

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-----

1005 Powell Street  
San Francisco, CA 94108  
Assessor's Lot 008, Block 0212

## AMENDED AND RESTATED DECLARATION OF RESTRICTIONS

1005 Powell Street

**THIS AMENDED AND RESTATED DECLARATION OF RESTRICTIONS**  
("Declaration") is made as of June \_\_\_\_, 2024, by **CHINATOWN SROS, 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 a loan (the "**Loan**") to Borrower of Housing Stability  
Funds and Academy of Art University Settlement Funds to provide permanent financing for  
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 in this  
Declaration 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 purchased the Property in 2021 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, Borrower recorded a Declaration of Restrictions in favor of

SFHAF and the City in the Official Records of San Francisco County dated as of December 14, 2021 in favor of the City and recorded on December 27, 2021, as Document Number 2021189559 (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 Deed of Trust is recorded in the Official Records of San Francisco County (the “**Compliance Term**”), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is 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 in this Declaration that are not defined herein shall have the meaning set forth in the Agreement. In the event of any conflict between the terms of this Declaration and the terms of the Agreement, the terms of the Agreement (including the following defined terms) shall control unless otherwise expressly stated. As used in this Declaration, the following words and phrases have the following meanings:

“Median Income” means 100% median income as published annually by MOHCD, or a successor metric approved by MOHCD, derived in part from income limits determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income.” MOHCD’s current publication for determination of Median Income is the “Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that Contains San Francisco.”

“Maximum Rent” means the total amount for rent and utilities (with the maximum allowance for utilities determined by the SFHA) charged to a Qualified Tenant. Maximum Rent must be approved by MOHCD and may not exceed: (i) the amount identified in the “100% of Median – Max Gross Rent” row and the applicable Unit type column in the Maximum Rent Table; or (ii) the tenant paid portion of the contract rent as determined by either (A) the SFHA for Qualified Tenants holding Section 8 vouchers or certificates, or (B) MOHCD for any other rent subsidy program.

“Maximum Rent Table” means the “Maximum Monthly Rent by Unit Type derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that

Contains San Francisco,” as published annually by MOHCD, or a successor metric approved by MOHCD.

"Qualified Tenant" means a senior household (aged 62 or older) occupying the Project that has been certified and approved as earning no more than the maximum permissible annual income level allowed by this Agreement and that has entered into a lease with Borrower in a form approved by City. As the context requires, "Qualified Tenant" also means households occupying the Project that have entered into a lease with Borrower in a form approved by City regardless of whether they have been income certified as of the effective date of this agreement. Qualified Tenant includes Direct Referral Tenants. In the event that the Senior Operating Subsidy is no longer provided to the project, there shall be no age requirement for any "Qualified Tenant" or the Project.

"Rent" means the monthly sum charged to Qualified Tenants for rent in accordance with this Declaration.

"Severely Rent Burdened" means a Qualified Tenant household paying monthly Rent that is fifty percent (50%) or more of its gross monthly income (as shown on the Qualified Tenant's income certification required by Section 5 and confirmed by MOHCD).

"SOS Unit" means a Unit occupied by a Qualified Tenant at 15% of Median Income or 25% of Median Income with rent subsidized by a Senior Operating Subsidy.

"Unit" means a residential rental unit within the Project.

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 Deed of Trust.

3. Affordability and Restrictions.

(a) Restrictions. The Project may be occupied only by Qualified Tenants and their households. As provided in Section 7.2(b) of the Agreement, a Qualified Tenant may not be required to vacate the Unit due to subsequent rises in household income. Qualified Tenants 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 this Declaration.

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

[The rent amounts in the table below may be updated before loan close.]

<b>Unit No.</b>	<b>Unit Type</b>	<b>Rent (monthly payments) as of the Agreement Date</b>
100	SRO	\$781
101	SRO	\$622
102^	SRO	\$332
103	SRO	\$900
104^	SRO	\$455
106	SRO	vacant
107	SRO	\$265
108^	SRO	\$388
109^	SRO	\$455
110^	SRO	\$455
111^	SRO	\$622
112	SRO	\$572
114^	SRO	\$455
200^	SRO	\$294
201^	SRO	\$458
202	SRO	\$244
203^	SRO	\$244
204^	SRO	\$455
205^	SRO	\$252
206^	SRO	\$455
207^	SRO	\$391
208	SRO	\$375
210^	SRO	\$455
211	SRO	\$375
212	SRO	\$674
214	SRO	\$280
215	SRO	\$622
216^	SRO	\$356
217^	SRO	\$207
218^	SRO	\$455
300	SRO	\$818
301^	SRO	\$403
302	SRO	\$543
303	SRO	\$679
304^	SRO	\$818
305	SRO	\$818
306^	SRO	\$455
307	SRO	vacant
308^	SRO	\$455

310	SRO	\$622
311	SRO	vacant
312^	SRO	\$254
314	SRO	\$818
315^	SRO	\$610
316	SRO	\$391
317^	SRO	\$679
318^	SRO	\$442
400^	SRO	\$497
401	SRO	\$818
402^	SRO	\$421
403	SRO	\$622
404^	SRO	\$436
405	SRO	\$679
406^	SRO	\$418
407^	SRO	\$679
408	SRO	\$1000
410	SRO	\$250
411	SRO	vacant
412^	SRO	\$666
414^	SRO	\$455
415	SRO	\$421
416	SRO	\$765
417^	SRO	\$391
418^	SRO	\$721

^ Indicates the SOS Units as of the Agreement Date. Rents for SOS Units shown above include the SOS Tenant's portion of Rent paid and do not include as the amount of SOS Subsidy received for such Unit.

[The specified SOS Units may change prior to close loan.]

(c) Rents for Units at Turn Over. After the Agreement Date, the Rent for each Unit that becomes vacant and is not leased to a Direct Referral Tenant 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 60% Median Income. The Rent for SOS units following vacancy shall be determined by the Senior Operating Subsidy Grant Agreement between City and Borrower dated April 17, 2024.

4. Rent Adjustments and Restrictions. Rent for all Units, including SOS Units, shall be increased only once annually. Rent for all Units shall be increased annually 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 occupying Units specified in the table below shall be increased on the following dates

according to the table set forth in the following table. After such phased increases, Rent shall be adjusted as otherwise described in this Section 4, except any Qualified Tenants not paying at least 20% of their gross household income towards Rent shall continue to receive Rent increases of 5% annually.

[The rent amounts in the table below may be updated before loan close.]

Unit No.	Rent* as of the Agreement Date	Rent* on July 1, 2024	Rent* on July 1, 2025	Rent* on July 1, 2026	Rent* on July 1, 2027	Rent* on July 1, 2028
100	\$781	\$820	\$861	\$904	\$949	\$997
101	\$622	\$653	\$686	\$720	\$756	\$794
201	\$458	\$481	\$505	\$530	\$557	\$585
202	\$244	\$256	\$269	\$282	\$297	\$311
208	\$375	\$394	\$413	\$434	\$456	\$479
211	\$375	\$394	\$413	\$434	\$456	\$479
212	\$674	\$708	\$743	\$780	\$819	\$860
214	\$280	\$294	\$309	\$324	\$340	\$357
215	\$622	\$653	\$686	\$720	\$756	\$794
217	\$207	\$217	\$228	\$240	\$252	\$264
303	\$679	\$713	\$749	\$786	\$825	\$867
305	\$818	\$859	\$902	\$947	\$994	\$1,044
310	\$622	\$653	\$686	\$720	\$756	\$794
317	\$679	\$497	\$521	\$548	\$575	\$604
401	\$818	\$859	\$902	\$947	\$994	\$1,044
403	\$622	\$653	\$686	\$720	\$756	\$794
405	\$679	\$713	\$749	\$786	\$825	\$867
406	\$418	\$439	\$461	\$484	\$508	\$533
408	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276
415	\$421	\$442	\$464	\$487	\$512	\$537
416	\$765	\$803	\$843	\$886	\$930	\$976

\*Rent means monthly payments of Rent.

(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) except as otherwise approved by MOHCD in its sole discretion, in no event may any Rent increase exceed the current rate of increase in Median Income in any year 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. For those households that hold rent subsidy vouchers, such as Section 8 and Direct Referral Tenants, 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, increases in the Qualified Tenant paid portion of Rent shall not exceed Maximum Rent as approved by MOHCD.

(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 form (see current form attached to the Loan Agreement as Exhibit C), in which the prospective Qualified Tenant certifies that he/she or his/her 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.

p7. 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**

**CHINATOWN SROS, LLC,**  
a California limited liability company

By: Chinatown Community Development Center, Inc.,  
a California nonprofit public benefit corporation  
Its Sole Member and Manager

By: \_\_\_\_\_  
Malcolm Yeung  
Executive Director

ALL SIGNATURES MUST BE NOTARIZED

## **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:

Beginning at a point of intersection of the Northerly line of Clay Street and the Westerly line of Powell Street; running thence Northerly along said line of Powell Street: 68 feet and 9 inches; thence at a right angle Westerly 68 feet and 9 inches to the Easterly line of Codman Place; thence at a right angle Southerly along said line of Codman Place 68 feet and 9 inches to the Northerly line of Clay Street; thence at a right angle Easterly along said line of Clay Street 68 feet and 9 inches to the point of beginning.

Being a portion of 50 Vara Block. No. 161

APN: Lot 008, Block 0212

### Street Address:

1005 Powell Street, San Francisco, CA 94108