

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: Housing Loan Administrator

Block 1701 Lots 01A, 2 and 6
Address: 1234,1270, 1280 Great Highway, San Francisco, CA 94122
-----Space Above This Line for Recorder's Use-----

**DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**
(Property Address: 1234, 1270, and 1280 Great Highway)

THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Declaration") is made as of _____, 2024, by **1234 GREAT HIGHWAY LLC, a California limited liability company** ("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 Low and Moderate Income Housing Asset Funds and Certificates of Participation Funds to finance costs associated with the development of 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, 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. 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:

1.2 With the exception of two Units 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 the below, which may be subject to change upon Project construction finance closing:

Unit Size	Maximum Income Level (MOHCD Income Level)				Manager Units	Total
	15%	20%	55%	60%		
0 BR	23	24	5	37		89
1 BR	31	32	6	50	2	121
2 BR			3	3		6
						216

All Units (other than the manager units) must be rented at all times to tenants who are Seniors.

In addition, Fifty Percent (50%) of the 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:

(i) Borrower diligently pursues an additional or alternative source of income or subsidy acceptable to the City to replace the rental subsidies; and

(ii) 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. 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.

1.3 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.

1.4 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).

1.5 Notwithstanding anything to the contrary herein, the City acknowledges that the Property currently consists of improvements for commercial use and therefore, accordingly, Borrower may use the Property for interim uses approved by MOHCD prior to the closing of construction financing for the Project. Borrower will ensure that any interim use does not interfere with or delay any due diligence, investigation, or any other predevelopment work necessary for obtaining financing and commencing construction of the Project.

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 and bind successors and assigns of Borrower and any non-borrower 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.

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

"BORROWER"

1234 Great Highway LLC, a California limited liability company

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

By: _____
Name: _____
Title: _____

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A

(Legal Description of the Property)

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

PARCEL ONE:

Beginning at the point of intersection of the Northerly line of Irving Street with the Westerly line of La Playa; running thence Northerly along the Westerly line of La Playa, a distance of 200 feet; thence at a right angle Westerly and parallel to the said Northerly line of Irving Street, a distance of 46.478 feet to the Easterly line of the Great Highway; thence Southerly and along the said Easterly line of the Great Highway, a distance of 200.183 feet to the Northerly line of Irving Street; thence Easterly and along the said Northerly line of Irving Street, a distance of 37.921 feet to the point of beginning.

Being a portion of Outside Land Block No. 624.

PARCEL TWO:

Beginning at a point on the Westerly line of La Playa, distant thereon 211 feet Southerly from the Southerly line of Lincoln Way; running thence Southerly along said line of La Playa 189.07 feet; thence at a right angle Westerly 46.478 feet to the Easterly line of Great Highway; thence Northerly along said Easterly line of Great Highway, 189.243 feet to a line drawn Westerly at a right angle to said line of La Playa from the point of beginning; thence Easterly along last said line so drawn 54.568 feet to the point of beginning.

Being a portion of Outside Land Block No. 624.

PARCEL THREE (NORTH):

Beginning at the intersection of the Southerly line of Lincoln Way and Westerly line of La Playa, running thence Southerly along the Westerly line of La Playa, running thence Southerly along the Westerly line of La Playa one hundred (100) feet; thence Westerly fifty-nine and thirty one-hundredths (59.30) feet to the Easterly line of the Great Highway (lower road); thence Northerly along the Easterly line of the Great Highway (lower road) one hundred and nine one-hundredths feet (100.09 feet) to the Southerly line of Lincoln Way; thence Easterly along the said Southerly line of Lincoln Way sixty-three and five hundred ninety-five thousandths feet (63.595 feet) to the point of beginning.

Being a portion of Outside Land Block No. 624.

PARCEL THREE (SOUTH):

Commencing at a point on the Westerly line of La Playa, distant thereon 100 feet Southerly from the Southerly line of Lincoln Way; running thence Southerly along said line of La Playa 111 feet; thence at a right angle Westerly 54.568 feet to the Easterly line of Great Highway; thence Northerly along said Easterly line of Great Highway 111.218 feet, more or less to a line drawn Westerly at a right angle to said line of La Playa from the point of commencement; thence Easterly along last said line so drawn 63.04 feet, more or less, to a point of commencement
Being a portion of Outside Land Block No. 624.

Assessor's Lot 001A; Block 1701 (affects Parcel One)
Assessor's Lot 002; Block 1701 (affects Parcel Two)
Assessor's Lot 006; Block 1701 (affects Parcel Three)

Street Address: 1234, 1270 and 1280 Great Highway