


Declaration of Affordability Covenants

RECORDING REQUESTED BY:
CITY OF REDWOOD CITY

When Recorded Mail To:
CITY OF REDWOOD CITY
CDD-Planning and Housing
ATTN: Rhonda Coffman
1017 Middlefield Road
Redwood City, CA 94063
R & T Code 6103

2013-040860
2:45 pm 03/15/13 DR Fee: NO FEE
Count of Pages 5
Recorded in Official Records
County of San Mateo
Mark Church
Assessor-County Clerk-Recorder



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(Space Above Provided For Recorder)

Exempt from Recording Fees under Govt. Code Section 27383

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DECLARATION OF AFFORDABILITY COVENANTS

HIP Housing Development Corporation, hereinafter referred to as "Owner," agrees that THREE (3) units in the Property described in Exhibit "A", and more commonly known as Willow Road Apartments, located at 1157-1161 Willow Road, Menlo Park, shall be restricted for a period of Ten (10) years from the date of Project Completion. The City defines Project Completion as the date of issuance of the Certificate of Occupancy, Notice of Completion, or some other document approved by the City evidencing completion. This restriction will remain continuously affordable to very low- and low-income tenants and will be binding on the Owner and any and all successors in interest.

The HOME-assisted units are indicated below:

Unit Type	# HOME-assisted Units	Low/High HOME Maximum Initial Rent (excluding tenant paid utilities)
1-BR	2	\$988*
2-BR	1	\$1,187*

**These starting rents are within Low HOME Rent limits. The 2-BR unit must be rented to a qualifying household at the Low HOME Rent.*

(1) HOME Definitions

The following definitions and dollar amounts referred to in these definitions may be adjusted from time to time by HUD or the City, and any such adjustments shall be incorporated by reference into this Agreement.

- a. High HOME Rent is rent that does not exceed the lesser of (1) the Section 8 Fair Market Rents (FMRs), as established by HUD, for existing housing minus tenant paid utilities; or (2) 30% of annual income for households a the HOME

income limit for San Mateo County described below and adjusted for family size, less tenant paid utilities. Under this definition (2) for San Mateo County, High OME rent is calculated at 60% of the Area Median Income (AMI).

If tenant is paying any utilities, a "utility allowance" must be deducted from the above rent figures. This allowance is calculated by HUD under 24 CFR Part 880-886 and should be obtained annually from the San Mateo County Housing Authority.

- b. Low HOME Rent is rent that is 30% of annual income for households at the Very Low Income limit (50% of AMI) for San Mateo County, adjusted for family size, minus tenant paid utilities.

If tenant is paying any utilities, a "utility allowance" must be deducted from the above rent figures. This allowance is calculated by HUD under 24 CFR Part 880-886 and should be obtained annually from the San Mateo County Housing Authority.

- c. Very Low Income is the qualifying income with adjustments for family size, for very low income households as established by HUD. These income limits are adjusted from time to time.

- d. HOME Income is income at 60% of AMI, adjusted for family size as calculated by HUD and adjusted from time to time by HUD.

(2) Rent and Occupancy Restrictions

At least 20% of the HOME assisted units (or 1 unit) must be occupied by households whose income does not exceed the **Very Low-Income** limit as specified above, which limit may be adjusted from time to time by HUD or any successor agency. The rent on said units, including tenant paid utilities, may not exceed the Low HOME Rent specified above, which rent may be adjusted from time to time by HUD or any successor agency.

All remaining HOME assisted units must be occupied by households whose income does not exceed the HOME Income Limit as specified above, except that after initial occupancy, tenant incomes in these units may rise up to 80% AMI. The rent on said units, including tenant paid utilities, may not exceed the High HOME Rent, which rent may be adjusted from time to time by HUD or any successor agency.

Floating HOME Units: The units designated as HOME-assisted by this Covenant shall be "floating" and may change over time as long as the total number of HOME-assisted units in the Project remains constant. The owner shall ensure that the HOME-assisted units remain comparable to the non-assisted units over the affordability period in terms of size, features and number of bedrooms.

(3) Over-Income Tenants - In the event that the income of a qualifying tenant household increases so that the tenant no longer meets the income criteria, the Owner will be allowed a variance to the income criteria of this Restriction until such time as said formerly qualifying tenant vacates the unit, or another unit of comparable size in the Project becomes available, at which time that unit must be rented to a qualifying tenant and the restriction shall transfer to the new unit. The rent for an over-income tenant whose income exceeds 80% AMI, adjusted for household size, must be calculated at 30% of adjusted gross income, capped at market rent for comparable unassisted units, provided however, that if the tenant is occupying a unit that has been allocated low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986 (26 USC 42), the rent will be governed by that provision.

(4) Subordination - The Covenant shall be subordinate to any mortgage or Deed of Trust and the affordability period shall be terminated in the event of a foreclosure or transfer in lieu of foreclosure if the foreclosure or transfer recognizes any contractual or legal rights of the City of Redwood City to take actions that would avoid the termination of low-income affordability. However, this affordability restriction shall be revived if, during the original term hereof, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with who the former owner has or had family or business ties, obtains ownership interest in the property.

Contractor/Owner grants to the City of Redwood City the right to take any and all legal action necessary to enforce the provisions of this restrictive covenant, and owner will be responsible for all reasonable legal expenses incurred by the City in the enforcement of this restrictive covenant. Within the HOME program guidelines, the City will have the right to waive any and all breaches of the terms of the affordability restrictive covenant, but any such waiver shall not be deemed a waiver of any previous or subsequent breaches.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the date first written above.

"DECLARANT"

HIP Housing Development Corporation

By:



Kate Comfort Hawk
Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Menlo Park, County of San Mateo, State of California, described as follows:

TRACT ONE

PARCEL I:

LOT 32 IN BLOCK 4 AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO, STATE OF CALIFORNIA ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGES 6 AND 7.

PARCEL II:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER COMMON DRIVEWAY PURPOSES OVER THE NORTHEASTERLY 10 FEET (BEING MEASURED AT RIGHT ANGLES SOUTHWESTERLY FROM THE NORTHEASTERLY LINE) OF LOT 33 IN BLOCK 4 AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGES 6 AND 7.

JPN: 062-009-093-030A

APN: 062-093-300

TRACT TWO

PARCEL I:

LOT 33 IN BLOCK 4 AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGES 6 AND 7.

PARCEL II:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER COMMON DRIVEWAY PURPOSES OVER THE SOUTHWESTERLY 10 FEET (BEING MEASURED AT RIGHT ANGLES NORTHEASTERLY FROM THE SOUTHWESTERLY LINE) OF LOT 32 IN BLOCK 4 AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGES 6 AND 4.

SAID EASEMENT WAS CREATED BY DEED RECORDED FEBRUARY 14, 1977 UNDER FILE NO. 81558-AK, BOOK 7381 PAGE 695 RECORDS OF SAN MATEO COUNTY, CALIFORNIA.

JPN: 062-009-093-031A

APN: 062-093-310

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Mateo

On March 15, 2013 before me, Krista Mees, Notary Public

personally appeared Kathleen May Comfort Harr



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Krista Mees

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Declaration of Affordability Covenants

Document Date: March 15, 2013 Number of Pages: Four (4)

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Kathleen May Comfort Harr

- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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