

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: _____

APN#:

Address:

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

**DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS
730 STANYAN STREET**

THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of [_____, 2023], by **730 STANYAN 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 2019 GO Bond Funds, Van Ness-Market Funds, NPLH Funds, HTF Funds, ERAF Funds, and Inclusionary Funds (as each is defined in the Agreement), 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 "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.

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 With the exception of one unrestricted Unit reserved for the manager of the Project, Units in the Project will at all times be rented only to tenants who qualify as Qualified Tenants at initial occupancy, specifically:

NON-LOTTERY	No. of Units	Median Income
0 BR – LOSP TAY- NPLH	6	30% MEDIAN INCOME
0 BR – LOSP TAY	4	50% MEDIAN INCOME
1 BR –LOSP TAY - NPLH	6	30% MEDIAN INCOME
1 BR – LOSP TAY	4	50% MEDIAN INCOME
2 BR –LOSP FAMILY - NPLH	5	30% MEDIAN INCOME
2 BR – LOSP FAMILY	1	50% MEDIAN INCOME
3 BR – LOSP FAMILY - NPLH	2	30% MEDIAN INCOME
3 BR – LOSP FAMILY - NPLH	4	30% MEDIAN INCOME
LOSP & LOSP NPLH Sub-Total	32	
0 BR – PBV	5	50% MEDIAN INCOME
0 BR – PBV	1	50% MEDIAN INCOME
1 BR – PBV	5	50% MEDIAN INCOME
1 BR – PBV	1	50% MEDIAN INCOME
2 BR – PBV	3	50% MEDIAN INCOME
2 BR – PBV	3	50% MEDIAN INCOME
2 BR – PBV	4	50% MEDIAN INCOME
3 BR – PBV	4	50% MEDIAN INCOME
3 BR – PBV	2	50% MEDIAN INCOME
3 BR – PBV	4	50% MEDIAN INCOME
PBV Sub-Total	32	
Total LOSP, LOSP NPLH & PBV	64	
<u>LOTTERY</u>		
0 BR	6	30% MEDIAN INCOME
0 BR	13	60% MEDIAN INCOME
Sub-Total	19	
1 BR	4	30% MEDIAN INCOME
1 BR	9	60% MEDIAN INCOME
1 BR	13	60% MEDIAN INCOME
Sub-Total	26	
2 BR	2	60% MEDIAN INCOME
2 BR	9	80% MEDIAN INCOME
2 BR	15	80% MEDIAN INCOME
Sub-Total	26	
3 BR	4	60% MEDIAN INCOME
3 BR	2	60% MEDIAN INCOME
3 BR	9	80% MEDIAN INCOME
3 BR	9	80% MEDIAN INCOME
Sub-Total	24	
Lottery Total	95	
<u>STAFF UNITS</u>		
1 BR	1	

TOTAL		160

HAP Units: In addition, thirty-two (32) Units will be rented at all times to tenants holding Section 8 vouchers or certificates or an equivalent rental subsidy program as long as these subsidies are available under the HAP contract.

LOSP/NPLH Units: In addition, thirty-two (32) Units will be made available to Homeless Households 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, nineteen (19) 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. Such 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. NPLH units will be operated under the requirements of No Place Like Home as listed in Exhibit M of the Agreement, and as also included in the MOHCD Underwriting Guidelines and Local Operating Subsidy Program Policies & Procedures Manual.

1.1.1 Loss of LOSP or HAP. If the LOSP and/or HAP 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: (i) 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 fifty percent (50%) of Median Income, (b) less utility allowance, or (ii) formerly under HAP will at all times be occupied by Qualified Tenants whose household income does not exceed eighty percent (80%) of Median Income for HAP units, and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of eighty percent (80%) of Median Income, (b) less utility allowance. 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.

In such event, 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.

1.1.2 Loan Repayment. To the extent the Borrower needs to repay the full outstanding loan balance by the Maturity Date, the rent restrictions above may be altered, but only to the extent necessary for the Project to refinance and repay the full outstanding loan balance by the Maturity Date, as determined in City's reasonable discretion. One hundred percent (100%) of the Units must at all times be occupied by Qualified Households whose adjusted income does not exceed eighty percent (80%) of Median Income, and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of eighty percent (80%) of Median Income (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of Median Income and shall be subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. In such event, Borrower will provide the City with a written request no less than one year prior to the Maturity Date, and the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower'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.

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.

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 following terms of the Agreement as if fully set forth herein: 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, subject to any subordination agreement executed by the City. 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 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. Notwithstanding the foregoing, the Limited Partner will have the right to cure any default hereunder, and the City will accept or reject such cure on the same terms as if rendered by the Borrower. The City shall provide notice of any default hereunder to Borrower's limited partner pursuant to Section 21.3 of the Agreement. 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.

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

"BORROWER"

730 STANYAN ASSOCIATES, L.P.,
A California Limited Partnership

By: 730 Stanyan TNDC GP LLC,

a California limited liability company,
its managing general partner

By: Tenderloin Neighborhood Development Corporation,

a California nonprofit public benefit corporation,
its manager

By: _____
Maurilio Leon
Chief Executive Officer

By: 730 Stanyan CCDC LLC,

a California limited liability company,

its administrative general partner

By: Chinatown Community Development Center, Inc.,

a California nonprofit public benefit corporation,

its sole member/manager

By: _____

Malcolm Yeung
Executive Director

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A

(Legal Description of the Property)

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

Beginning at the point of intersection of the Northerly line of Waller Street with the Easterly line of Stanyan Street, running thence Easterly along said Northerly line of Waller Street 37 feet and 6 inches; thence at a right angle Northerly 275 feet to the Southerly line of Haight Street; thence at a right angle Westerly along said Southerly line of Haight Street 137 feet and 6 inches; to the Easterly line of Stanyan Street; thence at a right angle Southerly along said Easterly line of Stanyan Street 275 feet to the Northerly line of Waller Street and the point of beginning.

Being a portion of Western Addition Block Number 698.

APN: Lot 024, Block 1249

Street Address:

730 Stanyan Street, San Francisco, CA 94117