

Free Recording Requested Pursuant to
Government Code Sections 27383 and 27388.1

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: Housing Loan Administrator

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

1135, 1155 and 1175 Ellis Street
San Francisco, CA 94109
Assessor's Lot 031, Block 0735

FIRST AMENDED AND RESTATED DECLARATION OF RESTRICTIONS

1135, 1155 and 1175 Ellis Street

THIS FIRST AMENDED AND RESTATED DECLARATION OF RESTRICTIONS ("Declaration") is made as of [Date], 2025, by **1155 Ellis GP LLC**, a California limited liability company ("**Borrower**"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (the "**City**").

RECITALS

A. The City is making loans (collectively, the "**Loan**") to Borrower of 2024 G.O. Bond funds, 2019 G.O. Bond funds, 2016 G.O. Bond funds, CDBG Funds, Affordable Housing Fees, Housing Trust Funds, and Housing Stability Funds (collectively, the "**Funds**") to provide permanent financing for the acquisition and rehabilitation of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "**Property**") as low- to moderate-income housing (the "**Project**"). The Loan is evidenced by, among other documents, a 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 and is available through the Mayor's Office of Housing and Community Development ("**MOHCD**") at the address specified in the recording request set forth above.

B. Borrower's predecessor in interest, Normandy Ellis, LLC, a California limited liability company, purchased the Property in January 2025 with financing provided by the San Francisco Housing Accelerator Fund, a California nonprofit public benefit corporation ("**SFHAF**") that helps San Franciscans avoid displacement and eviction by removing small properties from the speculative market, stabilizing housing for current tenants of those properties, and converting the properties to permanently affordable housing. In connection

with the SFHAF financing, Normandy Ellis, LLC recorded a Declaration of Restrictions in favor of SFHAF and the City in the Official Records of San Francisco County on January 31, 2025 as Document Number [____ - _____] (the “**Original Declaration**”). This Declaration amends and restates the Original Declaration in its entirety.

C. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability and other use and occupancy restrictions (collectively, the "**Regulatory Obligations**"), commencing on the Agreement Date, and continuing for as long as the Project or any modification of the Project remains in existence, but in any event no less than ninety nine (99) years from the date the Deeds of Trust are recorded in the Official Records of San Francisco County (the "**Compliance Term**"), even if the Loan is repaid or otherwise satisfied or the Deeds of Trust are reconveyed. Borrower's covenants and agreements described in this Declaration are a material part of the consideration for the City in making the Loan, and without Borrower's agreement to subject the Property to the Regulatory Obligations even after the Loan is satisfied, the City would be unwilling to make the Loan to Borrower.

AGREEMENT

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

1. Definitions. Any capitalized terms not defined in this Declaration shall have the meaning set forth in the Agreement.

2. Regulatory Obligations. Borrower must comply with the Regulatory Obligations through the expiration of the Compliance Term, including without limitation those described in this Declaration, regardless of any reconveyance of the Deeds of Trust.

3. Affordability and Restrictions.

(a) Restrictions. The Project may be occupied only by Qualified Tenants and their households. At all times, over 50% of the Units must be occupied by households at or below 80% of area median income as published by HUD and Rent for such Units may not exceed 30% of 80% of the tenant's household income. As provided in Section 7.2(b) of the Agreement, a Qualified Tenant will remain eligible for their Unit regardless of rises in household income during its tenancy. Qualified Tenants at initial occupancy must pay at least 20% of their gross household income towards Rent unless otherwise approved by MOHCD, provided that in no event shall any Qualified Tenant be required to pay Rent in excess of the lesser of (i) Maximum Rent, or (ii) 20% below the market rents of comparable units as approved by MOHCD, except as otherwise provided in Section 7.3(d) of the Agreement. To the extent possible and in compliance with MOHCD's marketing procedures, Borrower will maximize the occupancy of the Units.

(b) Rents on Agreement Date. Required Rents for the Units as of the Agreement Date shall be as follows:

Unit Number	Unit Type	Rent (monthly payments) as of the Date of Close of the Loan
A101	Studio	\$2,020
A102	Studio	\$1,504
A103	Studio	\$1,850
A104	Studio	\$1,800
A105	Studio	\$1,900
A106	Studio	\$2,000
A107	1BR	\$2,350
A108	Studio	\$1,385
A109	Studio	\$2,125
A110	Studio	\$2,081
A111	Studio	\$1,331
A112	Studio	\$1,696
A113	Studio	\$1,041
A114	Studio	\$2,278
A201	Studio	\$2,000
A202	Studio	\$1,291
A203	Studio	Vacant
A204	Studio	\$1,212
A205	Studio	\$1,850
A206	Studio	\$2,100
A207	1BR	\$2,500
A208	Studio	\$1,499
A209	Studio	\$2,008

A210	Studio	Vacant
A211	Studio	\$2,050
A212	Studio	\$2,000
A213	Studio	\$1,248
A214	Studio	\$1,900
A301	Studio	\$1,994
A302	Studio	\$1,938
A303	Studio	\$2,150
A304	Studio	\$1,326
A305	Studio	\$1,430
A306	Studio	\$2,046
A307	1BR	\$2,350
A308	Studio	\$1,438
A309	Studio	\$1,666
A310	Studio	\$2,371
A311	Studio	\$984
A312	Studio	\$2,400
A313	Studio	\$904
A314	Studio	Vacant
B101	1BR	\$2,350
B102	1BR	\$2,523
B103	1BR	\$1,878
B104	1BR	\$2,665
B105	1BR	\$2,500
B106	1BR	\$2,241

B107	1BR	\$1,839
B108	1BR	\$2,389
B201	1BR	Vacant
B202	1BR	\$1,675
B203	1BR	\$1,768
B204	1BR	\$1,103
B205	1BR	\$1,318
B206	1BR	\$1,698
B207	1BR	\$1,903
B208	1BR	\$1,862
B301	1BR	\$2,404
B302	1BR	\$1,926
B303	1BR	\$1,508
B304	1BR	\$2,395
B305	1BR	\$1,768
B306	1BR	\$1,838
B307	1BR	\$1,923
B308	1BR	\$1,648
C101	Studio	Vacant
C102	Studio	\$1,800
C103	Studio	Vacant
C104	Studio	\$1,428
C105	Studio	\$1,907
C106	Studio	Vacant
C107	1BR	\$2,454

C108	Studio	\$2,400
C109	Studio	\$1,330
C110	Studio	\$2,170
C111	Studio	\$1,122
C112	Studio	\$1,427
C113	Studio	Vacant
C114	Studio	\$2,279
C201	Studio	\$1,995
C202	Studio	\$1,508
C203	Studio	\$1,995
C204	Studio	\$1,098
C205	Studio	Vacant
C206	Studio	\$1,907
C207	1BR	\$2,634
C208	Studio	\$2,072
C209	Studio	\$1,900
C210	Studio	\$1,325
C211	Studio	\$2,020
C212	Studio	\$1,508
C213	Studio	\$1,728
C214	Studio	\$1,666
C301	Studio	\$2,150
C302	Studio	\$2,072
C303	Studio	Vacant
C304	Studio	\$2,101

C305	Studio	\$1,995
C306	Studio	\$1,604
C307	1BR	\$2,008
C308	Studio	Vacant
C309	Studio	\$2,123
C310	Studio	\$2,123
C311	Studio	\$2,300
C312	Studio	\$1,105
C313	Studio	\$2,050
C314	Studio	\$2,300

(c) Rents for Units at Turn Over. After the Agreement Date, the Rent for each Unit that becomes vacant must be approved by MOHCD before the Unit may be rented to a Qualified Tenant. The Rent shall be set at the amount necessary to bring the Project's combined average Rents for all Units as close as is possible but no higher than the amount calculated as 30% of 80% Median Income. In addition, (i) over 50% of the Units must be occupied by households at or below 80% of area median income as published by HUD, and (ii) no vacant Unit may be filled with a household earning more than 120% Median Income upon initial occupancy.

4. Rent Adjustments and Restrictions. Rent for all Units may be increased only once annually. Rent for all Units shall be increased annually on the anniversary of the Agreement Date by the greater of: (x) the percentage change in annual operating expenses, up to a maximum of 3.5%; or (y) 2%, except as follows:

(a) Phased Increases. Increases in Rent for existing Qualified Tenants whose Rent and household income do not meet the requirements of the SSP Guidelines shall be determined after their income certification, which must occur by the first anniversary of the Agreement Date, as described in Section 7 of the Agreement. Such Rent increases and schedule must be approved in writing by MOHCD and shall occur on specified anniversaries of the Agreement Date. After such phased increases, Rent shall be adjusted as otherwise described in this Section 4.

(b) Severely Rent Burdened Qualified Tenants. If the Rent increase described in this Section 4 results in any Qualified Tenant household becoming Severely Rent Burdened, Borrower is not required to increase the Rent of the Severely Rent Burdened

Qualified Tenant until such time as the Qualified Tenant is no longer Severely Rent Burdened, provided that: (i) Borrower first demonstrates to the satisfaction of MOHCD, in MOHCD's sole discretion, that the Project maintains short- and long-term financial sustainability in the form of positive cash flow, adequately funded reserves, and other indicators as MOHCD may reasonably request; (ii) at each income recertification, the ability of all households to pay required rent increases will be reassessed, as will the Borrower cash flow, to ensure short- and long-term financial sustainability if Borrower elects not to impose the required annual Rent increase for any Severely Rent Burdened Qualified Tenant; and (iii) all Regulatory Obligations continue to be met. Similarly, if the circumstances described in this subsection are met, a Unit becomes vacant and a Qualified Tenant demonstrates to Borrower that it is Severely Rent Burdened, Borrower may reduce such Qualified Tenant's Rent to a level no lower than 40% of that Qualified Tenant's gross monthly income, thus resulting in a higher Rent that will be required for the vacant Unit. If more than one Qualified Tenant is eligible for such a Rent reduction, the reduction shall be equally distributed among such eligible Qualified Tenants.

(c) Recovery of Project Expenses. With the City's prior written approval, Rent increases for Units exceeding the amounts permitted by this Section 4 may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may annual Rent increases exceed the maximum annual increase stated in the SSP Guidelines unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the lesser of (y) Maximum Rent, or (z) 20% below the market rents of comparable units as approved by MOHCD. The City's approval for such Rent increases under this subsection shall not be unreasonably withheld.

(d) Rent Subsidy Programs. Borrower shall accept rental assistance (such as Section 8, or any successor or similar rent subsidy programs) to the extent that Rent charged for the Unit complies with such program regulations and a Qualified Tenant who submits a voucher or other form of rental assistance has been selected through the marketing process described in the Loan Agreement and is otherwise qualified for the Unit.

For those households that hold rent subsidy vouchers, such as Section 8, on an annual basis Borrower shall request and use best efforts to receive an increase in contract rent equivalent to the percentage change in Fair Market Rent or equivalent payment standard, whichever is greater. For any Qualified Tenant participating in a rent or operating subsidy program where the rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program, and provided the Qualified Tenant paid portion of Rent does not exceed the lesser of (i) Maximum Rent or (ii) 20% below the market rents of comparable units as approved by MOHCD. For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, rental increases shall not exceed Maximum Rent as approved by MOHCD or 50% of household income, whichever is less.

(e) Recovery of Property Tax Increases. In addition to the Rent increases contemplated in this Section 4 and with the City's prior written approval, if a Qualified Tenant's household income exceeds eighty percent (80%) of California Median Income (as published by the California Department of Housing and Community Development) during occupancy of a Unit or if a Qualified Tenant fails to certify or recertify his/her/their household income to Borrower on an annual basis, Borrower may adjust the charges for Rent for such Qualified Tenant by no more than seven percent (7%) per year to absorb the amount of property taxes attributable to the Qualified Tenant's Unit as a result of the loss of the State of California's welfare exemption for low-income housing properties. The City may, in its sole discretion, require that Rent increases allowed under this subsection be implemented over a period of time in order to reduce the burden on an existing Qualified Tenant. Rents charged under this subsection may not exceed the limits set forth in the SSP Guidelines as amended from time to time, or if not otherwise specified, the lesser of: (i) Maximum Rent; or (ii) 20% of a household's gross income. MOHCD must approve such Rent increases, which approval shall not be unreasonably withheld. If such Qualified Tenant's household income subsequently decreases and the Unit becomes eligible for the California welfare property tax exemption, Borrower may reduce such Qualified Tenant's Rent by the amount of property tax savings attributable to the Qualified Tenant's Unit.

(f) Excess Rent. If Borrower increases Rents or offers a vacant Unit for rent at a rate that exceeds the rules described in this Declaration, the resulting excess cash flow will be paid by Borrower to the Qualified Tenants who were overcharged, and Borrower's actions will constitute an Event of Default pursuant to Section 19 of the Agreement.

5. Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project must sign and deliver to Borrower a certification in the then-current MOHCD-approved form (see current form attached to the Agreement as Exhibit C), in which the prospective Qualified Tenant certifies that their household qualifies as a Qualified Tenant, and which certification is reviewed and approved by Borrower and the City. In addition, each person must provide any other information, documents or certifications deemed necessary by the City to substantiate the prospective tenant's income. Certifications provided to and accepted by the San Francisco Housing Authority will satisfy this requirement.

(b) Each Qualified Tenant in the Project must recertify its household income to Borrower as established by the SSP Guidelines and Small Sites Marketing and Leasing Manual, as amended from time to time.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained on file by Borrower, and Borrower must provide records thereof with the City promptly upon request by the City.

6. Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Qualified Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

7. Remedies. During the Compliance Term the City may rely on this Declaration, the Deed of Trust and/or the Loan Agreement, in the City's discretion, to enforce any of the City's rights under the City Documents.

8. Covenants Run with the Land. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property. In the event that Borrower fails to comply with the Regulatory Obligations to the City's satisfaction, in its sole discretion, within thirty (30) days of Borrower's receipt of notice from the City to so comply, the City at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Borrower shall pay the City's costs in connection with the City's enforcement of the terms of this Declaration, including, without limitation, the City's attorneys' fees and costs.

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

BORROWER

1155 Ellis GP LLC,
a California limited liability company

By: Turk Street, Inc.,
a California nonprofit public benefit corporation
its sole member and manager

By: _____
Jennifer Dolin
Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED]

INSERT NOTARY ACKNOWLEDGEMENT

EXHIBIT A

Legal Description of the Property

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

A portion of Lot 7, In Block 735, according to Map entitled "Official Map of the Western Addition Redevelopment Project Area A-1, San Francisco, California", filed December 13, 1960, in Book "S" of Maps, at Pages 78 to 82, inclusive, in the Office of the County Recorder of the City and County of San Francisco, State of California, particularly described as follows:

Beginning at the Northeast corner of said Lot 7; running thence Westerly along the Northerly line of Lot 7 a distance of 466.875 feet; Thence at a right angle southerly 137.50 feet; Thence at a right angle Easterly 466.875 feet to the Easterly line of Lot 7; Thence at a right angle Northerly along said Easterly line of Lot 7, a distance of 137.50 feet to the point of beginning.

Assessor's Lot 031; Block 0735

Street Address:
1135, 1155 and 1175 Ellis Street
San Francisco, CA 94109