



STAFF REPORT

DATE: 08/25/2025
TO: Honorable Chair and Commissioners
FROM: Planning and Development Department

2025-323

APPLICATION REQUEST:

AHDB2024-0001: Affordable Housing Density Bonus Agreement for the development of 57 residential condominiums consisting of three affordable housing units, located at 1717 Via Del Rio (APN 103-200-088 and 103-200-089) in the R-3 (Multiple Family Residential) Zone. (Applicant: Louisa Feletto, Meritage Homes of California, Inc., 5 Peters Canyon Road, No. 310, Irvine, CA 92606)

RECOMMENDED ACTION:

That the Planning and Housing Commission recommend to the City Council that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 of the State CEQA Guidelines and approval of AHDB2024-0001, based on the conditions of approval.

PROJECT SUMMARY

Meritage Homes is proposing to build 57 townhouse condominium units consisting of 54 above moderate income units and three very low income units on a 2.87-acre parcel located at 1717 Via Del Rio (Exhibits 1 and 2). The zoning of the project site is R-3 Multiple Family Residential, and the General Plan is High Density Residential (HDR, 15-36 dwelling units per acre).

Per Chapter 17.87 of the Corona Municipal Code (CMC) and State Density Bonus Law [SDBL, Government Code § 659150], the applicant submitted a request for an Affordable Housing Density Bonus Agreement (AHDB2024-0001) with the City to support the construction of the three affordable housing units within the proposed development. Section 17.87.020 of the

EXHIBIT 4

CMC defines an affordable unit as a dwelling unit within a housing development, which will be reserved for sale, at an affordable housing cost, or rent, at an affordable rent, to a lower income household, a very low income household, a moderate income household, or a qualifying resident pursuant to the requirements of the city's Density Bonus Ordinance and the state density bonus law.

For the proposed housing development to be eligible for certain benefits provided by the SDBL and the CMC, the applicant has agreed to sell three (3) of the condominium units to qualifying households at the very low-income affordability category, which is defined as individuals or households making 50 percent of the Area Median Income (AMI) for Riverside County. Under the SDBL, the development is eligible for a density bonus and/or other benefits, which include concessions and waivers of the city's development standards established by the CMC.

The applicant is not seeking an increase in the project's density under the General Plan because the project's total density is 19.8 du/ac, which is within the HDR density range of 15-36 du/ac. The applicant's request per AHDB2024-0001 is for one concession and four waivers from the city's development standards to support the development of the affordable housing units within the project. The applicant is also proposing to utilize the parking standards under the SDBL rather than the CMC's parking standards for multiple family residential development. The affordable housing density bonus agreement with the City is a mechanism that ensures the affordable housing units set aside within the development remain affordable during the term of the agreement.

In conjunction with AHBD2024-0001, the applicant submitted applications for a Conditional Use Permit (CUP2024-0003) and a Tentative Tract Map (TTM 38934) for the project. CUP2024-0003 establishes the townhouse condominium units and demonstrates the project's site plan with the proposed parking lot, open space amenities and infrastructure improvements, and architecture of the buildings. TTM 38943 shows the subdivision of the site for residential condominium purposes. The approval of CUP2024-0003 and TTM 38934 is dependent on the approval of AHDB2024-0001.

DENSITY BONUS HOUSING AGREEMENT

The affordable housing density bonus agreement is provided in Exhibit 4. The agreement, which carries a 45-year term, outlines the requested waivers, identification of the affordable units and the required household income limits, construction schedule, annual reporting and other pertinent details. The following summarizes the salient sections within the Agreement.

Housing Development Project

The agreement identifies the housing development consisting of 57 dwelling units. The units and corresponding household income limits are summarized in Table A.

Table A: Housing Units

Unit Type	Number of Units	Building No.	Income Group
Two, Three & Four Bedrooms	54	Buildings 1-6	Above Moderate Income (120% + AMI)
Two Bedrooms	1	Building 4	Very Low Income (31 – 50% AMI)
Three Bedrooms	1	Building 3	Very Low Income
Four Bedrooms	1	Building 2	Very Low Income
Total	57		

Concession, Waiver of Development Standards and Modified Parking Ratios

The project is providing five percent (5%) of the total units to very low income households. Per the SDBL, the applicant is allowed to request one concession and an unlimited number of waivers from the city’s development standards. The project’s on-site design is being developed per the city’s R-3 zone development standards for condominium developments. The applicant is requesting one concession and four waivers from the requirements in the CMC to support the construction of the affordable housing units. The applicant is also proposing to apply the parking standard established in the SDBL instead of using the multiple family residential parking standard established in the CMC.

Section 2.4 of the density bonus agreement identifies the proposed concession and waivers, which are summarized below.

1. Election to use the parking standard in Government Code Section 65915(p)(1), which requires 104 parking spaces for the project instead of the 164 parking spaces required by CMC Section 17.76.030(A)(5). The project will have 129 parking spaces, a surplus of 25 parking spaces from the minimum requirement using Government Code Section 65915(p)(1).

Justification: The city’s multiple family parking ratio would only yield about 52 units, resulting in 5 less units from the proposed project. Based on construction costs to build the project, a lower density project would prevent the development of affordable housing units.

2. Waivers from the following CMC code sections:
 - a. **CMC Section 17.24.200(B).** Waiver of the indoor recreational facility requirement in its entirety for residential projects consisting of 20 or more dwellings.

Justification: Providing square footage on the project site to accommodate indoor recreational space would require the removal of dwelling units from the proposed project, making the development of the project cost-prohibitive to build at a lower density.

- b. **CMC Section 17.24.100(A).** Waiver of the required minimum front yard setback requirement from 20 feet to 18 feet along Via Del Rio.

Justification: Separate water meters are required for each dwelling unit, which are proposed to be installed at the garage drive aprons between the units. Reducing the minimum front yard setback requirement along Via Del Rio, the project would be able to provide larger garage drive aprons that can accommodate the water meters while maintaining the number of units proposed for the project to accommodate the three affordable housing units.

- c. **CMC Section 17.82.030(A).** Waiver of the required minimum street (collector) side yard setback from 15 feet to 13 feet along Avenida Del Vista.

Justification: Separate water meters are required for each dwelling unit, which are proposed to be installed at the garage drive aprons between the units. Reducing the minimum street side yard setback requirement along Avenida Del Vista, the project would be able to provide larger garage drive aprons that can accommodate the water meters while maintaining the number of units proposed for the project to accommodate the three affordable housing units.

- d. **CMC Section 17.82.030(A)(2)(a)(5).** Waiver of the required minimum building separation of 25 feet for three-story buildings to 18 feet and 22 feet between Buildings 4 and 5, and Buildings 4 and 6, respectively.

Justification: Reducing the minimum required building separation between the subject buildings, the project would be able to maintain the number of units proposed for the project to accommodate the three affordable housing units. The reduced building separation occurs only at the “pinch point” areas between buildings. The buildings would still meet the building separation requirements of the California Building Code.

- 3. Concession from Section 15.60.080 of the Corona Municipal Code (CMC) regarding the requirement to underground existing overhead utilities when that service to a structure is enlarged or an addition is made thereto for the overhead utilities located along Via Del Rio, adjacent to the project site’s frontage (Southern California Edison overhead lines).

Justification: The cost of undergrounding the overhead utilities that supply power from SCE, which would also require the relocation of existing transformers, is approximately \$815,000. This cost would deter the project from constructing the three affordable housing units.

Construction of Affordable Units

Per Section 3.4, the affordable units are required to be constructed concurrently with or prior to the market rate residential units in the project, and the applicant shall not receive certificates of occupancy for more than twenty percent (20%) of the market rate residential units in the project, if any, prior to receiving a certificate of occupancy for fifty percent (50%) of the affordable units, and shall not receive certificates of occupancy for more than seventy percent (70%) of the market rate residential units in the project, if any, prior to receiving a certificate of occupancy for the remaining fifty percent (50%) of the affordable units. The agreement further stipulates that the affordable units be dispersed throughout the project site.

Future Sale or Transfer of Affordable Units

Per Section 3.7.3, the affordable units may only be transferred, sold or resold to qualifying households whose income does not exceed the maximum income limit for the “very low income” affordability category.

Rental of Affordable Units

Per Section 3.5.3, an owner of an affordable unit may rent the affordable unit to a tenant, but the tenant must be a qualifying household. For this housing development, the tenant’s household income must not exceed the maximum income limit for the “very low income” affordability category.

Annual Reporting and Monitoring

Section 3.7.2 requires the owner of the affordable unit to submit a Certificate of Compliance along with supporting documentation to the City annually for review as part of the agreement’s annual reporting process. If the unit is being rented, the owner is required to submit a copy of a fully executed lease and rental agreement with the Certificate of Compliance for the City’s review. The annual reporting process ensures that the affordable unit is being utilized according to the terms of the agreement and according to the city’s affordable housing regulations in the CMC and state law (SDBL).

Other Terms and Conditions

Other terms and conditions of the agreement include but are not limited to the following:

- The term of the agreement shall be 45 years from the project’s occupancy date.
- The City has the right to inspect the affordable units for compliance with the requirements of the agreement.
- The agreement runs with the land for 45 years.

- Prior to the closing of escrow for each affordable unit, the applicant shall require that the purchaser of the affordable unit, for itself, its successors, assignees and affiliates, to execute a covenant or agreement to ensure that the affordable unit is utilized in accordance with the terms of the agreement. The covenant shall be in substantial conformance to the Purchaser Covenant, which is attached as Exhibit 5.
- The agreement establishes policies and criteria for purchaser selection and income verification.
- The owner of the affordable unit is required to prepare and maintain complete and accurate project records for so long as the agreement remains in effect.
- The agreement grants the City the power to enforce the agreement and to pursue legal action against the owner of the affordable unit to remedy any violations of the agreement.

ENVIRONMENTAL ANALYSIS

Per Section 15332 of the State Guidelines for Implementing the California Environmental Quality Act (CEQA) and Section 3.31 of the City's Local CEQA Guidelines, a Notice of Exemption has been prepared as the project qualifies as a Class 32 (Infill Development Projects) categorical exemption. The project site is less than five acres, is consistent with the site's General Plan land use designation of HDR and applicable General Plan Policies, and the property's R-3 zoning designation, which indicates residential development is imminent on the site. The project would not result in significant impacts relating to traffic, noise, air quality, or water quality. Moreover, none of the six exceptions to exemptions cited in Guidelines Section 15300.2 (a – f) are applicable to the proposed project. The Notice of Exemption is attached as Exhibit 7.

FISCAL IMPACT

The applicant has paid the applicable application processing fees for the project.

PUBLIC NOTICE

A 10-day public notice was mailed to all property owners and occupants within a 500-foot radius of the project site, as well as advertised in the Sentinel Weekly News and posted at the project site. As of the preparation of this staff report, the Planning and Development Department has not received any responses to the public notice.

STAFF ANALYSIS

The affordable housing development proposed by CUP2024-0003 and TTM 38934 has been reviewed against the applicable codes and requirements of the Corona Municipal Code and State Density Bonus Law. The affordable housing density bonus agreement is necessary to provide the affordable housing units proposed for the development. As the agreement addresses the necessary elements that are required per CMC Chapter 17.87, which governs density bonus housing agreements, the Planning and Development Department recommends approval of AHDB2024-0001 based on the conditions of approval in Exhibit 5.

PREPARED BY: BRENDAN DALDE, ASSOCIATE PLANNER

REVIEWED BY: EVAN LANGAN, AICP, SENIOR PLANNER

REVIEWED BY: SANDRA VANIAN, PLANNING MANAGER

SUBMITTED BY: JOANNE COLETTA, PLANNING AND DEVELOPMENT DIRECTOR

Exhibits:

1. Locational and Zoning Map
2. Site Plan
3. Density Bonus Housing Agreement
4. Purchaser Covenant
5. Conditions of Approval
6. Concession and Waiver Request Letter, dated August 12, 2025
7. Notice of Exemption

Case Planner: Brendan Dalde (951) 739-4918

LOCATIONAL MAP

Zoning Legend:

- R1-9.6 - Single-Family Residential
- R1-7.2 - Single-Family Residential
- R3 - Multiple-Family Residential
- S - School



AHDB2024-0001
1717 Via Del Rio



EXHIBIT 1



Project Summary

Site Area: 2.87 Acres (161,956 SF)

No. of Units: 57 Homes¹

- (18) Plan 2531: 1268 SF, 2 bed., 2.5 bath
- (21) Plan 1633: 1496 SF, 3 bed, 3 bath
- (18) Plan 1638: 1765 SF, 4 bed, 4 bath

Density: 19.86 du/ac

Building Coverage: 45,648 SF (28.2% of site)

Proposed Setbacks²:

- Front: 18' minimum (Via Del Rio)
- Street Side: 13' minimum (Avenida Del Vista)
- Side & Rear: 15' minimum
- Building to Building: 18' minimum separation

Parking Required³: 104 Spaces total

- 2-3 Bedroom: 39 homes x 1.5 sp/du = 58.5 spaces
- 4+ Bedroom: 18 homes x 2.5 sp/du = 45 spaces

Parking Provided: 127 Spaces total (2.23 sp/du)

- Resident: Private 2-car garage per unit
- Guest Spaces: 13 spaces (9' x 17/5' w/ 2.5' overhang)

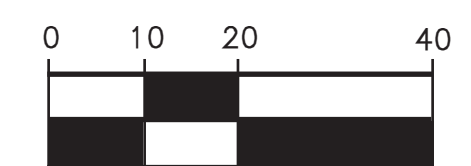
Open Space Provided: 17,793 SF

- Common Open Space: 10,935 SF⁴ (10' min. dim.)
- Private Open Space: 6,858 SF⁵ (6' min. dim.)

Notes:

1. Type VB construction with NFPA 13D automatic sprinkler system.
2. Affordable waiver used to reduce front and street side setback and building separation requirements.
3. Required parking based on affordable parking standards.
4. Affordable waivers used to reduce common open space requirement and indoor common open space requirement.
5. See floor plans for private open space per plan details.
6. Existing General Plan: High Density Residential
7. Existing Land Use: Church
8. Existing Zoning: R3
9. Proposed General Plan: High Density Residential
10. Proposed Zoning: R3
11. Assessor's Parcel Numbers: 103-200-088 & -089
12. Site Address: 1717 Via Del Rio, Corona, CA 92882

EXHIBIT 2



DIMENSIONED SITE PLAN

VIA DEL RIO
CORONA, CALIFORNIA

05/01/2025
SP-2

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Corona
400 S. Vicentia Avenue
Corona, CA 92882
Attn: Planning & Development Director

APNs: 103-200-088 and 103-200-089

SPACE ABOVE FOR RECORDER'S USE ONLY
EXEMPT FROM RECORDING FEE PER
GOVERNMENT CODE §27383 AND §27388.1(a)(2)(D)

**CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT - FOR-SALE HOUSING
WITH MERITAGE HOMES OF CALIFORNIA, INC.
(1717 Via Del Rio, Corona, CA 92882)
CMC CHAPTER 17.87**

1. PARTIES AND DATE.

This Density Bonus Housing Agreement (“Agreement”) is made and entered into this *****INSERT DATE OF CITY COUNCIL APPROVAL***** day of *****INSERT MONTH*****, *****INSERT YEAR***** (“Effective Date”) by and between the City of Corona, a municipal corporation organized under the laws of the State of California with its principal place of business at 400 South Vicentia Avenue, Corona, California 92882 (“City”) and Meritage Homes of California, Inc., a California Corporation with its principal place of business at 230 Progress, Irvine, CA 92618 (“Owner”). City and Owner are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Owner. Owner is the owner in fee of certain real property located at 1717 Via Del Rio, Corona, in Riverside County, California, and designated as Assessor Parcel Number(s) 103-200-088 and 103-200-089, as described and depicted in **Exhibit “A”** attached hereto and incorporated herein by reference (“Property”).

2.2 Housing Development Project. Owner proposes to construct and operate a Housing Development, as that term is defined in Corona Municipal Code (“CMC”) Section 17.87.020, on the Property consisting of fifty-seven (57) dwelling units (“Residential Units”), which will be known as Vantage project (“Project”).

2.3 Density Bonus Law. Under Government Code Section 65915 *et seq.* (“State Density Bonus Law”) and CMC Chapter 17.87, the City must, upon the request of an applicant, grant a density bonus and/or certain incentives/concessions or waivers/modifications for any

development applicant that seeks and agrees to construct a minimum number of residential units that are affordable to moderate, lower and/or very low income households.

2.4 Project Entitlements. The City Council’s approval of the Project includes the following entitlements:

- (a) Election to use the parking standard in Government Code Section 65915(p)(1) which requires 104 parking spaces for the project rather than the parking standard in the CMC Section 1776.030(A)(5) which requires 164 parking spaces. The project is providing 129 parking spaces instead of the minimum 104 required spaces under Section 65915(p)(1);
- (b) Waivers from the following:
 - a. CMC Section 17.24.200(B) to eliminate the indoor recreation facility requirement for residential projects which have 20 or more dwellings;
 - b. CMC Section 17.24.100(A) to reduce the minimum front yard setback requirement of 20 feet to 18 feet along Via Del Rio;
 - c. CMC Section 17.82.030(A) to reduce the minimum street side yard setback requirement of 15 feet from a collector street to 13 feet along Avenida Del Vista;
 - d. CMC Section 17.82.030(A)(2)(a)(5) to reduce the minimum building separation requirement of 25 feet for three-story buildings to 18 feet between Buildings 4 and 5, and 22 feet between Buildings 4 and 6;
- (c) Concession to deviate from the California Public Utility Commission’s Rule 20 requirement to keep the overhead utility lines under 32k volts along Via Del Rio and across Via Del Rio into a private residence (1801 Bern Drive) in place rather than placing them underground; and
- (d) Conditional Use Permit 2024-0003 (CUP2024-0003), Tentative Tract Map 38934 (TTM 38934) and Affordable Housing And Density Bonus Agreement 2024-0001 (AHDB2024-0001).

2.5 Density Bonus Units. In order to qualify for the State Density Bonus Law and CMC Chapter 17.87, Owner has agreed to sell three (3) of the Residential Units on the Property to Qualifying Households (as defined below) at an Affordable Housing Cost (as defined in CMC 17.87.020).

2.6 Agreement. City and Owner desire to enter into this Agreement in accordance with the State Density Bonus Law and CMC Chapter 17.87 to ensure that the Owner will construct and operate the Project in a manner that will ensure the provision of the required Affordable Units in exchange for the Density Bonus.

3. TERMS.

3.1 Recitals. The Recitals set forth above are true and accurate, and incorporated herein.

3.2 Definitions. For purposes of this Agreement, all defined terms, as indicated by initial capitalization, shall have the meanings set forth in CMC Chapter 17.87, except as expressly indicated otherwise herein. Additionally, the terms listed below shall have the meanings thereafter specified:

3.2.1 Affordable Unit(s). The three (3) dwelling unit(s) that will be offered for sale exclusively to a Qualifying Household at an Affordable Housing Cost during the Term of this Agreement.

3.2.2 CMC. The Corona Municipal Code.

3.2.3 Density Bonus. The density bonus granted to the Project through the Project Approvals, as more specifically described in Section 2.4 of this Agreement.

3.2.4 Director. The Planning and Development Director for the City of Corona or his or her designee.

3.2.5 Occupancy Date. The date the Purchaser Covenant, as more specifically described in Section 3.7, is first recorded against the Affordable Unit.

3.2.6 Project. The Project, as defined in Section 2.2 includes all required or associated on-site and off-site improvements, hardscape improvements, parking areas and landscaping improvements to the Property, in accordance with the Project Approvals, the plans and specifications approved by the City, any conditions imposed by the City in issuing the Project Approvals and any other development entitlements related to the Project and applicable law.

3.2.7 Project Records. Information regarding sales price, principal residency requirement, occupancy status, household and income characteristics of the initial purchaser of each of the Affordable Units, including Income Certification Forms completed by purchasers of the Affordable Units pursuant to Section 3.6.2 of this Agreement.

3.2.8 Project Approvals. As described in Section 2.4 of this Agreement.

3.2.9 Property. That certain real property located within the City of Corona, County of Riverside, State of California, specifically described in the legal description attached as **Exhibit "A"** to this Agreement, which is incorporated into this Agreement by this reference.

3.2.10 Qualifying Household. A household that: (1) resides or intends to reside in one of the Affordable Units on the Property; and (2) whose income does not exceed the maximum income allowable for a Very Low Income Household, a Lower Income Household or a Moderate Income Household, as applicable to the Affordable Unit described in Exhibit "B".

3.2.11 State Density Bonus Law. Chapter 4.3 of Division 1 of Title 7 of the California Government Code (Gov't Code §§ 65915 *et seq.*).

3.2.12 Term. For each Affordable Unit, the period of forty-five (45) years from the Occupancy Date.

3.2.13 Transfer. Any voluntary or involuntary sale, assignment or transfer of ownership or any interest in the Affordable Unit, including, but not limited to, a fee simple interest, a joint tenancy interest, tenancy in common, a life estate or other limited estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the Affordable Unit is transferred.

3.3 Identification of Affordable Units. The Affordable Units shall be those described in **Exhibit "B"** attached hereto and incorporated herein by reference. The identification of the Affordable Units shall not be changed without the prior written approval of the Director.

3.4 Construction of Affordable Units. The Affordable Units shall be constructed concurrently with or prior to the other Residential Units in the Project, and the Owner shall not receive certificates of occupancy for more than twenty percent (20%) of the market rate Residential Units in the Project, if any, unless and until certificates of occupancy are issued for at least fifty percent (50%) of the Affordable Units, and shall not receive certificates of occupancy for more than seventy percent (70%) of the market rate Residential Units in the Project, if any, unless and until certificates of occupancy are issued for the remaining fifty percent (50%) of the Affordable Units. Whenever the computation of the number of required affordable units results in a fractional unit, the unit requirement shall be rounded to the closest whole number. The Affordable Units shall be dispersed throughout the Project. Owner shall provide the Affordable Units with the same amenities and levels of services and maintenance as is provided to the other Residential Units in the Project.

3.5 Reservation of Affordable Units for Affordable Housing.

3.5.1 Qualifying Households Only. Owner covenants and agrees to reserve and restrict the Affordable Units for the Term for the purchase, use and residential occupancy of those who, at the time of initial sale and continuously thereafter (subject to the other provisions of this Agreement), is a Qualifying Household.

3.5.2 Affordable Housing Cost. Owner covenants and agrees, for the benefit of City, that during the Term the Affordable Units shall only be sold to Qualifying Households at an Affordable Housing Cost.

3.5.3 Rental of Affordable Units. Rental of the Affordable Units is prohibited unless the proposed tenant qualifies as a Qualifying Household.

3.5.4 No Transient Uses. Notwithstanding Section 3.5.3, the Affordable Units shall not be used on a transient basis and shall not be leased or rented for a period of less than

twelve (12) months. The Affordable Units will not, at any time, be leased or rented for use as a hotel, motel, time share, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitary or rest home.

3.5.5 Utilization of Affordable Units. No Affordable Unit shall be withdrawn from the market or otherwise held vacant during the Term.

3.6 Purchaser Selection and Income Verification.

3.6.1 Purchaser Selection Policies and Criteria. The Owner shall adopt written purchaser selection policies and criteria applicable to the Affordable Units, which shall be subject to the approval of the Director and that:

(a) are consistent with the purpose of providing affordable housing for Qualifying Households at an Affordable Housing Cost;

(b) give first priority to Qualifying Households who reside, work, go to school or have family in the City of Corona;

(c) provide for the selection of purchasers from a written waiting list in the chronological order of their application, insofar as is practicable;

(d) give prompt written notice to any rejected applicant of the grounds for rejection;

(e) except as provided in subsection (b) above, do not give preference to any particular class or group of persons except to the extent that the purchaser must be a Qualifying Household;

3.6.2 Determination of Household Income. Determination of Qualifying Household income shall be made by Owner at the time of initial application by an individual or family for purchase of each of the Affordable Units. At the time of initial application, Owner shall require an applicant to complete an income certification form in a form as approved by the Director (the "Income Certification Form") and certify the accuracy of the information provided on such form.

3.6.3 Verification. Owner shall make a good faith effort to verify the accuracy of income information provided in any Income Certification Form by an applicant for purchase of the Affordable Unit by taking one or more of the following steps, as reasonably required or indicated:

(a) Obtain an income tax return and copy of each W2 Wage and Earnings Statement for the most recently concluded income tax year;

(b) Contact a credit reporting agency or conduct a similar search;

(c) Obtain an income verification form from the Qualifying Household's current employer(s);

(d) Obtain an income verification form from the United States Social Security Administration or the California Department of Social Services, if the applicant or the Qualifying Household receives assistance from either of such agencies; or

(e) If the applicant or an adult member of a Qualifying Household is unemployed and has no such income tax return, obtain another form of independent verification.

3.6.4 Evidence. For purposes of this Section, Owner may conclusively rely upon the evidence of the age of a person as presented in a valid California Driver's License or other form of identification issued by the State of California or the United States Government that includes a date of birth and a photograph of the subject person. All such verification information shall only be obtained by Owner after obtaining the Qualifying Household's written consent for the release of such information to Owner. Failure to consent in writing to the release of such income verification information to Owner may disqualify the Qualifying Household for purchase of an Affordable Unit.

3.6.5 Equivalent Purchase Terms. Owner shall apply the same purchase terms and conditions to potential purchasers of the Affordable Units as are applied to all other purchasers of Residential Units within the Project, except as otherwise required to comply with this Agreement (i.e., income requirements) and/or government subsidy programs. Discrimination based on subsidies received by the potential purchaser of an Affordable Unit is prohibited.

3.6.6 Transfer to Qualified Nonprofit Housing Corporation. If, despite bona fide good faith documented marketing efforts, Owner is unable to locate a Qualifying Household to purchase the Affordable Unit within one hundred eighty (180) calendar days after the issuance of a certificate of occupancy for such Affordable Unit, Owner may Transfer such Affordable Unit to a qualified nonprofit housing corporation that meets all of the requirements set forth in Government Code Section 65915(c)(2)(A)(ii) and any other applicable provisions of state law.

3.7 Purchaser Covenant Restricting Sale of Affordable Units. Prior to the close of escrow for each Affordable Unit, Owner shall require the purchaser of the Affordable Unit, for itself, its successors, assignees and affiliates, to execute a covenant or agreement, in substantially the same form as set forth in Exhibit "C" attached hereto and incorporated herein by reference ("Purchaser Covenant"), which form shall include the following provisions:

3.7.1 Incorporation of Density Bonus Housing Agreement. The Purchaser Covenant shall incorporate each and every provision of this Agreement, either expressly or by reference.

3.7.2 Annual Certificate of Compliance. The Purchaser Covenant shall require that the purchaser of the Affordable Unit, on an annual basis, complete and submit to the Director, on an annual basis, a certificate of compliance certifying that the purchaser is in compliance with the requirements of this Agreement and the Purchaser Covenant.

3.7.3 Future Sale or Transfer of Affordable Units. The Purchaser Covenant shall expressly state that during the Term, the Affordable Unit shall only be transferred, sold or resold to Qualifying Households at an Affordable Housing Cost in accordance with CMC Chapter 17.87 and the State Density Bonus Law. The Purchaser Covenant shall require the purchaser of the Affordable Unit to provide written notice to the City at least thirty (30) calendar days prior to the date of a proposed Transfer of the Affordable Unit, along with evidence satisfactory to the Director that the Affordable Unit will be transferred to a Qualifying Household at an Affordable Housing Cost or an Affordable Rent, as applicable. Notwithstanding the foregoing, notice to the City shall not be required for the Transfer of an Affordable Unit upon the Owner's death to a surviving joint tenant or spouse who is also a record owner of the Affordable Unit.

3.7.4 Right of First Refusal. The Purchaser Covenant shall provide that when the Term has expired, the then-current owner of the Affordable Unit shall offer the City or, at the City's election, a non-profit housing organization the right of first refusal to purchase the Affordable Unit for a minimum of sixty (60) days prior to offering to Transfer the Affordable Unit to any other person or entity.

3.7.5 Recordation. The Purchaser Covenant shall be recorded against the Affordable Unit prior to the close of escrow for the initial sale of the Affordable Unit. The Purchase Covenant shall be subordinate only to the grant deed conveying the Affordable Unit to the purchaser and any conventional first mortgage obtained by the purchaser.

3.8 Ineligible Purchasers. Owner shall not sell an Affordable Unit to any person with any family relationship to Owner or who owns, directly or indirectly, any interest in the Project or the Property. For purposes of this section, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member, and ownership, direct or indirect, by a partner of the individual.

3.9 Retention of Project Records. The Owner shall prepare and maintain complete and accurate Project Records generated during the Owner's ownership of the Affordable Unit for so long as this Agreement remains in effect. From time to time, upon request from the City, the Owner shall make all Project Records, whether in the custody or control of the Owner or its Affiliates, available to the City, the City's auditor, representative or agent for examination and copying at any reasonable time, on fifteen (15) calendar days advance notice.

3.10 Federal and State Laws. Notwithstanding anything herein to the contrary, nothing contained herein shall require Owner or City to do anything contrary to or refrain from doing anything required by federal and state laws or regulations applicable to the construction, management, maintenance, and sale of low and very low income housing units in the City of Corona.

3.11 Prohibition Against Discrimination. Owner shall not discriminate against any Qualifying Household or potential tenant on the basis of sex, color, race, religion, ancestry,

national origin, age, pregnancy, marital status, family composition, sexual orientation, or the potential or actual occupancy of minor children. Owner further agrees to take affirmative action to ensure that no such person is discriminated against for any of the above mentioned reasons.

3.12 Indemnification. Owner shall defend, indemnify and hold harmless City and its officers, agents, employees, representatives, and volunteers (collectively, “Indemnitees”) from and against any loss, liability, claim or judgment relating in any manner to this Agreement. Owner shall not be required to indemnify and hold harmless Indemnitees for liability attributable to the active negligence or willful misconduct of Indemnitees, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where an Indemnitee is shown to have been actively negligent and where Indemnitees’ active negligence accounts for only a percentage of the liability involved, the obligation of Owner will be for that entire portion or percentage of liability not attributable to the active negligence of Indemnitees.

3.13 City’s Right to Inspect Affordable Units and Documents. City may inspect the Affordable Units during normal business hours, upon 48 hours’ notice, for so long as this Agreement remains in effect, to determine Owner’s compliance with this Agreement.

3.14 Agreement to be Recorded; Covenants Run with the Land; Priority. This Agreement shall be recorded within ten (10) days of the Effective Date in the Official Records of Riverside County, California, as senior, non-subordinate covenants and as an encumbrance running with the land for the full Term of this Agreement and shall pass to and be binding upon Owner and all parties having any interest in the Affordable Units for the benefit of City and Qualifying Households. In no event shall this Agreement be made junior or subordinate to any deed of trust or other documents providing financing for the construction or operation of the Project, or any other lien or encumbrance whatsoever for the entire Term of this Agreement except as provided in Section 3.7.4. Nor shall this Agreement be made junior or subordinate to any extension, amendment, or modification of any lien or encumbrance recorded against the Property prior to the date hereof. Prior to recordation of this Agreement, Owner shall provide City with evidence satisfactory to the City that all deeds of trust, liens, encumbrances, or other documents recorded against the Property prior to the Effective Date have been or will be subordinated to this Agreement, at Owner’s sole cost and expense. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Property or any interest therein, as the case may be (each a “Contract”), shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties to such Contract have actual knowledge of this Agreement.

3.15 Default. Failure or delay by either Party to perform any term or provision of this Agreement, which is not cured within thirty (30) days after receipt of notice from the other Party, constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with due diligence. The injured party shall give written notice of default to the Party in default specifying the default complained of by the injured Party. Except as required to protect against further damages, the injured Party may not initiate proceedings against the Party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

3.16 Remedies.

3.16.1 All Remedies Available. A default hereunder shall give the non-defaulting Party the right to proceed with any and all remedies available at law or equity. Such remedies may include an action for damages, an action or proceeding for specific performance, and/or an action or proceeding for injunctive relief. Such actions or proceedings may require the defaulting Party to pay damages, to perform its obligations and covenants under this Agreement, and to enjoin or cease and desist from acts which may be unlawful or in violation of the provisions of this Agreement.

3.16.2 Revocation of Permits. City may institute any appropriate legal actions or proceedings necessary to ensure compliance with this Agreement, including but not limited to:

(a) Actions to revoke, deny or suspend any permits and/or certificate of occupancy; and

(b) Actions for injunctive relief or damages.

3.16.3 Municipal Code Violation. It is agreed and understood that the covenants to maintain the Affordable Units as set forth herein are a requirement of CMC Chapter 17.87 and as a condition to receiving the Density Bonus and the concessions and waivers described in Section 2.4 of this Agreement, Owner agrees that a breach of the covenants to maintain the Affordable Units for the Term constitutes a violation of the CMC, subject to enforcement by all legally available means.

3.16.4 Excessive Sale Price. It shall constitute a default for the Owner to charge or accept for any Affordable Unit a sale price in excess of the Affordable Housing Cost, to fail to sell an Affordable Unit to a Qualifying Household as required by Section 3.5 of this Agreement, or to otherwise sell an Affordable Unit to a purchaser that does not qualify as a Qualifying Household.

3.17 Expiration of Density Bonus. The Density Bonus permitted by this Agreement shall expire, become null and void and of no further force or effect if the Project Approvals are not utilized within the time limit established by the Corona Municipal Code or the conditions of approval (“Density Bonus Deadline”). Owner may submit an application requesting an extension prior to the Density Bonus Deadline, which extension may be approved by the Director upon a finding of unavoidable delay.

3.18 General Provisions.

3.18.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

Owner:

Meritage Homes of California, Inc.
230 Progress
Irvine, CA 92618
Attn: Nick Emsiek

City:

City of Corona
400 South Vicentia Avenue
Corona, CA 92882
Attn: Planning & Development Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18.2 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.18.3 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.18.4 No City Responsibility for Project. City shall have no responsibility for the construction, installation, management, operation or maintenance of the Project.

3.18.5 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.18.6 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.18.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.18.8 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.18.9 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.18.10 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this

Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

3.18.11 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.18.12 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.18.13 Enforcement. City shall have the power to enforce this Agreement and no other person or entity shall have any right or power to enforce any provision of this Agreement on behalf of City, or to compel City to enforce any provision of this Agreement against Owner, the Project, the Property or any Residential Unit, including the Affordable Units.

[SIGNATURES ON NEXT 2 PAGES]

CITY'S SIGNATURE PAGE FOR

**CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT – FOR-SALE HOUSING
WITH MERITAGE HOMES OF CALIFORNIA, INC.
(1717 VIA DEL RIO, CORONA, CA 92882)
CMC CHAPTER 17.87**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

CITY OF CORONA

By:

[**INSERT NAME**]
[**INSERT TITLE**]

Attest:

[**INSERT NAME**]
City Clerk

[**INSERT OTHER SIGNATURE
BLOCKS AS NEEDED, INCLUDING
CITY ATTORNEY AND
RECOMMENDING EMPLOYEES**]

OWNER'S SIGNATURE PAGE FOR
CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT – FOR-SALE HOUSING
WITH MERITAGE HOMES OF CALIFORNIA, INC.
(1717 VIA DEL RIO, CORONA, CA 92882)
CMC CHAPTER 17.87

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

MERITAGE HOMES OF CALIFORNIA, INC.
a California Corporation

By: _____
Nick Emsiek
Division President – Southern California

EXHIBIT "A"

**LEGAL DESCRIPTION AND DEPICTION
OF THE PROPERTY**

Real property in the City of Corona, County of Riverside, State of California, described as follows:

That portion of lot 2 of Trinidad Yorba Tract, in the County of Riverside, State of California, as shown by map on file in book 2 page 22 of maps, records of Riverside County, California, described as follows:

Beginning at the southwesterly terminus of that certain course in the northwesterly line of Avenida Del Vista shown on map of Tract No. 2583, on file in Book 46 pages 11 to 14, inclusive of maps, records of Riverside County, California, as having a bearing and length of North 42° 05' 03" East, 1811.00 feet; thence Southwesterly along that certain curve in said northwesterly line shown on said map of Tract No. 2583, being concave northerly and having a radius of 14.00 feet and an arc length of 21.99 feet; through a central angle of 90° 00' 00" to the end of said curve; thence tangent to said curve North 47° 54' 57" West, 26.74 feet to the beginning of a tangent curve concave northeasterly having a radius of 956.00 feet; thence northwesterly along said last mentioned curve an arc distance of 242.13 feet through a central angle of 14° 30' 41"; thence tangent to said last mentioned curve North 33° 24' 16" West 11.39 feet; to a point on the southeasterly line of that certain parcel of land conveyed to Corona Unified School District of Riverside, by deed recorded December 7, 1959 in book 2594 page 15 of official records of Riverside County, California; thence North 42° 04' 47" East (formerly recorded North 42° 03' 13" East) along the southeasterly line of said parcel, 405.65 feet; thence South 47° 54' 57" East, 291.35 feet to a point in said course in the northwesterly line of Avenida Del Vista having a bearing and length of North 42° 05' 03" East, 1811.00 feet; distant thereon North 42° 05' 03" East 425.00 feet from the point of beginning; thence along said certain course South 42° 05' 03" West 425.00 feet to the point of beginning.

APN: 103-200-088 and 103-200-089

EXHIBIT “B”

IDENTIFICATION OF AFFORDABLE UNITS

The Affordable Units subject to this Agreement are indicated in the table below. The Address or Lot Number in the table corresponds to the dwelling unit depicted in the Project floor plans on file with the City’s Planning and Development Department as of *****INSERT DATE OF*****.

NUMBER OF UNITS AND UNIT TYPE	ADDRESS OR LOT NUMBER	ELIGIBLE INCOME GROUP
One (1) Two-Bedroom	Plan 2532	Very Low Income
One (1) Three-Bedroom	Plan 1633	Very Low Income
One (1) Four-Bedroom	Plan 1638	Very Low Income
Total: Three (3) Affordable Units		

EXHIBIT "C"
PURCHASER COVENANT

*****MODEL - REMOVE THIS TITLE WHEN USED*****

RECORDED AT REQUEST OF
AND WHEN RECORDED RETURN TO:

City of Corona
400 S. Vicentia Ave
Corona, California 92882
Attn: Planning & Development Director

APN: *****INSERT APN*****

(SPACE ABOVE FOR RECORDER'S USE)
FEE EXEMPT – GOVERNMENT CODE §27383
DOCUMENTARY TRANSFER TAX EXEMPT - R&T CODE § 11922

**RESTRICTIVE COVENANT OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY AND RIGHT OF FIRST REFUSAL
(Density Bonus Agreement)**

The recordation of this Restrictive Covenant is being recorded at the behest of the City of Corona in accordance with the Corona Municipal Code Section 17.87.060 to provide and preserve affordable housing to benefit very low, lower and moderate income households in the City of Corona.

This Restrictive Covenant of Affordability Restrictions on Transfer of Property (“**Covenant**”) is made on *****INSERT DATE*****, *****INSERT YEAR*****, by *****INSERT NAME OF RECORD OWNER***** (“**Owner**”), over that certain real property described in Exhibit “A” attached hereto (the “**Burdened Property**”).

RECITALS

A. Property. Owner is the owner in fee of certain real property located within the City of Corona, County of Riverside, State of California, commonly known as *****INSERT STREET ADDRESS***** (“**Property**”), and legally described in Exhibit “A” attached hereto and incorporated herein by reference.

B. Density Bonus. Chapter 17.87 of the Corona Municipal Code (“**CMC**”) provides that the City shall, in accordance with Government Code Section 65915, grant a density bonus and other incentives or concessions when a developer seeks and agrees to construct a minimum number of housing units that are affordable to moderate, lower and/or very low income households.

C. Density Bonus Agreement. As required by CMC Section 17.87.060, Owner or Owner’s predecessor in interest, entered into that certain Density Bonus Housing Agreement – For Sale Housing dated *****INSERT DATE***** and recorded on *****INSERT DATE***** in the Official Records of the County of Riverside as Document No. *****INSERT RECORDED DOCUMENT #***** (“**Density Bonus Agreement**”) whereby the Burdened Property is classified

as an Affordable Unit that is restricted for the purchase, use and residential occupancy by a Qualifying Household, as defined in the Density Bonus Agreement, for a period of forty-five (45) years.

D. Required Covenant. Pursuant to Section 3.7 of the Density Bonus Agreement, Owner is required to record this Covenant against the Burdened Property.

COVENANT

NOW THEREFORE, Owner covenants as follows:

1. Incorporation of Density Bonus Agreement. The Density Bonus Agreement is hereby incorporated by reference and shall constitute a part of this Covenant as though set forth in full. Owner shall comply with all terms and conditions of the Density Bonus Agreement. All terms with initial capital letters used herein but not otherwise defined shall have the respective meanings set forth in the Density Bonus Agreement or in CMC Chapter 17.87, as applicable.

2. Term of Covenant. The term of this Covenant shall commence upon recordation of this Covenant in the Official Records of the County of Riverside and shall continue for a period of forty-five (45) years (“**Term**”).

3. Annual Certificate of Compliance. On or before ****INSERT DATE**** of each year, Owner shall complete and submit to the Director, a certificate of compliance in substantially the form attached hereto as Exhibit “B” and incorporated herein by reference certifying that the Owner is in compliance with the requirements of the Density Bonus Agreement and this Covenant.

4. Future Sale or Transfer of Burdened Property. During the Term of this Covenant, the Burdened Property shall only be transferred, sold, or resold at an Affordable Housing Cost to persons who, at the time of such transfer or sale, constitute a Qualifying Household whose income does not exceed the maximum income allowable for a ****INSERT “Very Low Income” “Lower Income” or “Moderate Income” AS APPLICABLE**** Household subject to the consent of the City’s City Manager, or his or her designee (“**City Manager**”) as required by Section 4.2 below.

4.1 Notice of Intent to Transfer. If Owner desires to Transfer the Burdened Property, Owner shall deliver written notice to the City Manager of such intent by certified mail not less than thirty (30) calendar days prior to the date of such proposed Transfer in substantially the form attached hereto as Exhibit “C” and incorporated herein by reference (“**Transfer Notice**”). Owner shall also submit the following information and supporting documentation with the Transfer Notice:

4.1.1 Documentation, such as income certification, state and federal tax returns, and a list of all assets owned by the prospective transferee and any other financial information, demonstrating that the prospective transferee of the Burdened Property qualifies as a Qualifying Household;

4.1.2 Documentation demonstrating that the sale or rent price of the Burdened Property does not exceed the Affordable Housing Cost or the Affordable Rent, as applicable; and

4.1.3 Documentation demonstrating that the prospective transferee of the Burdened Property has received written notice of the requirements of the Density Bonus Agreement and this Covenant.

4.2 City Consent to Transfer. Within thirty (30) days of receipt of a Transfer Notice and complete supporting documentation, the City Manager shall review the Transfer Notice and supporting documentation and if the information submitted by Owner demonstrates, to the satisfaction of the City Manager, in his or her sole discretion, that the prospective transferee of the Burdened Property qualifies as a Qualifying Household and that the sales or rent price for the Burdened Property does not exceed the Affordable Housing Cost or the Affordable Rent, as applicable, for the prospective transferee, the City Manager shall consent to the Transfer. Thereafter, Owner may proceed with the Transfer of the Burdened Property to the prospective transferee identified in the Transfer Notice.

4.3 Permitted Transfer. Notwithstanding anything to the contrary in this Covenant, a Transfer of the Affordable Unit upon the Owner's death to a surviving joint tenant or spouse who is also a record owner of the Affordable Unit shall not be subject to the requirements of Section 4.1 or 4.2 above.

5. Occupancy of Affordable Unit on Burdened Property. During the Term of this Covenant, the use and occupancy of the Affordable Unit on the Burdened Property shall be restricted to persons who constitute a Qualifying Household whose income does not exceed the maximum income allowable for a [**INSERT "Very Low Income" "Lower Income" or "Moderate Income" AS APPLICABLE**] Household at the time of purchase.

6. Right of First Refusal. Upon expiration of the Term, the Owner shall offer the City of Corona ("City") or, at the City's election, a non-profit housing organization the right of first refusal to purchase the Burdened Property at the then current fair market value.

6.1 Notice of Sale. Prior to any sale, transfer or assignment of the Burdened Property after the Term has expired, Owner shall give written notice to the City and/or a non-profit housing organization ("**Notice of Sale**").

6.2 Purchase Notice. For a period of 60 days following receipt of the Notice of Sale, City and/or the non-profit housing organization shall have the right to exercise the right of first refusal by delivering to Owner written notice of its desire to purchase the Burdened Property ("**Purchase Notice**"). In the event that Owner does not receive a Purchase Notice within the 60-day period, there shall be a conclusive presumption that the City and/or the non-profit housing organization has elected not to purchase the Burdened Property, and Owner may sell the Burdened Property.

7. Defaults and Remedies.

7.1 Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default by the Owner under this Covenant:

7.1.1 City determines that Owner has made a misrepresentation in connection with its obligations under this Covenant;

7.1.2 The Affordable Unit on the Burdened Property is rented or leased to a person(s) who do not qualify as a Qualifying Household in violation of Section 4 of this Covenant and such failure continues following written notice by the City and thirty (30) days opportunity to cure following the date of such notice;

7.1.3 The Owner fails to provide information to the City necessary to determine Owner's compliance with the requirements of this Covenant, and such failure continues following written notice by the City and thirty (30) days opportunity to cure following the date of such notice.

7.1.4 The occurrence of any actual, attempted, or pending Transfer of the Burdened Property or any estate or interest therein without the City's consent as required by Section 3.2.

7.1.5 Recordation of a notice of default and/or notice of sale pursuant to California Civil Code Section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Burdened Property.

7.1.6 Commencement of a judicial or nonjudicial foreclosure proceeding regarding the Burdened Property.

7.1.7 Execution by Owner of a deed in lieu of foreclosure transferring ownership of the Property.

7.1.8 Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner.

7.1.9 Any other default or breach of any covenant, warranty, promise or representation under this Covenant, and such default or breach continues following written notice by the City and thirty (30) days opportunity to cure following the date of such notice.

7.2 Remedies.

7.2.1 All Remedies Available. A default hereunder shall give the City the right to proceed with any and all remedies available at law or equity. Such remedies may

include an action for damages, an action or proceeding for specific performance, and/or an action or proceeding for injunctive relief. Such actions or proceedings may require the Owner to pay damages, to perform its obligations and covenants under this Covenant, and to enjoin or cease and desist from acts which may be unlawful or in violation of the provisions of this Covenant.

7.2.2 Municipal Code Violation. It is agreed and understood that the covenants set forth herein are a requirement of CMC Chapter 17.87 and any breach of the covenants to maintain the Affordable Units for the Term constitutes a violation of the CMC, subject to enforcement by all legally available means.

7.2.3 Excessive Sale Price. If the Owner charges or accepts for any Affordable Unit a sale price in excess of the Affordable Housing Cost or a rent price in excess of the Affordable Rent or otherwise Transfers an Affordable Unit to a person or entity that does not qualify as a Qualifying Household as required by Section 4 of this Covenant, the Owner shall be liable in a civil action to the City for damages in the sum of three (3) times the amount by which the amount received or accepted by Owner exceeds the Affordable Housing Cost or Affordable Rent, as applicable.

8. Subordination. This Covenant shall be subordinate and junior to the lien of a first deed of trust against the Burdened Property and shall not impair the rights of any institutional lender that is the maker of a loan secured by such first deed of trust to exercise its remedies under the deed of trust in the event of a default by the Owner.

9. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

10. Recordation. This Covenant shall be recorded in the County of Riverside.

11. Covenant Runs with Land. This Covenant shall be recorded as a covenant running with the land against the Burdened Property and shall be binding upon and enforceable against the heirs, devisees, assigns, transferees, and successors in interest of the Owner.

12. Amendments. No amendment or termination of this Covenant shall be valid or effective without the written consent of the City Manager of the City of Corona.

****INSERT NAME OF RECORD OWNER****

By:

****INSERT NAME OF RECORD OWNER****

Date

[ALL SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

**EXHIBIT “A”
RESTRICTIVE COVENANT OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY AND RIGHT OF FIRST REFUSAL
(Density Bonus Agreement)**

LEGAL DESCRIPTION AND DEPICTION OF BURDENED PROPERTY

Real property in the County of Riverside, State of California, as described in the attachment:

*****TO BE INSERTED*****

EXHIBIT "B"
RESTRICTIVE COVENANT OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY AND RIGHT OF FIRST REFUSAL
(Density Bonus Agreement)

FORM OF CERTIFICATE OF COMPLIANCE

CITY OF CORONA
ANNUAL CERTIFICATE OF COMPLIANCE
AFFORDABLE HOUSING UNITS

Date: _____ Certification Period _____, 202__ to
_____, 202_

Owner(s) Name(s): _____

Property Address: _____ ("Property")

As the owner(s) of the Property, or authorized officer/governing person of the owner, I/we hereby certify, based on personal knowledge, that the Property is in compliance with all terms and conditions of the Density Bonus Agreement dated ****INSERT DATE**** and the Restrictive Covenant of Affordability Restrictions on Transfer of Property dated ****INSERT DATE**** and recorded in the Official Records of the County of Riverside on ****INSERT DATE**** as Instrument No. ****INSERT INSTRUMENT NO.****].

I/We certify that (check one):

I/We currently reside at the Property as my/our primary residence; or

The Property has been rented/leased for a period of twelve (12) months or more to a Qualifying Household for an Affordable Rent and the City Manager has consented to such transfer pursuant to Section 4 of the Covenant. A copy of the current fully executed lease or rental agreement must be attached hereto.

I/We further certify that within the last year, the Property has not been leased or rented for use as a hotel, motel, time share, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitary or rest home.

I/we certify under penalty of perjury under the laws of the State of California that the above information is complete and accurate. I/we agree to provide any additional documentation required by the City of Corona for the transfer of the Property to Transferee.

Owner(s) signature(s):

Signature

Signature

Printed Name

Printed Name

EXHIBIT "C"
RESTRICTIVE COVENANT OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY AND RIGHT OF FIRST REFUSAL
(Density Bonus Agreement)

FORM OF TRANSFER NOTICE

NOTICE OF INTENT TO TRANSFER AN AFFORDABLE UNIT

To: City of Corona
Housing & Homeless Solutions Division
400 South Vicentia Avenue
Corona, CA 92882

Date: _____

Pursuant to the terms of the Restrictive Covenant of Affordability Restrictions on Transfer of Property and Right of First Refusal dated **[**INSERT DATE**]**, the undersigned Owner(s) of the real property located at **[**INSERT ADDRESS**]** ("Property") hereby gives notice of his/her/their intent to transfer the Property to the following person(s) ("Transferee"):

Name: _____
Address: _____
Telephone: _____
E-mail: _____

The proposed transfer of the Property is (check one):

- Sale
 Lease
 Other Specify: _____

The proposed rent/sale price for the Property is: \$ _____

Documentation evidencing the rent/sale price for the Property must be attached hereto.

Attach completed Transferee Income Certification Form in the form attached hereto as Attachment No. 1.

I/we certify under penalty of perjury under the laws of the State of California that the above information is complete and accurate. I/we agree to provide any additional documentation required by the City of Corona for the transfer of the Property to Transferee.

Owner(s) signature(s):

Signature

Signature

Printed Name

Printed Name

**ATTACHMENT NO. 1
TO**

TRANSFeree INCOME CERTIFICATION FORM

INSTRUCTIONS: Please complete form and include the requested information for all persons in the household. The adult head of household must sign and date the form. Attach all referenced documents.

PROPERTY ADDRESS: _____

Number of Bedrooms: _____

Rent/Sale Price for Property: _____

TRANSFeree HOUSEHOLD INFORMATION

Enter legal address (where the Transferee currently lives) and contact information below.

	Legal Address	Mailing Address (if different)
Street, Apt/Unit #		
State, City, Zip Code		
Phone Number(s)		
Email(s)		

Household Member #	Name (last, first, MI)	Relationship to the head of household (co-head, spouse, child, etc.)	Birth Date (mm/dd/yyyy)
1		Head of Household	
2			
3			
4			
5			
6			

TRANSFeree INCOME AND ASSETS

Annual Income: For each household member (HH Mbr#) below, anticipate annual income for the next 12 months by converting current income to annual figures. Convert wages/income by multiplying it by the frequency in which it is received and factor in amounts that will terminate before the end of the next 12 months. Multiply weekly income by 52; biweekly income (received every other week) by 26; semi-monthly income (received twice each month) by 24; an monthly income by 12. Leave blank those that do not apply. To determine the total income for the household, add up all columns on the last row of this chart. Attach documentation substantiating information provided in this chart.

Income Sources	HH Mbr #1	HH Mbr #2	HH Mbr #3	HH Mbr #4	HH Mbr #5	HH Mbr #6
Employment/Wages/Worker's Compensation	\$	\$	\$	\$	\$	\$
Social Security/Pensions	\$	\$	\$	\$	\$	\$
Public Assistance	\$	\$	\$	\$	\$	\$
Alimony or Child Support	\$	\$	\$	\$	\$	\$
Other (please describe): _____	\$	\$	\$	\$	\$	\$
Total for each HH Member	\$	\$	\$	\$	\$	\$
Total Income for Household	\$					

Income From Assets: Annual income includes income derived from assets to which household members have access. Interest or dividends earned are counted as income even when the earnings are reinvested. Using the categories below, report the (a) type of asset(s) held by each member of the household, (b) cash value of asset(s), and (c) the income derived from the assets (report annual figures only). If the asset does not generate income, report zero. If the household member does not have assets, leave blank. Calculate the totals on the last row of this chart. Attach documentation substantiating information provided in this chart.

Household Member #	Assets Categories: Checking, Savings, Mutual funds, Money Market Acct. Equity in Rental Property, Retirement and Pensions, 401(K), Stocks, Bonds, Treasury Bills, Certificate of Deposit, Annuities, Revocable Trust, Mortgages or Deed of Trust, Whole Life Insurance policy, Lump sum-inheritance, Lottery Winnings, Insurance	Current Cash Value	Actual Income from Assets

	Settlements, Personal property held as an investment (e.g., antiques, gems, etc.)		
1		\$	\$
2		\$	\$
3		\$	\$
4		\$	\$
5		\$	\$
6		\$	\$
1. Total Cash Value of Assets		\$	
2. Total Actual Income from Assets			\$
If line 1 is greater than \$5,000, multiply line 1 by **INSERT PASSBOOK SAVINGS RATE** passbook rate and enter result here; otherwise leave blank.			\$
Do you own improved property: <input type="checkbox"/> Yes <input type="checkbox"/> No Address: _____ Approximate Value: _____			

I certify under penalty of perjury under the laws of the Stat of California that the above information is complete and accurate. I agree to provide any additional documentation required by the City of Corona to document my/our household income.

HEAD OF HOUSEHOLD		
Signature	Printed Name	Date
OTHER ADULT HOUSEHOLD MEMBERS		
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date



Project Conditions

City of Corona

Project Number: AHDB2024-0001

Description:

Applied: **7/11/2024**

Approved:

Site Address: **1717 VIA DEL RIO CORONA, CA 91720**

Closed:

Expired:

Status: **COMPLETE**

Applicant: **Louisa Feletto**

Parent Project: **CUP2024-0003**

230 Progress Irvine CA, 92618

Details: **AHDB2024-0001: Affordable Housing Density Bonus Agreement associated with TTM 38934 and CUP2024-0003, for a 57-unit residential condominium development to include three, dedicated affordable units, proposed at 1717 Via Del Rio (Assessor's Parcel Number: 103-200-088, -089)**

LIST OF CONDITIONS

DEPARTMENT	CONTACT
PLANNING	Brendan Dalde
<ol style="list-style-type: none"> To the fullest extent permitted by law, the applicant shall defend, indemnify and hold the City of Corona and its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, proceedings, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, in any manner arising out of, pertaining to, or incident to any attack against or attempt to challenge, set aside, void or annul any approval, decision or other action of the City of Corona, whether such approval, decision or other action was by its City Council, Planning and Housing Commission or other board, director, official, officer, employee, volunteer or agent. To the extent that Government Code Section 66474.9 applies, the City will promptly notify the applicant of any claim, action or proceeding made known to the City to which Government Code Section 66474.9 applies and the City will fully cooperate in the defense. The Applicant's obligations hereunder shall include, without limitation, the payment of any and all damages, consultant and expert fees, and attorney's fees and other related costs and expenses. The City shall have the right to retain such legal counsel as the City deems necessary and appropriate. Nothing herein shall be construed to require City to defend any attack against or attempt to challenge, set aside, void or annul any such City approval, decision or other action. If at any time Applicant chooses not to defend (or continue to defend) any attack against or attempt to challenge, set aside, void or annul any such City approval, decision or other action, the City may choose, in its sole discretion, to defend or not defend any such action. In the event that the City decides not to defend or continue the defense, Applicant shall be obligated to reimburse City for any and all costs, fees, penalties or damages associated with dismissing the action or proceeding. If at any time both the Applicant and the City choose not to defend (or continue to defend) any action noted herein, all subject City approvals, decisions or other actions shall be null and void. The Applicant shall be required to enter into any reimbursement agreement deemed necessary by the City to effectuate the terms of this condition. The project shall comply with all applicable requirements of the Corona Municipal Code (CMC) and ordinances, including the payment of all required fees. AHDB2024-0001 shall be utilized within the time specified in Section 3.17 of the density bonus housing agreement. Prior to City Council approval of the Affordable Housing Density Bonus Agreement, the applicant shall provide the Planning and Development Department with the final lot numbers included in Exhibit "B" of the Density Bonus Housing Agreement according to Section 3.4 of the agreement. Prior to the recordation of the final map for TTM38934, the applicant shall record Affordable Housing Density Bonus Agreement 2024-0001 with the County Records Office. This agreement is required to be notarized by the applicant and executed by the City Manager prior to it being recorded. 	



August 12, 2025

Sandra Vanian, Planning Manager
Brendan Dalde, Assistant Planner
City of Corona, Planning and Development Department
400 South Vicentia Avenue
Corona, CA 92882

Re: Affordable Housing Narrative

Dear Ms. Vanian & Mr. Dalde,

Meritage Homes is pleased to submit Via Del Rio, a proposed for-sale residential community located in the City's West Ontario neighborhood. Meritage Homes has entered into a contract with Ingles La Sendra, Inc to purchase approximately 2.87 acres of land located at 1717 Via Del Rio (APN 103-200-088 and 103-200-089).

The proposed project consists of 57 three-story for-sale townhomes with a density of 19.86 dwelling units per acre. Proposed homes range from approximately 1,200 – 1,800 square feet with two to four bedrooms. The proposed project would also include grading of the site, installation of water, sewer, and water quality infrastructure, as well as private drives and amenities.

The property maintains a general plan designation of "High Density Residential" and a zoning designation of "R3 – Multiple-Family Residential" which allows for the development of a residential project up to 36 dwelling units per acre. This is consistent with other properties to the northeast of the site.

Of the 57 homes, three homes (5.3%) are proposed to be affordable at a "Very Low" income level. The development would utilize the following incentive/concession and waivers:

- **Concession 1:** Rule 20 requirement for overhead to underground conversion of utility lines along Via Del Rio. This rule requires the undergrounding of all overhead utilities, except for cables greater than 32k volts. The project proposes to leave overhead lines within the public right of way in place. The cost of undergrounding the lines along Via Del Rio would not be a straightforward effort based on current pole locations, local services, and transformer locations. As such, the anticipated cost of that work effort would be \$815,000 plus additional costs related to private homeowner coordination needed to place a new pole in the rear yard of the home at 1801 Bern Drive, Corona, CA. By eliminating this requirement, the project can support the inclusion of three affordable units on site and achieve the proposed density. It should be noted that due to construction conflicts, the project will underground the lower telecommunication lines between the power pole at the western property line and the pole closest to the intersection of Via Del Rio and Avenida Del Vista along the property's frontage. No lines crossing Via Del Rio to the south or crossing Avenida Del Vista to the east will be touched.
- **Waiver 1:** Chapter 17.24.200(B) Recreation Facilities. This code item requires an indoor recreation facility for projects with more than 20 dwelling units. The project proposes to waive this requirement in its entirety. The project proposes to eliminate the indoor recreation space requirement as constructing this space would preclude the development from achieving the proposed density on site.



- **Waiver 2:** Chapter 17.82.030(A)(2)(a)(1) Front Yard. This code item requires a minimum 20 feet for the front setback. The project proposes a reduced front setback to a minimum 18 feet. By reducing the front yard setback, the project can provide larger drive aprons to accommodate the City’s required water meters per Standard Drawing 408 and achieve the proposed density on site.
- **Waiver 3:** Chapter 17.82.030(A)(2)(a)(3) Street Side Yard. This code item requires a minimum 15 feet for the street side setback. The project proposes a reduced street side setback to a minimum 13 feet. By reducing the street side yard setback, the project can provide larger drive aprons to accommodate the City’s required water meters per Standard Drawing 408 and achieve the proposed density on site.
- **Waiver 4:** Chapter 17.82.030(A)(2)(a)(5) Building Separation. This code item requires a minimum separation of 25 feet for three story buildings. The project proposes to reduce the building separation to a minimum 18 feet. This reduced separation is at “pinch point” areas between Buildings 4 and 5 (18’ separation) and Buildings 4 and 6 (22’ separation) on site (a front to side condition). The separation minimum would still meet the requirements of the California Building Code. By reducing the minimum building separation, the project can achieve the proposed density on site.
- Utilization of parking ratios as described in the Density Bonus Law found in subdivision (p) of California Government Code Sections 65915 – 65918. The reduction of parking requires one and one-half onsite parking spaces for two- and three-bedroom homes, and two and one-half onsite parking spaces for four- or more bedroom homes.

The project will require a Conditional Use Permit (CUP2024-0003) for the proposed condominium use as well as a Tentative Tract Map (TTM2024-0002) and Affordable Housing And Density Bonus Agreement (AHDB2024-0001). The tentative tract map will include revising easements for existing cell tower facilities on the property.

Meritage Homes believes that the housing proposed by this project provides the type of workforce housing that is desperately needed in the region and throughout the state. We are excited for the opportunity to bring this project to the City of Corona and look forward to working with City staff to get this approved.

Sincerely,

Louisa Feletto
Forward Planning Manager
MLC Holdings, Inc.



NOTICE OF EXEMPTION

<p>TO:</p> <p><input type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044</p>	<p>FROM: Name: City of Corona, Planning & Development Department (Public Agency) Address: 400 S. Vicentia Ave., Suite 120, Corona, CA 92882 Telephone: 951-736-2434</p>
<p><input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk (Riverside) Address: 2724 Gateway Dr. Riverside, CA 92507</p>	

<p>1. Project Title:</p>	<p>Major Conditional Use Permit – CUP2024-0003 Tentative Tract Map – TTM2024-0002 (TTM38934) Affordable House Density Bonus – AHDB2024-0001</p>
<p>2. Project Applicant:</p>	<p>Louisa Feletto, Meritage Homes of California, INC., 5 Peters Canyon Road #310, Irvine, CA 92606</p>
<p>3. Project Location – Identify Street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):</p>	<p>1717 Via Del Rio, Corona, CA 92882, (APN: 103-200-088, 089)</p>
<p>4. (a) Project Location – City: Corona</p>	<p>(b) Project Location – County: Riverside</p>
<p>5. Description of nature, purpose, and beneficiaries of Project:</p>	<p>CUP2024-0003: Conditional Use Permit to allow the construction of 57 residential condominiums, including three to be dedicated as affordable, on one lot located at 1717 Via Del Rio (APN 103-200-088 and 103-200-089) within the R-3 (Multiple-Family Residential) Zone. (Applicant: Louisa Feletto, Meritage Homes of California, Inc., 5 Peters Canyon Road, No.310, Irvine, CA 92606)</p> <p>TTM2024-0002 (TTM38934): Tentative Tract Map to allow individual ownership (airspace subdivision) of 57 residential condominiums, as well as the subdivision of one lot comprising 2.87 acres in area into four lettered lots</p> <p>AHDB2024-0001: Affordable Housing Density Bonus Agreement associated with TTM 38934 and CUP2024-0003, for a 57-unit residential condominium development to include three, dedicated affordable units.</p>

6. Name of Public Agency approving project:	City of Corona
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Louisa Feletto, Meritage Homes of California, INC., 5 Peters Canyon Road #310, Irvine, CA 92606
8. Exempt status: (check one)	
(a) <input type="checkbox"/> Ministerial project.	(Pub. Resources Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b) <input type="checkbox"/> Not a project.	
(c) <input type="checkbox"/> Emergency Project.	(Pub. Resources Code § 21080(b)(4); State CEQA Guidelines § 15269(b),(c))
(d) <input checked="" type="checkbox"/> Categorical Exemption. State type and section number:	California Environmental Quality Act (CEQA) – Per Section 15332 (Infill Development Projects) of the State Guidelines for Implementing the CEQA and Section 3.31 of the City’s Local CEQA Guidelines, a Notice of Exemption has been prepared as the project qualifies as a Class 32 Categorical Exemption, and further, that none of the six Exceptions to Exemptions cited in Guidelines Section 15300.2 are applicable.
(e) <input type="checkbox"/> Declared Emergency.	(Pub. Resources Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f) <input type="checkbox"/> Statutory Exemption. State Code section number:	
(g) <input type="checkbox"/> Other. Explanation:	
9. Reason why project was exempt:	Per Section 15332 of the State Guidelines for Implementing the California Environmental Quality Act (CEQA) and Section 3.31 of the City’s Local CEQA Guidelines, a Notice of Exemption has been prepared as the project qualifies as a Class 32 (Infill Development Projects) categorical exemption. The project site is less than five acres, is consistent with the site’s General Plan land use designation of HDR and applicable General Plan Policies, and the property’s R-3 zoning designation, which indicates residential development is imminent on the site. The project would not result in significant impacts relating to traffic, noise, air quality, or water quality. Moreover, none of the six exceptions to exemptions cited in Guidelines Section 15300.2 (a – f) are applicable to the proposed project.
10. Lead Agency Contact Person: Telephone:	Brendan Dalde, Associate Planner (951) 739-4918
11. If filed by applicant: Attach Preliminary Exemption Assessment (Form “A”) before filing.	
12. Has a Notice of Exemption been filed by the public agency approving the project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

13. Was a public hearing held by the Lead Agency to consider the exemption? Yes No
If yes, the date of the public hearing was: May 8, 2025

Signature

Date: Click to enter date

Brendan
Name

Dalde

Title: Associate Planner

Signed by Lead Agency

Signed by Applicant

Date Received for Filing: Click to enter date

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.