

*****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