

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Loan Administrator
APN: [Block 3553/Lot 052]

-----Space Above This Line for Recorder's Use-----

**DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**

(Property Address: 2970 16th Street, San Francisco, CA 94103)

THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of [_____], 2025, by **1979 MISSION STREET PSH ASSOCIATES, L.P.**, a California limited partnership ("Borrower"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City").

RECITALS

A. The City is making a loan to Borrower of No Place Like Home funds, [Other TBD] Funds (the "Loan") to finance costs associated with the development of the leasehold interest in the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the land and the leasehold interest, the "Property") as low-income affordable housing as permanent supportive housing for formerly Homeless households (the "Project"). The Loan is evidenced by, among other documents, an Amended and Restated Loan Agreement between the City and Borrower dated as of the date of this Declaration, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability covenants and other use and occupancy restrictions set forth in the Agreement (collectively, the "Regulatory Obligations"), commencing on the date the Deed of Trust is recorded in the Official Records of San Francisco County, and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of the City providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower will comply with the Regulatory Obligations and this Declaration through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Borrower agrees as follows, subject to additional terms as set forth in the Agreement:

1.1 Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

Unit Size	No. of Units	Maximum Income Level
Studio	60	50% of Median Income
1BR	22	50% of Median Income
NPLH Studio	20	30% of Median Income as Determined by NPLH Regulations
NPLH 1BR	20	30% of Median Income as Determined by NPLH Regulations
Studio	9	20% of Median Income
1BR	5	20% of Median Income
TOTAL	136	

All Units will be made available to Qualified Tenants who are formerly Homeless or those at risk of homelessness during the period in which (1) if applicable, the City's Local Operating Subsidy program is in operation and the City provides such subsidy to the Project under the LOSP grant agreement, and/or (2) SFHA provides housing assistance payments to the Project under the HAP.

Forty (40) of the total Units will be concurrently No Place Like Home ("NPLH") units and targeted to Tenants who meet the Homeless Household under No Place Like Home (NPLH) Criteria for a period of 55 years. NPLH units are restricted to 30% of Median Income as determined by NPLH Regulations, however such income limit for the NPLH units may be increased to a maximum of 50% of Median Income as determined by NPLH Regulations consistent with the provisions under the NPLH Program Guidelines. On an annual basis, Borrower will convert to the Median Income as determined by NPLH Regulations and maximum rent to the corresponding published MOHCD maximum income level and maximum rent level, respectively, and provide MOHCD with supporting documentation.

NPLH units must be operated under the requirements of NPLH as listed in Addendum 1 of MOHCD's Underwriting Guidelines updated November 4, 2022, and as also included in the Local Operating Subsidy Program Policies & Procedures Manual.

If either the HAP or LOSP grant agreement (if any) is terminated, discontinued, reduced, or otherwise insufficient to fund operations at no fault of Borrower with respect to the Project, then the rent restrictions above may be altered but only to the extent necessary for the Project to remain financially feasible, as determined in City's reasonable discretion; provided that:

(a) Borrower diligently pursues an additional or alternative source of income or subsidy acceptable to the City to replace the rental subsidies.

(b) Any Unit must at all times be occupied by Qualified Tenants whose household income does not exceed sixty percent (60%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (i) thirty percent (30%) of sixty percent (60%) of Median Income, adjusted for household size, (ii) less utility allowance. Notwithstanding the foregoing sentence, the maximum rent and income for any NPLH unit may only be altered pursuant to the NPLH program during the 55 year period. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

(c) If the Project continues to demonstrate financial infeasibility after the rent alterations above, to the extent financially feasible as determined in City's reasonable discretion, the City will waive the income restriction of sixty percent (60%) of Median Income as described in subsection (b) above, and allow Borrower to increase rents to the extent necessary for Project to remain financially feasible (not past TCAC maximums); provided any Unit must at all times be occupied by Qualified Tenants whose household income does not exceed sixty percent (60%) of area median income, as published by TCAC (the "TCAC Median Income"), and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of sixty percent (60%) of TCAC Median Income (b) less utility allowance. On an annual basis, Borrower will convert to the TCAC Median Income and maximum rent to the corresponding published MOHCD maximum income level and maximum rent level, respectively, and provide MOHCD with supporting documentation.

In such event the Project is financially infeasible, the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. The relief provided by the foregoing will not be construed as authorizing Borrower to exceed any income or rent restriction imposed on the Project by CDLAC, CTCAC, or under any other agreement. Borrower covenants and warrants that it will obtain all necessary approvals or relief from any other applicable income or rent limitations before implementing the relief provided in this paragraph.

1.2 The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed the greater of:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

[Under the true debt test required by the Internal Revenue Code, MOHCD will consider increases to the maximum income levels for the sole purpose of and to the extent needed for the Project to comply with the Internal Revenue Code. Any additional increases to the maximum income for the Project will contain the same conditions as Section 1.1(c) above.]

1.3 For the avoidance of any doubt, notwithstanding any repayment of the Loan or otherwise satisfied or if the Deed of Trust is reconveyed, Borrower will comply with the terms of the Agreement as if fully set forth herein as follows: Article 6 (Marketing), Article 7 (Affordability and Other Leasing Restrictions), Article 8 (Maintenance and Management of the Project), Article 9 (Governmental Approvals and Requirements), Article 10 (Project Monitoring, Reports, Books and Records), Article 11 (Use of Income From Operations), Article 12 (Required Reserves), Article 16 (Transfers), Article 17 (Insurance and Bonds; Indemnity), Article 18 (Hazardous Substances), and Article 19 (Default). The foregoing is subject to the terms any subordination agreement related to the City's loan entered into by the City for the benefit of a lender.

2. Borrower hereby subjects the Property to the covenants, reservations and restrictions set forth in this Declaration and the Agreement. This Declaration and the Regulatory Obligations constitute covenants running with the land, including the leasehold interest and bind successors and assigns of Borrower and any non-borrower owner and lessee of the Property and will pass to and be binding upon Borrower's successors in title to the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof will conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions in this Declaration, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

3. If Borrower fails to (i) comply with the Regulatory Obligations and this Declaration to the City's satisfaction, in its sole discretion, and (ii) cure such default as set forth in **Section 19.1(c)** of the Agreement, the City will have the right to pursue any

available remedy at equity or in law, including as set forth in **Section 19.2** of the Agreement, to enforce this Declaration. During the Compliance Term, the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents. Borrower will pay the City's reasonable costs in connection with the City's enforcement of the terms of this Declaration and Regulatory Obligations, including, without limitation, the City's attorneys' fees and costs.

SIGNATURES FOLLOW ON NEXT PAGE

Borrower has executed this Declaration as of the date first written above.

"BORROWER"

1979 MISSION STREET PSH ASSOCIATES, L.P.

a California limited partnership

By: 1979 Mission PSH Housing Associates LLC,
a California limited liability company,
its managing general partner

By: Mission Housing Development Corporation,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Sam Moss,
Executive Director

By: MEDA 1979 PSH LLC,
a California limited liability company,
its administrative general partner

By: Mission Economic Development Agency,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Luis Granados,
Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A

Legal Description of the Property

A LEASEHOLD INTEREST IN THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

[INSERT LEGAL AFTER THE PARCEL MAP IS RECORDED]

Street Address:

2970 16TH Street, San Francisco, CA 94103