

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
APN#: Lot 038; Block 1724
Address: 2520-2550 Irving Street, San Francisco, CA 94122
-----Space Above This Line for Recorder's Use-----

**DECLARATION OF RESTRICTIONS AND
AFFORDABLE HOUSING COVENANTS**

2520-2550 Irving Street, San Francisco, CA 94122

**THIS DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING
COVENANTS** (this "Declaration") is made as of [_____, 2024], by **2550
IRVING 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 2019 GENERAL
OBLIGATION BOND FUNDS, LMIHAF FUNDS, CPMC 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, 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:

	No. of Units	Maximum Income Level	Subsidy
0 BR	9	60% of Median Income	
1 BR	7	60% of Median Income	
1BR	6	70% of Median Income	
1 BR	5	50% of Median Income	LOSP
1 BR	15	80% of Median Income	VASH
2 BR	9	50% of Median Income	LOSP
2 BR	14	80% of Median Income	
3 BR	8	50% of Median Income	LOSP
3 BR	16	80% of Median Income	
1 BR	1	Manager's Unit (not applicable)	
Total	90		

In addition, (A) twenty-two (22) Units will be rented to chronically Homeless Households or those at risk of homelessness during the period in which either (i) the City's Local Operating Subsidy program is in operation and the City provides such subsidy to the Project under the LOSP Agreement, or (ii) Borrower receives subsidies under an equivalent rental subsidy program to support such households; and (B) fifteen (15) Units will be rented at all times to tenants consisting of a Veteran holding Section 8 vouchers or certificates under the VASH program administered by SFHA under the HAP contract or an equivalent rental subsidy program as long as these subsidies are available to the Project .

If the HAP and/or 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 HAP that were restricted below 80% Median Income must at all times be occupied by Qualified Tenants whose income does not exceed eighty percent (80%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (i) thirty percent (30%) of eighty percent (80%) 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) One hundred percent (100%) of the Units formerly under the LOSP that were restricted below 50% of Median Income will at all times be occupied by Qualified Tenants whose household income does not exceed fifty percent (50%) 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.

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.

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.

1.2 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 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). Notwithstanding the foregoing, Borrower's obligation to comply with the foregoing terms of the Agreement is subject to any subordination agreement entered into by the City.

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.

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

"BORROWER"

2550 Irving Associates, L.P., a California limited partnership

By: 2550 Irving GP LLC, a California limited liability company, its general partner

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

By: _____
[Name]
[Title]

[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) Beginning at the point of intersection of the Northerly line of Irving Street with the Westerly line of 26th Avenue; running thence Westerly along the Northerly line of Irving Street 82 feet and 6 inches; thence at a right angle Northerly 90 feet; thence at a right angle Easterly 82 feet and 6 inches to the Westerly line of 26th Avenue; thence Southerly along the Westerly line of 26th Avenue 90 feet to the point of beginning.

Being a portion of Outside Land Block No. 647.

(B) Beginning at a point on the Northerly line of Irving Street, distant thereon 82 feet and 6 inches Westerly from the Westerly line 26th Avenue; running thence Westerly along the Northerly line of Irving Street 25 feet; thence at a right angle Northerly 90 feet; thence at a right angle Easterly 25 feet; thence at a right angle Southerly 90 feet to the point of beginning.

Being a portion of Outside Land Block No. 647.

(C) Beginning at a point on the Northerly line of Irving Street, distant thereon 107 feet and 6 inches Westerly from the Westerly line of 26th Avenue; running thence Westerly along the Northerly line of Irving Street 25 feet; thence at a right angle Northerly 90 feet; thence at a right angle Easterly 25 feet; thence at a right angle Southerly 90 feet to the point of beginning.

Being a portion of Outside Land Block No. 647.

(D) Beginning at a point on the Northerly line of Irving Street, distant thereon 82 feet and 6 inches Easterly from the point formed by the intersection of the Northerly line of Irving Street with the Easterly line of 27th Avenue; running thence Easterly along said Northerly line of Irving Street 25 feet; thence at a right angle Northerly 90 feet; thence at a right angle Westerly 25 feet; thence at a right angle Southerly 90 feet to the Northerly line of Irving Street and the point of beginning.

Being a portion of Outside Land Block No. 647.

(E) Beginning at the point of intersection of the Easterly line of 27th Avenue and the Northerly line of Irving Street; running thence Northerly along said line of 27th Avenue 60 feet; thence at a right angle Easterly 82 feet and 6 inches; thence at a right angle Southerly 60 feet to the Northerly line of Irving Street; thence at a right angle Westerly along said line of Irving Street 82 feet and 6 inches to the point of beginning.

Being part of Outside Land Block No. 647.
Assessor's Lot 038; Block 1724

Street Address:
2520-2550 Irving Street, San Francisco, CA 94122

827.060/595185