

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: \_\_\_\_\_  
APN#:  
Address: 1064-68 Mission Street  
-----Space Above This Line for Recorder's Use-----

**DECLARATION OF RESTRICTIONS  
1064-1068 Mission Street**

**THIS DECLARATION OF RESTRICTIONS** ("Declaration") is made as of \_\_\_\_\_, \_\_\_\_\_, by **1064 MISSION, L.P.**, A California Limited Partnership ("Borrower"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting 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 Hotel Tax, Residential Hotel Replacement, AHF Inclusionary Program funds, Educational Revenue Augmentation Fund (ERAF) and No Place Like Home (NPLH) 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 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 \_\_\_\_\_, 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 and other use and occupancy restrictions (collectively, the "Regulatory Obligations"), commencing on the date on which a certificate of occupancy is issued for the Project, and continuing for fifty five (55) years (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's providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Borrower must comply with the Regulatory Obligations 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:

(a) With the exception of two Units reserved for the managers 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:

<b>Unit Size</b>	<b>No. of Units</b>	<b>Maximum Income Level</b>
Studio (Senior Household)	52	50% of Median Income
Studio Adult	77	50% of Median Income
NPLH Studio (Senior Household)	51	40% of Median Income
NPLH Adult	76	40% of Median Income
1-BR Resident Staff Unit	2	N/A

In addition:

(i) All Units except for the two resident staff units must be made available to Homeless Households for a period of 30 years pursuant to the Title V Restrictions as applied to the Project and thereafter for so long as the Project is receiving sufficient operating subsidy under the City's Local Operating Subsidy Program.

(ii) 51 Senior Household units and 76 Adult Units must be made available to residents who qualify under the Homeless Household under No Place Like Home (NPLH) Criteria for a period of 55 years. NPLH units are restricted to [40%] AMI 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.

(b) 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 lower of:

(i) thirty percent (30%) of the household income per the requirements of the Local Operating Subsidy Program, provided however that this

restriction shall only apply for so long as the Project is receiving the LOSP subsidy for such Units; or

(ii) thirty percent (30%) of the applicable Median Income for Qualified Tenants as shown above, adjusted for household size.

(c) Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

2. 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.

3. 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. In the event that Borrower fails to comply with the Regulatory Obligations to the City's satisfaction, in its sole discretion, within thirty (30) days of Borrower's receipt of notice from the City to so comply, or if such cure cannot reasonably be completed within such thirty (30) day period, fails to commence such cure or having commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time period thereafter, provided that such time period does not exceed any longer period of time as deemed necessary by the City in its sole discretion, the City at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Borrower shall pay the City's costs in connection with the City's enforcement of the terms of this Declaration, including, without limitation, the City's attorneys' fees and costs.

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

1064 Mission, L.P.,  
a California limited partnership

By: 1064 Mission LLC,  
a California limited liability company,  
its managing general partner

By: ECS Housing Corporation,  
a California nonprofit public  
benefit corporation, its manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: Mercy Housing 1064 Mission LLC,  
a California limited liability company,  
a general partner

By: Mercy Housing Calwest,  
a California nonprofit public benefit  
corporation, its sole member/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:

Street Address: 1064-68 Mission Street