

Ontario Redevelopment Agency

Administration

Project Area 1

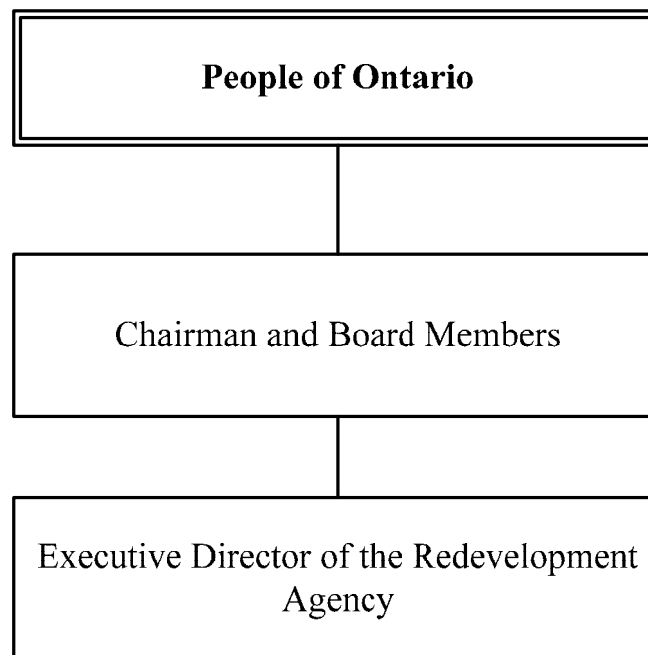
Project Area 2

Center City Project Area

Cimarron Project Area

Guasti Project Area

2008-09 Organizational Chart
Ontario Redevelopment Agency
Effective July 1, 2008



Ontario Redevelopment Agency

Fiscal Year 2008-09 Budget Overview

I. Introduction

The Ontario Redevelopment Agency (Agency) is a separate legal entity governed by California Redevelopment Law. The Agency was activated on November 16, 1971, by City of Ontario Ordinance No. 1771. The Ontario Redevelopment Agency oversees five project areas: Project Area No. 1, Project Area No. 2, Center City Project Area, Cimarron Project Area, and Guasti Project Area. The Redevelopment Agency budget contains revenue and expenditure projections associated with the Redevelopment Agency Administrative Fund, Low & Moderate Income Housing Funds, Debt Service Funds, and Redevelopment Capital Projects Funds for each of the five project areas.

The Redevelopment Agency funds its activities primarily through “tax increment financing.” After an area is designated as a redevelopment project area, the portion of property taxes attributable to any subsequent increases in property valuation (tax increment) becomes potential revenue to the Redevelopment Agency. Depending on the particular Project Area, certain amounts of the tax increment are “passed through” to other taxing agencies for their use. In accordance with State law, the Agency deposits 80% of the tax increment revenue it receives into a Debt Service Fund and 20% into a Low/Moderate Income Housing fund. Monies deposited into the Low/Moderate Income Housing fund may be used only for low/moderate housing activities.

The Debt Service Fund is used to pay Agency debt. In order to provide for redevelopment projects, the Agency may issue bonds or enter into other types of debt obligations using tax increment revenue as the basis for repayment of the debt. As part of each specific project financing process, the proceeds are designated for the bond issue, i.e., for various projects, and, when received, are deposited into a redevelopment project debt service fund.

II. Staffing

Ontario Redevelopment Agency is staffed by the City of Ontario’s Redevelopment Department. Five full-time employees are dedicated to directly administering and managing the Redevelopment Agency. Twenty-two employees are dedicated to Housing activities. The Agency continues to utilize City employees in City Administration and Planning, as well as outside consultants when it is economically prudent to provide project design, technical and project management services. The Adopted Operating Budget for 2008-09 includes a contribution of **\$2,852,349** to the City’s General Fund for such services as City Administration, Human Resources, Finance, and Budget.

III. Financial Overview

The Redevelopment Agency's estimated sources of funds for Fiscal Year 2008-09 principally consists of bond proceeds, tax increment, interest income, transfers, and fund balance. Total estimated revenues for Fiscal Year 2008-09 are **\$49,351,583**. Total Adopted Fiscal Year 2008-09 Redevelopment Agency appropriations are **\$48,213,972**.

IV. Key Financial Issues

The following are significant issues regarding the financial condition of the Ontario Redevelopment Agency:

- Project Area No. 1 assessed valuation for Fiscal Year 2007-08 experienced a significant increase of over 16%. For the previous five years, Project Area No. 1 has shown an average growth in assessed valuation of 8.7%.
- Project Area No. 2 assessed valuation for Fiscal Year 2007-08 experienced a significant increase of over 22%. For the previous five years, Project Area No. 2 has shown considerable growth in assessed valuation – an average of almost 17%.
- The assessed valuation for the Center City Project Area reported a major increase of 15% for Fiscal Year 2007-08. Center City has averaged 12.5% during the last five years in its growth in assessed valuation.
- For Fiscal Year 2007-08, the Cimarron Project Area reflected a significant growth of over 14% in assessed valuations. Cimarron Project Area has reported an average increase of 15.5% for the last five years.
- The assessed valuation for the Guasti Project Area for Fiscal Year 2007-08 has reported a substantial increase of over 100% compared to the previous year's assessed valuation. Guasti Project Area has reported an average increase of over 90% for the last five years.

V. Low and Moderate Income Housing Fund

The Low and Moderate Income Housing Fund is an important funding source for a variety of programs covered in the City of Ontario's Five Year Consolidated Plan. This Plan is designed to bring needs and resources together in a coordinated housing and neighborhood improvement strategy, which includes the following programs:

A. Housing Revitalization Program

The Agency completed 240 units in the Ontario CARES Exterior Beautification Program (48 units in the Lincoln/Mission Focus Neighborhood and 192 units in the Jay Littleton Phase I/Centennial Focus Neighborhood). The Agency provided assistance to 25 homes through the Emergency Grant Program with housing improvements related to health and/or safety issues.

B. Housing Development

- Monitored construction of the \$80 million Ontario Town Square Phase I project which includes 140 townhomes and 160 apartments.
- Monitored construction progress, budget and change orders on \$11 million of Ontario Town Square public improvements.
- Awarded \$3.57 million of BEGIN program funds to provide down payment assistance within the Ontario Town Square Project.
- Obtained entitlements on a proposed 5,876 square foot Mercy House permanent Intake Center and Emergency Shelter.
- Submitted funding applications for the Mercy House Intake Center and Emergency Shelter - \$1 million from the State of California (Emergency Housing and Assistance Program Capital Development), and \$1.25 million from the County of San Bernardino (Mental Health Services Act).
- Started construction on a 48-unit affordable senior housing project located at 1449 E. D Street. \$8.5 million of the construction project is funded by \$7,251,146 in HUD Section 202 funds and \$1,276,909 of Ontario Redevelopment Agency assistance.
- Completed an amendment to the Disposition and Development Agreement for a 76-unit Ontario Town Square Senior Project with Related Companies, and submitted a tax credit application for funding. If tax credits are awarded, construction will begin by November 2008.
- Monitored the rehabilitation of the Parc Vista and Terrace View Apartments. This rehabilitation project by JH Real Estate Partners, Inc. includes the rehabilitation of 153 current affordable housing units.

VI. Redevelopment Capital Project and Debt Service Funds

The Redevelopment Capital Project Funds section of the budget has been prepared for each individual project area. Capital funds must be accounted for and expended either: (1) totally within the project area or (2) in a manner in which is found by the Agency to be a benefit to the particular project area. Highlights of project area activities are as follows:

A. Project Area No. 1**1. Capital Project Fund**

Project Area No. 1 was established on July 18, 1978 as the Agency's initial project area. Since then, the project area has been amended six (6) times to include approximately 3,537 acres of commercial and industrial land. Located on the City's eastern side, Project Area No. 1 is considered one of Ontario's greatest financial resources. Highlighted projects in the Adopted Budget for Fiscal Year 2008-09 include the following:

- **\$1,031,850** Relocation of Revenue Customer Service Office
- **\$1,030,000** Allegiance Health Care (formerly Baxter) sales tax rebate reimbursement to the City
- **\$556,000** Rehabilitation of the pavement on Inland Empire Blvd (Haven Ave to Mercedes Ln)
- **\$636,000** Rehabilitation of the pavement on Haven Ave (I-10 Frwy to Fourth St)
- **\$270,938** Police/Fire Facility lease payment reimbursement to the City

2. Debt Service Fund

For Fiscal Year 2008-09, tax increment revenues will be sufficient to meet all upcoming current debt obligations. Included in the Adopted 2008-09 Budget are debt service payments for outstanding Tax Allocation Bonds, repayment of City note payables for the refinanced Toyota Motor Sales USA long-term note and acquisition of the former San Bernardino County facility now occupied by the University of La Verne Law School, interest payment to the City on outstanding sales tax reimbursement note, reimbursement to the City for various project improvements, and all required pass-through payments. Project Area No. 1 tax increment continued to rise reflecting the increase in assessed valuation resulting from Ontario Mills and the surrounding areas.

- **\$2,410,000** 1992 CAB's Refunding Bond debt service payment
- **\$5,618,706** 1993 Revenue Bond debt service payment
- **\$ 497,946** 1995 Revenue Bond debt service payment
- **\$ 942,900** 2002 Revenue Bond debt service payment
- **\$2,475,158** Library, Soccer Sports Field Complex, and Fourth St improvements reimbursement agreement
- **\$ 830,000** Location agreement with MedCal Sales
- **\$4,682,930** Note payments to City

B. Project Area No. 2

1. Capital Project Fund

Project Area No. 2 was originally established on October 5, 1982 and consisted of 15 non-contiguous areas that are mostly developed and primarily residential. In December 1994, the project area was amended to include commercial property along Mountain Avenue from the I-10 freeway to Holt Boulevard and along Holt Boulevard from Mountain Avenue to the westerly City limits. Included in the Adopted Budget for Fiscal Year 2008-09 are the following projects:

- **\$648,000** Renovation of Fire Station No. 4

2. Debt Service Fund

For Fiscal Year 2008-09, tax increment revenues will be sufficient to meet all upcoming current debt obligations. Included in the Adopted Budget for Fiscal Year 2008-09 is the repayment of the note to the City regarding the acquisition of 215 East C Street and surrounding areas for the completed City Library project and all required pass-through payments.

- **\$539,320** Low-Mod Housing obligation for Center City project area
- **\$455,130** Note payments to the City

C. Center City Project Area

1. Capital Project Fund

The Center City Project Area was originally established on November 1, 1983 and includes the area in Downtown Ontario. In July 1986, Center City was amended to include additional areas along Holt Boulevard east of Campus Avenue ending near the LA/Ontario International Airport. Included in the Adopted Budget for 2008-09 are the following:

- **\$2,588,350** Civic Center public improvement subsidy and funding of construction management services regarding the Ontario Town Square project
- **\$ 500,000** Contribution to the historical preservation of the Ontario Town Square

2. Debt Service Fund

For Fiscal Year 2008-09, tax increment revenues will be adequate to meet all upcoming current debt obligations. Included in the Adopted Budget for 2008-09 are debt service payments for outstanding Tax Allocation Bonds and all required pass-through payments.

- **\$375,000** 1992 CAB's Refunding Bond debt service payment
- **\$345,770** 2002 Revenue Bond debt service payment
- **\$652,024** Note payments to City

D. Cimarron Project Area**1. Capital Project Fund**

The Cimarron Project Area was originally established on October 8, 1980, amended in 2007, and currently includes 22 non-contiguous areas. Redevelopment continues to support the effort of the Housing Agency in providing safe and sanitary housing for persons of low and moderate income in the Cimarron Project Area during the Fiscal Year 2008-09.

2. Debt Service Fund

For Fiscal Year 2008-09, tax increment revenues will be sufficient to meet all upcoming debt obligations. Included in the Adopted Budget for 2008-09 are debt service payments for outstanding Tax Allocation Bonds and all required pass-through payments.

- **\$215,000** 1992 CAB's Refunding Bond debt service payment
- **\$69,155** 2002 Revenue Bond debt service payment
- **\$206,011** Note payments to City

E. Guasti Project Area**1. Capital Project Fund**

The Guasti Project Area was originally established on July 17, 2001 and comprises 19 contiguous parcels on approximately 180 acres between the I-10 Freeway and the LA/Ontario International Airport. Redevelopment continues to support the effort of facilitating the rehabilitation of existing buildings and the development of new uses in the Guasti Project Area during the Fiscal Year 2008-09.

2. Debt Service Fund

For Fiscal Year 2008-09, tax increment revenues will be sufficient to meet all upcoming debt obligations. Included in the Adopted Budget for 2008-09 are debt service payments for all required pass-through payments.

- **\$45,294** Note payments to City

RESOLUTION NO. ORA-780

**A RESOLUTION OF THE ONTARIO REDEVELOPMENT AGENCY ADOPTING
A BUDGET FOR SAID AGENCY FOR THE FISCAL YEAR 2008-09**

WHEREAS, the Capital Project Fund group consists of the Redevelopment Agency, Project Area No. 1, Project Area No. 2, Center City Project Area, Cimarron Project Area, Guasti Project Area, and Housing Set Aside Funds;

WHEREAS, the Debt Service Fund group consists of the Project Area No. 1, Project Area No. 2, Center City Project Area, Cimarron Project Area, and Guasti Project Area Funds;

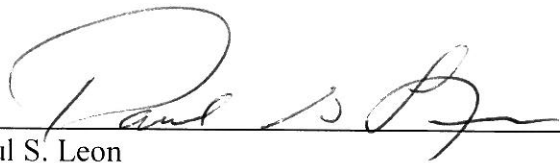
WHEREAS, the Agency hereby determines, in accordance with Section 33334.3(d) of the California Redevelopment Law, that the planning and administrative expenses provided in the Budget to be made from the Low and Moderate Income Housing Fund are necessary for the production, improvement, or preservation of low-and-moderate income housing;

NOW, THEREFORE, be it resolved, determined, and ordered by the Redevelopment Agency of the City of Ontario that, the Redevelopment Agency's Operating Budget for the Fiscal Year 2008-09, submitted by the Executive Director to the Redevelopment Agency, is herewith adopted for the Redevelopment Agency of the City of Ontario for the Fiscal Year 2008-09.

NOW, THEREFORE, be it also resolved, that the 2008-09 Operating Budget Appropriations are as follows:

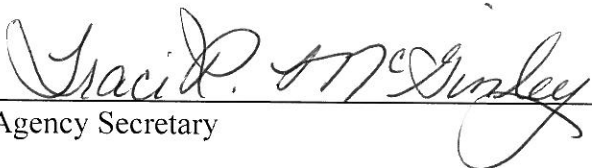
Capital Projects Funds	\$23,191,001
Debt Service Funds	<u>25,022,971</u>
Total Operating Budget	<u>\$48,213,972</u>

APPROVED AND ADOPTED this 25th day of June, 2008.



Paul S. Leon
Chairman, Ontario Redevelopment Agency

ATTEST:



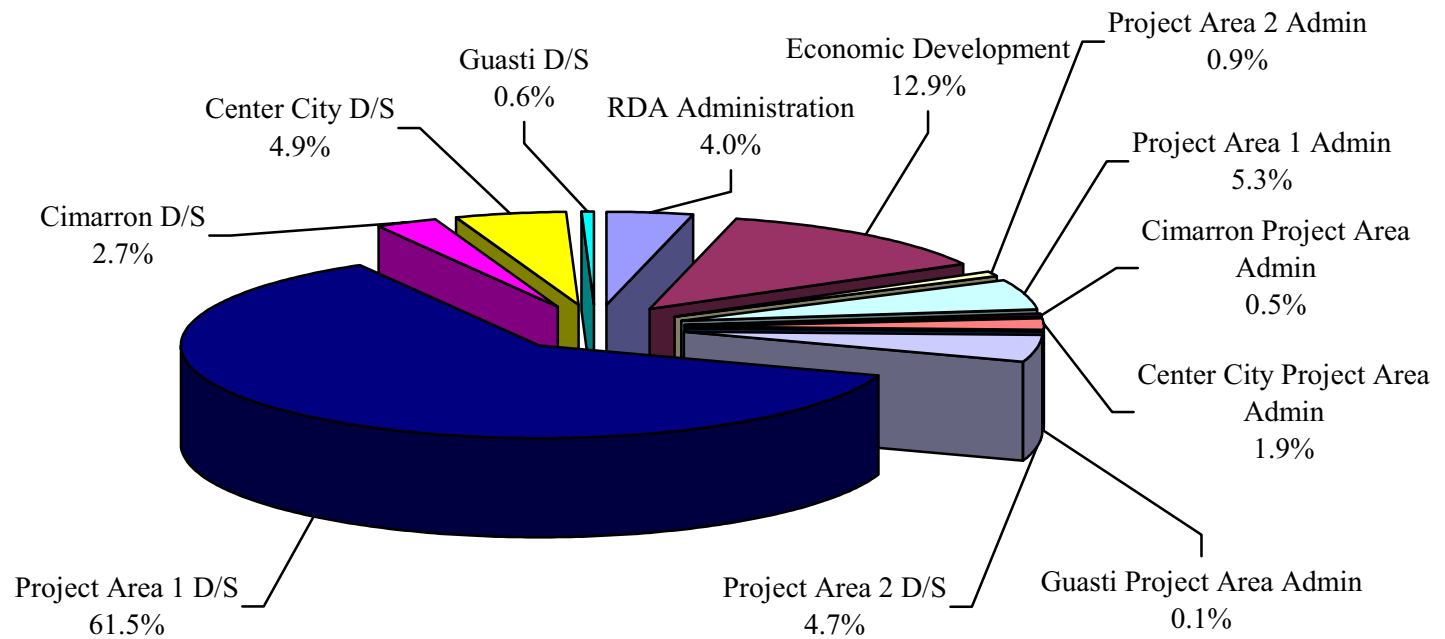
Agency Secretary

Ontario Redevelopment Agency

Total Funds: \$33,641,674

General Fund: \$2,312,329

Other Funds: \$31,329,345



AGENCY SUMMARY FOR FISCAL YEAR 2008-09

Redevelopment

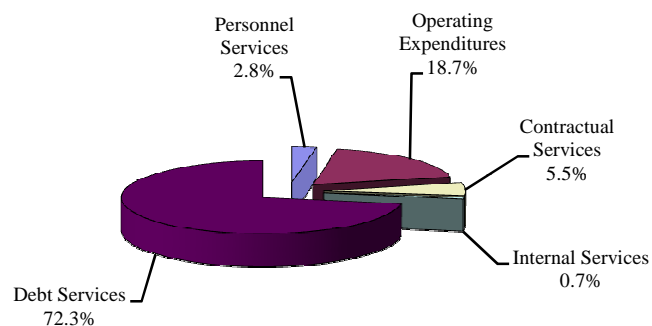
Agency is comprised of the Redevelopment Administration, and the five Redevelopment project areas: Project Area No. 1, Project Area No. 2, Center City, Cimarron, and Guasti.

Service Objective:

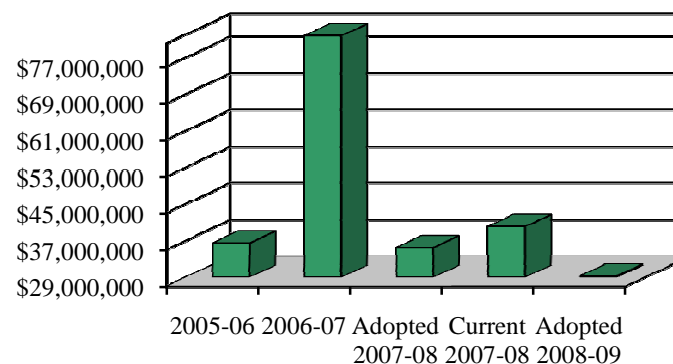
To eliminate blight from a designated area and achieve desired development, reconstruction and rehabilitation. To manage the Agency for the purpose of eliminating blighting influences and returning land to productive use through coordination of programs.

Adopted Budget Expenditures

\$29,318,186



Expenditures



Budget

<u>Expenditures Category</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>Adopted FY 2007-08</u>	<u>Current FY 2007-08</u>	<u>Adopted FY 2008-09</u>	<u>% Change to Adopted 07-08</u>
Personnel Services	\$ 663,017	\$ 639,909	\$ 718,930	\$ 724,137	\$ 808,156	12.4%
Operating Expenditures	\$ 11,157,670	\$ 46,598,496	\$ 7,195,923	\$ 7,918,588	\$ 5,469,850	-24.0%
Contractual Services	\$ 4,888,184	\$ 1,959,668	\$ 10,517,096	\$ 11,442,303	\$ 1,616,458	-84.6%
Internal Services	\$ 160,351	\$ 186,696	\$ 198,958	\$ 199,085	\$ 206,760	3.9%
Debt Services	\$ 19,613,933	\$ 32,341,940	\$ 16,818,492	\$ 19,740,626	\$ 21,216,962	26.2%
Capital Outlay	\$ -	\$ -	\$ 21,000	\$ 46,000	\$ -	-100.0%
Total Expenditures	\$ 36,483,154	\$ 81,726,710	\$ 35,470,399	\$ 40,070,739	\$ 29,318,186	-17.3%
Annual Percentage Change		124.0%	-56.6%	13.0%	-26.8%	
Annual Amount Change		\$ 45,243,555	\$ (46,256,311)	\$ 4,600,340	\$ (10,752,553)	

Historical data may reflect fluctuations due to organizational restructuring.

Redevelopment 2008-09 Department Summary

Department Title (Department ID)	Detail Book Page Number	2005-06 Actual	2006-07 Actual	2007-08 Adopted Budget	2007-08 Current Budget	2008-09 Adopted Budget	% Change to Adopted Budget 2007-08
RDA Administration (164)	350	\$ 1,449,049	\$ 1,474,936	\$ 1,510,645	\$ 1,604,853	\$ 1,350,451	-10.6%
Project Area 2 Administration (167)	353	454,980	1,385,322	398,968	522,842	293,750	-26.4%
Project Area 1 Administration (169)	354	6,832,331	41,418,762	3,771,776	6,539,504	1,799,351	-52.3%
Cimarron Project Area Admin (170)	355	260,512	229,203	195,845	222,195	160,750	-17.9%
Project Area 2 Debt Service (172)	356	3,340,287	1,355,618	977,539	977,539	1,591,679	62.8%
Center City Project Debt Svc (173)	357	950,518	1,085,420	931,459	931,459	1,651,893	77.3%
Project Area 1 Debt Service (174)	358	17,841,084	32,725,815	17,109,082	17,361,357	20,668,417	20.8%
Cimarron Project Area Debt Svc (175)	360	1,034,682	656,197	660,398	660,398	920,216	39.3%
Center City Project Admin (202)	361	610,335	642,295	912,353	1,011,504	655,913	-28.1%
Guasti Project Debt Service (257)	362	37,969	22,743	55,292	55,292	190,766	245.0%
Guasti Project Administration (260)	363	4,704	-	64,204	64,204	35,000	-45.5%
Redevelopment Project (311)	364	3,666,704	730,399	8,882,838	10,119,592	-	-100.0%
TOTAL REDEVELOPMENT		\$ 36,483,154	\$ 81,726,710	\$ 35,470,399	\$ 40,070,739	\$ 29,318,186	-17.3%

Historical data may reflect fluctuations due to organizational restructuring.

AGENCY SUMMARY FOR FISCAL YEAR 2008-09

Economic Development

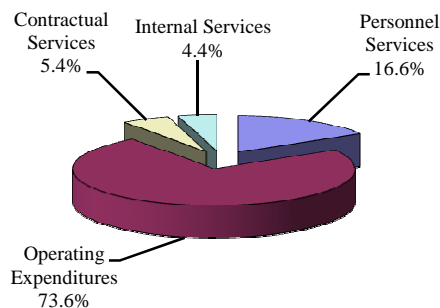
Incorporates the departments of Economic Development and Community Outreach, whose role is to attract, retain and expand businesses in the City, market the City globally, and develop the workforce for the City.

Service Objective:

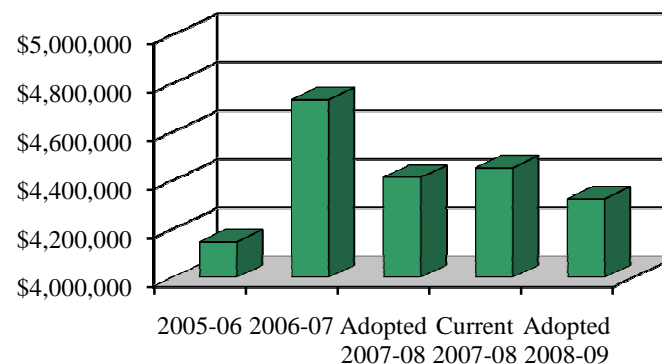
To promote business expansion through attraction and retention. To provide the greatest possible range of employment opportunities for citizens. To increase the City's revenue base and improve the quality of life for all residents.

Adopted Budget Expenditures

\$4,323,488



Expenditures



Budget

<u>Expenditures Category</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>Adopted FY 2007-08</u>	<u>Current FY 2007-08</u>	<u>Adopted FY 2008-09</u>	<u>% Change to Adopted 07-08</u>
Personnel Services	\$ 469,673	\$ 540,242	\$ 639,566	\$ 663,088	\$ 715,645	11.9%
Operating Expenditures	\$ 3,163,184	\$ 3,620,230	\$ 3,275,989	\$ 3,227,889	\$ 3,184,809	-2.8%
Contractual Services	\$ 296,625	\$ 348,782	\$ 314,000	\$ 376,970	\$ 234,000	-25.5%
Internal Services	\$ 210,031	\$ 169,437	\$ 182,169	\$ 182,300	\$ 189,034	3.8%
Debt Services	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Outlay	\$ 7,352	\$ 53,320	\$ -	\$ -	\$ -	0.0%
Total Expenditures	\$ 4,146,865	\$ 4,732,010	\$ 4,411,724	\$ 4,450,247	\$ 4,323,488	-2.0%
Annual Percentage Change		14.1%	-6.8%	0.9%	-2.8%	
Annual Amount Change		\$ 585,146	\$ (320,286)	\$ 38,523	\$ (126,759)	

Historical data may reflect fluctuations due to organizational restructuring.

Economic Development
2008-09 Department Summary

								% Change to Adopted Budget 2007-08
Department Title (Department ID)	Detail Book Page Number	2005-06 Actual	2006-07 Actual	2007-08 Adopted Budget	2007-08 Current Budget	2008-09 Adopted Budget		
Community Outreach (163)	344	\$ 2,537,093	\$ 2,874,332	\$ 2,410,909	\$ 2,410,909	\$ 2,456,604		1.9%
Economic Development (165)	345	<u>1,609,772</u>	<u>1,857,678</u>	<u>2,000,815</u>	<u>2,039,338</u>	<u>1,866,884</u>		-6.7%
TOTAL ECONOMIC DEVELOPMENT		<u><u>\$ 4,146,865</u></u>	<u><u>\$ 4,732,010</u></u>	<u><u>\$ 4,411,724</u></u>	<u><u>\$ 4,450,247</u></u>	<u><u>\$ 4,323,488</u></u>		-2.0%

Historical data may reflect fluctuations due to organizational restructuring.