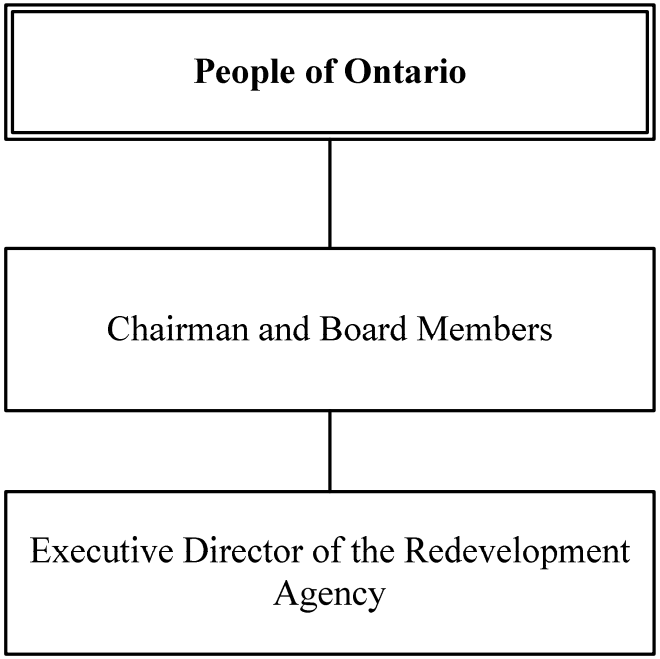
Ontario Redevelopment Agency

Administration
Project Area 1
Project Area 2
Center City Project Area
Cimarron Project Area
Guasti Project Area

2009-10 Organizational Chart

Ontario Redevelopment Agency

Effective July 1, 2009



Ontario Redevelopment Agency
Fiscal Year 2009-10 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

The 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-one employees are dedicated to Housing activities who manage the use of the low/mod funds. 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 Proposed Operating Budget for 2009-10 includes a contribution of **$2,432,728** 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 2009-10 principally consists of bond proceeds, tax increment, interest income, transfers, and fund balance. Total estimated revenues for Fiscal Year 2009-10 are **$48,485,677.** Total Proposed Fiscal Year 2009-10 Redevelopment Agency appropriations are **$51,073,951**.

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 2008-09 experienced an increase of over 6%. 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 2008-09 experienced an increase of over 3%. 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 an increase of 12.8% for Fiscal Year 2008-09. Center City has averaged 12.5% during the last five years in assessed valuation growth.
- For Fiscal Year 2008-09, the Cimarron Project Area reflected a slight increase of almost 1% in assessed valuation. The 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 2008-09 has reported an increase of over 3% compared to the previous year's assessed valuation. The 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 195 units in the Ontario CARES Exterior Beautification Program, 15 units with California Friendly water conservation design elements.
- The Agency provided assistance to 25 very low-income homeowners through the Emergency Grant Program.
- Hosted a community celebration to kick-off two new CARES neighborhoods: Jay Littleton Phase I and Centennial.
- Coordinated with Community & Public Services Agency on the completion of approximately $800,000 of street improvements in CARES Focus Areas.
- Submitted documentation to the County Assessor's Office to acquire two tax defaulted properties.

B. Housing Development

- Completed 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 $1.4 million of BEGIN program funds to provide down payment assistance within the Ontario Town Square Project.
- Awarded $1 million from the State of California (Emergency Housing and Assistance Program Capital Development) for the construction of the Mercy House Intake Center and Emergency Shelter.
- Monitored construction of the $8.5 million, 48-unit Palm Terrace Senior Housing Project.
- Completed an amendment to the Disposition and Development Agreement to allow for construction of a 76-unit Ontario Town Square Senior Project with Related Companies. Construction is estimated to begin in August 2009.
- Acquired 307-311 W. Francis, a 15-unit affordable apartment property. Estimated total acquisition/rehabilitation cost is $2.2 million.

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 Proposed Budget for Fiscal Year 2009-10 include the following:

   - **$1,016,000** Allegiance Health Care (formerly Baxter) sales tax rebate reimbursement to the City
   - **$ 130,000** Rehabilitation of the pavement on Archibald Ave (Jurupa St to Mission Blvd)
   - **$ 125,000** Rehabilitation of the pavement on Sarah Court and Malaga Pl
   - **$ 270,938** Police/Fire Facility lease payment reimbursement to the City

2. Debt Service Fund
For Fiscal Year 2009-10, tax increment revenues will be sufficient to meet all upcoming current debt obligations. Included in the Proposed FY 2009-10 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.

- **$2,410,002** 1992 CAB's Refunding Bond debt service payment
- **$5,587,657** 1993 Revenue Bond debt service payment
- **$ 499,351** 1995 Revenue Bond debt service payment
- **$ 943,900** 2002 Revenue Bond debt service payment
- **$2,437,734** Library, Soccer Sports Field Complex, and Fourth St improvements reimbursement agreement
- **$ 900,000** Location agreement with MedCal Sales
- **$4,227,224** 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.

2. Debt Service Fund
For Fiscal Year 2009-10, tax increment revenues will be sufficient to meet all upcoming current debt obligations. Included in the Proposed Budget for Fiscal Year 2009-10 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, the Bon View School note, and all required pass-through payments.
- **$ 504,989** Low-Mod Housing obligation for Center City project area
- **$1,716,201** 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 Proposed Budget for FY 2009-10 are the following:

   - **$1,088,350** Civic Center public improvement subsidy and funding of construction management services regarding the Ontario Town Square project
   - **$ 500,000** Contribution to the historical preservation of the Ontario Town Square

2. Debt Service Fund
   For Fiscal Year 2009-10, tax increment revenues will be adequate to meet all upcoming current debt obligations. Included in the Proposed Budget for FY 2009-10 are debt service payments for outstanding Tax Allocation Bonds and all required pass-through payments.

   - **$ 375,001** 1992 CAB's Refunding Bond debt service payment
   - **$ 344,252** 2002 Revenue Bond debt service payment
   - **$1,487,313** 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 2009-10.

2. Debt Service Fund
   For Fiscal Year 2009-10, tax increment revenues will be sufficient to meet all upcoming debt obligations. Included in the Proposed Budget for FY 2009-10 are debt service payments for outstanding Tax Allocation Bonds and all required pass-through payments.

   - **$220,001** 1992 CAB's Refunding Bond debt service payment
   - **$ 68,987** 2002 Revenue Bond debt service payment
   - **$220,337** 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 2009-10.

2. Debt Service Fund
   For Fiscal Year 2009-10, tax increment revenues will be sufficient to meet all upcoming debt obligations. Included in the Proposed Budget for FY 2009-10 are debt service payments for all required pass-through payments.

   - **$88,045** Note payments to City

RESOLUTION NO. ORA-797

A RESOLUTION OF THE ONTARIO REDEVELOPMENT AGENCY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A BUDGET FOR SAID AGENCY FOR THE FISCAL YEAR 2009-10

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 2009-10, submitted by the Executive Director to the Redevelopment Agency, is herewith Proposed for the Redevelopment Agency of the City of Ontario for the Fiscal Year 2009-10.

NOW, THEREFORE, be it also resolved, that the 2009-10 Operating Budget Appropriations are as follows:

Capital Projects Funds	$24,966,722
Debt Service Funds	256,107,229
Total Operating Budget	$51,073,951

APPROVED AND ADOPTED this **23rd** day of **June, 2009**.

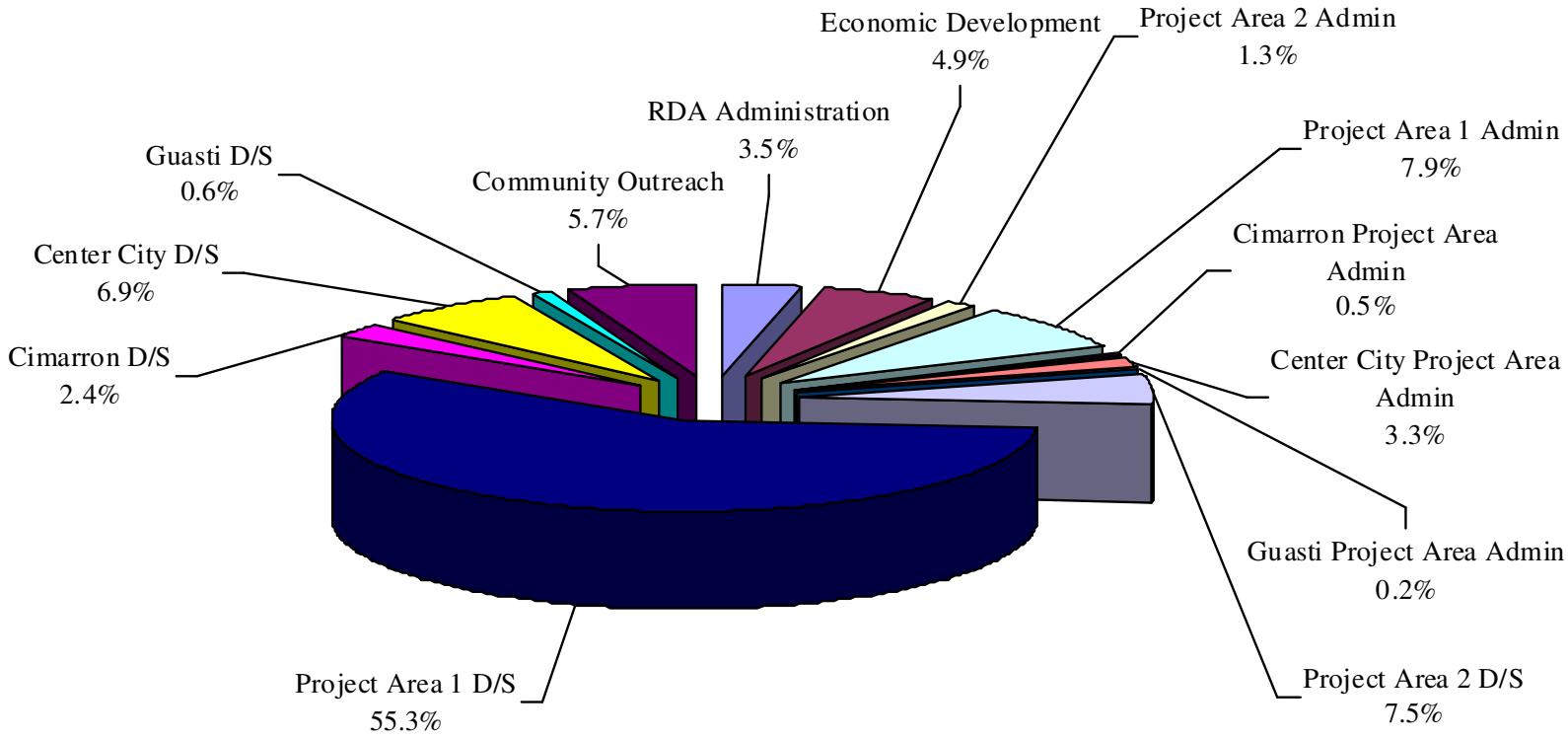
Paul S. Leon
Chairman, Ontario Redevelopment Agency

ATTEST:

Agency Secretary

Ontario Redevelopment Agency

Total Funds:	$35,924,421
General Fund:	$1,901,742
Other Funds:	$34,022,679



AGENCY SUMMARY FOR FISCAL YEAR 2009-10

Redevelopment

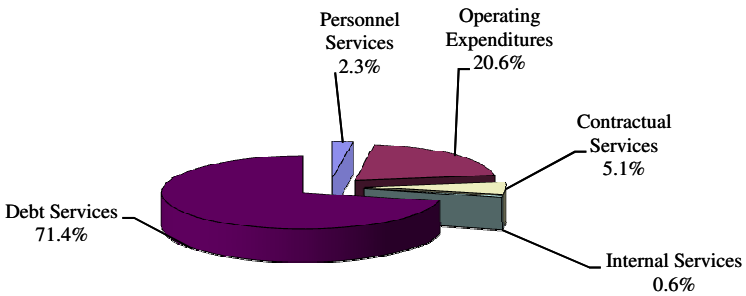
Agency is comprised of the Redevelopment Administration, and the five Redevelopment project areas: Project Area No. 1, Project Area No. 2, Center City, Cimarron, and Guasti.

Service Objective:

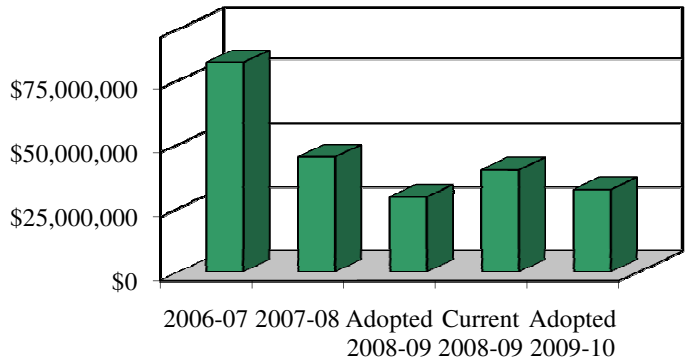
To eliminate blight from a designated area and achieve desired development, reconstruction and rehabilitation. To manage the Agency for the purpose of eliminating blighting influences and returning land to productive use through coordination of programs.

Adopted Budget Expenditures

$32,109,050



Expenditures



Budget

Expenditures Category	FY 2006-07	FY 2007-08	Adopted FY 2008-09	Current FY 2008-09	**Adopted FY 2009-10**	% Change to Adopted 08-09
Personnel Services	$ 639,909	$ 724,828	$ 808,156	$ 805,711	**$ 736,276**	-8.9%
Operating Expenditures	$ 46,598,501	$ 17,457,293	$ 5,469,850	$ 7,058,436	**$ 6,611,138**	20.9%
Contractual Services	$ 1,959,668	$ 3,137,442	$ 1,616,458	$ 8,864,790	**$ 1,647,850**	1.9%
Internal Services	$ 186,696	$ 195,893	$ 206,760	$ 206,716	**$ 205,843**	-0.4%
Debt Services	$ 32,341,940	$ 23,292,749	$ 21,216,962	$ 21,950,283	**$ 22,907,943**	8.0%
Capital Outlay	$ -	$ -	$ -	$ 988,437	**$ -**	0.0%
Total Expenditures	$ 81,726,715	$ 44,808,205	$ 29,318,186	$ 39,874,373	**$ 32,109,050**	9.5%
Annual Percentage Change		-45.2%	-34.6%	36.0%	-19.5%	
Annual Amount Change		$ (36,918,510)	$ (15,490,019)	$ 10,556,187	$ (7,765,323)	

Historical data may reflect fluctuations due to organizational restructuring.

Redevelopment
2009-10 Department Summary

Department Title (Department ID)	Detail Book Page Number	2006-07 Actual	2007-08 Actual	2008-09 Adopted Budget	2008-09 Current Budget	2009-10 Adopted Budget	% Change to Adopted Budget 2008-09
RDA Administration (164)	380	$ 1,474,936	$ 1,516,544	$ 1,350,451	$ 1,347,162	**$ 1,274,342**	-5.6%
Project Area 2 Administration (167)	383	1,385,322	158,577	293,750	364,394	**452,966**	54.2%
Project Area 1 Administration (169)	384	41,418,762	18,081,581	1,799,351	3,437,668	**2,833,141**	57.5%
Cimarron Project Area Admin (170)	386	229,203	40,408	160,750	790,621	**191,815**	19.3%
Project Area 2 Debt Service (172)	387	1,355,618	1,534,725	1,591,679	1,633,890	**2,691,525**	69.1%
Center City Project Debt Svc (173)	388	1,085,420	1,118,328	1,651,893	2,043,519	**2,467,898**	49.4%
Project Area 1 Debt Service (174)	389	32,725,815	17,702,778	20,668,417	20,382,950	**19,866,430**	-3.9%
Cimarron Project Area Debt Svc (175)	391	656,197	704,860	920,216	948,918	**868,633**	-5.6%
Center City Project Admin (202)	392	642,295	864,498	655,913	855,925	**1,172,949**	78.8%
Guasti Project Debt Service (257)	394	22,743	182,333	190,766	197,015	**212,743**	11.5%
Guasti Project Administration (260)	395	5	3,091	35,000	41,904	**76,608**	118.9%
Redevelopment Project (311)	396	730,399	2,900,483	-	7,830,407	**-**	0.0%
TOTAL REDEVELOPMENT		**$ 81,726,715**	**$ 44,808,205**	**$ 29,318,186**	**$ 39,874,373**	**$ 32,109,050**	9.5%

Historical data may reflect fluctuations due to organizational restructuring.

AGENCY SUMMARY FOR FISCAL YEAR 2009-10

Economic Development

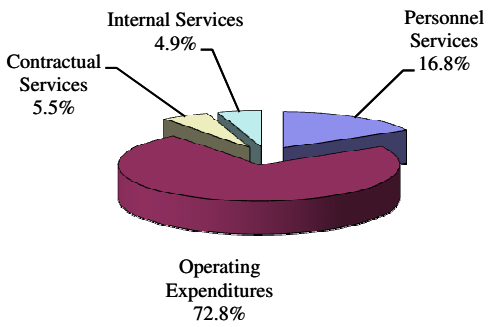
Incorporates the departments of Economic Development and Community Outreach, whose role is to attract, retain and expand businesses in the City, market the City global wide, and develop the workforce for the City.

Service Objective:

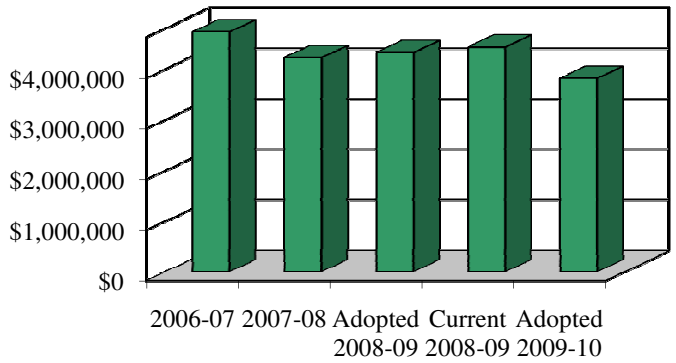
To promote business expansion through attraction and retention. To provide the greatest possible range of employment opportunities for citizens. To increase the City's revenue base and improve the quality of life for all residents.

Adopted Budget Expenditures

$3,815,371



Expenditures



Budget

Expenditures Category	FY 2006-07	FY 2007-08	Adopted FY 2008-09	Current FY 2008-09	**Adopted FY 2009-10**	% Change to Adopted 08-09
Personnel Services	$ 540,242	$ 637,984	$ 715,645	$ 715,645	**$ 640,880**	-10.4%
Operating Expenditures	$ 3,620,230	$ 3,115,354	$ 3,184,809	$ 3,240,277	**$ 2,778,292**	-12.8%
Contractual Services	$ 348,782	$ 289,289	$ 234,000	$ 284,349	**$ 208,000**	-11.1%
Internal Services	$ 169,437	$ 179,498	$ 189,034	$ 189,034	**$ 188,199**	-0.4%
Debt Services	$ -	$ -	$ -	$ -	**$ -**	0.0%
Capital Outlay	$ 53,320	$ -	$ -	$ -	**$ -**	0.0%
Total Expenditures	$ 4,732,010	$ 4,222,125	$ 4,323,488	$ 4,429,305	**$ 3,815,371**	-11.8%
Annual Percentage Change		-10.8%	2.4%	2.4%	-13.9%	
Annual Amount Change		$ (509,885)	$ 101,363	$ 105,817	$ (613,934)	

Historical data may reflect fluctuations due to organizational restructuring.

Economic Development
2009-10 Department Summary

Department Title (Department ID)	Detail Book Page Number	2006-07 Actual	2007-08 Actual	2008-09 Adopted Budget	2008-09 Current Budget	2009-10 Adopted Budget	% Change to Adopted Budget 2008-09
Community Outreach (163)	374	$ 2,874,332	$ 2,415,951	$ 2,456,604	$ 2,476,604	**$ 2,046,017**	-16.7%
Economic Development (165)	375	1,857,678	1,806,174	1,866,884	1,952,701	**1,769,354**	-5.2%
TOTAL ECONOMIC DEVELOPMENT		**$ 4,732,010**	**$ 4,222,125**	**$ 4,323,488**	**$ 4,429,305**	**$ 3,815,371**	-11.8%

Historical data may reflect fluctuations due to organizational restructuring.