

2



1850s to 1906
FONTANA 1.0
RURAL PIONEER
COMMUNITY



1906 to 1942
FONTANA 2.0
FONTANA FARMS



1942 to 1983
FONTANA 3.0
STEELTOWN



1983 to 2006
FONTANA 4.0
SUBURBAN
BEDROOM COMMUNITY

Trends for Fontana's Future



Trends for Fontana's Future

This chapter of the Fontana Forward General Plan provides a summary of the Background Report, which can be found as Appendix 1 at the end of this volume. Please consult the Background Report for a more detailed analysis of existing conditions and trends.

A. The Big Picture: Fontana in Transition

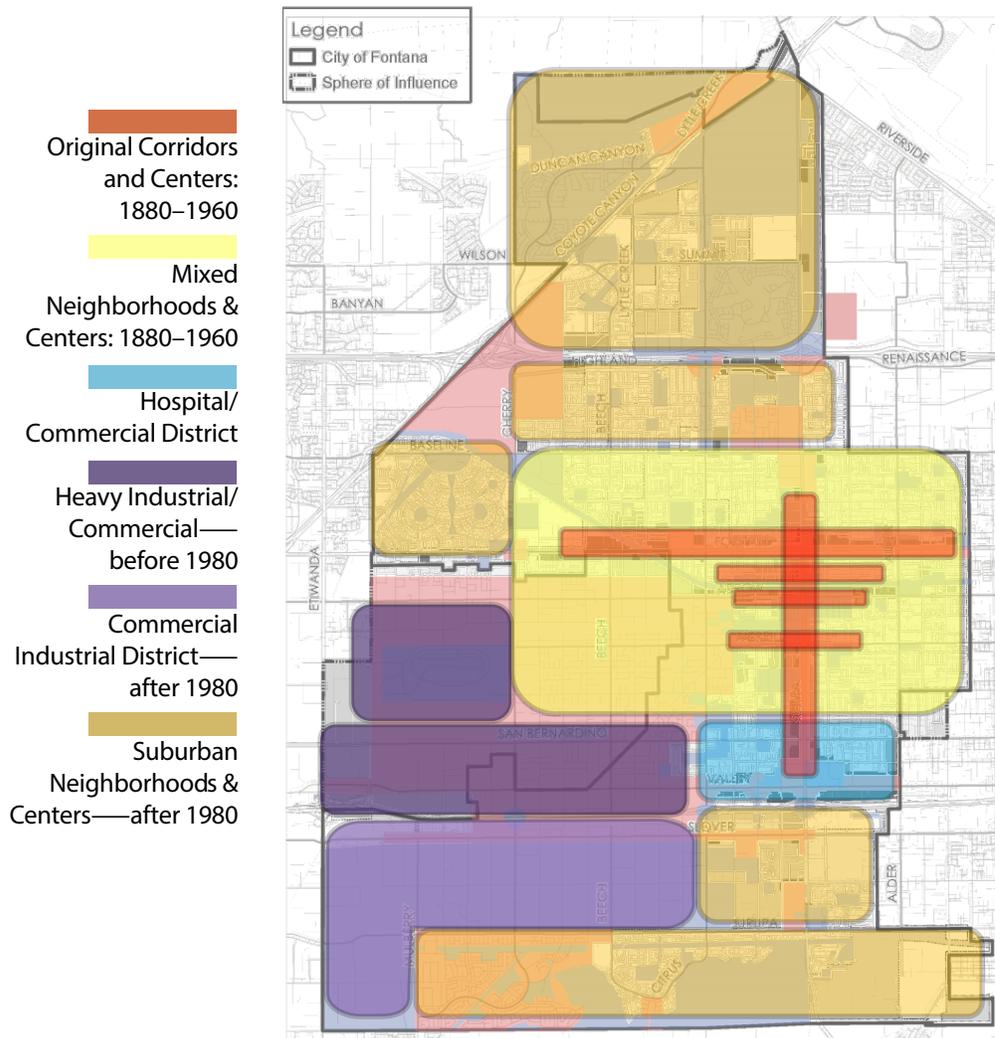
1. THE FOUR FONTANAS

There have been four Fontanas over the last 150 years, and Fontana is today facing a new transition. First, permanent vineyard settlements encroached on the Native American societies in the San Bernardino Valley in the 1880s to the early 20th century. After the arrival of A.B. Miller, the Fontana Farms' "Partnership of Hens and Oranges" spanned 1906 to 1942. Kaiser Steel remade Fontana into a steeltown between 1942 and the 1983. And most recently, Fontana in the 1980s began to transition to an identity as an affordable suburb in the sprawling metropolitan world of Southern California.

The four identities of Fontana emerged as the result of transformative events: the arrival of rural pioneers leaving Los Angeles, A.B. Miller’s creation of the Fontana Farms agribusiness model combined with land subdivision, World War II and Henry Kaiser’s construction of the first steel plant in the West, and, as the steel mill declined and then closed, Fontana’s transformation into a bedroom community for families priced out of housing in the coastal counties. Most of the Kaiser Steel plant is gone and replaced by the Auto Club Speedway. Both Fontana Farms and the smallholder arcadia of poultry and citrus disappeared as the steel mill, housing, shopping centers, and the logistics industry replaced agriculture.

Fontana became the land of housing opportunity and is now a city where most residents commute to jobs elsewhere. This most recent transformation, which first gained steam in the 1980s, reached its height just before the Great Recession of 2007. After riding the real estate bubble, Fontana joined other communities in the Inland Empire as one of the most battered by the recession, with high

EXHIBIT 3.1 FONTANA’S DEVELOPMENT PATTERNS, BY ERA AND FUNCTION



unemployment, slashed real estate prices, high levels of foreclosure, and almost no construction going on. As this General Plan Update is being written in 2017, Fontana has been gradually recovering from the recession. Now, as the third most populous city in the Inland Empire, Fontana is poised to build on its success as a residential city and enter a new period of positive transformation.

2. FONTANA IN THE CONTEXT OF THE INLAND EMPIRE

Incorporated in 1952, the City of Fontana is part of the Inland Empire, which is located approximately 50 miles east of the City of Los Angeles. The geographic boundaries of the Inland Empire are blurry, but it is commonly used to describe San Bernardino and Riverside Counties (the Riverside-Ontario-San Bernardino Metropolitan Statistical Area) and their combined population of approximately 4 million people. Fontana is the second most populous city in San Bernardino County and the third most populous in the Inland Empire (after the cities of Riverside and San Bernardino). The growth of the Inland Empire after World War II reflected Southern California’s expanding population drawn by an economy based on defense, manufacturing, construction, and entertainment—with the Inland Empire primarily functioning as the bedroom community for jobs in the coastal counties. By the 1990s and 2000s, some parts of the Inland Empire were attracting non-residential investment, particularly in logistics, manufacturing and services, including a growing number of professionals. However, the Inland Empire economy was still very dependent on construction and job production in the coastal economy in 2007, when the Great Recession began.¹

Foreclosures, unemployment, declining incomes, and growing poverty were characteristic of the region during the recession. The region began to recover in 2012, with growing employment, new business formation, demand from the warehousing and logistics sector, and the slow return of residential construction. Although low-paying (under \$30,000 a year) and temporary jobs still predominate, there are signs that the region is also attracting economic sectors with better-paying jobs, such as health care, insurance, and professional services.

The Inland Empire’s demographics have become more diverse over time, both in racial and ethnic terms, like the rest of California. The affordability that attracts new residents is also a draw for immigrant households. This is an important demographic, because immigrants are disproportionately likely to create new businesses, particularly in technology and engineering. Parts of the region are also beginning to be more attractive to college-educated young adults between 25 and 34 than in the past. The number of millennials, the 20 to 29 age group also appears to be growing, though the data may also reflect this group’s difficulty in finding jobs that allow them to establish their own households.

¹ This discussion relies substantially on Joel Kotkin et al., “Housing the Future: the Inland Empire as Southern California’s Indispensable Geography” (2015 Symposium on the Affordability of Housing, Inland Valleys Association of Realtors, Ontario, CA: February 5, 2015). www.nationalcore.org.

While housing in the Inland Empire is still more affordable than in the coastal counties, housing costs are rising relative to incomes. Future success for the region requires integrated policies that keep housing affordable while diversifying the economy with higher-paying jobs. This is related to a long-standing Inland Empire challenge of relatively low educational achievement. “Overall, the future prosperity of the Inland Empire depends on mixing its traditional strengths—affordable housing and strong blue collar sectors—with the expansion of newer industries as well as its growing immigrant-based economy.... To remain Southern California’s opportunity region, the area needs to both reinvent itself and build on its past success.”²

Since the closing of Kaiser Steel, Fontana has focused on housing development and the warehouse/logistics economic sector, the now-traditional mainstays of the Inland Empire. Fontana’s unemployment rate has generally followed the recovery trend at the State and County level, with an unemployment rate in 2015 at 6.5%, down from 14.7% in 2010. Despite a rebound in home prices, homebuilding permits have not returned to pre-recession levels in Fontana. In the post-Great Recession world, Fontana will need to “reinvent itself and build on its past success.”

While the General Plan is focused on the municipality of Fontana, the city is affected by a variety of agencies, districts, and plans that transcend municipal boundaries, such as public education, transportation, water supply, and wastewater districts.

- **Public and Private Education.** There are two public school districts that serve most of the City of Fontana: Fontana Unified School District (FUSD) and the Etiwanda School District (pre-K to 8). FUSD serves most of the city and has an enrollment of 40,674 students in the 2015-16 academic year. About one-third of the FUSD students are classified as English learners and 82% receive free or reduced-cost lunch. The Etiwanda School District serves approximately 6,200 students in northwest Fontana. In addition to these two school districts, small areas of Fontana are covered by the Colton Joint Unified School District (southeast Fontana); the Chaffey Joint Union High School District (northern Fontana), and the Rialto Unified School District (northeast). Approximately 15 private schools in Fontana offer elementary and/or middle or high school education. There are 12 additional private schools for pre-kindergarten and kindergarten education.
- **Regional Transportation and Transit.** Fontana is a member of the San Bernardino County Transportation Authority (SBCTA). The SBCTA is responsible for planning and implementing a multi-modal transportation system for the county’s 2.1 million residents through support for freeway construction projects, regional and local road improvements, public transit (rail and bus), ridesharing programs, congestion management, and transportation planning studies. Fontana is also a member of the SBCTA’s sister agency, the

² Ibid., 14.

San Bernardino Council of Governments (SBCOG). The mission of SBCOG is to improve cooperative regional planning, promote economic development, and exert leadership in creative problem solving.

- **Transportation and Sustainable Communities Policies.** Fontana is also a member of the Southern California Association of Governments (SCAG), which is made up of local governments, agencies and six counties, including San Bernardino County. It serves as the federally-designated Metropolitan Planning Organization for transportation planning in the region. SCAG's work also includes development of the state-mandated sustainable communities strategy, growth forecasts, and regional housing needs allocations.
- **Water Supply and Wastewater.** Fontana's drinking water supply comes from a combination of surface water, subsurface aquifers, and imported water from Northern California. Drinking water is provided to Fontana and its Sphere of Influence primarily by three agencies: the Fontana Water Company (FWC), Cucamonga Valley Water District (CVWD), and the West Valley Water District (WVWD). Two other water agencies, the Crawford Canyon Water District and the Marygold Mutual Water company, provide water for small portions of the norther and eastern parts of Fontana. Wastewater services are supplied by a regional authority, the Inland Empire Utilities Agency, which also provides other services.

3. FONTANA'S HERITAGE OF INNOVATION AND AFFORDABLE OPPORTUNITY

Fontana, like every community, has a complex history and the city has experienced both positive and negative cycles. Within that history, however, is a heritage of innovation and affordability that at various points in Fontana's history, has supported opportunity and prosperity for working and middle class people.³

- **A.B. Miller and Fontana Farms.** Miller's combination of agribusiness and model small farms in Fontana differed from nearby citrus farming agriculture communities, such as Redlands, Ontario, and Pasadena, which required significant capital investment from relatively wealthy individuals for success. The Fontana model offered land on the installment plan, a system of combining citrus, walnut or grape farming with poultry (for reliable incomes while tree crops were maturing), and provided inexpensive water, power, fertilizer and saplings from Miller's large agro-industry enterprise, Fontana Farms, which operated with economies of scale. Some 3,000 homesteads were purchased by 1930, and the system had attracted immigrants from Hungary, Yugoslavia, and Italy. The Fontana Farms agribusiness had the largest citrus and hog operations in the world at one point and was notable for what today is often called "industrial ecology," in which the waste products of one process are used

³ This discussion relies substantially on Daniel Cornford (ed.), Working People of California (Berkeley: University of California Press, 1995), pp. 437-454. It is available online at <http://ark.cdlib.org/ark:/13030/ft9x0nb6fg>.

as inputs to another process, with the goal of creating a closed loop system. In the case of Fontana Farms, the most famous example is a contract with the City of Los Angeles to use its garbage to feed Fontana Farms' hog operation that produced meat and bacon for Southern California.

- **Henry Kaiser, the Kaiser Steel Mill, and Kaiser Permanente.** While the steel mill had some negative impacts common to industry during its 1942-1983 period of operation, a key factor in Henry Kaiser's business approach was to focus on labor productivity by reducing worker turnover and absences. By enrolling Kaiser workers in a prepaid health plan (the Permanente Health Plan), time lost to sickness was reduced. Kaiser Community Homes built affordable residential neighborhoods in Fontana and in Ontario (similar to the Levittown communities in the East), as well as other cities. Kaiser Steel also worked with the United Steelworkers of America to develop an innovative profit-sharing plan in which labor shared in cost savings resulting from technology and labor productivity improvements. More recently, the new Kaiser hospital replacing the original 1955 hospital in Fontana has appeared on a number of lists as among the most advanced and sustainable hospital buildings in the world.
- **Housing opportunity after Proposition 13.** One effect of the 1978 passage of Proposition 13, which limited property tax increases and assessments, was to increase the difference between housing costs in the coastal counties and the Inland Empire, helping to spark the 1980s boom in residential construction that drew people from the coast to more affordable housing in the Inland Empire. The early 1980s were difficult in Fontana, with 10,000 workers losing their jobs when the Kaiser Steel Mill closed, but the closure in some ways made Fontana more appealing for residential construction because it ended the air pollution associated with the plant. The relative affordability of the Inland Empire compared to the coastal counties has continued through subsequent real estate booms and busts.⁴

The innovations of the past occurred in contexts different from today's world. Fontana can draw on the city's heritage of innovation to continue to make the city a prosperous and affordable full-service community for working families and individuals.

⁴ See Thomas C. Patterson, *From Acorns to Warehouses: Historical Political Economy of Southern California's Inland Empire* (Walnut Creek: Left Coast Press, 2015), pp. 209-232.



B. The Fifth Fontana: What Is Fontana's Next Transformation?

The world of 2015 is different from the world of 2006, and the twenty-some years between now and 2037 will bring even more transformations. Both within the city and in the broader region, conditions have changed, making this a promising moment for Fontana to plan for its next transformation.

- **Vacant land is entitled and redevelopment is in Fontana's future.** Much of the remaining vacant land in Fontana was approved for development before the Great Recession of 2007, and the specific plans and associated development agreements remain in place. While affordable housing continues to be a challenge in Southern California, prospective home buyers face more stringent mortgage requirements while gaps between income and home prices are growing, so a recovery of the real estate industry will not mean a return to the housing boom of the early years of the 21st century. Growth will continue despite the buildout of vacant land. There are many opportunities for infill development and even redevelopment in Fontana's older neighborhoods. This is a different type of development from the planned community model that has dominated since the 1980s.
- **Retail is being transformed.** Retail is being transformed by online and mobile shopping, leading to the creation of new, smaller, and different retail formats, as well as the model of shopping as entertainment.
- **Suburban office models are becoming obsolete.** Campus-style office parks without amenities and walkability no longer meet the needs of businesses. Office tenants are looking for amenities and walkability, even in more suburban environments.
- **The robots are coming.** The logistics industry is increasingly capital-intensive. Fulfillment warehouses are becoming more automated and could affect employment in the region.
- **State frameworks promote sustainable development.** The State of California is committed to water conservation and reducing greenhouse gases—partly through new growth and development models in California communities, including Fontana.
- **Millennials want a variety of living options and amenities.** While the millennial generation has begun to grow in the Inland Empire, these young adults, born in the 1980s to the early 2000s, will make up nearly half

of all workers in 2020. Many of them prefer to live in communities that have more housing, employment, entertainment, and transportation options than traditional bedroom suburbs, particularly educated young adults who have the skills to thrive in the knowledge economy of the future.

- **Fontana is expected to have more than 280,000 people by 2040.** The city is ripe to become a “complete” community, a more full-service city, preserving its traditional suburban-style neighborhoods while offering more choices in housing, jobs, transportation, learning, and entertainment.

Suburban bedroom communities in California and all over the U.S. are creating more diverse live-work-play-learn environments rather than focusing on single-use districts, whether those be housing developments, office parks, or shopping centers. These single-use districts, the development models of the 20th century, will continue to exist—but we do not need more. While many parts of Fontana are built out for the foreseeable future, and the city will remain a stronghold of traditional single-family neighborhoods, the city contains many opportunities for new approaches to development and mixing land uses. More diversity and choice in jobs, types of places to live, transportation, and quality-of-life amenities can make Fontana more competitive and successful well into the 21st century.

The General Plan Update, coming as Fontana is recovering from the Great Recession of 2007, provides an arena to learn about both the challenges and the opportunities that will affect Fontana’s future. This means having a realistic understanding of the social, economic, environmental, and political context of Fontana and its region and identifying how Fontana can use this plan to chart its course towards a more complex, 21st-century identity

C. Fontana at a Glance

The following four pages provide a snapshot of information about Fontana today.



Fontana at a Glance

Who we are

- Fontana is a growing community of about 210,000 people and one of the 20 safest communities in the country.
- We're the 21st-largest city in California, 3rd-largest in the Inland Empire, and 2nd-largest in the county.
- We are a young population, with a median age of 29, compared to the state median age of 36.
- Most of us came here recently; 7% of residents moved here in 2010 or later, and 90% moved in 1990 or later.
- We have more children and fewer seniors by percentage than the county or the state.

Our households Census Bureau (2010)



87% of all households are related families



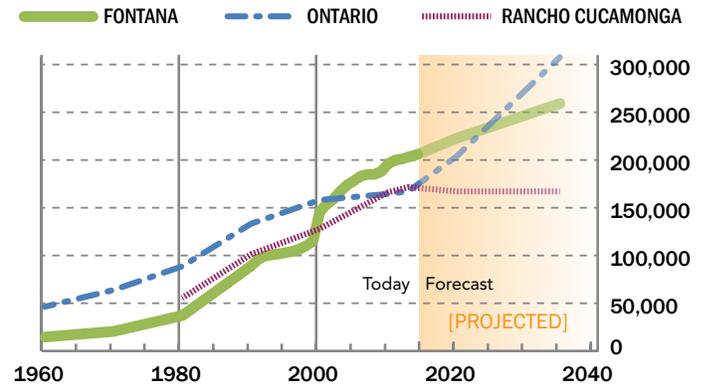
60% of households have children



The average household size is 4 people

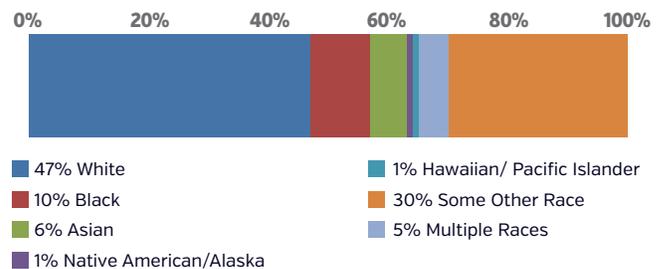
We've been growing faster than nearby cities

Census Bureau and Southern California Association of Governments (2008)



We're diverse, 67% Latino, and 30% foreign-born

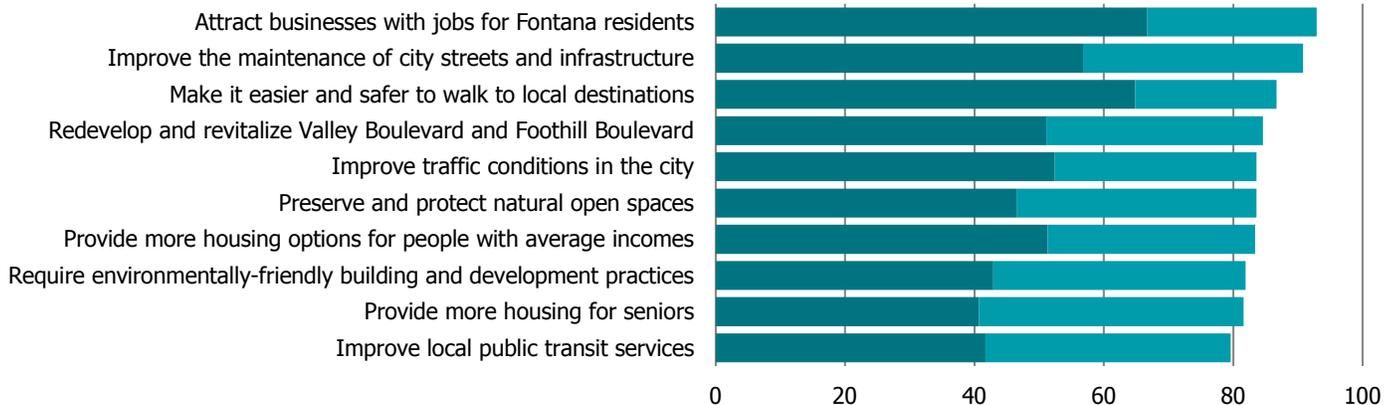
Census Bureau (2010) and ACS Estimates (2009-2013)



What we think about our future

800 adult residents in Fontana were surveyed in September 2015, in English and Spanish, about the future of our city.

Our top ten future priorities True North Research, Inc. (2015), % resident respondents answering "high priority" or "medium priority"



How we live

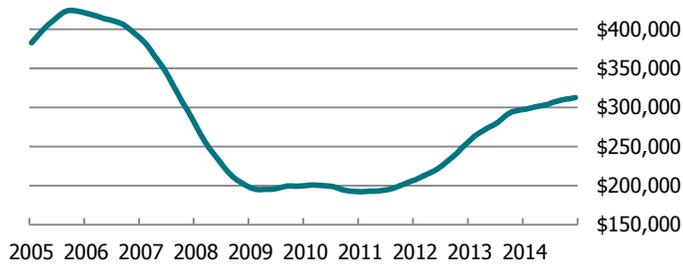
Housing

Zillow.com, 2015

- The median home value in Fontana is \$312,500.
- Fontana home values“ have gone up 5.3% over the past year, and are predicted to rise 4.7% within the next year.
- The median rent for a two-bedroom housing unit in late 2015 was approximately \$1,300.

Fontana’s home prices are rebounding

Zillow.com home prices index (through Aug 31, 2015)



Most housing is owner-occupied & single-family

ACS Estimates (2009-2013)

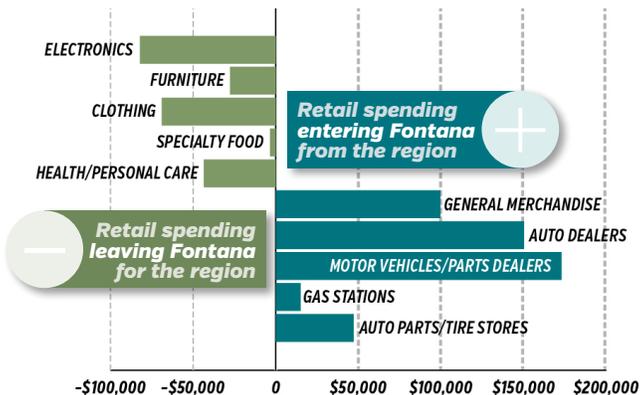


Dining and shopping

Commercial corridors are on Foothill, Sierra, and Valley and commercial centers are located on major roads.

Retail expenditure is balanced in Fontana, but it’s weighted toward some sectors

Source: Census Bureau, Center for Economic Studies (2013), retail surplus/leakage. Note that the chart contains major categories but does not show all spending.



Institutions

- Public and non-profit institutions are distributed throughout Fontana, with schools, police and fire stations, and community centers in neighborhoods.
- Fontana has one major hospital, Kaiser Permanente, and several smaller health centers.
- Post-secondary educational institutions in Fontana are Chaffey College and Westech College.
- The Civic Center/City Hall Campus, completed since the 2003 General Plan, is a central institutional focus point for downtown, including the Lewis Library and Technology Center, which opened in 2008.



Downtown

Important assets in downtown include:

- Civic Center
- Metrolink station
- Restored Center Stage Theatre
- Access to the Pacific Electric Trail
- Walkability

Issues and opportunities for downtown include:

- Several blocks of vacant land are an opportunity for walkable, mixed-use developments.
- The safety, comfort, and appearance of streets and parking lots can be improved for pedestrians.



Healthy and green systems, sustainability, and recreation

Healthy Fontana

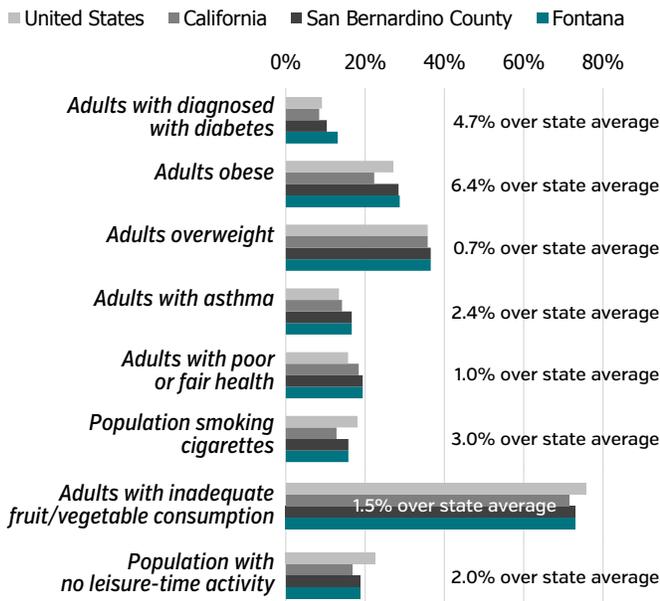
The Healthy Fontana program started in 2004, following the city’s recognition of the importance of planning for community health as part of the city’s overall efforts to build a safe and attractive community with a high quality of life.

Our award-winning program promotes wellness through healthy eating, active lifestyles, behavior change, sports, gardening, and farmers’ markets. However, our community still faces health challenges.



We still have some health challenges

Centers for Disease Control and Prevention (2006-12), %



Open space, parks and recreation

- Our location between Jurupa Hills and Mount Baldy provides for a unique environment and city identity.
- We have 41 parks on 366 acres providing recreation opportunities.
- Mary Vagle Nature Center and Martin Tudor Jurupa Hills Regional Park and Splash Park in southern Fontana are popular attractions for the entire city.
- Four community centers serve all parts of the city.

Infrastructure and utilities

Energy: Fontana has the state’s first zero-net neighborhood. Zero-net-energy homes offset all or most of their annual energy consumption with renewable energy.

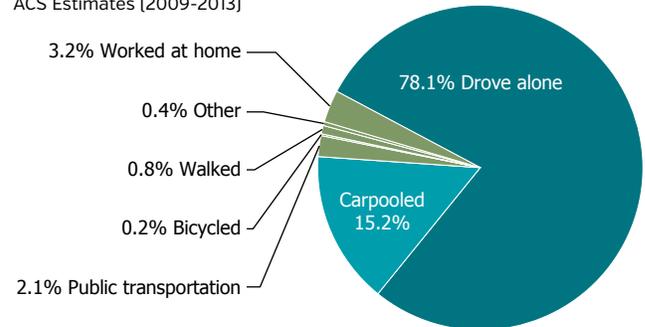
Water: Drinking water comes from five providers, and is predominantly served by the Fontana Water Company. Water’s diverse sources include local basins and the State Water Project.

Mobility: Our transportation environment has continued to evolve since the 2003 General Plan.

- We are a major transportation hub with convenient access to Interstates 10, 15 and 210.
- Walkability varies throughout our city.
- Fontana’s bicycle network expanded in recent years, especially with the Pacific Electric Trail linking us to other Inland Empire communities.
- Fontana is served by Omnitrans with 10 bus routes.
- Metrolink provides passenger rail service to Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties from downtown, with weekend service and 38 weekday trains serving an average of 372 riders per weekday (FY15 Q4).

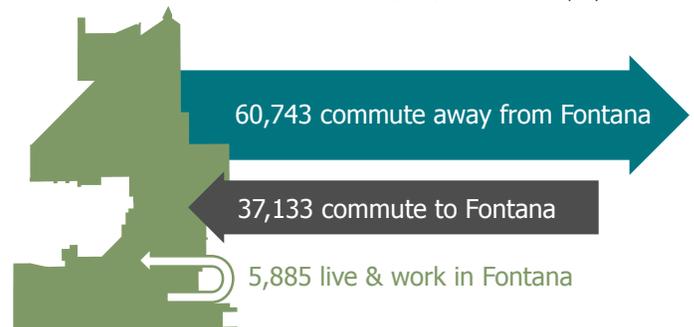
Most residents drive alone to work

ACS Estimates (2009-2013)



Most workers commute to jobs outside of Fontana

Census Bureau, Center for Economic Studies (2013), number of employees



Prosperity and opportunity

Our prosperity

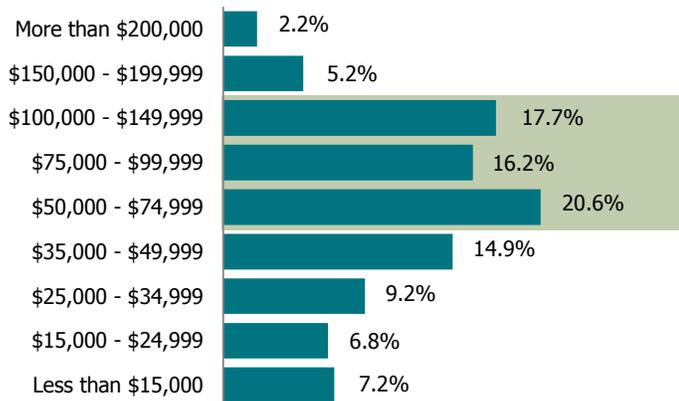
- Our city is now the westernmost city with available space to accommodate both residential and industrial development in the Inland Empire. However, much of the currently unbuilt land in Fontana has already been entitled for development.
- The recession ended in 2009, and the Inland Empire has recovered and is growing again.
- We are a middle-income community, with a median household income of \$60,869 (slightly above the state median income), and are expected to grow 2.7% annually between 2015 and 2020.
- 15% of all residents and 21% of children live in poverty.
- There are 43,018 jobs in Fontana, but only 8.8% of employed residents work in Fontana.
- Over 70% of jobs in Fontana are in services, retail or wholesale. Kaiser Medical Group, Fontana Unified School District, and the City of Fontana are the top three employers.
- The construction, warehousing and logistics industries remain important economic drivers for Fontana's economy.
- Approximately 42% of our working population travels 25 miles or more to work, and 14% travels more than 50 miles to work.

Fiscal resources

- Sources of revenue for governmental activities are general taxes, including property and sales taxes, and program revenues, such as charges for services.
- The most significant government expenditures are for public works, police and fire, general government, and engineering.

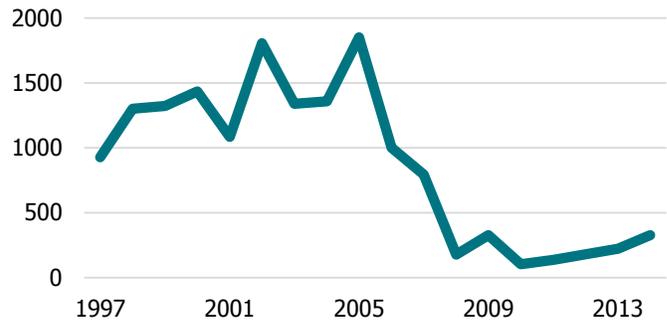
Over half of households make \$50k-\$150k a year

ACS 2009-2013 estimates, % of households



Single-family building permits are inching up

Construction Industry Research Board, number of permits



Industry

- Fontana has 54,250,693 square feet of industrial space.
- Fontana's market for industrial space remains strong and compares favorably to other areas of the region.
- Fontana has a lower industrial vacancy rate than other cities in the Inland Empire West.
- Fontana is experiencing high demand for logistics and warehousing space.

Our economic strengths and issues

- Higher median household income than the county (in 2014 the median for Fontana was \$64,995; for San Bernardino County it was \$54,100).
- Our unemployment rate dropped to 6.5% from the peak rate of 15% in 2010.
- Large employers, such as the Kaiser Medical Group, provide a steady employment base.
- The industrial market remains strong, with low vacancy rates and high average rents.
- Our access to three major freeway corridors (I-10, I-15, and SR-210) provides economic development opportunities.
- Educational attainment remains relatively low in Fontana, with only 15% of the population aged 25 and older holding a bachelor's degree or higher.
- 91% of employed residents work outside the city.

D. Who We Are: Population Trends⁵

Now the third-most populous city in the Inland Empire, after Riverside and San Bernardino, Fontana more than doubled its population between 1960 and 1980, and more than quintupled its population between 1980 and 2014. This tremendous growth has been made up of families seeking an affordable suburban lifestyle. Over the next 20 years, will these families decide to stay in Fontana as they get older, or will a new cohort of young families replace them? The Southern California Association of Governments (SCAG), in its 2016-2040 Transportation Plan, projects a Fontana population in 2040 of 280,900 with 74,000 households. This assumes an average household size of 3.8 persons, slightly lower than the 2015 estimated average of 4.0 persons. Population projections are based on interpretation of historical trends in natural increase (births and deaths) and net migration. Future population and household growth in Fontana will also depend on housing and employment markets.

FINDINGS

- Fontana is a growing community of 209,895 people as of early 2016, according to the California Department of Finance.
- Fontana is the 20th-largest city in California, 3rd largest in the Inland Empire and 2nd largest in San Bernardino County.
- Fontana has a young population, with a median age of 29, compared to the state median of 36.
- Fontana is a family community: 58% of total households include children under 18.
- Fontana has more children and fewer seniors by percentage than the county or the state.
- The average household size in the city is 4.0 people (with many households including children), compared to the state average of 2.9 people.
- Seven percent of Fontana residents arrived in 2010 or later, and 90% arrived in 1990 or later.
- Fontana is racially diverse: 46% of the population identifies as White, 9% as Black or African-American, and 36% identifies as “other” or two or more races. The last category indicates multiracial identity, often chosen by persons of Hispanic background. Hispanics can be of any race. Fontana is 69% Hispanic.

⁵ Primary data sources include U.S. Census Bureau, the California Department of Finance (DOF), the Southern California Association of Governments (SCAG) and the U.S. Department of Housing and Urban Development (HUD). These data sources are the most reliable for assessing existing conditions and provide a basis for consistent comparison with historical data and the basis for forecasts. This section also includes data from the 2009-2013 American Community Survey 5-year Estimates (ACS). The ACS provides estimated data based on surveys between the decennial censuses.

- SCAG projected (as of 2015) that Fontana’s population in 2040 would reach 280,900. That means the city would have nearly 74,000 more people 25 years from now, living in 20,000-24,000 new households, depending on average household size.

**EXHIBIT 3.2
FONTANA POPULATION 1960-2014**

| Year | Population | Growth |
|------------------|------------|--------|
| 1960 | 14,659 | — |
| 1970 | 20,673 | 41% |
| 1980 | 36,804 | 78% |
| 1990 | 87,535 | 138% |
| 2000 | 128,929 | 47% |
| 2010 | 196,009 | 52% |
| 2016 (estimated) | 209,895 | 7% |

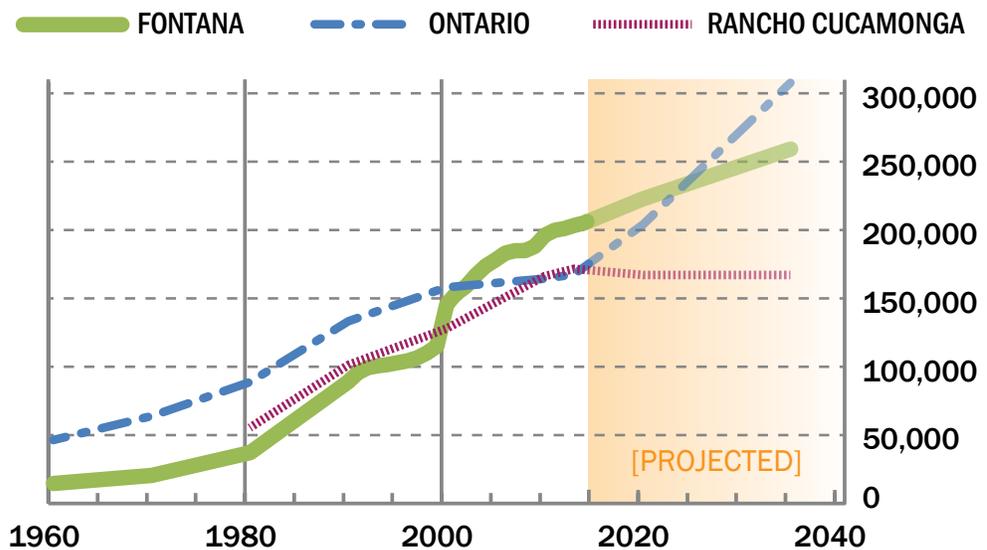
Source: California Department of Finance (2016)

In 1960, at the time of the city’s first census after incorporation in 1952, the City of Fontana was still a relatively small community of 14,659 people. As southern California attracted millions of migrants from other parts of the country after World War II, Fontana’s population grew almost 2.5 times between 1960 and 1980. In the next twenty years, after Kaiser Steel closed in 1983 and the city focused on residential development, population grew 3.5 times to reach 128,929 in 2000.

Fontana’s growth in residential population since 2000 has outpaced the growth in population by nearby communities and San Bernardino County. Between 2000 and 2015, Fontana’s residential population increased approximately 58%, compared to an overall 23% growth rate for San Bernardino County. During this period the City annexed 2,912 acres with a population of 13,817 people. Not counting this population, the city grew 50% in the period 2000-2015. In the same time period, nearby cities of Ontario, Rancho Cucamonga, and San Bernardino grew by 7%, 36%, and 15%, respectively.

The Southern California Associated Governments (SCAG) projected gradual population growth for San Bernardino County, which would reach 2,731,900 residents in 2040. SCAG develops, refines and maintains a regional population-

EXHIBIT 3.3 FONTANA POPULATION AND PROJECTIONS, 1960-2040



forecasting model. Projections are used for federal- and state-mandated long-range planning efforts. SCAG's most recent forecast, incorporated in the 2016-2040 Regional Transportation Plan, estimates a 2040 Fontana population of 280,900.

E. Households

The California Department of Finance estimated that as of January 1, 2016, Fontana had 51,517 households with an average of 4.07 persons per household. This is was the highest average household size in San Bernardino County.⁶ The U.S. Census distinguishes between “family households” and “non-family households.” Family households include people who are related by blood, marriage, or adoption. This means that a married couple with no children in the home is a family household. Non-family households include single-person households and households where unrelated people live together for example, a household of roommates. The vast majority of households in Fontana today are family households. Eighty-five percent (85%) of Fontana households are family households, of which 61% are married couple family households (with or without children in the home). Single parents live with their own children under 18 in almost 14% of households and another 10% of family households are headed by men or women without married spouses but with other family members. Fontana has relatively few non-family households, with fewer than 10% single person households. Overall, 58% of households include at least one person under 18 years old, while 16% include at least one person 65 or older.

F. Incomes

Fontana is a middle-income community, with a median household income in the \$60,000 to \$65,000 range, slightly above the state median income. It is expected to grow 2.7% annually between 2015-2020.

- Approximately 90 percent of employed Fontana residents work outside the city limits. Ten percent work in Los Angeles, 36% in Inland Empire cities, and 45% elsewhere.
- Fontana is now the westernmost city with available space to accommodate both residential and industrial development in the Inland Empire. However, a significant portion of unbuilt residential land has already been entitled.
- 15% of all residents and 21% of children live in poverty.
- There are 43,018 jobs in Fontana, but only 13.7% are held by residents, and only 8.8% of employed residents work in Fontana.
- Over 70% of jobs in Fontana are in services, retail or wholesale.
- Kaiser Medical Group, Fontana Unified School District, and the City of Fontana are the top three employers.

⁶ California Department of Finance, E-5 City/County Population and Housing Estimates, January 1, 2016

- The construction, warehousing and logistics industries remain important economic drivers to Fontana’s economy.
- City economic development efforts tend to focus on fiscal outcomes rather than employment.

Fontana is a solidly middle-income community, with an estimated median household income in 2014 of \$64,995, slightly above the state median of \$61,933.⁷ (The median means half of the households have higher incomes and half of the households have lower incomes.) The average household income in 2013 was estimated at \$75,825, which indicates that there are not a large number of high-earning households that would make the average a great deal higher than the median.⁸ Median household income in Fontana is expected to grow 2.73% annually between 2015 and 2020, a slower pace than the state’s projected 3.36% income growth rate. Approximately 31,450 residents, or 16%, live in poverty, the same percentage as the state, but higher than the national poverty rate of 15.4%. San Bernardino’s poverty rate is higher at 18.7%. An estimated 21% of children and youth (people under 18 years old) in Fontana live in poverty, as do 10% of people 65 or older.⁹

G. Land Use

“Land use” is an umbrella term for the activities that actually occur on a given parcel of land, such as residential, retail, industrial, agricultural, or transportation uses. Land uses can change over time—for example, when a farm becomes fallow land and then is turned into a residential subdivision. Zoning is the tool that a local government uses to regulate the uses of the land, but land use and zoning are not identical. Vacant land can be zoned for a use that has not yet been developed; uses can be “grandfathered” or “nonconforming” (meaning that they existed before the land was zoned for a different use); and zoning categories can permit more than one use—for example, an area zoned for industrial uses may also permit commercial uses, which may come to predominate in the area.

Residential land uses account for nearly 50% of the occupied/used (not vacant) land in Fontana. Since much of the vacant land has been entitled for residential development, the majority of land is expected to be in residential use in the future.

- Foothill Boulevard, Sierra Avenue, Valley Boulevard, and SR-210 are the primary commercial corridors of the city.
- The heaviest industrial land uses are concentrated in the southwest, including areas within Fontana’s Sphere of Influence.
- Fontana has 27 specific plans, of which 17 are fully developed, 5 are partially developed, and 5 are undeveloped.

⁷ U.S. Census Bureau; ACS 2014

⁸ U.S. Census Bureau; ACS 2009-2013

⁹ *ibid.*

The City of Fontana encompasses approximately 42 square miles of incorporated area, with an additional fifteen square miles in the City's Sphere of Influence (SOI). The majority of the SOI is located in the unincorporated "island" west of the city limits. Also located within the SOI is an area north of I-15 to the national forest boundary and pockets of land adjacent to the eastern city limits.

The highest concentration of development is within the Central City, which includes single- and multi-family dwelling units and numerous businesses located along Sierra Avenue, the main north-south corridor in the city. Industrial development is located primarily along I-10 in the southern portion of the city and in the western SOI. This area also contains the California Speedway and over 5,000 predominantly single-family residences. The most northern edge of the city and the northern SOI are largely undeveloped, with some agricultural uses and scattered residential development.

Fontana's overall community design reflects 20th-century suburban models characterized by separated land uses and limited connectivity.

- Planned development through specific plans has been the design vehicle of choice for several decades.
- Planned development areas are typically inward-looking. Development along arterials in newer areas is usually walled or fenced, with large amounts of landscaping in more expensive areas.
- Newer retail is organized into shopping centers with perimeter buildings located around parking.
- Arterial streets south of SR-210 have significant underutilized or vacant land.
- There are opportunities for neighborhood infill development along major boulevards as well as on local streets in the core areas of the city.
- There are more east-west major connecting streets than there are north-south connections.
- Development patterns present challenges for more transportation choice—enhanced public transportation, walking, and bicycling.

The overall community design of Fontana reflects its development history and a strong reliance on planned development models—for large residential communities, shopping centers, and the warehouse industry. Most of today's city follows the 20th-century suburban development model of separated land uses, limited connectivity between developments, and urban design organized around the car. Fontana is characteristic of communities with a "missing middle" of housing types—such as condos, townhouses, cottage courts, and mixed-use apartment buildings—between single-family houses and older apartment complexes. While stand-alone retail can be found along older arterials, stores are increasingly organized into shopping centers. Similarly, while the planned-development model is common for warehouse development, the city also has many truck-related and auto-related independent businesses located in light industrial

areas. The design standards for newer development have evolved to avoid large expanses of parking along the street, to require significant landscaping, and to provide somewhat improved pedestrian circulation within the developments, but there is almost no true mixed-use development in Fontana.

The next stage of development for Fontana—Fontana 5.0—is for the city to become a complete community. With a still-growing population over 210,000 people, a diminishing amount of undeveloped land, and more interest in a lively downtown and more jobs in Fontana for local residents, the city is ready for transformation from its identity as a bedroom community to a complex, complete community.