

(4)



Recording requested by:  
**Old Republic Title**  
 Escrow No: 0227023419

→ Free Recording Requested Pursuant to  
 Government Code Section 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: Director  
 APN#: 0853-065 and 0853-066  
 Address: 78 Haight Street and 120 Octavia Street, San Francisco, CA

**City and County of San Francisco  
 Joaquin Torres, Assessor-Recorder**

Doc #	2022036071	Fees	\$0.00
4/8/2022	8:17:14 AM	Taxes	\$0.00
NH	Electronic	Other	\$0.00
Pages 7	Title 081	SB2 Fees	\$0.00
Customer	9001	Paid	\$0.00

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

**DECLARATION OF RESTRICTIONS AND  
 AFFORDABLE HOUSING COVENANTS**  
 78 Haight Street and 120 Octavia Street

**THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING CONVENANTS** (this “Declaration”) is made as of April 7, 2022, by **OCTAVIA RSU 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 (the “Loan”) to Borrower of AHF Inclusionary Funds, AHF Inclusionary Market and Octavia Funds, 2019 GO Bond funds, No Place Like Home funds, and ERAF housing funds, 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 (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.

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	12	30% of Median Income (LOSP)
NPLH Studio	15	30% of Median Income as determined by NPLH Regulations (LOSP)
1BR	5	30% of Median Income (LOSP)
Studio	27	65% of Median Income
Studio	4	50% of Median Income

Thirty-two (32) Units will be made available to the Transitional Age Youth who are chronically homeless 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.

Of those thirty-two (32) Units, fifteen (15) Units will be No Place Like Home (NPLH) units and targeted to residents who meet the Homeless Household under No Place Like Home (NPLH) Criteria for a period of 55 years. NPLH units are restricted to 30% AMI as determined by NPLH Regulations, however the AMI for the NPLH units may be increased to a maximum of 50% AMI 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 No Place Like Home as listed in Exhibit Q of this Agreement, and as also included in the MOHCD Underwriting Guidelines and Local Operating Subsidy Program Policies & Procedures Manual.

If the LOSP is terminated, discontinued or reduced 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) One hundred percent (100%) of the Units formerly under the LOSP will at all times be occupied by Qualified Tenants whose Adjusted Income does not exceed sixty-five percent (65%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of sixty percent (65%) of Median Income, (b) less utility allowance.

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:

(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.

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 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).

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.

[signature follows]

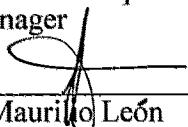
Borrower has executed this Declaration as of the date first written above.

**“BORROWER”**

Octavia RSU Associates, L.P.,  
a California limited partnership

By: Octavia RSU GP LLC,  
a California limited liability company,  
its general partner

By: Tenderloin Neighborhood Development Corporation,  
a California nonprofit public benefit corporation,  
its manager

By:   
\_\_\_\_\_  
Mauricio León  
Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of San Francisco)

On April 1, 2022 before me, Teresa A. Watkins, Notary Public  
(insert name and title of the officer)

personally appeared Maurilio Leon

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)



**EXHIBIT A**  
(Legal Description of the Property)

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

Leasehold estate as created by that certain Ground Lease dated April 7, 2022 made by and between the City and County of San Francisco, a municipal corporation, as lessor, and Octavia RSU Associates, L.P., a California limited partnership, as lessee, for the term of and upon the terms and conditions contained in said lease, a memorandum thereof recorded concurrently herewith in and to the following:

Parcel A and Parcel B as shown on Parcel Map 10527, which Map recorded December 30, 2021 in Book 52 of Parcel Maps, Pages 31-34, inclusive, San Francisco County Records.

APN: 0853-065 and 0853-066 (formerly APN 0853-032)

Street Address:  
78 Haight Street and 120 Octavia Street, San Francisco, CA

**From:** [Romero, Anne \(MYR\)](#)  
**To:** [Board of Supervisors \(BOS\)](#)  
**Subject:** BoS File 220092 | Final Documents for Clerk's File | 78 Haight  
**Date:** Thursday, December 4, 2025 4:45:23 PM  
**Attachments:** [78H CITY Loan Agreement FINAL 4.1.22 - Fully executed with Exhibits.pdf](#)  
[78H CITY Note \(City\) Final v9 - fully executed.pdf](#)  
[78H CITY Note \(NPLH\) Final v10 Final - fully executed.pdf](#)  
[78H RE Ground Lease v10 Final - fully executed.pdf](#)  
[Declarations of Restrictions.pdf](#)  
[Deed of Trust.pdf](#)

---

Dear Clerk,

Attached please find the final executed loan agreement, accompanying documents and ground lease to complete the files for BOS File 220092.

Thanks,  
Anne

1. [Leg Ver1](#), 2. [DRAFT Ground Lease](#), 3. [DRAFT Loan Agreement](#), 4. [DRAFT Deed of Trust](#),  
5. [DRAFT Declaration of Restrictions](#), 6. [DRAFT Amended and Restated Secured Promissory Note](#), 7. [DRAFT Promissory Note](#), 8. [Loan Committee Approval Memo 011422](#), 9. [PLN Ntc of Final Approval 022120](#), 10. [Amended RFP 081617](#), 11. [Form 126 - Ground Lease](#), 12. [Form 126 - Loan Agmt](#), 13. [BLA Rpt 020922](#), 14. [Cmte Pkt 020922](#), 15. [Leg Ver2](#), 16. [Board Pkt 021522](#),  
17. [Leg Final](#), 18. [Form 126 Final - Ground Lease](#), 19. [Form 126 Final - Loan Agmt](#)

**Anne Romero**

Senior Project Manager  
Mayor's Office of Housing and Community Development  
1 South Van Ness Ave., Floor 5  
San Francisco CA 94103  
628-652-5834

[anne.romero@sfgov.org](mailto:anne.romero@sfgov.org)  
[www.sfmohcd.org](http://www.sfmohcd.org)