

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

APNs: [***INSERT APN WHEN ASSIGNED***]

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 RENTAL HOUSING
WITH SECOND STREET FAMILY LP
SECOND STREET FAMILY APARTMENTS
[***INSERT ADDRESS WHEN ASSIGNED***]
CMC CHAPTER 17.87**

1. PARTIES AND DATE.

This Density Bonus Housing Agreement ("Agreement") is made and entered into this [***INSERT DATE OF EXECUTION***] day of [***INSERT MONTH***], 202_ ("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 Second Street Family LP, a California limited partnership, with its principal place of business at 414 E. Chapman Avenue, Orange, CA 92866 ("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 [***INSERT ADDRESS WHEN ASSIGNED***], Corona, in Riverside County, California, and designated as Assessor Parcel Number(s) [***INSERT APN WHEN ASSIGNED***], 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 one hundred fifteen (115) dwelling units ("Residential Units"), which will be known as Second Street Family Apartments project ("Project").

(CITY ATTY: 05-24)

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 requirement in Government Code Section 65915(p)(3) of 161 spaces rather than CMC Section 17.76.030(A)(5) parking standards of 298 parking spaces.
- (b) waivers from:
 - (i) CMC § 17.24.100 (A), regarding the minimum front yard setback requirement of 25 feet (along Buena Vista Avenue frontage), reduced to no more than 4.5 feet;
 - (ii) CMC § 17.24.100(B), regarding the minimum street side yard requirement of 15 feet (along 2nd Street), reduced to no more than 4.5 feet;
 - (iii) CMC § 17.24.100(B), regarding the minimum interior side yard setback requirement of 10 feet for a 3-story building (along the south perimeter), reduced to no more than 1 foot and 8 ¼ inches;
 - (iv) CMC § 17.24.100(B), regarding the minimum rear yard setback requirement of 10 feet (along the west perimeter), reduced to no more than 3 feet;
 - (v) CMC § 17.76.080, regarding the minimum parking stall depth requirement of 20 feet for 90-degree spaces, reduced to a depth of no less than 17 feet; and from (CMC § 17.70.070(C)(1)(c) regarding the maximum car overhang of 2.5 feet, increased to 3 feet;
 - (vi) CMC § 17.76.30(A)(5) regarding the parking requirement for 275 covered parking spaces, reduced to 33 covered parking spaces in private garages;
 - (vii) Government Code Section 65915(p)(3) requirement of 161 spaces, reduced to 154 spaces, inclusive of covered and uncovered guest spaces;
 - (viii) CMC § 17.24.100(C)(1)(c), regarding the minimum 40-foot courtyard requirement between Buildings 2 and 4, reduced to 15 feet; the minimum 30-foot courtyard requirement between Buildings 1 and 4, reduced to 20 feet; and the minimum 30-foot courtyard requirement between Buildings 2 and 3, reduced to 20 feet;
 - (ix) CMC Section 17.70.060(C) standard for an 8-foot high wrought iron fence to an 8-foot high solid decorative block wall instead;

- (x) CMC § 17.24.150 regarding the minimum unit area of 600 square feet (exclusive of garage and porches), reduced to 588 square feet for the studio units.

- (c) Precise Plan (PP2023-0010), AHDB2023-0002 and the Affordable Housing Disposition and Development Agreement (Corona 2nd Street Family Apartments) dated [***INSERT DATE***].

2.5 Density Bonus Units. In order to qualify for the State Density Bonus Law and CMC Chapter 17.87, Owner has agreed to rent one hundred fourteen (114) of the Residential Units on the Property to Qualifying Households (as defined below) at an Affordable Rent (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 one hundred fourteen (114) dwelling unit(s) that will be offered for rent exclusively to a Qualifying Household at an Affordable Rent pursuant to this Agreement.

3.2.2 CMC. The Corona Municipal Code.

3.2.3 Density Bonus. The election and waivers 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 earlier to occur of (a) issuance of a certificate of occupancy by the City; or (b) the issuance of a temporary certificate of occupancy by the City.

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 rents, principal residency requirement, occupancy status, household and income characteristics of tenants of the Affordable Units, services provided as part of the housing service such as parking, utilities, and other information as may be reasonably required for monitoring compliance with the use, occupancy or operation of the Affordable Units, including Income Certification Forms completed by applicants or tenants of the Project pursuant to Section 3.7.2 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. The period of fifty-five (55) years from the Occupancy Date.

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, marketed and occupied in accordance with the Schedule of Performance set forth in **Exhibit "C"** attached hereto and incorporated herein by reference. Notwithstanding the forgoing, 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, prior to the Occupancy Date for all of the Affordable Units. The Affordable Units shall be dispersed throughout the Project.

3.5 Reservation of Affordable Units for Affordable Rental Housing.

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

3.5.2 Affordable Rent. Owner covenants and agrees, for the benefit of City, to develop, own, manage and operate, or cause the management and operation of, the Project to include the Affordable Units as residential rental housing occupied or available for occupancy to Qualifying Households at an Affordable Rent and for no other purposes.

3.5.3 No Transient Uses. Owner will not knowingly permit the Affordable Units to be used on a transient basis and will not lease or rent the Affordable Units 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.

3.5.4 Utilization of Affordable Units. All Affordable Units required by this Agreement shall be leased or rented and fully utilized in accordance with this Agreement. No Affordable Unit shall be withdrawn from the market or otherwise held vacant during the Term.

3.6 Affordable Rent. The monthly rent charged to a Qualifying Household for the occupancy of an Affordable Unit shall never exceed the Affordable Rent in accordance with this Agreement, CMC Chapter 17.87, and the current version of Government Code Section 65915(c)(1)(b)(ii), which is set forth for reference purposes below:

"(ii) For housing developments meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b), rents for all units in the development, including both base density and density bonus units, shall be as follows:

(I) The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(II) The rent for the remaining units in the development shall be set at an amount consistent with the maximum rent levels for lower income households, as those rents and incomes are determined by the California Tax Credit Allocation Committee."

3.6.1 Rent Schedule. Owner shall submit a maximum rent schedule to the Director prior to the Occupancy Date for any of the Affordable Units and shall provide an updated rent schedule on an annual basis on the anniversary date of the Occupancy Date for the first Affordable Unit.

3.6.2 Rent Increases. Rent for the Affordable Units may be increased only once in any twelve (12) month period, based on changes in area median income adjusted for household size as published by the California Department of Housing and Community Development for rents set pursuant to Government Code Section 65915(c)(1)(b)(ii)(I) (for the moderate income units) and as permitted under the determinations of the California Tax Credit Allocation Committee ("TCAC") for rents set pursuant to Government Code Section 65915(c)(1)(b)(ii)(II) (for the lower and very-low income units); provided that the rent for the Affordable Units shall never exceed an Affordable Rent for the Qualifying Household occupying the Affordable Unit. All rent increases must be provided to Qualifying Households in writing.

3.6.3 Total Move-In Costs. Total move-in costs for a Qualifying Household shall not exceed the first month's rent plus a security/cleaning deposit not to exceed one month's rent.

3.7 Tenant Selection and Income Verification.

3.7.1 Tenant Selection Policies and Criteria. The Owner shall adopt written tenant 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 rental housing for Qualifying Households at an Affordable Rent;

(b) are reasonably related to tenant eligibility and ability to perform the obligations of the lease for an Affordable Unit;

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

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

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

(f) provide for all of the Affordable Units to be available for occupancy on a continuous basis to Qualifying Households at an Affordable Rent.

3.7.2 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 occupancy 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. Additionally, on the renewal of a lease for each Affordable Unit, or, if the lease is

for a term greater than twelve months, on an annual basis, the Owner shall require the Qualifying Household occupying the Affordable Unit to recertify the Qualifying Household's income on an Income Certification Form.

3.7.3 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 occupancy of the Affordable Unit or by a recertifying Qualifying Household occupying 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.

3.7.4 Changes in Qualifying Household Income. If a Qualifying Household occupying an Affordable Unit no longer qualifies under the income requirements, as verified pursuant to Section 3.7.3, that household may then be charged market rate rent to the extent that the Project includes market rate Residential Units, except as may be otherwise required under the rules governing the low income housing tax credits or other state or federal affordable housing programs if applicable to the Project. If this occurs, any currently vacant Residential Unit within the Project of similar size as the Affordable Unit in question shall then be designated as an Affordable Unit, and the Owner shall immediately attempt to secure tenants in accordance with this Agreement. The Owner is required to maintain at all times during the Term the minimum number of Affordable Units identified in Section 3.3 of this Agreement. If the Project is regulated under the federal or state low-income housing tax credits program or other state or federal affordable housing programs, the rules regarding over-income tenants for the applicable program(s) shall apply instead of the other provisions of this Section 3.7.4.

3.7.5 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 occupancy of an Affordable Unit or be grounds for termination of Qualifying Household's occupancy of an Affordable Unit.

3.8 Monitoring Program. Owner shall prepare and submit to the Director a monitoring program that identifies the person or entity responsible for certifying the income of Qualifying Households, determining Affordable Rent, maintaining the required number of Affordable Units as set forth in Section 3.3 of this Agreement, and marketing and filling vacancies in the Affordable Units. The Affordable Units shall thereafter be marketed, leased and monitored in accordance with the monitoring program as the same may be amended from time to time with the Director's prior written approval, which approval shall not unreasonably be withheld.

3.9 Owner Covenant Regarding Lease of Affordable Units. Owner, for itself, its successors, assignees and affiliates, covenants and agrees that, when the Affordable Units are rented or leased, the rental or lease of the Affordable Unit shall be accomplished through a written lease agreement and all of the following restrictions shall apply:

3.9.1 Incorporation of Density Bonus Housing Agreement. Owner shall provide a legible copy of this Agreement to each prospective tenant of each Affordable Unit, prior to entering into a lease with such tenant. The leases for the Affordable Units shall expressly state that the leases are subject and subordinate to this Agreement and shall incorporate each and every provision of this Agreement, either expressly or by reference.

3.9.2 Ineligible Occupants. Owner shall not lease an Affordable Unit to any occupant 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.

3.9.3 Prohibited Provisions. The lease for each Affordable Unit shall not contain any of the following provisions:

(a) An agreement by the Qualifying Household to admit guilt or to not oppose the entry of a judgment in favor of the Owner in a lawsuit brought in connection with the lease;

(b) An agreement by the Qualifying Household that the Owner may take, hold or sell personal property of any member(s) of the Qualifying Household, without notice to the Qualifying Household and a court decision on the respective rights of the Owner and the member(s) of the Qualifying Household, other than an agreement by the Qualifying

Household concerning disposition of personal property remaining in the Affordable Unit after the Qualifying Household has moved out of the Affordable Unit;

(c) An agreement by the Qualifying Household not to hold the Owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;

(d) An agreement by the Qualifying Household that the Owner may institute a lawsuit, involving or affecting the Qualifying Household or any of the Qualifying Household's members, without notice to the Qualifying Household or any affected member;

(e) An agreement by the Qualifying Household that the Owner may evict the Qualifying Household or any of the Qualifying Household's members without instituting a civil court proceeding in which the Qualifying Household or any affected member of the Qualifying Household has an opportunity to present a defense, or before a court decision on the respective rights of the Owner and the Qualifying Household or any affected member of the Qualifying Household;

(f) An agreement by the Qualifying Household to waive any right to a trial by jury;

(g) An agreement by the Qualifying Household to waive the Qualifying Household's right to appeal or to otherwise challenge a court decision in connection with the lease;

(h) An agreement by the Qualifying Household to pay attorney's fees or other legal costs, even if the Qualifying Household wins in a court proceeding by the Owner against the Qualifying Household; provided, however, the Qualifying Household may be obligated to pay reasonable attorney's fees and other legal costs, if the Qualifying Household loses such a legal action; and

(i) An agreement by the Qualifying Household to pay one (1) or more security deposits (or the equivalent) totaling in excess of the amount of one month's rent for such Affordable Unit.

3.10 Maintenance of Affordable Units. Subject to the rights of tenants, Owner shall (a) maintain and operate the interior and exterior of the Project and all Residential Units on the Property in a decent, safe and sanitary manner, and in accordance with the standard of maintenance of first class multifamily rental developments within Riverside County; (b) make any required repairs or provide any required cleanup; and (c) provide the Affordable Units with the same levels of services and maintenance as are provided to the other Residential Units on the Property.

3.11 No Sublease. Subletting of an Affordable Unit shall be prohibited.

3.12 Retention of Project Records. The Owner shall prepare and maintain complete and accurate Project Records for so long as this Agreement remains in effect. The Owner shall, at all times following the initial lease of the Affordable Units, maintain, safe and intact, all of the Project Records for a period of not less than six (6) years from the generation of such Project Records. 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.

3.13 Annual Report. Owner shall maintain complete and accurate records pertaining to the Affordable Units, and shall prepare and provide the Director with a written annual report by March 31st of each calendar year. The annual report shall include the name, address and annual income of each Qualifying Household occupying each Affordable Unit and the size (bedroom count) and monthly rent of each Affordable Unit. Failure to file the annual report shall constitute a default under Section 3.20 of this Agreement.

3.14 Continuous Operation Covenant. Owner covenants and agrees to, for the benefit of City, cause the Project to be continuously operated in accordance with the provisions of this Agreement for the length of the Term.

3.15 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 rental of moderate, low and very low income housing units in the City of Corona.

3.16 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.

3.17 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 any local preference in this Agreement, 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 Indemnatee 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.

3.18 City's Right to Inspect Affordable Units and Documents. Subject to the rights of tenants, 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.

3.19 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 Project and/or the Property 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. 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.

3.20 Default. Failure or delay by either Party to perform any term or provision of this Agreement, which is not cured within thirty (30) days or such longer time as is reasonably necessary to complete the cure 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 or such longer time as is reasonably necessary to complete the cure 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.

3.21 Remedies.

3.21.1 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.

3.21.2 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.

3.21.3 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.

3.21.4 Excessive Rent Charge. It shall constitute a default for the Owner to charge or accept for any Affordable Unit rent amounts in excess of the Affordable Rent, to fail to rent an Affordable Unit to a Qualifying Household as required by Section 3.3 of this Agreement, or to otherwise rent an Affordable Unit to a tenant that does not qualify as a Qualifying Household ("Excessive Rent Default"). In the event of an Excessive Rent Default, in addition to any other legal or equitable remedy that the City shall have for such default, the Owner shall be required to pay to the applicable tenant an amount equal to the total rent received from the tenants occupying such Affordable Unit during the three (3) years prior to the discovery of the Excessive Rent Default or for the remaining Term of this Agreement, whichever period is shorter ("Default Rent Payment"). The Default Rent Payment may be paid to the tenant in equal monthly installments or rent credits for a period of thirty-six (36) months or the period of time elapsed under this Agreement prior to the Excessive Rent Default provided that interest at the maximum rate allowable for judgments shall accrue until the Default Rent Payment is paid in full.

3.22 Expiration of Density Bonus. The Density Bonus permitted by this Agreement shall be implemented and utilized and the Affordable Units constructed within twenty-four (24) months of the Effective Date or within the time limit that applies to the other Project Approvals or as set forth in the Schedule of Performance, whichever is longer ("Density Bonus Deadline"). If the Density Bonus is not implemented and utilized by the Density Bonus Deadline, the Density Bonus and this Agreement shall become null and void and of no further force or effect unless Owner submits 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.

3.23 General Provisions.

3.23.1 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:

Second Street Family LP
c/o OHDC Second Street Family
414 E. Chapman Avenue
Orange, CA 92866
Attn: Chief Executive Officer

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.

3.23.2 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.

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

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

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

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

3.23.7 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.

3.23.8 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.

3.23.9 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.

3.23.10 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.

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

3.23.12 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.

3.23.13 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 RENTAL HOUSING
WITH SECOND STREET FAMILY LP
(SECOND STREET FAMILY APARTMENTS)
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: _____
Jacob Ellis
City Manager

Reviewed By: _____
Name
Planning and Development Director

Attest: _____
Sylvia Edwards
City Clerk

OWNER'S SIGNATURE PAGE FOR
CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT FOR RENTAL HOUSING
WITH SECOND STREET FAMILY LP
(SECOND STREET FAMILY APARTMENTS)
CMC CHAPTER 17.87

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

DEVELOPER:

SECOND STREET FAMILY LP,
a California limited partnership

By: OHDC Second Street Family LLC,
a California limited liability company,
its managing general partner

By: Orange Housing Development Corporation,
a California nonprofit corporation,
its sole member and manager

By: _____
Eunice Bobert, Chief Executive Officer

By: C&C Second Street Family LLC,
a California limited liability company,
its administrative general partner

By: C & C Development Co., LLC,
a California limited liability company,
its sole member and manager

By: _____
Todd R. Cottle, Trustee of the 2007 Todd R.
Cottle and Jennifer N. Cottle Revocable Trust,
its member

EXHIBIT "A"

LEGAL DESCRIPTION AND DEPICTION
OF THE PROPERTY

INSERT DESCRIPTION OF PARCEL AFTER LLA RECORDED



EXHIBIT "B"

IDENTIFICATION OF AFFORDABLE UNITS

The Affordable Units subject to this Agreement are indicated in the table below.

NUMBER OF UNITS AND UNIT TYPE	ELIGIBLE INCOME GROUP
5 Studios	Low Income
14 One-Bedrooms	Low Income
37 Two-Bedrooms	Low Income
35 Three Bedrooms	Low Income
1 Studio	Moderate Income
4 One-Bedrooms	Moderate Income
9 Two-Bedrooms	Moderate Income
9 Three Bedrooms	Moderate Income
Total: 114 Affordable Units	

EXHIBIT "C"

SCHEDULE OF PERFORMANCE

Date	Task
Day 1	Receipt of California Debt Limit Allocation Committee ("CDLAC") Tax-Exempt Bond Allocation and TCAC Tax Credit Reservation
Day 180 or 194	TCAC Deadline to Commence Construction and, if applicable, CDLAC Deadline to Issue Tax-Exempt Bonds as set forth in CDLAC Resolution Allocating Tax-Exempt Bonds to Project, as may be revised from time to time
30 months after Commencement of Construction	Completion of Construction.