



STAFF REPORT

DATE: 10/01/2025
TO: Honorable Mayor and City Council Members
FROM: Planning and Development Department

2025-379

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

AFFORDABLE HOUSING DENSITY BONUS 2024-0001 FOR 57 RESIDENTIAL CONDOMINIUMS CONSISTING OF THREE AFFORDABLE HOUSING UNITS, LOCATED AT 1717 VIA DEL RIO IN THE R-3 MULTIPLE FAMILY RESIDENTIAL ZONE (APPLICANT: MERITAGE HOMES OF CALIFORNIA, INC.)

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve Affordable Housing Density Bonus Agreement 2024-0001 (AHDB2024-0001) for the development of 57 residential condominiums on 2.86 acres located at 1717 Via Del Rio. The zoning of the property is R-3, which permits residential condominiums by a conditional use permit. The applicant is proposing to construct for-sale townhouse condominiums on the project site that will include 54 units for above moderate income households and three units for very low income households. The density bonus agreement allows the applicant to waive certain development standards to accommodate the development of very low-income housing units, which is the reason for AHDB2024-0001. The Planning and Housing Commission at its meeting on August 25, 2025, recommended approval of AHDB2024-0001 to the City Council.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Affordable Housing Density Bonus Agreement 2024-0001 as recommended by the Planning and Housing Commission.

- b. Authorize the City Manager, or their designee, to execute the Affordable Housing Density Bonus Agreement between the City of Corona and Meritage Homes of California, Inc.
- c. Notwithstanding Corona Municipal Code Section 17.87.090, direct the Affordable Housing Density Bonus Agreement to be recorded in the Official Records of the County of Riverside before the recordation of Tentative Tract Map 38934.

BACKGROUND & HISTORY:

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). The property contains an existing church building and two telecommunications poles. The church will be demolished to accommodate the development of 57 townhouse condominiums proposed by the applicant. The applicant is proposing to set aside three units for very low income households and 54 units for above moderate income households. The applicant submitted a request for an Affordable Housing Density Bonus Agreement (AHDB2024-0001) with the City to support the construction of the very low income units.

The applicant is entitled to apply for waivers and concessions from the City's development standards per the state's density bonus law (SDBL, Government Code § 65915) and Chapter 17.87 of the Corona Municipal Code (CMC) to accommodate the development of affordable housing units within the project. Section 17.87.020 of the 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.

The project proposes 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 applicant's request per AHDB2024-0001 is for one concession and four waivers from the City's development standards. 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 applicant is not seeking an increase in the project's density under the General Plan because the project's total density is 19.8 dwelling units per acre (du/ac), which is within the HDR density range of 15-36 du/ac.

In conjunction with AHDB2024-0001, 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 38934 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.

**ANALYSIS:
DENSITY BONUS HOUSING AGREEMENT**

The affordable housing density bonus 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, which allows the project to have one concession and an unlimited number of waivers from the City’s development standards. 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 parking standards allowed by the state’s density bonus law do not count as an incentive or concession and can be provided as tandem or uncovered parking. Per Gov’t Code Section 65915(p)(1), a jurisdiction shall not require a vehicular parking ratio that exceeds the parking ratios prescribed by the

density bonus law. 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 in the R-3 zone.

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 from 20 feet to 18 feet along Via Del Rio in the R-3 zone.

Justification: Separate water meters are required for each dwelling unit, which are proposed to be installed at the garage drive aprons between the units. 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)(2)(a)(3).** 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. 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 to 18 feet for three-story buildings, and 22 feet between Buildings 4 and 5, and Buildings 4 and 6, respectively.

Justification: The project would be able to maintain the number of units proposed for the project to accommodate the three affordable housing units. The building separation is reduced 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 located

adjacent to the project site's frontage (Via Del Rio) when that service to a structure is enlarged or an addition is made thereto (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 before 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 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 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 City's model Purchaser Covenant included in the agreement.
- 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.

FINANCIAL IMPACT:

The applicant paid the application processing fees of \$1,507 to cover the cost of the Affordable Housing Density Bonus 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.

PLANNING AND HOUSING COMMISSION ACTION:

At its meeting on August 25, 2025, the Planning and Housing Commission considered the subject matter and took the following action:

Motion was made, seconded (Siqueland/Woody) and carried unanimously, with Chair Longwell and Commissioner Vernon absent, 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. The minutes of the Planning and Housing Commission are included as Exhibit 5.

PREPARED BY: JOANNE COLETTA, PLANNING AND DEVELOPMENT DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – Affordable Housing Density Bonus Agreement

2. Exhibit 2 – Purchaser Covenant
3. Exhibit 3 – Site plan
4. Exhibit 4 – Planning and Housing Commission staff report
5. Exhibit 5 – Draft minutes of the Planning and Housing Commission meeting of August 25, 2025