

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: Loan Administrator
APN: Formerly portion Lot 052; Block 3777 new Lot 176, Block 3777
Address: 160 Freelon Street, San Francisco, CA 94107

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

**DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**
160 Freelon Street, San Francisco, CA 94107

THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of [_____, 2025], by **160 FREELON HOUSING PARTNERS, 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 Affordable Housing Fund: Inclusionary Affordable Housing Program, Affordable Housing Fund: Jobs-Housing Linkage, Low And Moderate Income Housing Asset Funds, Affordable Housing Fund: Jobs-Housing Linkage Permanent Supportive Housing, Eastern Neighborhoods Urban Mixed Use, Eastern Neighborhoods Alternative, and Downtown Neighborhoods Preservation Fund 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.

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 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:

Unit Size	No. Of Units	Maximum Income Level
PSH LOSP UNITS - SUBSIDIZED		
1BR – LOSP	11	50% of Median Income
2BR – LOSP	6	50% of Median Income
3BR – LOSP	5	50% of Median Income
PLUS UNITS - UNSUBSIDIZED		
1BR – PLUS Housing	3	50% of Median Income
2BR – PLUS Housing	2	50% of Median Income
GENERAL AFFORDABLE UNITS - UNSUBSIDIZED		
Studio	12	60% of Median Income
1BR	7	60% of Median Income
2BR	2	60% of Median Income
3BR	4	60% of Median Income
Studio	3	70% of Median Income
1BR	3	70% of Median Income
2BR	4	70% of Median Income
3BR	4	70% of Median Income
2BR	8	80% of Median Income
3BR	10	80% of Median Income
2BR	1	Manager's Unit
Total	85	

5 Units must be rented at all times to tenants qualifying under MOHCD's Plus Housing Program. If the Plus Housing Program is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, the Plus Housing

Program units may be made available to Qualified Tenants whose income does not exceed fifty percent (50%) of Median Income.

22 Units must be made available to the 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.

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 must at all times be occupied by Qualified Tenants whose income does not exceed sixty percent (60%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (i) thirty percent (30%) of [sixty percent (60%)] of Median Income, adjusted for household size, (ii) 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 subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. 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.

(c) If the Project continues to demonstrate financial infeasibility after the rent alterations above, to the extent financially feasible as determined in City's reasonable discretion, the City will waive the average income restriction of sixty percent (60%) of Median Income for all Residential Units, and increase rents to the extent necessary for Project to remain financially feasible (not past TCAC maximums); provided that one hundred percent (100%) of the Units must at all times be occupied by Qualified Tenants whose adjusted income does not exceed eighty percent (80%) of area median income, as published by TCAC (the "TCAC Median Income"), and the monthly rent paid by the Qualified Households may not exceed (a) thirty percent (30%) of eighty percent (80%) of TCAC Median Income (b) less utility allowance. On an annual basis, Borrower will convert to the TCAC Median Income and maximum rent to the corresponding published MOHCD maximum income level and maximum rent level, respectively, and provide MOHCD with supporting documentation. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of TCAC Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance.

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.

[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 will 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 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:

(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.

[signatures follow]

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

"BORROWER"

160 FREELON HOUSING PARTNERS, L.P.,
a California limited partnership

By: RELATED/160 FREELON DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: _____
Ann Silverberg
President

By: SFHDC 160 FREELON LLC,
a California limited liability company,
its managing general partner

By: San Francisco Housing Development Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
David J. Sobel
Chief Executive Officer

[ALL SIGNATURES MUST 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:

A portion of the lands described in that certain Quitclaim Deed recorded April 30, 2020 in Document No. 2020-K927581 of Official Records, and as shown as Parcel A on the Record of Survey 12420 filed January 10, 2025 in Book JK of Survey Maps, at Pages 174-176, San Francisco County records, more particularly described as follows:

Commencing at a point on the Southeasterly line of Bryant Street (82.50 feet wide) distant thereon 275 feet Southwesterly from the Southwesterly line of 4th Street (82.50 feet wide), said point of commencement being the most northerly corner of the lands described in said Quitclaim Deed (2020-K927581); thence Southeasterly at a right angle to said line of Bryant Street, along the northeasterly line of the lands described in said Quitclaim Deed, 195.12 feet to the true point of beginning, said true point of beginning being on the southeasterly line of Welsh Street (35.00 feet wide); thence continuing southeasterly at a right angle to said line of Bryant Street, along the northeasterly line of the Lands described in said Quitclaim Deed, 160.21 feet to the northwesterly line of Freelon Street (35.00 feet wide); thence at a right angle southwesterly along said line of Freelon Street 81.71 feet; thence at a right angle northwesterly 160.21 feet; thence at a right angle northeasterly 81.71 feet to the true point of beginning.

Being a portion of 100 Vara Block 376

APN: Formerly portion Lot 052; Block 3777 new Lot 176, Block 3777

Street Address:

160 Freelon Street, San Francisco, CA 94107