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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 0761, Lot 016A
Address: 835 Turk Street, San Francisco, CA 94102

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING
COVENANTS**

THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this “Declaration”) is dated as of [_____, 2025], by **835 TURK LLC**, a California limited liability company (“**DECLARANT**”), 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**”), and the California Department of Housing and Community Development (the “**Department**” or “**HCD**”).

RECITALS

A. Unless otherwise defined herein, capitalized terms used herein are defined in Article 1 of this Declaration.

B. The Homekey+ Program is intended to sustain and rapidly expand the inventory of permanent supportive housing for individuals and their households who are at-risk of or experiencing homelessness as defined under part 578.3 of Title 24 of the Code of Federal Regulations, and have a “Behavioral Health Challenge” as defined by California Welfare and Institutions Code Section 5965.02 to include but not be limited to a serious mental illness, as described in subdivision (c) or (d) of Section 14184.402, or a substance use disorder, as described in Section 5891.5 (“**Homekey+ Program**”).

C. The Department issued a Notice of Funding Availability for the Homekey+ Program dated November 26, 2024, as amended on January 31, 2025, and August 7, 2025, and as may be amended from time to time (“**NOFA**”), for Homekey+ Program grant funds pursuant to Health and Safety Code Section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.), Health and Safety Code Section 50675.1.5 (Assem. Bill No. 531 (2023-2024 Reg. Sess.), Section 14184.402 of the Welfare and Institutions Code; Section 5891.5 of the Welfare and Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention (HHAP) grant program. (Assem. Bill No.

129 (Chapter 40, Statutes 2023) and Assem. Bill No. 166 (Chapter 48, Statutes 2024). The NOFA incorporates by reference the Multifamily Housing Program under Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the California Health & Safety Code (“MHP”), as well as the MHP Final Guidelines dated May 18, 2023 (“MHP Guidelines”), both as amended and in effect from time to time.

D. The City and County of San Francisco and Five Keys School and Programs, a California nonprofit public benefit corporation (“Five Keys”), received a Homekey+ Program grant in the total amount of \$17,291,506.00 (the “Homekey+ Grant”). The City and Five Keys intend to use the Homekey+ Grant to provide Permanent Supportive Housing for the Homekey+ Target Population, and Five Keys formed DECLARANT, of which Five Keys is the sole manager and member, to perform such obligations. HCD, the City, DECLARANT, and Five Keys entered into Standard Agreement No. [] dated as of [, 2025] (the “Standard Agreement”), which sets out the obligations of the City, Five Keys, and Declarant in the use of the Homekey+ Grant. The Standard Agreement is incorporated herein by reference as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Standard Agreement apply to this Declaration.

E. DECLARANT owns that certain real property located at 835 Turk Street, San Francisco, California, as more particularly described in Exhibit A (the "Property"), consisting of an approved 106-unit multifamily residential building for permanent supportive housing of the Homekey+ Target Population with 24 hour front desk service for residents.

F. The City has made a loan in the amount of \$[12,922,000] (the “Loan”) and a grant of \$[13,729,907] of Homekey+ Funds (the “City Grant”) to DECLARANT to rehabilitate the Property. The Loan and Grant are evidenced by, among other documents, a Loan and Grant Agreement between the City and DECLARANT dated as of [, 2025], as it may be amended from time to time (the "MOHCD Agreement"). The MOHCD Agreement is incorporated herein by reference as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the MOHCD Agreement apply to this Declaration.

G. Pursuant to the Standard Agreement and the MOHCD Agreement, DECLARANT has agreed to comply with certain affordability covenants and other use and occupancy restrictions set forth in the Standard Agreement and the MOHCD Agreement. The Parties intend that the Department and the City are intended beneficiaries of this Declaration.

NOW, THEREFORE, in consideration of the foregoing recitals, incorporated herein by this reference, and in consideration of the City providing the Loan and City Grant in accordance with the City Documents and of HCD providing the Homekey+ Grant in accordance with the Standard Agreement, DECLARANT hereby agrees as follows:

Article I. DEFINITIONS

Section 1.01 Definitions. When used in this Declaration, the following terms have the following meanings:

(a) "Assisted Units" shall mean the 106 units of permanent supportive housing made available to the Homekey+ Target Population.

(b) "DECLARANT" means 835 Turk LLC, a California limited liability company, whose sole member and manager is Five Keys.

(c) "Effective Date" means the date that this Declaration is recorded in the Official Records of the City and County of San Francisco.

(d) "HCD" or "Department" means the State of California Department of Housing and Community Development.

(e) "HCD Median Income" means the median income for San Francisco County published by HCD on an annual basis, adjusted for household size, under California Health & Safety Code section 50093(c) and the California Code of Regulations, Title 25, Section 6932.

(f) "Homekey+ Program Requirements" means the following, all as amended and in effect from time to time: (1) the Homekey+ Program Notice of Funding Availability; (2) Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code; (3) the application for Homekey+ Funds submitted by the City and Borrower; (4) the Project report prepared by HCD in reliance on the representations and descriptions included in the application for Homekey+ Funds submitted by the City and Borrower; (5) the award letter issued by HCD to the City and Borrower; (6) the Standard Agreement for Homekey+ Funds; and (7) all other applicable laws for the Homekey+ program.

(g) "Homekey+ Target Population" means the following: individuals, or households with an individual, who are experiencing homelessness or who are At Risk of Homelessness as defined under part 578.3 of Title 24 of the Code of Federal Regulations and who have or are suspected of having a Behavioral Health Challenge (as defined in the California Welfare and Institutions Code (WIC) Section 5965.01, subdivision (b)). These individuals and households must include a person described in subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5. However, enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed.

(h) "Project" means the Property and the 106 Assisted Units, and attendant site improvements thereon.

(i) "Qualified Tenant" means a household who is a member of the Target Population earning no more than the maximum permissible annual income level specified in Section 2.07 of this Agreement.

(j) "Five Keys" means Five Keys School and Programs, a California nonprofit public benefit corporation, the sole member of DECLARANT.

(k) "Term" means the term of this Declaration which shall commence on the Effective Date and shall continue for the Life of the Project, but no less than fifty-five (55) years from the Effective Date.

Article II. OPERATION OF THE PROJECT

Section 2.01 Residential Use. During the Term of this Declaration, 106 units shall be used as permanent supportive housing available for occupancy to the Homekey+ Target Population, and such units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition,

DECLARANT shall certify, upon occupancy, that it will employ the core components of Housing First (as set forth at Welfare and Institutions Code section 8255) as part of its property management plan and Supportive Services plan.

Section 2.02 Covenants to Run with the Land. The provisions of this Declaration shall run with the land and shall bind all successors in title to the Project and bind successors and assigns of DECLARANT and any non-borrower owner of the Property to provide 106 units for Permanent Supportive Housing; provided, however, that on the expiration of the Term, said covenants and restrictions shall expire.

Section 2.03 Term. The term of this Declaration shall commence on the Effective Date and shall continue for Life of the Project, but no less than fifty-five (55) years from the Effective Date for any obligation related to the Assisted Units under the Standard Agreement and the Homekey+ Program Requirements.

Section 2.04 Accessibility. The Project will be operated at all times in compliance with all applicable federal, state, and local disabled persons accessibility requirements including, but not limited to the applicable provisions of the Standard Agreement.

Section 2.05 Tenant Selection. Referrals to units shall be made through the local Coordinated Entry System ("CES"), or another comparable prioritization system based on greatest need shall be used. All referral protocols for Assisted Units shall be developed in collaboration with the local Continuum of Care and implemented consistent with the Homekey+ Program Requirements.

Section 2.06 Compliance with State and Federal Laws, Rules, Guidelines, and Regulation. DECLARANT agrees to comply with all state and federal laws, rules, guidelines, and regulations that are applicable to the Project, including those that pertain to construction, health and safety, labor, fair employment practices, and equal opportunity.

Section 2.07 Affordability of the Project. DECLARANT agrees as follows, subject to additional terms as set forth in the Agreement:

(a) All 106 Units in the Project will at all times be leased only to tenants who qualify as Qualified Tenants, specifically:

Unit Size	No. of Units	Maximum HCD Income Level	Maximum MOHCD Income Level
SRO	106	30% of HCD Median Income	50% of Median Income

In addition, following a vacancy of a Non-Qualified Tenant in a Unit after rehabilitation of the Project, all Units must be made available to Homeless Households or those at risk of homelessness during the period in which the City's Local Operating Subsidy program is in operation and the City provides such subsidy to the Project under the LOSP Agreement.

In addition, all Assisted Units will be concurrently Homekey+ units and targeted to Tenants who meet the Homekey+ Target Population for a period of fifty-five (55) years. Homekey+ units are restricted to 30% of HCD Median Income as determined by Homekey+ Program Requirements,

however such income limit for the Homekey+ units may be increased to a maximum of 50% of HCD Median Income subject to the Homekey+ Program Requirements and demonstrated good faith efforts by Borrower to lease Homekey+ units to the Homekey+ Target Population. On an annual basis, Borrower will convert to the HCD Median Income and maximum rent to the corresponding published MOHCD maximum income level and maximum rent level, respectively, and provide MOHCD with supporting documentation.

Homekey+ units will be operated under the Homekey+ Program Requirements, as set forth in the Standard Agreement. In addition, Borrower will certify, upon occupancy, that it will employ the core components of Housing First (as set forth at Welfare and Institutions Code section 8255) as part of its property management plan and Supportive Services plan. If there is any conflict between the Homekey+ Program Requirements and this Agreement, the Homekey+ Program Requirements will control.

(b) The total amount for rent and utilities (with the maximum allowance for utilities determined by SFHA) charged to a Qualified Tenant may not exceed:

(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.

(c) Under the Standard Agreement with HCD for Homekey+ funds, the City is required to provide an operating subsidy for the first five (5) years of the Project. If after 5 years, the LOSP subsidy is terminated, discontinued or reduced at no fault of DECLARANT 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 one hundred percent (100%) of the Units formerly under the LOSP must at all times be occupied by Qualified Tenants whose gross income does not exceed the lesser of fifty percent (50%) of MOHCD Median Income or 30% of HCD median income and the monthly rent paid by the Qualified Tenants may not exceed (a) the lesser of thirty percent (30%) of fifty percent (50%) of MOHCD Median Income or thirty percent (30%) of HCD Median Income (b) less utility allowance. In such event, the City will use good faith efforts to meet with DECLARANT within fifteen (15) days after DECLARANT's request to meet. 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. Notwithstanding Section 2.05, the requirements of Article 6 of the Loan Agreement shall apply to any units under this Section 2.07(c). The relief provided by the paragraph will not be construed as authorizing DECLARANT to exceed any income or rent restriction imposed on the Project by any other agreement. DECLARANT 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.

Section 2.08. Incorporation of Loan Agreement. 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 applicable terms of the Agreement as if fully set forth herein, including, without limitation, 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).

Section 2.09 Enforcement.

(a) If DECLARANT fails to (i) comply with 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 MOHCD 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. DECLARANT will pay the City's reasonable costs in connection with the City's enforcement of the terms of this Declaration, including, without limitation, the City's attorneys' fees and costs.

(b) The parties acknowledge and agree that the Department is an express beneficiary of this Declaration, that the Department has made the Homekey+ Grant in reliance on this Declaration, and that the Department has a direct and independent right of enforcement against the DECLARANT (and Five Keys, if applicable) in the event of the DECLARANT's breach, default, or other non-compliance under this Declaration, which right is exercisable in the Department's sole and absolute discretion.

Article III. MISCELLANEOUS

Section 3.01 Governing Law. This Declaration is governed by the laws of the State of California.

Section 3.02 Waiver of Requirements. Any of the requirements of this Declaration may be expressly waived by the City in writing, but no waiver by the City of any requirement of this Declaration shall, or shall be deemed to, extend to or affect any other provision of this Declaration.

Section 3.03 Recording and Filing. The City shall cause this Declaration, and all amendments and supplements to it, to be recorded against the Property in the Official Records of the City and County of San Francisco.

Section 3.04 Amendments. This Declaration may be amended only by a written instrument executed by DECLARANT and the City with the prior written consent of HCD and duly recorded in the Official Records of the City and County of San Francisco.

Section 3.05 Subordination. This Declaration shall be recorded in first lien position. This Declaration may only be subordinated with the approval of HCD and in compliance with San Francisco Administrative Code Chapter 120.

[SIGNATURES ON FOLLOWING PAGE]

DECLARANT:

835 Turk LLC,
a California limited liability company

By: Five Keys Schools and Programs,
a California nonprofit public benefit company,
its sole managing member

By: _____
Steve Good
President

[SIGNATURES TO 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:

PARCEL I:

BEGINNING at a point on the Southerly line of Turk Street, distant South 80° 55' West thereon 137.50 feet from the Westerly line of Franklin Street; running thence South 80° 55' West along the said line of Turk Street 57.50 feet; thence at a right angle South 9° 05' East 120 feet to the Northerly line of Elm Street; thence North 80 ° 55' East along the said line of Elm Street 57.50 feet; thence North 9° 05' West 120 feet to the point of beginning.

BEING a portion of Western Addition Block No. 135.

PARCEL II:

TOGETHER with and as an appurtenance thereto, a perpetual easement for light and air, over and along the real property described at a level above 15 feet in height from the level of Turk Street, a presently constituted, as provided for in the Final Order and Decree of Condemnation had in Superior Court Action No. 404493 entitled, "State of California vs. Fred J. E. Meyer, et al.", a certified copy of which decree was recorded July 30, 1952, in Book 5974, at Page 102 of Official Records, Series No. 6660, to wit:

BEGINNING at a point on the Southerly line of Turk Street, distant thereon 100 feet Westerly from the Westerly line of Franklin Street; running thence Westerly along the said line of Turk Street 37 feet 6 inches; thence at a right angle Southerly 120 feet to the Northerly line of Elm Street; thence at a right angle Easterly along the said line of Elm Street 37 feet 6 inches; thence at a right angle Northerly 120 feet to the point of beginning.

BEING part of Western Addition Block No. 135

Street Address: 835 Turk Street, San Francisco, CA 94102

Block 0761, Lot 016A