was delayed due to the COVID-19 pandemic and coordination with the solar energy installation provider. Construction is expected to begin in early 2022 and be completed by spring 2022.

3. Emporia Place Phase II Development

On April 20, 2021, the Authority approved a Disposition and Development Agreement with Related Companies of California (Developer), for the construction of a 50-unit housing development. As detailed in the DDA, the Authority will provide a gap loan of $8,000,000. This project will supplement the recently constructed Emporia Place development, which consists of 75-units of affordable housing. The Developer is working toward obtaining the additional financing for the project.

In addition to the housing development and financing agreements noted above, the Ontario Housing Authority entered into two Disposition and Development Agreements for two sites owned by the Authority that currently are vacant land. No Authority financing was associated with these agreements and funds received from the disposition of these assets will be added to the Ontario Housing Authority funds for future development of affordable housing.

D. AUTHORITY OWNED ASSETS

The Authority owns 61 rental units, a former mobile home park, three sites with long term ground leases for affordable housing, and various parcels for future housing development.

Listed on the table on the following page is all the Authority owned real estate assets:

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Authority Owned Assets			
Development Name	**Site Address**	**APN**	**Current Use**
Continuum of Care Permanent Housing Units	Begonia Apartments (209, 216, 217, 222, 223, 228, & 231 N. Begonia Ave.)	1010-521-15, -18, -14, -19, -13, -20, and -12	Affordable Housing
	Begonia Apartments (305 N. Begonia Ave.)	1010-521-11	Leased to Mercy House CHDO
	Francis Apartments (307-311 W. Francis St.)	1050-371-24	Leased to Mercy House CHDO
Euclid In-Fill	110 E. Maitland St.	1049-511-03	Vacant Land
	1004 S. Euclid Ave.	1049-563-10	
	1325 S. Euclid Ave.	1049-531-02	
	1329 S. Euclid Ave.	1049-531-01	
Hollowell Apartments	1165 W. Hollowell St.	1010-521-03	Affordable Housing
Ideal Mobile Home Park	905 E. Holt Blvd.	1048-481-08	Vacant Land
Infill Housing	115-115 1/2 S. Sultana Ave.	1049-091-11	Vacant Land
	1038 E. Fourth St.	1048-131-52	Vacant Land
Mountain View Senior Apartments Phase II	511 N. Palmetto Ave.	1010-461-08	Ground Lease
Ontario Town Square A-1	0 N. Euclid Ave.	1048-553-01	Vacant Land
	115 N. Lemon Ave.	1048-553-05	
	127 E. Holt Blvd.	1048-553-06	
	123 E. Holt Blvd.	1048-553-07	
	117 E. Holt Blvd..	1048-553-08	
	115 E. Holt Blvd.	1048-553-09	
	0 N. Euclid Ave.	1048-553-10	
	110 N. Euclid Ave.	1048-553-11	
	110, 110 1/2, 112, 114 N. Euclid Ave.	1048-553-12	
	114-116 N. Euclid Ave.	1048-553-13	
	118 N. Euclid Ave.	1048-553-14	
	120 N. Euclid Ave.	1048-553-15	
Ontario Town Square B-1	"C" Street	1048-552-15	Various Uses
	224 N. Euclid Ave.	1048-552-16	
	240 N. Euclid Ave.	1048-552-17	
Ontario Town Square C-1	308 N. Euclid Ave.	1048-551-11	Vacant Land and Parking Lots
	334 N. Euclid Ave.	1048-551-12	
	127 E. "C" St.	1048-551-13	
Palm Terrace Senior Apartments Phase II	1449 E. "D" St.	0110-254-78	Ground Lease
Seasons at Gateway	955 N. Palmetto Ave	1010-141-08	Ground Lease
Vesta Apartments	520 – 526 ½ W. Vesta St.	1048-581-58	Affordable Housing
Vesta Apartments	1164 W. Vesta St.	1010-521-02	Affordable Housing

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E. DEVELOPED AND/OR REHABILITATED HOUSING PROJECTS

During this reporting period, the Authority did not perform any development or rehabilitation activities.

F. SPECIAL PROGRAMS

During this reporting period, the Authority was one of the lead agencies in operating Ontario's Continuum of Care. Listed below is a description of the special programs:

i. Continuum of Care

Through a partnership with the City of Ontario and Mercy House, the Authority is implementing Ontario's Continuum of Care, which has been designed to provide a comprehensive homeless strategy to assist homeless individuals and families in becoming self-sufficient. This comprehensive Continuum of Care was developed during FY 2004-05. The final component of the Continuum of Care, the Ontario Access Center was completed during FY 2013-14. The City, the Authority, and Mercy House continue to work together to implement this strategy to address homelessness within Ontario. This strategy provides for a full-service intake center, up to 34 transitional housing beds, and 76 permanent housing units for homeless individuals and families.

In addition, the Authority worked cooperatively with the Housing Authority of the County of San Bernardino, the County of San Bernardino Department of Behavioral Health, and Mercy House to administer 12 Permanent Supportive Housing (PSH) vouchers that are available to provide rental subsidies and wrap around supportive services for mentally ill homeless individuals and families. These 12 PSH vouchers are restricted to 12 units within the Continuum of Care's permanent housing unit inventory. With all the agencies working together, the Housing Authority of the County of San Bernardino continues to work with the U.S. Department of Housing and Urban Development to renew this contract.

III. HOUSING COMPLIANCE

As set forth by HSC Sections 34328 and 34328.1, the Authority is required to:

- Show compliance with requirements of HSC Section 34312.3 such as the minimum amount of housing units affordable to lower income in projects assisted by the Authority, and document established base rents and/or maximum rental payment for lower income households; and

- Document any domestic violence tenancy or Section 8 voucher termination as required by HSC Section 34328.1.

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A. HOUSING AFFORDABILITY REQUIREMENT

Pursuant to HSC Section 34312.3, not less than 20 percent of the units assisted by the Authority, or 15 percent in targeted areas, as defined by Section 103(b) (12)(A) of Title 26 of the United States Code, must be affordable to persons of low income. Of that amount, not less than one-half must be available to persons of very low-income, if the housing development is financed by bonds.

As shown in the tables on the following pages, the Authority complies with the established affordability requirements of HSC Section 34312.3.

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Multi-Family Residential Real Estate Assets (Owned or assisted by the Authority)										
Project Name	**Location**	**Funding Source**	**Building Owner**	**Project Type**	**Affordability Restrictions**					
					ELI	**VL**	**Low**	**Mod**	**PM**	**Total**
Continuum of Care Permanent Housing Units (Begonia Apartments)[1, 2,]	209, 216, 217, 222, 223, 228, and 231 N. Begonia Ave.	HOME, Low and Moderate Income Housing Funds (LMIHF), Neighborhood Stabilization Program (NSP) NSP1, and NSP3	Authority	Family Rental	0	14	11	2	1	28
Continuum of Care Permanent Housing Units (Begonia Apartments)	305 N. Begonia Ave.	HOME, and LMIHF	Leased to Mercy House CHDO	Family Rental	0	0	4	0	0	4
Emporia Place	220 South Fern Avenue	LIHTC, Low and Moderate Income Housing Agency Funds (LMIHAF), and OHA funds.	Ontario Emporia Housing Partners, L.P.	Family Housing	8	42	24	0	1	75
Homeless Continuum of Care Permanent Housing Units (Francis Apartments) [3]	307, 309, 311 W. Francis St.	HOME and LMIHF	Leased to Mercy House CHDO	Family Rental	0	3	8	4	0	15
Hollowell Apartments	1165 W. Hollowell St.	HOME and NSP3	Authority	Family Rental	0	2	1	1	0	4
Ideal Mobile Home Park	905 E. Holt Blvd.	LMIHF	Authority	Former Mobile Home Park	0	0	0	0	0	0
Mountain View Senior Apartments Phase II (Ground Lease)	511 N. Palmetto Ave.	Low Income Housing Tax Credits (LIHTC), LMIHF, and Private Financing	Ontario Housing Investors II, LP	Senior Rental	0	16	4	0	0	20
Palm Terrace Senior Apartments (Ground Lease)	1449 E. "D" St.	HOME and HUD Section 202	D Street Senior Housing, Inc.	Senior Rental	0	47	0	0	1	48
Vesta Apartments	520 W. Vesta St.	HOME and Community Development Block Grant (CDBG)	Authority	Family Rental	0	2	2	2	0	6
Vesta Apartments	1164 W. Vesta St.	HOME and NSP3	Authority	Family Rental	0	0	4	0	0	4

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Multi-Family Residential Real Estate Assets (Owned or assisted by the Authority)										
Project Name	**Location**	**Funding Source**	**Building Owner**	**Project Type**	**Affordability Restrictions**					
					ELI	**VL**	**Low**	**Mod**	**PM**	**Total**
Vista Verde Apartments	110 and 112 North Virginia Avenue	LIHTC, Tax Exempt Bonds, Transformative Climate Communities (TCC), and OHA funds.	Virginia-Holt Housing, LP	Family Housing	21	37	42	0	1	101
				TOTAL	**29**	**163**	**100**	**9**	**4**	**305**
				Percentages	**10%**	**53%**	**33%**	**3%**	**1%**	**100%**
[1] *Seven moderate-income units are being assisted through Project Gateway (S+C) rental subsidies, which allows those units to be classified as very low-income units pursuant to Section 34312.3(c)(6)(A)*										
[2] *Two moderate-income units are being assisted through HOME Tenant Based Rental Assistance (TBRA) rental subsidies, which allows those units to be classified as a very low-income unit pursuant to Section 34312.3(c)(6)(A)*										
[3] *One moderate-income unit is being assisted through TBRA rental subsidies being assisted through TBRA rental subsidies, which allows those units to be classified as a very low-income units pursuant to Section 34312.3(c)(6)(A)*										

Multi-Family Residential Real Estate Assets (Transferred to the Authority from the former Agency)									
Project Name	**Location**	**Funding Source**	**Building Owner**	**Project Type**	**Affordability Restrictions**				
					VL	**Low**	**Mod**	**PM**	**Total**
Seasons at Ontario (Ground Lease)	955 N. Palmetto Ave.	LIHTC, LMIHF, and Tax Exempt Bonds	LINC Ontario Apartments LP	Senior Housing	32	46	0	2	80
				TOTAL	**32**	**46**	**0**	**2**	**80**
				Percentages	**40%**	**58%**	**0%**	**2%**	**100%**

DRAFT

B. MINIMUM AND MAXIMUM RENTS

HSC Section 34312.3(c) establishes a set of guidelines to determine base and maximum rents that a housing authority can charge for units reserved for lower income households. According to HSC Section 34312.3(c)(2)(B), rental payments for very low-income units shall not exceed the amount derived by multiplying 30 percent times 50 percent of the median adjusted for family size, as determined pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f). At this time, the Authority has not established a schedule of base rental payment.

Listed in the table below are the 2021 maximum gross rents that were established for Successor Housing Entities monitoring projects that were previously funded with LMIHF unless there were other affordable housing definitions included in the regulatory agreements transferred to the Authority:

LMIHF-FUNDED PROJECTS					
	Studio	**One Bedroom**	**Two Bedroom**	**Three Bedroom**	**Four Bedroom**
Extremely Low Income (30% of AMI)	$407	$465	$523	$581	$628
Very Low Income (50% of AMI)	$678	$775	$872	$969	$1,046
Low Income (80% of AMI)	$814	$930	$1,046	$1,163	$1,256
Moderate Income (120% of AMI)	$1,492	$1,705	$1,918	$2,131	$2,302

In general, the above rental amounts are calculated as follows:

- For extremely low income units, the maximum rental amount is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit;
- For very low income units, the maximum rental amount is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit;
- For low income units, the maximum rental amount is the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit; and
- For moderate income units, the maximum rental amount is the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit.

Listed in the table below are the maximum gross rents that were established for 2021 HOME funded projects:

HOME-FUNDED PROJECTS					
	Studio	**One Bedroom**	**Two Bedroom**	**Three Bedroom**	**Four Bedroom**
Low HOME Rent	$691	$740	$888	$1,027	$1,146
High HOME Rent	$879	$943	$1,134	$1,302	$1,433

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IV. DOMESTIC VIOLENCE

State law requires that a housing authority annually disclose data related to domestic violence incidents in units owned or operated by the housing authority. Specifically, the data must include:

- Data on termination of tenancies and/or Section 8 vouchers of victims of domestic violence in housing authority units; and

- Summary of steps taken by the housing authority to address any termination of tenancies and/or Section 8 vouchers of victims of domestic violence.

The Authority did not terminate tenancies for domestic violence during FY 2020-21. In the future, information on any terminations of this kind will be presented under separate cover to protect the privacy of the parties involved.

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CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Information Technology Prepared By: Dale Wishner Staff Member Presenting: Colin Fernandes, Executive Director Information Technology Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 10

SUBJECT: AUTHORIZE THE PURCHASE OF DESKTOP TELEPHONES

RECOMMENDATION: That the City Council award Bid No. 1462 and authorize the purchase of telephone equipment from CompuNet, Inc. of Meridian, Idaho, in the amount of $225,836.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner

FISCAL IMPACT: The Fiscal Year 2021-22 Adopted Budget includes appropriations for the replacement of the City Hall network equipment. The cost includes a one year warranty.

BACKGROUND & ANALYSIS: The manufacturer of the City's current phones, Cisco has given notice that the useful life of the equipment will end in the near future. Information Technology will be replacing half of the City's phones in FY 2021-22 and the remaining half in FY 2022-23. In August 2021, the City solicited bids to replace the Cisco phone instruments. Eleven (11) bids were received.

Vendor	Location	Amount
Pivit Global	Santa Barbara, California	$148,963
Charity IT	Costa Mesa, California	$169,090
CompuNet, Inc	Meridian, Idaho	$209,592
Netxperts, Inc	Walnut Creek, California	$218,829
Diltex, Inc	West Covina, California	$223,231
Total Communications	Hartford, Connecticut	$225,087
Zones, Inc	Auburn, Washington	$226,320
Axelliant LLC	Torrance, California	$226,519
Kambrian Corp	West Covina, California	$234,111
Howard Industries	Laurel, Mississippi	$235,410
MVation Worldwide	Glen Cove, New York	$237,995

Per the scope of bid 1426, "the Vendor shall certify that it is an Original Equipment Manufacturer ("OEM") Authorized Channel Partner as of the date of the submission of their "offer" and "confirms to have sourced (or will source) all OEM products submitted in this offer from OEM or through the OEM's Authorized Channels only". Prospective bidder, Pivit Global, is not an authorized channel partner. Prospective bidder, Charity IT, did not obtain pricing through authorized OEM channels.

Pursuant to bid 1462 scope of services, Pivit Global and Charity IT are non-compliant with the requirements of the bid. We request they be found non-responsive and award to the lowest responsive bidder, CompuNet, Inc.

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Municipal Services Prepared By: Michael Johnson Staff Member Presenting: Tito Haes, Executive Director Public Works Reviewed By: Fabiola Contreras Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 11

SUBJECT: AN AMENDMENT TO THE GOODS AND SERVICES AGREEMENT WITH MYERS & SONS HI-WAY SAFETY INC. FOR PROCUREMENT OF TRAFFIC CONTROL DEVICES AND MATERIALS

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute Amendment No. 1 to the Goods and Services Agreement (on file in the Records Management Department) with Myers & Sons Hi-Way Safety Inc. of Chino, California, for procurement of traffic control devices and materials in the amount of $96,000, for a revised not to exceed amount of $171,000; and to exercise the three option years and extend the term of the agreement to June 30th, 2024.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Maintain the Current High Level of Public Safety
Operate in a Businesslike Manner
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The Fiscal Year 2021-22 Adopted Operating Budget includes appropriations of $17,000 in the Gas Tax Fund, $5,000 in the General Fund, and $10,000 in the Water Operating Fund for traffic control devices and materials.

BACKGROUND & ANALYSIS: The Public Works Agency utilizes traffic control devices when working in City streets and rights of way for safety and the control of vehicle and pedestrian traffic. On October 2019, the City Council awarded a Goods and Services Agreement to Myers & Sons Hi-Way Safety Inc. for traffic control barricades, cones and materials as the lowest responsive bidder. The City spends approximately $32,000 per year on traffic control devices. The proposed Amendment will ensure City staff have an adequate supply of the materials and equipment needed to operate safely and efficiently.

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Municipal Services Prepared By: Michael Johnson Staff Member Presenting: Tito Haes, Executive Director Public Works Reviewed By: Fabiola Contreras Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 12

SUBJECT: AUTHORIZE THE PURCHASE OF FLEET VEHICLES

RECOMMENDATION: That the City Council take the following actions:

A. Authorize the cooperative purchase and delivery of three Ford Escape vehicles in the amount of $83,883, two for the Integrated Waste Department and one for the Community Life and Culture Agency, three Chevrolet Colorado trucks in the amount of $81,834, two for the Utilities Department and one for the Planning Department, one Chevrolet Silverado truck in the amount of $33,840 for the Integrated Waste Department, and one Ford Transit Van in the amount of $30,280 for the Utilities Department from National Auto Fleet Group of Watsonville, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 120716-NAF.
B. Authorize the cooperative purchase and delivery of one John Deere 210L Loader in the amount of $115,804 for the Parks and Maintenance Department from RDO Equipment Company of Riverside, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 032119-JDC.
C. Authorize the cooperative purchase and delivery of three BMW Police Motorcycles in the amount of $103,744 for the Police Department from Long Beach BMW Motorcycles of Long Beach, California, consistent with the terms and conditions of the Los Angeles County Sheriff Contract No. PO-SH-21009529-1, Bid No. RFB-IS-21200889-1.
D. Authorize the cooperative purchase and delivery of one CNG Peterbilt Refuse Automated Side Loading truck in the amount of $346,387 and one CNG Peterbilt Refuse Front Loading truck in the amount of $349,100 for the Integrated Waste Department from Rush Truck Centers of Pico Rivera, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 060920-PMC.
E. Authorize the cooperative purchase and delivery of two CNG Freightliner Dump trucks in the amount of $439,920, one for the Parks and Maintenance Department and one for the Utilities Department, one CNG Ford F750 Stakebed truck in the amount of $162,861 for the Integrated Waste Department, and one CNG Freightliner Water Service Body truck in the amount of $350,927 for the Utilities Department from PB Loader Corporation of Fresno, California, consistent with the terms and conditions of the Sourcewell Cooperative Contract No. 052417-PBL.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Maintain the Current High Level of Public Safety

Operate in a Businesslike Manner

FISCAL IMPACT: The Fiscal Year 2021-22 Adopted Budget includes appropriations in the Equipment Services Fund for the purchase of replacement vehicles: Integrated Waste Commercial Vehicle Fund for five additional vehicles; the Integrated Waste Development Impact Fee (DIF) Fund for one additional vehicle; and the Utilities Operations Water Line Maintenance Fund for two additional vehicles. The total cost of the vehicles recommended for purchase is $2,098,580.

BACKGROUND & ANALYSIS: The six vehicle additions requested by the Integrated Waste Department, and the two vehicle additions requested by the Utilities Department are a result of growth throughout the City. The balance of the vehicles that are being recommended for replacement have outlived their useful life and it is no longer cost effective to maintain them. They are scheduled for replacement pursuant to ongoing efforts to reduce expenses, maximize useful life expectancy and extend replacement cycles of fleet equipment, while ensuring safe and reliable operations. This procurement action will result in the replaced vehicles being made available to surplus, with any auction sale proceeds returning to the Equipment Service Fund.

In general conformation with the provisions of Government Code Section 54201 through 54204, Ontario Municipal Code Section 2-6.29 allows for the purchase of supplies and equipment through cooperative purchasing programs, pursuant to California Government Code Section 6502 and City of Ontario Resolution No. 91-141. Cooperative purchasing allows the City to pool its procurement power with other public agencies to obtain lower pricing than otherwise might be possible.

QUANTITY	TYPE	DEPARTMENT	PRICE
3	Ford Escape	IW & CLC	$83,883
3	Chevrolet Colorado	PU & PLNG	$81,834
1	Chevrolet Colorado	IW	$33,840
1	Ford Transit	PU	$30,280
1	John Deere 210L Loader	PKS/MT	$115,804
3	BMW Motorcycle	PD	$103,744
1	Peterbilt Refuse Automated Truck	IW	$346,387
1	Peterbilt Refuse Front Loading Truck	IW	$349,100
2	Freightliner Dump Trucks	PKS/MT & PU	$439,920
1	Ford F750 Stakebed	IW	$162,861
1	Freightliner Water Service Body Truck	PU	$350,927
TOTAL			**TOTAL**
18			$2,098,580

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **CONSENT CALENDAR**
Department: Parks & Maintenance Prepared By: Alfredo Banuelos Staff Member Presenting: Tito Haes, Executive Director Public Works Reviewed By: Fabiola Contreras Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 13

SUBJECT: AMENDMENT TO THE STREET SWEEPING SERVICES AGREEMENT WITH CLEANSTREET, INC.

RECOMMENDATION: That the City Council authorize the City Manager to execute the Third Amendment to the existing five-year Maintenance Service Agreement (on file with Records Management Department) for contract No. SM1617-2 with CleanStreet, Inc., located in Gardena, California, in the amount of $79,699 to perform street sweeping services for the newly acquired areas located within Ontario Ranch and provide illegally dumped tires disposal services.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The proposed contract amendment with CleanStreet, Inc. would increase the contract amount by $79,699 for a total contract amount of $5,845,903. The street sweeping program is funded in the Fiscal Year 2021-22 Adopted Budget and includes $59,699 in the Integrated Waste Fund with $21,219 being Grant Funded, and $20,000 in the Gas Tax Fund.

BACKGROUND & ANALYSIS: On May 16, 2017, the City Council authorized the City Manager to execute a five-year Maintenance Service Agreement with CleanStreet, Inc. (on file with the Records Management Department) for citywide street sweeping services. The goal of the street sweeping program is to provide economical services that sustain and restore City streets to maintain a clean and safe environment. In order to achieve that goal, Staff is now recommending the addition of street sweeping services in the Ontario Ranch areas and additional services for the disposal of illegally dumped tires in the amount of $79,699 for Fiscal Year 2021-22.

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **PUBLIC HEARINGS**
Department: Economic Development Prepared By: Charity Hernandez Staff Member Presenting: Jennifer McLain Hiramoto, Economic Development Director Reviewed By: Peak Approver Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 14

SUBJECT: A PUBLIC HEARING TO CONSIDER THE SALE OF CITY OWNED PROPERTY IN ACCORDANCE WITH GOVERNMENT CODE SECTION 52201 ET. SEQ., MAKING CERTAIN FINDINGS; AND ADOPTION OF A RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ONTARIO AND RWSS DEVELOPMENT LLC.

RECOMMENDATION: That the City Council conduct a public hearing to consider the sale of City owned property; and adopt a Resolution approving a Disposition and Development Agreement ("Agreement") between the City of Ontario ("City") and RWSS Development LLC, ("Developer") (on file with the Records Management Department); and authorize the City Manager to execute the Agreement and all other documents required for implementation of the Agreement.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner

FISCAL IMPACT: The Developer agrees to purchase, and the City agrees to sell, the Property for the Purchase Price amount of $618,000. The Purchase Price will not be paid in cash, instead the City shall make a loan to the Developer in the amount of the Purchase Price. The loan will be evidenced by a City Note and secured by a City Deed of Trust; the Deed of Trust shall be recorded in the Official Records. The City loan shall be a non-recourse loan secured by the City Deed of Trust. The loan may be paid-off in one of two ways at the option of the Developer. Upon completion of the City-Deeded Space as a condition precedent to the City's issuance of a Certificate of Completion, Developer may: 1) Transfer title of the City-Deeded Space to the City and pay interest at a rate specified in the City Note from the Escrow Closing Date to the date of payment; or 2) Developer may pay the outstanding balance of the City Loan, plus interest pursuant to the City Note, from the Escrow Closing Date to the date of payment. The value of City-Deeded space is estimated at $656,640.

BACKGROUND & ANALYSIS: The subject Property and development site is a 0.86-acre parcel located at 125 West Emporia Street in the City of Ontario. The site is currently occupied by a surface parking lot. The site is located within the boundaries of the Emporia Arts District, and is bounded by various land uses including City administrative offices, commercial and private offices, and residential uses nearby. The site is further bounded by Euclid Avenue on the east, and Union Pacific Railroad

right-of-way on the south. The site is located within the MU-1 (Downtown Mixed-Use) LUA-2N (Arts District North) zoning district. The location is ideal for this development, as the Arts District is intended as a dynamic destination for locals and tourists, while creating a fulfilling urban experience energized by artistic, educational, and commercial participants.

The Developer is proposing to construct an infill mixed-use project, 30,971 s.f. in total size ("Project"). The Project will include storage facilities for recreational vehicles and exotic cars, retail and restaurant pads, and future office space. As a specific project component, the Developer intends to construct a 3,000 s.f. office flex space fronting on Emporia Street, which may be ultimately deeded to the City. If deeded to the City, the space is proposed to be occupied by the Community Life and Culture Agency as a community information center. Further, if the City-Deeded Space is conveyed to the City pursuant to the terms of the Agreement, this will satisfy the terms and conditions of the City Loan as detailed in the Agreement and summarized in the Fiscal Impact section of this report.

The Developer's proposed acquisition of the Property and subsequent construction and completion of the Project on the Property pursuant to the terms of this Agreement is in the best interest of the City and the health, safety and welfare of the City's taxpayers and residents, and is in accordance with the public purposes set forth in applicable law. Implementation of this Agreement will further the goals and objectives of the City's General Plan ("The Ontario Plan") by: 1) Strengthening the City's land use and social structure, and 2) Alleviating economic and physical blight on the Property and in the surrounding community.

ENVIRONMENTAL DETERMINATION: The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15332 (Class 32, Infill Development Projects) of the CEQA Guidelines. The proposed project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. The proposed development occurs within city limits and the area being developed is 0.894-acre, less than the maximum five-acre threshold, and is substantially surrounded by urban land uses. The project site has no value as habitat for endangered, rare, or threatened species. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. The site is adequately served by all required utilities and public services.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ONTARIO AND RWSS DEVELOPMENT LLC. FOR THE DISPOSITION AND DEVELOPMENT OF CERTAIN REAL PROPERTY LOCATED AT 125 WEST EMPORIA STREET, ONTARIO.

WHEREAS, the City of Ontario ("City"), currently owns certain real property generally located at 125 West Emporia Street, Ontario (APN 1049-059-14) and more specifically described in Exhibit A attached to this Resolution and incorporated herein by this reference ("Property"); and

WHEREAS, the City opts to sell the Property to the Developer under the Economic Opportunity statutes (Government Code sections 52200 *et seq.*) (the "EO Statutes"); and

WHEREAS, the City and Developer have negotiated a Disposition and Development Agreement (the "Agreement"). The Agreement provides for the sale of the Property at a fair market value price of $618,000; and

WHEREAS, on September 7, 2021 and September 14, 2021, the City published notice of the public hearing to consider the disposition of the Property pursuant to the Agreement; and

WHEREAS, Developer's proposed acquisition of the Property is in the best interest of the City and of the health, safety and welfare of its residents, and is in accordance with the public purposes set forth in applicable law. Approval of the Agreement will further the goals and objectives of the City's general plan and the goals and objectives of the City by selling land that is not being used by the City for potential development and economic opportunity by Developer.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ONTARIO DOES HEREBY RESOLVE AND DECLARE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Findings. The City intends to sell the Property to Developer and, based on the Recitals and all other information and testimony provided, the City Council finds that the sale of the Property pursuant to the Agreement will further the goals and purposes of the City, by putting land that is not being used by the City into the hands of Developer for potential future development and economic opportunity. The sale of the Property will create economic opportunity by assisting in the elimination of blighting conditions, encouraging private investment, and expanding the community's tax base and economic vitality.

SECTION 3. Hearing. In accordance with Government Code Section 52201, a duly noticed public hearing was held by the City Council on September 21, 2021.

SECTION 4. CEQA. The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15332 (Class 32, Infill Development Projects) of the CEQA Guidelines. The proposed project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. The proposed development occurs within city limits and the area being developed is 0.894-acre, less than the maximum five-acre threshold, and is substantially surrounded by urban land uses. The project site has no value as habitat for endangered, rare, or threatened species. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. The site is adequately served by all required utilities and public services.

SECTION 5. Approval of Agreement. The City Council hereby approves the Agreement in substantially the form presented, subject to any non-substantive revisions which do not increase the City's liability and are approved by the City Attorney, and authorizes the City Manager to sign and enter into the Agreement and perform the obligations of the City under the Agreement.

SECTION 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City declares that the City would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of September 2021.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2021- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held September 21, 2021 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2021- duly passed and adopted by the Ontario City Council at their regular meeting held September 21, 2021.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT “A”

Description of the Property

125 West Emporia Street

Assessor Parcel No: 1049-059-14

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **PUBLIC HEARINGS**
Department: Housing Prepared By: Katryna Gonzalez Staff Member Presenting: Scott Murphy, Executive Director Community Development Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 15

SUBJECT: A PUBLIC HEARING TO RECEIVE TESTIMONY AND ADOPT THE CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FOR THE 2020-21 FISCAL YEAR

RECOMMENDATION: That the City Council:

A. Hold a public hearing to receive testimony on the draft Consolidated Annual Performance and Evaluation Report (CAPER) for the 2020-21 Fiscal Year (on file in the Records Management Department);
B. Direct staff to prepare and transmit to the U.S. Department of Housing and Urban Development (HUD) the final CAPER, which will address all public comments received on the draft CAPER; and
C. Authorize the City Manager to execute any and all documents necessary and/or desirable to transmit the CAPER to HUD.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Operate in a Businesslike Manner
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: There is not a direct fiscal impact associated with this action.

BACKGROUND & ANALYSIS: The CAPER is a report required by the U.S. Department of Housing and Urban Development (HUD) that provides annual information about the City's utilization of HUD funds for local community development and housing projects. During Fiscal Year 2020-21, a combined total of over $31.9 million of federal, state, and local funds were expended to implement approximately 54 housing and community development programs and projects. These activities were contained in the City's Fiscal Year 2020-21 One-Year Action Plan, approved on June 5, 2020. Federal funding sources in the CAPER include the following HUD programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Community Development Block Grant - CARES Act (CDBG-CV), and Emergency Solutions Grant - CARES Act (ESG-CV). Local funding sources include Ontario Housing Authority and Housing Asset funds. The City receives approximately $2.7 million annually from HUD for the CDBG, HOME, and ESG programs. During FY 2019-20 and FY 2020-21, the City also received additional entitlement allocations of approximately $4.4 million from the CARES Act for CDBG-CV and ESG-CV programs.

Listed below are the key housing and community development projects discussed in the CAPER:

- The City expended approximately $3 million to implement twelve infrastructure and community facility activities, four economic development activities, and three public service activities under the Community Development Strategy. The major projects within this strategy include, but are not limited to the following: Alley Pavement Management Rehabilitation, Pavement Management Rehabilitation, Wheelchair Ramp Installation, Anthony Muñoz Park Community Garden Fence, Veterans Memorial Park Fitness Rig Shade Installation, Child Care, Youth, and Family Subsidies, Shared Vision Bringing Library to You, Downtown Storefront Facade Renovation, and CDBG-CV Business Utility Assistance Program.

- More than $17.3 million was expended to implement 17 housing programs within Ontario as part of the Housing Strategy. The major projects within this strategy include, but are not limited to, the following: Tenant Based Rental Assistance Program, Vista Verde Apartments, Ontario Shines Single Family Solar, CDBG-CV Short-Term Rental and Utility Assistance Program, CDBG-CV Homeowner Utility Assistance Program, County of San Bernardino Mortgage Revenue Bond Program, School Teacher and Employee Assistance Program, and My Home Loan Program.

- Over $786,000 was expended as part of the Homeless Strategy to implement 12 activities. The major projects within this strategy include, but are not limited to, the following: Project Gateway (Supportive Housing Program), Mercy House Ontario Access Center, Assisi House and Aftercare Services, Family Stabilization at Sova Program Center, Services for Victims of Domestic Violence and Their Children, ESG-CV Rapid Re-Housing Program, ESG-CV Street Outreach, and ESG-CV Motel Voucher Program.

Attached is the Executive Summary of the CAPER for FY 2020-21. The Executive Summary provides a summary of expenditures and accomplishments for all HUD-funded activities undertaken to address strategies identified within the Five-Year Consolidated Plan and One-Year Action Plan adopted by City Council on June 5, 2020.

The draft CAPER for FY 2020-21 has been available for public review from September 3, 2021 to September 20, 2021. Subsequent to City Council approval, staff will submit the final report to HUD by the September 28, 2021 deadline.

CITY OF ONTARIO

Consolidated Annual Performance and Evaluation Report
For the period of July 1, 2020 - June 30, 2021

EXECUTIVE SUMMARY

The Consolidated Annual Performance and Evaluation Report (CAPER) provides information to Ontario residents, elected officials, City staff, and the U.S. Department of Housing and Urban Development (HUD) about housing and community development needs, projects, and accomplishments. This report covers activities conducted during Fiscal Year 2020-21 which began July 1, 2020 and ended June 30, 2021. During this period, federal and local funds were used to implement a myriad of housing and community development programs and projects, including projects that were developed and carried out in response to the COVID-19 pandemic. Each activity supported one or more of the priorities originally presented in the City's Five-Year Consolidated Plan.

The following list highlights key housing and community development activities implemented during FY 2020-21:

- The City of Ontario and its partners expended more than $31.9 million in federal, state, and local funds to administer housing and community development programs.

- The City expended approximately $3 million to implement twelve infrastructure and community facility activities, four economic development activities, and three public service activities under the Community Development Strategy. The major projects within this strategy include, but are not limited to the following: Alley Pavement Management Rehabilitation, Pavement Management Rehabilitation, Wheelchair Ramp Installation, Anthony Muñoz Park Community Garden Fence, Veterans Memorial Park Fitness Rig Shade Installation, Child Care, Youth, and Family Subsidies, Shared Vision Bringing Library to You, Downtown Storefront Facade Renovation, and CDBG-CV Business Utility Assistance Program.

- More than $17.3 million was expended to implement 17 housing programs within Ontario as part of the Housing Strategy. The major projects within this strategy include, but are not limited to, the following: Tenant Based Rental Assistance Program, Vista Verde Apartments, Ontario Shines Single Family Solar, CDBG-CV Short-Term Rental and Utility Assistance Program, CDBG-CV Homeowner Utility Assistance Program, County of San Bernardino Mortgage Revenue Bond Program, School Teacher and Employee Assistance Program, and My Home Loan Program.

- Over $786,000 was expended as part of the Homeless Strategy to implement 12 activities. The major projects within this strategy include, but are not limited to, the following: Project Gateway (Supportive Housing Program), Mercy House Ontario Access Center, Assisi House and Aftercare Services, Family Stabilization at Sova Program Center, Services for Victims of Domestic Violence and Their Children, ESG-CV Rapid Re-Housing Program, ESG-CV Street Outreach, and ESG-CV Motel Voucher Program.

The tables below and on the following pages demonstrate the breakdown of funds received and expended within each identified strategy: Community Development, Housing, Homeless, Special Needs, Fair Housing, and Public Housing.

FUNDING SOURCES

FUNDING SOURCE	ACTIVITIES FUNDED	ACTUAL AMOUNT AWARDED/RECEIVED/ ON HAND FOR FY 2020-21
Community Development Block Grant (CDBG)	Infrastructure improvements, code enforcement, housing rehabilitation, and social services.	$1,864,308[1]
CDBG Program Income	Infrastructure improvements, code enforcement, housing rehabilitation, and social services.	$89,421
CDBG Rollover from prior years and reallocated funds	Infrastructure improvements, code enforcement, housing rehabilitation, and social services.	$342,196[2]
CDBG-CARES (CDBG-CV)	Infrastructure improvements, code enforcement, housing rehabilitation, and social services in response to COVID-19.	$2,343,142[1]
HOME Investment Partnership (HOME)	Tenant Based Rental Assistance	$746,737[1]
HOME Program Income	Tenant Based Rental Assistance	$80,989
HOME Rollover from prior years and reallocated funds	Tenant Based Rental Assistance	$0
Emergency Solutions Grant (ESG)	Essential support services and operating expenses for homeless facilities and programs.	$160,290[1]
ESG-CARES (ESG-CV)	Essential support services and operating expenses for homeless facilities and programs in response to COVID-19	$2,137,252[1]
Housing Asset Fund (HAF)	Home ownership assistance, housing acquisition and rehabilitation, and homeless services.	$1,038,908[2]
Ontario Housing Authority (OHA)	Housing acquisition, property rehabilitation and maintenance.	$4,410,160[2]
Transformative Climate Communities Grant (TCC)	California Climate Investment programs, including affordable housing, active transportation programs, low income weatherization programs, and urban greening	$27,674,312[2]

[1] This amount represents the total funds awarded during FY 2020-21
[2] This amount represents funds on hand during FY 2020-21

FUNDING SOURCE	ACTIVITIES FUNDED	ACTUAL AMOUNT AWARDED/RECEIVED/ ON HAND FOR FY 2020-21
BEGIN Program Reuse Account	Program provides deferred-payment second mortgage loans to qualified buyers of new homes and/or homeowners rehabilitation loans.	$62,798[2]
BEGIN Program Reuse Account	Program provides deferred-payment second mortgage loans to qualified buyers of new homes and/or homeowners rehabilitation loans.	$51,560[2]
Permanent Local Housing Allocation	Housing construction, rehabilitation activities, homebuyer activities, and homeless prevention.	$920,018[1]
	TOTAL	**$41,922,091**

HOUSING STRATEGY

Program/Project	Funding Source	Expenses	Annual Accomplishment
Priority 1: Expand affordable rental housing opportunities, particularly for low-income persons.			
Tenant Based Rental Assistance Program	HOME	**$438,122**	A total of forty-four (44) households were assisted through this program during FY 2020-21. Fifteen (15) households had their TBRA certificates renewed, thirteen (13) households completed their TBRA program assistance, and sixteen (16) households lease new units with assistance this year.
Sites for Future Affordable Housing Development	HAF	**$11,401**	The Ontario Housing Authority acting as the successor agency to the Ontario Redevelopment Agency and the City of Ontario acting as the successor agency to the Ontario Redevelopment Agency are currently maintaining approximately 7 sites for future development of affordable housing. During FY 2020-21, Disposition and Development Agreements for four of the seven properties were negotiated and executed. Disposition of these properties is expected during FY 2021-22.
Vista Verde Apartments	Project Draws	**$14,297,019**	This new construction project was begun during FY 2018-19. The developer, National Community Renaissance obtained financing in the form of $21 million in Multi-Family Housing Revenue Bonds from the City, $14.7 million of TCC funds from the City, $4.4 million of local funds from the City and Ontario Housing Authority to support this project. The project contains 101 housing units with a mix of two- and three-bedroom units. Affordability ranges from 30% AMI to 60% AMI. Total development cost is approximately $36.7 million. During FY 2020-21 project construction was completed in May 2021. The development was fully leased and at 100% occupancy by June 2021.
TOTAL HOUSING PRIORITY #1		**$14,746,542**	
Priority 2: Create new, preserve and rehabilitate existing rental and owner-occupied housing units.			
Community Improvement Team	CDBG	**$47,151**	A total of 336 inspections were completed during the reporting period. 38 citations were given, 209 notices were issued and 62 cases were closed at 232 unique parcels.

Program/Project	Funding Source	Expenses	Annual Accomplishment
Low-Mod Assisted Housing Developments		**$0**	Continued ongoing monitoring efforts of affordable housing developments consisting of 2,010 units throughout Ontario.
Guadalupe Residence (411 North Parkside Avenue)	CDBG HOME **Subtotal**	$0 $0 **$0**	The acquisition was completed in February 2018. Coordination with the solar energy installation through the City's Transformative Climate Communities Grant and the COVID-19 pandemic has delayed the project. Rehabilitation work is expected to be complete during 2022.
Ontario Shines: Single Family Solar PV	CDBG	**$473,119**	During FY 20-21, twenty-three (23) homeowners were assisted with no-cost solar installations.
Ontario Shines: Multi-Family PV	CDBG	**$187,462**	During FY 20-21 funds were expended to purchase equipment and complete installations for Vista Verde Apartments and Assisi House.
Assisi House Renovation	CDBG	**$25,411**	Work was begun in Fall 2019. Rehabilitation work was complete in December 2020, including installation of solar energy equipment.
Conservation Home Improvement Program	CDBG	**$0**	The program was launched in late FY 20-21, three (3) applications were received, and one household was approved.
CDBG COVID-19 Short-Term Rental and Utility Assistance Program	CDBG-CV	**$1,471,465**	During FY 2019-20 the program began to process applications for approval. A total of six (6) households were assisted in the first year. During FY 2020-21 another 267 households were assisted resulting in a total of 273 Ontario households being assisted with emergency rent and utility assistance payments.
CDBG COVID-19 Homeowner Utility Assistance Program	CDBG-CV	**$7,478**	During FY 2019-20 the program began to process applications for approval. During FY 2020-21, eight households were assisted. The program was discontinued due to lack of interest and the balance of the resources were reallocated to the Short-Term Rental and Utility Assistance Program.
TOTAL HOUSING PRIORITY #2		**$2,212,086**	

Program/Project	Funding Source	Expenses	Annual Accomplishment
Priority 3: Increase affordable homeownership opportunities, particularly for low- and moderate-income persons.			
MyHome Assistance Program	Bond Financing	**$308,399**	Thirty (30) homebuyers were assisted in Ontario during FY 2020-21.
Home Buyer Assistance (County of San Bernardino Mortgage Revenue Bond Program)	Bond Financing	**$59,520**	One (1) Mortgage Credit Certificate (MCC) was issued to a homebuyer in Ontario during FY 2020-21.
Neighborhood Partnership Housing Services (NPHS) Programs	Private Financing	N/A	During FY 2020-21, NPHS provided homeownership services to 273 Ontario residents. Foreclosure prevention assistance was not provided to any Ontario homeowners, no Ontario homebuyers received down payment assistance grants through the WISH program, 181 Ontario residents were provided pre-purchase/financial wellness education, and 92 Ontario residents received reverse mortgage counseling. NPHS was not able to provide any senior home repair grants during the reporting period due to a lack of funding.
Good Neighbor Next Door Program	HUD & FHA	**$0**	No homebuyers were assisted in Ontario during FY 2020-21.
Police Residence Assistance Program	Ontario General Fund	**$0**	No new loans or payoffs were processed during FY 2020-21.
TOTAL HOUSING PRIORITY #3		**$367,919**	
GRAND TOTAL – HOUSING STRATEGY		**$17,326,547**	

HOMELESS STRATEGY

Program/Agency	Funding Source	Expenses	Accomplishments
Priority 1: Preserve and improve the supply of supportive housing and public services for the homeless and homelessness prevention services.			
Assisi House and Aftercare Services Program	CDBG	**$99,088**	A total of 56 unduplicated homeless persons were served.

Program/Agency	Funding Source	Expenses	Accomplishments
Mercy House Living Centers - Ontario Access Center	ESG	**$169,527**	A total of 788 unduplicated homeless persons were served at the Ontario Access Center.
House of Ruth – Services for Victims of Domestic Violence and Their Children	ESG	**$12,600**	A total of 46 unduplicated victims of domestic violence and their children were provided with services.
Inland Valley Hope Partners – Family Stabilization Program at Sova Program Center	CDBG	**$18,410**	A total of 2,490 unduplicated persons were served.
Project Gateway (Supportive Housing Program)	HUD	**$166,579**	Twelve (12) households consisting of seventeen (17) persons were housed using Supportive Housing Program (SHP) vouchers.
Continuum of Care	CDBG and OHA	**$0**	During FY 2020-21, the City restructured the delivery of homeless services and added a City staff position to provide oversight and implement all programs related to the provision of homeless services throughout the community.
ESG-CV Rapid Re-Housing Program	ESG-CV	**$0**	Two households were assisted during FY 2020-21.
ESG CV Motel Voucher Program	ESG-CV	**$142,100**	During FY 2020-21 ninety-two (92) households received assistance through this program for a total of 1,899 bed nights.
ESG-CV Diversion Program	ESG-CV	**$0**	One (1) household received assistance through this program.
ESG-CV Emergency Rent and Utility Assistance Program	ESG-CV	**$0**	During FY 2020-21 program guidelines were developed, and the program was launched in July 2021.
ESG-CV Street Outreach and Engagement	ESG-CV	**$89,023**	This program allowed street outreach hours to be increased from 10 hours per month to 40 hours per week.
Expanded Hours at the Ontario Access Center	General Fund	**$89,097**	This program allowed hours at the Ontario Access Center to be expanded from 16 hours a week to over 40 hours per week, including hours on Saturday.
GRAND TOTAL – HOMELESS STRATEGY		**$786,424**	

SPECIAL NEEDS STRATEGY

Program/Agency	Funding Source	Expenses	Accomplishments
Priority 1: Provide supportive services for special needs populations.			
Inland Fair Housing and Mediation Board – Senior Services	CDBG	**$10,545**	A total of 32 seniors were served.
GRAND TOTAL – SPECIAL NEEDS STRATEGY		**$10,545**	

FAIR HOUSING STRATEGY

Program/Agency	Funding Source	Expenses	Accomplishments
Priority 1: Continue to implement the Fair Housing Laws by providing funding to further fair housing.			
Inland Fair Housing and Mediation Board – Fair Housing (AFFH) Program	CDBG	**$22,000**	A total of 179 persons were provided with fair housing services.
Inland Fair Housing and Mediation Board – Landlord/Tenant Mediation Services	CDBG	**$10,200**	A total of 1,035 persons were provided with landlord/tenant mediation services.
GRAND TOTAL – FAIR HOUSING STRATEGY		**$32,200**	

PUBLIC HOUSING STRATEGY

Program/Agency	Funding Source	Expenses	Accomplishments
Priority 1: Continue to support ongoing efforts of the Housing Authority of the County of San Bernardino and the Ontario Housing Authority to maximize the use of rental assistance subsidies and other resources in the City.			
Housing Authority of the County of San Bernardino (Housing Choice Voucher Program)	HUD	**$10,207,368**	735 households consisting of 1,793 persons were assisted in Ontario.

Program/Agency	Funding Source	Expenses	Accomplishments
Housing Authority of the County of San Bernardino (Family Self-Sufficiency)	HUD	**N/A**	Thirteen (13) Ontario residents served.
GRAND TOTAL – PUBLIC HOUSING STRATEGY		**$10,207,368**	

COMMUNITY DEVELOPMENT STRATEGY

Program/Project	Funding Source	Expenses	Accomplishments
Priority 1: Provide needed infrastructure improvements in target lower and moderate-income neighborhoods.			
Community Block Wall Along Mountain Ave	CDBG	**$0**	During FY 2020-21, the City continued to communicate to determine interest of affected owners. An architectural firm has been engaged to design the wall and would work around those property owners not interested in participating.
FY 2020-21 Pavement Management Rehabilitation Program	CDBG Gas Tax Measure I A.D. Administration	$160,132 $124,278 $320,469 $352,460	During FY 2020-21, a contract was awarded to American Asphalt South, Inc. Construction began in August 2020 and was completed in October 2020. The contract included the rehabilitation of 18 streets, which total over half a million square feet of asphalt roadway.
	Subtotal	**$957,339**	
FY 2019-20 Alley Pavement Management Program	CDBG Gas Tax A.D. Administration	$132,206 $545,476 $876,921	During FY 2019-20, the project was awarded to All American Asphalt in April 2020, and work was completed in July 2020.
	Subtotal	**$1,554,603**	
FY 2020-21 Alley Pavement Management Program	CDBG	**$0**	This project will be combined with the FY 2021-22 Alley Pavement Management program and work for both projects is expected to be complete by Spring 2022.

Program/Project	Funding Source	Expenses	Accomplishments
FY 2019-20 and FY 2020-21 LED Light Conversion Project	CDBG	**$0**	For the FY 2019-20, bids were solicited and a contract will be awarded in Fall 2021. Construction is expected to be completed during FY 2021-22. The construction plans and bid package are being developed for the FY 2020-2021 LED street light installation projects. The project is expected to be awarded before the end of 2021 with construction completion anticipated in late Fall 2022.
Wheelchair Ramp Installation	CDBG	**$175,000**	The Parks and Maintenance Department installed a total of 46 wheelchair ramps and adjoining sidewalks.
TOTAL COMMUNITY DEVELOPMENT PRIORITY #1		**$2,686,942**	
Priority 2: Provide for new community facilities and improve the quality of existing community facilities to serve lower- and moderate-income neighborhoods.			
Bon View Park Community Garden Parking Lot	CDBG	**$0**	Alternative funding was identified to complete this project and the CDBG funds were no longer needed.
Dorothy Quesada Front Counter Renovation	CDBG	**$66,270**	Project construction began on July 27, 2020. The project was completed on September 18, 2020.
Veterans Shade Structure and Fitness Rig	CDBG	**$49,902**	In FY 2020-21 the installation of the shade structure was completed. The installation of the new fitness rig at Veterans Memorial Park was completed during FY 2019-20.
Sam Alba Park Restroom Renovation	CDBG	**$6,416**	During FY 2020-21, architectural plans were prepared for this project will replace the existing restroom with a prefabricated restroom that will present a safer and improved restroom facility for park users.
Quesada Park Pool Resurfacing	CDBG	**$0**	This project was canceled.

Program/Project	Funding Source	Expenses	Accomplishments
Anthony Munoz Community Garden Fence	CDBG	**$78,789**	This project was completed in March 2021 and included the installation of a fence around the new Seeds of Joy Community Garden at Anthony Muñoz Park. A grand opening celebration of the new community garden occurred on April 17, 2021.
TOTAL COMMUNITY DEVELOPMENT PRIORITY #2		**$201,377**	
Priority 3: Provide needed community services to serve lower- and moderate-income residents.			
Neighborhood Preservation Program	CDBG	**$2,389**	During FY 2020-21, two Community Clean-Up Day events were held resulting in a total of 5.45 tons of discarded items and waste collected during these events. In addition, an Ambassador Program was created to engage with residents and market community programs. One household was assisted with a grant to purchase material that the homeowner installed to correct a code violation on their property.
Shared Vision Bringing Library to You	CDBG Library Projects **Subtotal**	$61,597 $23,319 **$84,916**	During FY 2020-21, a vehicle was purchased and modified to be used for the "Ontario on the Go" program that will bring recreation and library programming to underserved low-income neighborhoods throughout Ontario.
Ontario-Montclair YMCA - Child Care Subsidies Program	CDBG	**$22,000**	Fifty-one (51) unduplicated youths were served.
TOTAL COMMUNITY DEVELOPMENT PRIORITY #3		**$109,305**	
Priority 4: Expand the City's economic base and promote greater employment opportunities.			
Downtown Storefront Façade Improvement Program	CDBG	**$45,521**	During FY 2020-21 two (2) qualified applicants participated in the program: East Forest Investment, LLC. and the Downton Ontario Improvement Association.

Program/Project	Funding Source	Expenses	Accomplishments
Mission & Mountain Storefront Façade Improvement Program	CDBG	**$0**	This program was created during FY 2020-21 and Economic Development staff met with all property owners within the program area to provide program information. No applicants were assisted during the reporting period.
CDBG-CV Business Utility Assistance Program	CDBG-CV	**$16,829**	During FY 2020-21, three (3) business owners were assisted with deferred utility payments as a result of the COVID-19 pandemic.
CDBG-CV Small Business Stabilization Program	CDBG-CV	**$0**	During FY 2020-21, Economic Development and Housing staff worked together with legal counsel to develop program guidelines. Applications began being accepted in June 2021.
TOTAL COMMUNITY DEVELOPMENT PRIORITY #4		**$62,350**	
GRAND TOTAL – COMMUNITY DEVELOPMENT STRATEGY		**$3,059,974**	

ADMINISTRATIVE COSTS

Program/Project	Funding Source	Expenses	Accomplishments
CDBG Administration	CDBG	**$186,919**	Administration of the CDBG Program.
CDBG-CV Administration	CDBG-CV	**$179,155**	Administration of the CDBG-CV Program.
HOME Administration	HOME	**$60,642**	Administration of HOME Program.
ESG Administration	ESG	**$12,173**	Administration of ESG Program.
ESG-CV Administration	ESG-CV	**$70,822**	Administration of the ESG-CV Program.
GRAND TOTAL – Administrative Costs		**$509,711**	
GRAND TOTAL – All Projects & Administration		**$31,931,769**	

CITY OF ONTARIO *Agenda Report* **September 21, 2021**	**SECTION:** **PUBLIC HEARINGS**
Department: Investments & Revenue Resources Prepared By: Cruz Torres Staff Member Presenting: Armen Harkalyan, Executive Director of Finance Reviewed By: Jason M Jacobsen, Armen Harkalyan Approved By:	Submitted To: Council/OHA Approved: _____ Continued To: _____ Denied: _____ Item No: 16

SUBJECT: A PUBLIC HEARING TO CONSIDER RESOLUTION CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE); RESOLUTION OF CHANGE DECLARING RESULTS OF A SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX ARE LAWFULLY AUTHORIZED AND DIRECTING THE RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN ; AND AN ORDINANCE AMENDING AND RESTATING ORDINANCE 3174 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE)

RECOMMENDATION: That the City Council consider and:

A. Adopt a resolution of the City Council of the City of Ontario, California, calling a special election for proposed changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse),
B. Adopt a resolution of change of the City Council of the City of Ontario, California, declaring results of the special election, determining that changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse) are lawfully authorized and directing recording of an amendment to Notice of Special Tax Lien; and
C. Introduce and waive further reading of an amended and restated Ordinance No. 3174 levying special taxes within City of Ontario Community Facilities District No. 57 (Neuhouse).

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:
Maintain the Current High Level of Public Safety
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: The use of Mello-Roos financing for the Community Facilities District No. 57

(Neuhouse) development is projected to generate approximately $472,667 per year, at build-out, to fund City services, and approximately $11.8 million in bond proceeds to fund a portion of the public infrastructure improvements that will serve the project. Mello-Roos bonds are not a direct obligation of the City and are paid for from special taxes levied on each taxable parcel in the district; therefore, there is no General Fund impact from the issuance of Mello-Roos bonds. City Council approval will be required in future years to process annual special tax levies.

BACKGROUND & ANALYSIS: The Mello-Roos Community Facilities Act of 1982 provides local government the authority to establish a community facilities district (CFD) for the purpose of levying special taxes to finance municipal infrastructure and municipal services. Municipal services that may be funded by a community facilities district include police protection services; fire protection and suppression services; ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads, and open space; flood and storm drain protection services; and maintenance and operation of any real property or tangible property with an estimated useful life of five or more years that is owned by the governmental entity.

Under the Act, in November, 2020, the City established CFD No. 57 (Neuhouse) to finance City services and public improvements for the project. The Neuhouse project addresses the development of approximately 30 gross acres located generally west of Mill Creek Avenue, east of Haven Avenue, south of Chino Avenue and north of Schaefer Avenue. At build out, the project is projected to include 334 residential units comprised of 100 detached and 234 attached units.

The developer, LS ONTARIO II LLC, has provided a written petition to the City Council to commence change proceedings pursuant to the Act to amend the Rate and Method of Apportionment (RMA) of the existing special tax levied within CFD No. 57 (Neuhouse) to reflect recent movements in the housing market which may affect the estimated home price of for-sale units within the CFD. In consideration of the petition City staff requested a second price point study to be performed by Empire Economics, the City's Price Point Study and Market Absorption Consultant. The City's study was concluded in July, 2021, and found that estimated home prices for market comparables had increased approximately 26% for the development, as compared to the initial price point study performed in July, 2020.

At the City Council meeting on August 17, 2021, the City Council formally accepted the written petition from LS ONTARIO II LLC, and approved Resolution No. 2021-142, a Resolution of Consideration setting the public hearing to consider the proposed changes to the Rate and Method of Apportionment of the Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse) for September 21, 2021. In accordance with the requirements of the Resolution of Consideration, the City Clerk has published a notice of the time and place of this hearing pursuant to Section 53322 of the California Government Code at least seven days before the hearing, and the City's special tax consultant has prepared the Amended and Restated RMA which reflects the overall estimated price point increase of 26%. Under the Amended and Restated RMA, certain special tax rates within CFD No. 57 would be increased.

Attached for consideration is the Amended and Restated RMA for CFD No. 57, the terms of which are consistent with the City Council's adopted Mello-Roos Local Goals and Policies (Resolution No. 2006-021) in all respects. Also attached are two resolutions and an ordinance. The first resolution calls for a special landowner election for the proposed changes to the RMA to be held on September 21, 2021. The second resolution declares the results of the special election, determining that changes to the RMA are lawfully authorized and includes a statement from the City Clerk as to the canvass of ballots and directs the recording of an Amendment to the Notice of Special Tax Lien. Last, the attached ordinance amends and restates Ordinance No. 3174 levying special taxes within CFD No. 57 and reflects the

updates included in the amended RMA.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, CALLING A SPECIAL ELECTION FOR PROPOSED CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") has previously established City of Ontario Community Facilities District No. 57 (Neuhouse) (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, on August 17, 2021, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Consideration to Change the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse)" (the "Resolution of Consideration") proposing changes to the rate and method of apportionment of the special tax (the "Special Tax") levied within the Community Facilities District so as to increase certain of the Special Tax rates thereunder and setting the date for a public hearing to be held on such proposed changes; and

WHEREAS, pursuant to the Resolution of Consideration, notice of said public hearing was published in the *Inland Valley Daily Bulletin*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act; and

WHEREAS, on this date, the City Council opened, conducted and closed said public hearing; and

WHEREAS, at the hearing, the testimony of all persons for or against the proposed changes to the rate and method of apportionment of the Special Tax was heard; and

WHEREAS, written protests against the proposed changes to the rate and method of apportionment of the Special Tax tax were not made or filed at or before said hearing by 50% or more of the registered voters, or six registered voters, whichever is more, residing within the Community Facilities District, or the owners of one-half or more of the area of land in the territory included in the Community Facilities District and not exempt from the Special Tax; and

WHEREAS, pursuant to the provisions of the Resolution of Consideration, the proposition to change the rate and method of apportionment of the Special Tax is to be submitted to the qualified electors of the Community Facilities District as required by the Act; and

WHEREAS, the City Council desires to designate the City Clerk of the City (the "City Clerk") as the election official for the special election provided for herein; and

WHEREAS, there has been filed with the City Clerk of the City a letter from the Registrar of Voters of the County of San Bernardino indicating that no persons were registered to vote within the territory included in the Community Facilities District as of August 19, 2021, and, accordingly, that 12 or more persons have not been registered to vote within the territory included in the Community Facilities District for each of the 90 days preceding the close of said public hearing; and

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, consenting to the holding of said special election on September 21, 2021 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act; and

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on September 21, 2021.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario as follows:

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The proposed changes to the rate and method of apportionment of the Special Tax are modifications that increase certain of the Special Tax rates thereunder. The proposed changes are reflected in the City of Ontario Community Facilities District No. 57 (Neuhouse) Amended and Restated Rate and Method of Apportionment of Special Tax (the "Restated Rate and Method") attached hereto as Exhibit A, which is by this reference incorporated herein.

SECTION 3. The proposed changes to the rate and method of apportionment of the Special Tax have not been precluded by majority protest pursuant to Section 53338 of the Act.

SECTION 4. Pursuant to Section 53338 of the Act, the proposition to change the rate and method of apportionment of the Special Tax so as to increase certain of the Special Tax rates thereunder, as reflected in the Restated Rate and Method, shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided herein.

SECTION 5. The City Clerk is hereby designated as the official to conduct said election.

SECTION 6. The City Council hereby finds and determines that no persons were registered to vote within the territory included in the Community Facilities District as of August 19, 2021, and that 12 or more persons have not been registered to vote within the territory included in the Community Facilities District for each of the 90 days preceding the close of the public hearing heretofore held by the City Council on the proposed

changes to the rate and method of apportionment of the Special Tax. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the Special Tax.

SECTION 7. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, (b) to the holding of said election on September 21, 2021, and (c) to the waiver of any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act. The City Council herby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on September 21, 2021.

SECTION 8. The City Council hereby calls a special election to submit to the qualified electors of the Community Facilities District the proposition to change the rate and method of apportionment of the Special Tax so as to increase certain of the Special Tax rates thereunder, as reflected in the Restated Rate and Method, which election shall be held at 303 East B Street, Ontario, California, on September 21, 2021. The City Council has caused to be provided to the City Clerk, as the official to conduct said election, the Resolution of Consideration, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the City Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the City Clerk not later than 7:30 p.m. on September 21, 2021; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

SECTION 9. Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballots pursuant to Section 4000 *et. seq.* of the California Elections Code. Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election.

SECTION 10. The form of the ballot for said election is attached hereto as Exhibit B and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing

and place of execution of the declaration described in clause (b), above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

SECTION 11. The City Clerk shall accept the ballots of the qualified electors in the office of the City Clerk at 303 East B Street, Ontario, California, to and including 7:30 p.m. on September 21, 2021, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots that may be marked at said location on the election day by said qualified electors.

SECTION 12. All actions heretofore taken by the officers, employees and agents of the City with respect to the proposed changes to the rate and method of apportionment of the Special Tax, or in connection with or related to any of the documents referred to herein, are hereby approved, confirmed and ratified.

SECTION 13. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things that they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 14. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 21st day of September 2021.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2021- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held September 21, 2021 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2021- duly passed and adopted by the Ontario City Council at their regular meeting held September 21, 2021.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE)
AMENDED AND RESTATED RATE AND METHOD
OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT B

OFFICIAL BALLOT

CITY OF ONTARIO

September 21, 2021

SPECIAL ELECTION

This ballot is for a special, landowner election. The number of votes to be voted pursuant to this ballot is ____.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+ or X) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Ontario and obtain another.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 57
(NEUHOUSE)

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the rate and method of apportionment of the special tax levied within City of Ontario Community Facilities District No. 57 (Neuhouse) (the "Community Facilities District") be changed so as to increase certain of the special tax rates thereunder, all as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling A Special Election for Proposed Changes to the Rate And Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse)," adopted by the City Council of the City of Ontario on September 21, 2021?

Yes: ☐

No: ☐

EXHIBIT A

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 57
(NEUHOUSE)
AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes shall be levied on all Assessor's Parcels in the City of Ontario Community Facilities District No. 57 (Neuhouse) ("CFD No. 57") and collected each Fiscal Year, commencing in Fiscal Year 2021-22, in an amount determined by the City Council of the City of Ontario through the application of the Rate and Method of Apportionment, as described below. All of the real property in CFD No. 57, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 57: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or CFD No. 57 or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City or CFD No. 57 of complying with arbitrage rebate requirements; the costs to the City or CFD No. 57 of complying with City, CFD No. 57, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City or CFD No. 57 related to the analysis and reduction, if any, of the Special Tax A on Single Family Property in accordance with Section C.1 herein; the costs of the City or CFD No. 57 related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the City's administration fees and third party expenses; the costs of City staff time and reasonable overhead relating to CFD No. 57; and amounts estimated or advanced by the City or CFD No. 57 for any other

administrative purposes of the CFD, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax A" means the Special Tax A for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.2 below.

"Backup Special Tax A" means the Special Tax A for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.3 below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act) issued by CFD No. 57 under the Act and payable from Special Tax A.

"Buildable Lot" means an individual lot, within a Final Subdivision Map or an area expected by CFD No. 57 to become Final Mapped Property, such as the area within a Tentative Tract Map, for which a building permit may be issued without further subdivision of such lot.

"CFD Administrator" means an official of the City responsible for determining the Special Tax A Requirement and Special Tax B Requirement, providing for the levy and collection of the Special Taxes, and performing the other duties provided for herein.

"CFD No. 57" means City of Ontario Community Facilities District No. 57 (Neuhouse).

"City" means the City of Ontario, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 57.

"Contractual Impositions" means (a) a voluntary contractual assessment established and levied on an Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 *et seq.*), as amended from time to time, (b) a special tax established and levied on an Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax, or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof (e.g., property owner association assessments).

"County" means the County of San Bernardino.

"Designated Buildable Lot" means a Buildable Lot for which a building permit has not been issued by the City as of the date of calculation of the Backup Special Tax A.

"Developed Property" means for each Fiscal Year, all Taxable Property, exclusive of Final Mapped Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a building permit or other applicable permit for new construction was issued after January 1, 2020, and before May 1 of the prior Fiscal Year.

"Expected Residential Lot Count" means 334 Buildable Lots of Single Family Property or, as determined by the CFD Administrator, the number of Buildable Lots of Single Family Property based on the most recent Tentative Tract Map(s) or most recently recorded Final Subdivision Map(s) or modified Final Subdivision Map(s).

"Facilities" means the public facilities authorized to be financed, in whole or in part, by CFD No. 57.

"Final Mapped Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision Map. The term Final Mapped Property shall include any parcel map or Final Subdivision Map, or portion thereof, that creates individual lots for which a building permit may be issued, including Parcels that are designated as a remainder Parcel (i.e., one where the size, location, etc., precludes any further subdivision or taxable use).

"Final Subdivision Map" means a final tract map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or a condominium plan recorded pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Gated Community Attached Dwelling Unit" means, with respect to Special Tax B, a Unit within any residential building containing two or more dwelling units (including attached condominiums, townhouses, duplexes, triplexes, and apartments) within a gated community that, within such community, is primarily served by private interior streets.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Table 1 and Table 2 below.

"Lower Income Household Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel within the boundaries of CFD No. 57 that is subject to a

welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the most recent County assessor's roll finalized prior to such Fiscal Year.

"Maximum Special Tax A" means, with respect to an Assessor's Parcel of Taxable Property, the Maximum Special Tax A determined in accordance with Section C.1 below that can be levied in any Fiscal Year on such Assessor's Parcel of Taxable Property.

"Maximum Special Tax B" means, with respect to an Assessor's Parcel of Taxable Property, the Maximum Special Tax B determined in accordance with Section C.2 below that can be levied in any Fiscal Year on such Assessor's Parcel of Taxable Property.

"Minimum Sale Price" means the minimum price at which Units of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such Units that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

"Multiple Family Dwelling Unit" means, with respect to Special Tax B, a Unit within any residential building containing two or more dwelling units, including attached condominiums, townhomes, duplexes, triplexes, and apartments, but excluding Gated Community Attached Dwelling Units.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued by the City permitting the construction of one or more non-residential structures or facilities.

"Other Residential Property" means, with respect to Special Tax A, all Assessor's Parcels of Developed Property for which a building permit was issued by the City for purposes of constructing Units, excluding Single Family Attached Property and Single Family Detached Property.

"Outstanding Bonds" means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

"Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 57 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for residential units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 57 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 57, (ii) the City, (iii) any owner of real property in CFD No. 57, or (iv) any real property in CFD No. 57, and (e) is not connected with CFD No. 57 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 57 or the City.

"Price Point Study" means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 57 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means (a) for Developed Property in the first step of Section D.1 below, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Developed Property; however, for Developed Property in the fourth step of Section D.1 below, Proportionately means that the amount of the increase above the Assigned Special Tax A, if necessary, is equal for all Assessor's Parcels of Developed Property, except that if the Backup Special Tax A limits the increase on any Assessor's Parcel(s), then the amount of the increase shall be equal for the remaining Assessor's Parcels; (b) with respect to Special Tax B, that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor's Parcels of Developed Property; (c) for Final Mapped Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Final Mapped Property; (d) for Undeveloped Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Undeveloped Property; (e) for Taxable Property Owner Association Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Taxable Property Owner Association Property; and (f) for Taxable Public Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, property within the boundaries of CFD No. 57 that is (a) owned by, irrevocably offered to, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency or (b) encumbered by an easement for purposes of public or utility right-of-way that makes impractical its use for any purpose other than that set forth in such easement; provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Amended and Restated Rate and Method of Apportionment of Special Tax.

"Residential Floor Area" means all of the Square Footage of living area within the perimeter of a Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be as set forth in the building permit(s) issued for such Assessor's Parcel, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 57. The actual Square Footage shall be rounded up to the next whole square foot. Once such determination has been made for an Assessor's Parcel, it shall remain fixed in all future Fiscal Years unless an appeal pursuant to Section F below is approved that results in a change in the actual Square Footage.

"Residential Property" means, for each Fiscal Year, an Assessor's Parcel for which a building permit for new construction of one or more Units was issued after January 1, 2020, and before May 1 of the prior Fiscal Year.

"Services" means the services authorized to be financed, in whole or in part, by CFD No. 57.

"Single Family Attached Property" means all Assessor's Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel Numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

"Single Family Detached Property" means all Assessor's Parcels of Developed Property for which a building permit was issued for construction of a Unit, on one legal lot, that does not share a common wall with another Unit.

"Single Family Property" means all Assessor's Parcels of Single Family Attached Property and Single Family Detached Property.

"Special Taxes" means, collectively, Special Tax A and Special Tax B.

"Special Tax A" means the special tax authorized by the qualified electors of CFD No. 57 to be levied within the boundaries of CFD No. 57 to pay for Facilities and Services.

"Special Tax A Requirement" means for any Fiscal Year that amount required, after taking into account available amounts held in the funds and accounts established under the Indenture, for CFD No. 57 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the Bonds, including, but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay a pro rata share of Administrative Expenses; (iv) provide any amounts required to establish or replenish any reserve fund for the Bonds; (v) pay directly for acquisition or construction of Facilities, or the cost of Services, to the extent that the inclusion of such amounts does not increase the Special Tax A levy on Final Mapped Property or Undeveloped Property; and (vi) provide an amount equal to Special Tax A delinquencies based on the historical delinquency rate for Special Tax A as determined by the CFD Administrator.

"Special Tax B" means the special tax authorized by the qualified electors of CFD No. 57 to be levied within the boundaries of CFD No. 57 to pay for Services.

"Special Tax B Requirement" means for any Fiscal Year that amount required, after taking into account available amounts in any funds and accounts established to pay for Services, to pay the cost of Services, a pro rata share of Administrative Expenses, and an

amount equal to Special Tax B delinquencies based on the historical delinquency rate for Special Tax B as determined by the CFD Administrator.

"Square Footage" or **"Sq. Ft."** means the floor area square footage reflected on the original construction building permit, or as set forth in other official records maintained by the City's Building Department or other appropriate means selected by CFD No. 57, issued for construction of Residential Property or Non-Residential Property, plus any square footage subsequently added to a building of Non-Residential Property after issuance of a building permit for expansion or renovation of such building.

"State" means the State of California.

"Taxable Property" means, for each Fiscal Year, all of the Assessor's Parcels within the boundaries of CFD No. 57 that are not exempt from the Special Taxes pursuant to law or Section E below.

"Taxable Property Owner Association Property" means, for each Fiscal Year, all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Taxes pursuant to Section E below.

"Taxable Public Property" means, for each Fiscal Year, all Assessor's Parcels of Public Property that are not exempt from the Special Taxes pursuant to law or Section E below.

"Tentative Tract Map" means a map: (i) showing a proposed subdivision of an Assessor's Parcel(s) and the conditions pertaining thereto; (ii) that may or may not be based on a detailed survey; and (iii) that is not recorded by the County to create legal lots.

"Total Tax Burden" means, for a Unit within a Land Use Class, for the Fiscal Year in which Total Tax Burden is being calculated, the sum of (a) the Assigned Special Tax A for such Land Use Class for such Fiscal Year, plus (b) the Special Tax B for such Land Use Class for such Fiscal Year, plus (c) the *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental fees, charges (other than fees or charges for services such as sewer and trash), taxes, and assessments (which do not include Contractual Impositions) collected by the County on *ad valorem* tax bills and that the CFD Administrator estimates would be levied or imposed on such Unit in such Fiscal Year if the residential dwelling unit thereon or therein had been completed and sold, and was subject to such fees, charges, taxes, and assessments in such Fiscal Year.

"Trustee" means the trustee or fiscal agent under the Indenture.

"TTM 20135" means Tentative Tract Map No. 20135, the area of which is located within CFD No. 57.

"TTM 20136" means Tentative Tract Map No. 20136, the area of which is located within CFD No. 57.

"TTM 20137" means Tentative Tract Map No. 20137, the area of which is located within CFD No. 57.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property, or Taxable Property Owner Association Property.

"Unit" means an individual single-family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, beginning with Fiscal Year 2021-22, all Taxable Property within CFD No. 57 shall be classified as Developed Property, Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property and shall be subject to Special Taxes in accordance with the Rate and Method of Apportionment as determined pursuant to Sections C and D below. Assessor's Parcels of Developed Property shall be further classified as Single Family Detached Property or Single Family Attached Property, Other Residential Property (for Special Tax A), Multiple Family Residential Unit or Gated Community Attached Dwelling Unit (for Special Tax B), or Non-Residential Property. For Special Tax A, Assessor's Parcels of Single Family Detached Property shall be assigned to Land Use Classes 1 through 5 and Assessor's Parcels of Single Family Attached Property shall be assigned to Land Use Classes 6 through 12, as listed in Table 1 below based on the Residential Floor Area of the Units on such Assessor's Parcels. Also for Special Tax A, Other Residential Property shall be assigned to Land Use Class 13, and Non-Residential Property shall be assigned to Land Use Class 14.

C. MAXIMUM SPECIAL TAX

1. Special Tax A

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax A on Developed Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, CFD No. 57 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Units within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Units within one or more Land Use Classes of Single Family Property to be constructed within CFD No. 57 exceeds 1.95% of the Minimum Sale Price of such Units, the Assigned Special Tax A shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Units within such Land Use Class(es) not to exceed 1.95% of the Minimum Sale Price of such Units.

Each Assigned Special Tax A reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax A, the Backup Special Tax A shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax A revenues within the Tentative Tract Map area(s) where the Assigned Special Tax A reductions occurred. Upon determining the reductions, if any, in the Assigned Special Tax A and Backup Special Tax A required pursuant to this Section C, the CFD Administrator shall complete the Certificate of Modification of Special Tax substantially in the form attached hereto as Exhibit 1 (the "Certificate of Modification"), shall execute such completed Certificate of Modification, and shall deliver such executed Certificate of Modification to CFD No. 57. Upon receipt thereof, if in satisfactory form, CFD No. 57 shall execute such Certificate of Modification. The reduced Assigned Special Tax A and Backup Special Tax A specified in such Certificate of Modification shall become effective upon the execution of such Certificate of Modification by CFD No. 57.

The Special Tax A reductions required pursuant to this section shall be reflected in an amended notice of Special Tax lien, which CFD No. 57 shall cause to be recorded with the County Recorder as soon as practicable after execution of the Certificate of Modification by CFD No. 57. The reductions in this section apply to Single Family Property, but not to Other Residential Property or Non-Residential Property.

a. Developed Property

1) *Maximum Special Tax A*

The Maximum Special Tax A that may be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax A or (ii) the amount derived by application of the Backup Special Tax A. The Maximum Special Tax A shall not increase in future years, other than as calculated pursuant to Section C.1.a.3 below.

2) *Assigned Special Tax A*

The Assigned Special Tax A that may be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

TABLE 1
ASSIGNED SPECIAL TAX A – DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax A
1	Single Family Detached Property	< 1,701	$3,323 per Unit
2	Single Family Detached Property	1,701 – 1,900	$3,505 per Unit
3	Single Family Detached Property	1,901 – 2,100	$3,670 per Unit
4	Single Family Detached Property	2,101 – 2,300	$3,887 per Unit
5	Single Family Detached Property	> 2,300	$4,043 per Unit
6	Single Family Attached Property	< 801	$1,675 per Unit
7	Single Family Attached Property	801 – 1,000	$1,744 per Unit
8	Single Family Attached Property	1,001 – 1,200	$2,227 per Unit
9	Single Family Attached Property	1,201 – 1,400	$2,567 per Unit
10	Single Family Attached Property	1,401 – 1,600	$2,847 per Unit
11	Single Family Attached Property	1,601 – 1,800	$3,049 per Unit
12	Single Family Attached Property	> 1,800	$3,313 per Unit
13	Other Residential Property		$64,314 per Acre
14	Non-Residential Property		$64,314 per Acre

3) Backup Special Tax A

The Backup Special Tax A shall be $3,737 per Unit for Single Family Detached Property and $2,633 for Single Family Attached Property. However, if the Expected Residential Lot Count does not equal 100 for Single Family Detached Property or 234 for Single Family Attached Property, and the City has not issued Bonds, then the Backup Special Tax A for Designated Buildable Lots of Single Family Property shall be calculated separately for Single Family Detached Property and Single Family Attached Property according to the following formula:

Backup Special Tax A = $373,725 ÷ Expected Residential Lot Count for Single Detached Family Property

or $616,074 ÷ Expected Residential Lot Count for Single Attached Family Property

If any portion of a Final Subdivision Map, or any area expected by CFD No. 57 to become Final Mapped Property, such as the area within TTM 20135, TTM 20136, TTM 20137, or any other Tentative Tract Map, changes any time after the City has issued Bonds, causing an adjustment to the number of Designated Buildable Lots, then the Backup Special Tax A for all Designated Buildable Lots of Single Family Detached Property and Single Family Attached Property subject to the change shall be calculated according to the following steps:

Step 1: Determine the total Backup Special Tax A that could have been collected from Designated Buildable Lots, separately for Single Family Detached Property and Single Family Attached Property, prior to the Final Subdivision Map or expected Final Mapped Property change.

Step 2: Divide the amount determined in Step 1 by the number of Designated Buildable Lots, separately for Single Family Detached Property and Single Family Attached Property, that exists after the Final Subdivision Map or expected Final Mapped Property change.

Step 3: Apply the amount determined in Step 2 as the Backup Special Tax A per Unit for Single Family Detached Property and Single Family Attached Property.

The Backup Special Tax A for an Assessor's Parcel shall not change once an Assessor's Parcel is classified as Developed Property.

b. Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property

The Maximum Special Tax A for Final Mapped Property, Taxable Public Property, Taxable Property Owner Association Property, and Undeveloped Property shall be $64,314 per Acre, and shall not be subject to increase or reduction and, therefore, shall remain the same in every Fiscal Year.

2. Special Tax B

The Maximum Special Tax B for each Assessor's Parcel classified as Developed Property shall be determined by reference to Table 2 below.

TABLE 2
MAXIMUM SPECIAL TAX B – DEVELOPED PROPERTY

Land Use Class	Maximum Special Tax B Fiscal Year 2021-22
Residential Property	
Single Family Property	$1,560.77 per Unit
Multiple Family Residential Unit	$1,352.59 per Unit
Gated Community Attached Dwelling Unit	$1,134.29 per Unit
Non-Residential Property	$0.284615 per Sq. Ft.

On January 1 of each Fiscal Year, commencing January 1, 2022, the Maximum Special Tax B to be applied in the next Fiscal Year shall be subject to an automatic increase at a rate equal to 4.0% of the amount in effect for the prior Fiscal Year.

3. Multiple Land Use Classes on an Assessor's Parcel

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax A levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax A for all Units of Single Family Property and Acres of Other Residential Property and Non-Residential Property (based on the pro rata share of Square Footage between Other Residential Property and Non-Residential Property, according to the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor's Parcel. The Maximum Special Tax B levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax B for all Units of Residential Property and all Square Footage of Non-Residential Property (based on the applicable building permits, Final Subdivision Map, parcel map, condominium plan, or other recorded County map) located on that Assessor's Parcel.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Special Tax A

Each Fiscal Year, beginning with Fiscal Year 2021-22, the CFD Administrator shall determine the Special Tax A Requirement for such Fiscal Year. The Special Tax A shall then be levied as follows:

First: If needed to satisfy the Special Tax A Requirement, Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax A;

Second: If additional monies are needed to satisfy the Special Tax A Requirement after the first step has been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property up to 100% of the Maximum Special Tax A for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax A Requirement after the first two steps have been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax A Requirement after the first three steps have been completed, then the levy of Special Tax A on each Assessor's Parcel of Developed Property whose Maximum Special Tax A is determined through the application of the Backup Special Tax A shall be increased Proportionately from the Assigned Special Tax A up to the Maximum Special Tax A for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax A Requirement after the first four steps have been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax A for Taxable Property Owner Association Property;

Sixth: If additional monies are needed to satisfy the Special Tax A Requirement after the first five steps have been completed, then Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax A for Taxable Public Property.

Notwithstanding the above, under no circumstances shall Special Tax A levied in any Fiscal Year on any Assessor's Parcel of Single Family Property or Other Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within CFD No. 57 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

2. Special Tax B

Each Fiscal Year, beginning with Fiscal Year 2021-22, the CFD Administrator shall determine the Special Tax B Requirement. The Special Tax B shall then be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax B for such Assessor's Parcel, until the Special Tax B Requirement is satisfied. However, the Special Tax B levied in any Fiscal Year shall not increase by more than 4.0% of the amount of the Special Tax B levied in the prior Fiscal Year.

E. EXEMPTIONS

No Special Tax shall be levied on up to 5.87 Acres of Public Property and up to 6.64 Acres of Property Owner Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property or Property Owner Association Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax A under this section shall be subject to the levy of Special Tax A and shall be taxed Proportionately as part of the fifth or sixth step, respectively, in Section D above, up to 100% of the applicable Maximum Special Tax A for Taxable Property Owner Association Property and Taxable Public Property. No Special Tax A shall be levied in any Fiscal Year on Assessor's Parcels that have fully prepaid the Special Tax A obligation pursuant to the formula set forth in Section H.

No Special Tax shall be levied on Lower Income Household Welfare Exemption Property; provided, however, that if, in any Fiscal Year, applicable law does not require that Lower Income Household Welfare Exemption Property be exempt from some portion, or all, of the Special Tax, such portion, or all, of the Special Tax shall be levied on such property in accordance with this Rate and Method of Apportionment based on the Land Use Class to which the Assessor's Parcel is assigned.

F. APPEALS

Any property owner may file a written appeal of the Special Tax with CFD No. 57 claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City Council requires the Special Tax to be modified or changed in favor of the property owner, then the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Tax levy(ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the Special Taxes may be collected in such other manner as the City Council shall determine, including direct billing of affected property owners.

H. PREPAYMENT OF SPECIAL TAX A

The following definitions apply to this Section H:

"CFD Public Facilities" means $13,095,000 for each Prepayment Period, or such lower number as determined by the City Council to be sufficient to fund the Facilities and Services to be provided by CFD No. 57.

"Expenditures Fund" means funds or accounts, regardless of their names, that are established to hold moneys that are available to acquire or construct Facilities and to fund Services.

"Future Facilities Costs" means the CFD Public Facilities minus (i) Facilities and Services costs previously paid from the Expenditures Fund during the Prepayment Period in which the prepayment is being made, (ii) moneys currently on deposit in the Expenditures Fund from deposits made during the Prepayment Period in which the prepayment is being made, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance Facilities costs. In no event shall the amount of Future Facilities Costs be less than zero.

"Prepayment Period" means one of three periods of time during which a Special Tax prepayment may be made.

"Prepayment Period 1" means July 1, 2021, through June 30, 2055.

"Prepayment Period 2" means July 1, 2055, through June 30, 2088.

"Prepayment Period 3" means July 1, 2088, through June 30, 2122.

Only Special Tax A may be prepaid; Special Tax B shall continue to be levied on an annual basis on all Developed Property in CFD No. 57.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax A may be prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels for which a building permit for new construction was issued after January 1, 2020, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax A obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt

of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax A Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Total	Prepayment Amount

As of the proposed date of prepayment, the Special Tax A Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Paragraph No.

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel, and determine the Prepayment Period for the proposed prepayment.

2. Compute the Assigned Special Tax A and Backup Special Tax A for the Assessor's Parcel to be prepaid based on the Developed Property Special Tax A which is, or could be, charged in the current Fiscal Year. For Assessor's Parcels of Final Mapped Property (for which a building permit has been issued but which is not yet classified as Developed Property) to be prepaid, compute the Assigned Special Tax A and Backup Special Tax A for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.

3. (a) Divide the Assigned Special Tax A computed pursuant to Paragraph 2 by the total estimated Assigned Special Tax A for CFD No. 57 based on the Developed Property Special Tax A which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 57, excluding any Assessor's Parcels which have been prepaid, and

   (b) Divide the Backup Special Tax A computed pursuant to Paragraph 2 by the estimated total Backup Special Tax A at buildout of CFD No. 57, excluding any Assessor's Parcels which have been prepaid.

4. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").

5. Multiply the Bond Redemption Amount computed pursuant to Paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").

6. Compute the Future Facilities Costs for the applicable Prepayment Period.

7. Multiply the larger quotient computed pursuant to Paragraph 3(a) or 3(b) by the amount determined pursuant to Paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Tax A levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.

10. Add the amounts computed pursuant to Paragraphs 8 and 9 to determine the "Defeasance Amount".

11. Verify the administrative fees and expenses of CFD No. 57, including the costs to compute the prepayment, the costs to invest the prepayment proceeds, the costs to redeem Bonds, and the costs to record any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.

13. The Special Tax A prepayment is equal to the sum of the amounts computed pursuant to Paragraphs 4, 5, 7, 10, and 11, less the amount computed pursuant to Paragraph 12 (the "Prepayment Amount").

14. From the Prepayment Amount, the amounts computed pursuant to Paragraphs 4, 5, 10, and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Paragraph 7 shall be deposited into the Expenditures Fund. The amount computed pursuant to Paragraph 11 shall be retained by CFD No. 57.

The Special Tax A Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000, or integral multiple

thereof, will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax A levy as determined under Paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax A levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid during Prepayment Period 3, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that Special Tax A has been prepaid and that the obligation of such Assessor's Parcel to pay Special Tax A shall cease.

With respect to Special Tax A for any Assessor's Parcel that is prepaid during Prepayment Period 1 or Prepayment Period 2, the obligation of such Assessor's Parcel to pay Special Tax A shall be tolled, or suspended, through the end of such Prepayment Period, but shall resume in the first Fiscal Year of the subsequent Prepayment Period. The CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate that Special Tax A has been satisfied for the remainder of the applicable Prepayment Period but has not been permanently satisfied and the obligation to pay Special Tax A will resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the prepayment was made. Once the obligation of an Assessor's Parcel to pay Special Tax A resumes, Special Tax A for the then applicable Prepayment Period may be prepaid.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the amount of Maximum Special Tax A that may be levied on Taxable Property within CFD No. 57 (after excluding 5.87 Acres of Public Property and 6.64 acres of Property Owner Association Property) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax A on an Assessor's Parcel for which a building permit for new construction was issued after January 1, 2020, may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1, except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = (PF - AE) \times \% + AE.$$

The terms above have the following meaning:

PP = the partial prepayment
PF = the Prepayment Amount (full prepayment) for Special Tax A calculated according to Section H.1
AE = the Administrative Fees and Expenses determined pursuant to paragraph 11 above
% = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying Special Tax A

The Special Tax A partial prepayment amount must be sufficient to redeem at least a $5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay Special Tax A and the percentage by which Special Tax A shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of Special Tax A for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the remitted prepayment funds according to Section H.1, and (ii) indicate in the records of CFD No. 57 that there has been a partial prepayment of Special Tax A and that a portion of Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage (100% - "%", as defined above) of the Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel pursuant to Section D during the Prepayment Period in which the partial prepayment is made.

For partial prepayments made during Prepayment Period 1 or Prepayment Period 2, the full amount of Special Tax A shall resume in the first Fiscal Year of the Prepayment Period following the Prepayment Period in which the partial prepayment was made. Once the obligation of an Assessor's Parcel to pay Special Tax A resumes, Special Tax A for the then applicable Prepayment Period may be prepaid.

I. TERM OF SPECIAL TAX

The Fiscal Year after which no further Special Tax A shall be levied or collected is Fiscal Year 2121-2122, except that Special Tax A that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years. Special Tax B shall continue to be levied indefinitely on an annual basis on all Developed Property in CFD No. 57.

EXHIBIT 1

CERTIFICATE OF MODIFICATION OF SPECIAL TAX A
(PAGE 1 OF 2)

CITY OF ONTARIO AND CFD NO. 57 CERTIFICATE

1. Pursuant to Section C.1 of the Amended and Restated Rate and Method of Apportionment of Special Tax (the "Rate and Method") for City of Ontario Community Facilities District No. 57 (Neuhouse) ("CFD No. 57"), the Assigned Special Tax A and the Backup Special Tax A for Developed Property within CFD No. 57 has been modified.

    a. The information in Table 1 relating to Assigned Special Tax A for Developed Property within CFD No. 57, as stated in Section C.1.a.2 of the Rate and Method of Apportionment, has been modified as follows:

TABLE 1
ASSIGNED SPECIAL TAX A – DEVELOPED PROPERTY

Land Use Class	Description	Residential Floor Area (Square Footage)	Assigned Special Tax A
1	Single Family Detached Property	< 1,701	$[ ] per Unit
2	Single Family Detached Property	1,701 – 1,900	$[ ] per Unit
3	Single Family Detached Property	1,901 – 2,100	$[ ] per Unit
4	Single Family Detached Property	2,101 – 2,300	$[ ] per Unit
5	Single Family Detached Property	> 2,300	$[ ] per Unit
6	Single Family Attached Property	< 801	$[ ] per Unit
7	Single Family Attached Property	801 – 1,000	$[ ] per Unit
8	Single Family Attached Property	1,001 – 1,200	$[ ] per Unit
9	Single Family Attached Property	1,201 – 1,400	$[ ] per Unit
10	Single Family Attached Property	1,401 – 1,600	$[ ] per Unit
11	Single Family Attached Property	1,601 – 1,800	$[ ] per Unit
12	Single Family Attached Property	> 1,800	$[ ] per Unit
13	Other Residential Property		$[ ] per Acre
14	Non-Residential Property		$[ ] per Acre

    b. The Backup Special Tax for Developed Property, as stated in Section C.1.a.3, shall be modified as follows:

EXHIBIT 1

CERTIFICATE OF MODIFICATION OF SPECIAL TAX A
(PAGE 2 OF 2)

The Backup Special Tax A shall be $[____] per Unit for Single Family Detached Property and $[____] per Unit for Single Family Attached Property. However, if the Expected Residential Lot Count does not equal 100 for Single Family Detached Property or 234 for Single Family Attached Property, and the City has not issued Bonds, then the Backup Special Tax A for Designated Buildable Lots of Single Family Property shall be calculated separately for Single Family Detached Property and Single Family Attached Property according to the following formula:

Backup Special Tax A = $[_____] ÷ Expected Residential Lot Count for Single Family Detached Property

or $[_____] ÷ Expected Residential Lot Count for Single Family Attached Property

2. The Special Tax A for Developed Property may only be modified prior to the first issuance of CFD No. 57 Bonds.

3. Upon execution of this certificate by CFD No. 57, CFD No. 57 shall cause an amended notice of Special Tax lien for CFD No. 57 to be recorded reflecting the modifications set forth herein.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Rate and Method. The modifications set forth in this Certificate have been calculated by the CFD Administrator in accordance with the Rate and Method.

GOODWIN CONSULTING GROUP, INC.
CFD ADMINISTRATOR

By:_____ Date:_____

The undersigned acknowledges receipt of this Certificate and of the modification of the Assigned Special Tax A and Backup Special Tax A for Developed Property as set forth in this Certificate.

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 57
(NEUHOUSE)

By:_____ Date:_____

RESOLUTION NO. _____

A RESOLUTION OF CHANGE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, DECLARING RESULTS OF A SPECIAL ELECTION, DETERMINING THAT CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF THE EXISTING SPECIAL TAX OF CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE) ARE LAWFULLY AUTHORIZED AND DIRECTING RECORDING OF AN AMENDMENT TO NOTICE OF SPECIAL TAX LIEN.

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") previously established City of Ontario Community Facilities District No. 57 (Neuhouse) (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, on September 21, 2021, the City Council, pursuant to the Act, adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election for Proposed Changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse)" (the "Resolution Calling Election"), calling a special election of the qualified electors within the Community Facilities District and submitting to such qualified electors the proposition to change the rate and method of apportionment of the special tax (the "Special Tax") levied within the Community Facilities District so as to increase certain of the Special Tax rates thereunder; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Act, the special election was held on September 21, 2021; and

WHEREAS, the City Clerk of the City (the "City Clerk") has certified the canvass of the returns of the election and has filed a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario as follows:

SECTION 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The City Council has received, reviewed and hereby accepts the Canvass.

SECTION 3. The City Council hereby finds and declares that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors in accordance with Section 53338 of the Act.

SECTION 4. The City Council hereby finds and determines that the changes to the rate and method of apportionment of the Special Tax so as to increase certain of the Special tax rates thereunder, as described in the Resolution Calling Election, are lawfully authorized.

SECTION 5. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of San Bernardino an amendment to the notice of special tax lien for the Community Facilities District in accordance with Section 3117.5 of the California Streets and Highways Code.

SECTION 6. All actions heretofore taken by the officers, employees and agents of the City with respect to the changes to the rate and method of apportionment of the Special Tax, or in connection with or related to any of the documents referred to herein, are hereby approved, confirmed and ratified.

SECTION 7. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things that they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of September 2021.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER, LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2021- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held September 21, 2021 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2021- duly passed and adopted by the Ontario City Council at their regular meeting held September 21, 2021.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

EXHIBIT A

CANVASS AND STATEMENT OF RESULTS OF ELECTION

CITY OF ONTARIO
COMMUNITY FACILITIES DISTRICT NO. 57
(NEUHOUSE)
CANVASS AND STATEMENT OF RESULTS OF ELECTION

I hereby certify that on September 21, 2021, I canvassed the returns of the special election held on September 21, 2021 for the City of Ontario Community Facilities District No. 57 (Neuhouse), that the total number of ballots cast in said Community Facilities District and the total number of votes cast for and against the proposition are as follows and that the totals as shown for and against the proposition are true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Ontario Community Facilities District No. 57 (Neuhouse) Special Election, September 21, 2021	24	___	___	___

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the rate and method of apportionment of the special tax levied within City of Ontario Community Facilities District No. 57 (Neuhouse) (the "Community Facilities District") be changed so as to increase certain of the special tax rates thereunder, all as specified in the Resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election for Proposed Changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse)," adopted by the City Council of the City of Ontario on September 21, 2021?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 21st day of September 2021.

BY: _____
SHEILA MAUTZ, CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING AND RESTATING ORDINANCE NO. 3174 LEVYING SPECIAL TAXES WITHIN THE CITY OF ONTARIO COMMUNITY FACILITIES DISTRICT NO. 57 (NEUHOUSE).

WHEREAS, the City Council (the "City Council") of the City of Ontario (the "City") previously established City of Ontario Community Facilities District No. 57 (Neuhouse) (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the qualified electors of the Community Facilities District authorized the levy of a special tax (the "Special Tax") within the Community Facilities District to pay, in whole or in part, the cost of providing certain facilities (the "Facilities") and certain services (the "Services") and incidental expenses pursuant to the Act referenced in the proposition submitted to such qualified electors; and

WHEREAS, pursuant to Section 53340 of the Act, the City Council, on December 1, 2020, adopted Ordinance No. 3174, entitled "An Ordinance of the City Council of the City of Ontario, California, Levying Special Taxes within the City of Ontario Community Facilities District No. 57 (Neuhouse)" (the "Levy Ordinance"), levying the Special Tax at the rate and in accordance with the method of apportionment referenced therein (the "Original Rate and Method"); and

WHEREAS, on August 17, 2021, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, of Consideration to Change the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse)" proposing changes to the Original Rate and Method so as to increase certain of the Special Tax rates thereunder; and

WHEREAS, on September 21, 2021, the City Council, pursuant to the Act, adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Calling a Special Election for Proposed Changes to the Rate and Method of Apportionment of the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse)" (the "Resolution Calling Election") calling for a special election of the qualified electors within the Community Facilities District and submitting to such qualified electors the proposition to change the Original Rate and Method so as to increase certain of the Special Tax rates thereunder, as reflected in the City of Ontario Community Facilities District No. 57 (Neuhouse) Amended and Restated Rate and Method of Apportionment of Special Tax (the "Restated Rate and Method") attached thereto and incorporated therein; and

WHEREAS, on September 21, 2021, the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Ontario, California, Declaring Results of a Special Election, Determining That Changes to the Rate and Method of Apportionment of

the Existing Special Tax of City of Ontario Community Facilities District No. 57 (Neuhouse) Are Lawfully Authorized and Directing Recording of an Amendment to Notice of Special Tax Lien," declaring that the ballot proposition submitted to the qualified electors of the Community Facilities District pursuant to the Resolution Calling Election has been passed and approved by such electors and finding and determining that that the changes to the Original Rate and Method, as reflected in the Restated Rate and Method, were lawfully authorized; and

WHEREAS, this Ordinance amends and restates the Levy Ordinance in order to reflect such changes.

THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The Levy Ordinance is hereby amended and restated to read in full as set forth herein.

SECTION 2. The City Council hereby authorizes and levies the Special Tax within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rate and in accordance with the method of apportionment set forth in the Restated Rate and Method. The Special Tax is hereby levied in each fiscal year until the last fiscal year in which the Special Tax is authorized to be levied pursuant to the Restated Rate and Method.

SECTION 3. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the Special Tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the Special Tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified therefor in the Restated Rate and Method.

SECTION 4. The Special Tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Restated Rate and Method.

SECTION 5. The proceeds of the Special Tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and Services and incidental expenses pursuant to the Act.

SECTION 6. The Special Tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

SECTION 7. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the Community Facilities District shall not be affected.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary hereof to be published at least once in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with California Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2021.

_____
PAUL S. LEON, MAYOR

ATTEST:

_____
SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

_____
BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held _____ and adopted at the regular meeting held _____, 2021 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

_____
SHEILA MAUTZ, CITY CLERK

(SEAL)