



YOLO Recorder's Office  
Freddie Oakley, County Recorder  
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Acct 102-Fidelity National Title  
Wednesday, JAN 30, 2008 14:24:00  
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VRB/R6/1-10

RECORDING REQUESTED BY AND  
AFTER RECORDATION, MAIL TO:

City of Davis  
23 Russell Boulevard  
Davis, California 95616  
Attn: Housing Programs Manager

NO FEE FOR RECORDING PURSUANT TO GOVERNMENT CODE SECTION 27383

SECOND AMENDED AND RESTATED AFFORDABLE HOUSING COVENANT  
(Homestead Supportive Housing Project)

For valuable consideration, the receipt of which is hereby acknowledged, this Affordable Housing Covenant (the "**Agreement**") is entered into as of January ~~30~~, 2008, by and among THE REDEVELOPMENT AGENCY OF THE CITY OF DAVIS ("**Agency**"), acting to carry out the obligations under the California Health and Safety Code establishing an affordable housing program for the City of Davis, THE CITY OF DAVIS ("**City**") and HOMESTEAD SUPPORTIVE HOUSING CORPORATION, a California nonprofit public benefit corporation ("**Owner**"), with respect to that certain parcel of real property (the "**Site**") legally described on Exhibit A. Agency, City and Owner agree that this Agreement amends and restates that certain Amended and Restated Affordable Housing Covenant between Agency, City and Community Housing Opportunities Corporation, Owner's predecessor-in-interest, as assigned to Owner, and recorded in the Official Records of Yolo County as Document No. 2006-0017132 (the "**First Amended Agreement**"). The parties agree that the Site and the improvements constructed thereon, will be subject to the conditions, restrictions, reservations and rights of Agency and City specified below:

1. USE. Owner hereby covenants and agrees, for itself, its lessees, successors and assigns, as follows:

A. Development. Owner shall promptly commence and diligently complete rehabilitation improvements on the Site and develop 15 affordable apartment units and other improvements, including without limitation parking and landscaping improvements (the "**Housing Project**"). The Housing Project shall be developed in accordance with that certain Agency Loan Agreement dated April 25, 2006, by and between Agency and Owner.

B. Rent and Income Restrictions. The 15 residential units to be developed on the Site (the "**Units**") shall be rented to and occupied by households whose gross annual family income is at or below fifty percent (50%) of the Area Median Income at a monthly rent no greater than one-twelfth of thirty percent (30%) of fifty percent (50%) of the Area Median Income, as adjusted for household size, less the required utility allowance.

10

## Appendix I – Homestead Affordable Housing Covenant

All six of the two bedroom units in the 15-unit Housing Project will be leased as shared apartment units, serving two independent households in each. The Housing Project will therefore serve 21 low-income households, all with rents set for household sizes appropriate for efficiency units. Households in the six shared units will be income-qualified individually and will each pay an affordable rent for a household size appropriate for an efficiency unit for their half of the unit.

For purposes of this Agreement, "**Area Median Income**" shall mean the median income for households in Yolo County, California, as published from time to time by the United States Department of Housing and Urban Development ("**HUD**") in a manner consistent with the determination of median gross income under Section 8 of the United States Housing Act of 1937, as amended. In the event that such income determinations are no longer published by HUD, or are not updated for a period of at least 18 months, Agency or City shall provide Owner with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

C. Reporting Requirements. Annual reports (or as often as are required by the terms of the Owner's financing) and annual income recertifications must be submitted to City and Agency. The reports, at a minimum, shall include the following information for each affordable unit:

- (1) The number of persons per unit
- (2) Tenant household name
- (3) Initial occupancy date and date of most recent recertification
- (4) Rent paid per month and calculated utility allowance
- (5) Tenant household gross annual income
- (6) Percent of rent paid in relation to income
- (7) Documentation that households who are leased project-designated special needs units meet all criteria for these units, as set forth by state funding agencies

Housing Project tenant files shall be made available to Agency and City upon request and shall include annual income recertifications, including all documents used to certify eligibility of each tenant household. Owner shall also provide Agency and City with copies of audits conducted on the Housing Project upon request. Agency or City may, from time to time during the term of this Agreement, request additional or different information and Owner shall promptly supply such information in the reports required hereunder. Owner shall maintain all necessary books and records, including property, personal and financial records, in accordance with requirements prescribed by Agency or City with respect to all matters covered by this Agreement. Owner, at such time and in such forms as Agency or City may require, shall furnish to Agency or City, as the case may be, statements, records, reports, data and information pertaining to matters covered by this Agreement. Upon request for examination by Agency or City, Owner, at any time during normal business hours, shall make available all of its records with respect to all matters covered by this Agreement. Owner shall permit Agency and City, as the case may be, to audit, examine and make excerpts or transcripts from these records.

## Appendix I – Homestead Affordable Housing Covenant

D. Annual Budget. Agency and City may, but are required to, review and approve the annual budget for the Housing Project prior to its adoption each year.

E. Inspection. Agency and City shall inspect the Housing Project on at least an annual basis to ensure compliance with this Agreement. Agency and City shall provide Owner with reasonable notice prior to any inspection.

2. MAINTENANCE. Owner and all successors in interest, agree that they shall, pursuant to agreements to be reviewed and approved by City and Agency, maintain the improvements and landscaping on the Site in a clean and orderly condition and in good condition and repair and keep the Site free from accumulation of debris and waste materials.

3. NO TRANSFER. Owner shall not sell, transfer, convey, encumber, assign or lease the whole or any part of the Site without the prior approval of Agency and City, which shall not be unreasonably withheld. Owner shall request approval by written notice at least ninety (90) days prior to any proposed transfer. If the Agency or City does not approve the proposed transferee, the Agency or City may propose an alternative transferee, including, but not limited to, the Agency or City. Agency hereby approves the following transfers: (i) the grant of security interests in the Housing Project or Site in connection with senior loans; (ii) the granting of easements or permits to facilitate the development of the Housing Project; and (iii) the leasing of Units after rehabilitation of the Housing Project is complete.

4. MANAGEMENT. During the term of this Agreement, Owner shall promptly notify Agency and City in the event there is any change in management of the Housing Project. Any property management and maintenance agreement entered into with respect to the Site shall name Agency and City as a third-party beneficiary permitting Agency and City the right to enforce the Agreement. Owner shall submit a copy of such agreement to Agency, provided Agency shall not have the right to approve or disapprove such agreement except to ensure compliance of such agreement with the provisions of this paragraph 4.

5. NO DISCRIMINATION. Owner covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, source of income, sexual orientation, physical handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Site.

6. NONDISCRIMINATION AND NONSEGREGATION CLAUSES. All deeds, leases or contracts made relative to the Site, the improvements thereon or any part thereof, shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

A. In deeds: The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of

## Appendix I – Homestead Affordable Housing Covenant

persons on account of race, color, creed, religion, sex, marital status, source of income, sexual orientation, physical handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

B. In leases: The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, source of income, sexual orientation, physical handicap, medical condition, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land herein leased.

C. In contracts: There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, source of income, sexual orientation, physical handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land.

7. NO IMPAIRMENT OF LIEN. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Owner to the Site shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

8. DURATION. The covenants contained in this Agreement shall be deemed to run with the land and shall remain in effect in perpetuity.

9. SUCCESSORS AND ASSIGNS. The covenants contained in this Agreement shall be binding for the benefit of Agency and City and their respective successors and assigns and any successor in interest to the Site or any part thereof, and such covenants shall run in favor of Agency and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether Agency or City is or remains an owner of any land or interest therein to which such covenants relate. Agency, City, and such

## Appendix I – Homestead Affordable Housing Covenant

aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Agreement shall be for the benefit of and shall be enforceable only by Agency, City and their respective successors and such aforementioned parties.

10. AMENDMENT AND RESTATEMENT. This Agreement amends and restates the Original Agreement in its entirety. The Original Agreement is of no further force and effect.

11. COUNTERPARTS. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

[Signature Page Follows]

Appendix I – Homestead Affordable Housing Covenant

IN WITNESS WHEREOF, Agency, City and Owner have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, as of the date first written above.

AGENCY:  
THE REDEVELOPMENT AGENCY OF THE  
CITY OF DAVIS, a public body, corporate and  
politic

By: Bill Emlen  
Bill Emlen, Executive Director

APPROVED AS TO FORM

By: [Signature]  
Agency Counsel

ATTEST

By: [Signature]  
Secretary

CITY:  
THE CITY OF DAVIS

By: Bill Emlen  
Bill Emlen, City Manager

APPROVED AS TO FORM

By: [Signature]  
City Attorney

ATTEST

By: [Signature]  
City Clerk

OWNER:

HOMESTEAD SUPPORTIVE HOUSING  
CORPORATION, a California nonprofit public  
benefit corporation

By: [Signature]  
Manuela Silva, Vice President

By: [Signature]  
Kate Hutchinson, Vice President

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE SITE**

The real property referred to herein is situated in: City of Davis, County of Yolo, State of California, more particularly described as follows:

All that real property situated in the City of Davis, County of Yolo, State of California, described as follows:

**PARCEL A:**

Lot 19, Subdivision No. 4003, Sunnyside Homes Unit No. 1 filed October 25, 1995 in Book 19 of Maps, at page 50.

**PARCEL B:**

An easement appurtenant to Parcel A above for a private water and drain, with the right of ingress and egress for the purpose of construction and maintenance thereof, over a strip of land 40 feet in width situated in Lot G-1, as shown upon that certain map of Subdivision No. 4003, Sunnyside Homes Unit No. 1, recorded in the office of the Yolo County Recorder on October 25, 1995, in Book 19 of Maps, at page 50. The Easterly line of which is more particularly described as follows:

BEGINNING at the Southeast corner of Lot 19, as shown upon the above referred to subdivision; thence South  $0^{\circ} 07' 44''$  West along the East line of said Lot G-1 a distance of 49.63 feet to the end of the line being described herein.

The Westerly line of said strip of land to be prolonged or shortened to begin and end on the South line of said Lot 19 and the North line of Fifth Street shown upon the above referred to map.

**PARCEL C:**

A private sewer easement appurtenant to Parcel A above, with the right of ingress and egress for the purposes of construction and maintenance thereof, over a strip of land 10 feet in width situated in Lot G-1, as shown upon that certain map of Subdivision No. 4003, Sunnyside Homes Unit No. 1, recorded in the Office of the County Recorder of the County of Yolo, State of California, on October 25, 1995, in Book 19 of Maps, at page 50, the centerline of which is more particularly described as follows:

BEGINNING at the Southwest corner of Lot 19, as shown upon the above referred to subdivision; thence South  $33^{\circ} 25' 59''$  West a distance of 122.23 feet to the end of the line being described herein.

The Northwestern and Southeastern lines of the said strip to be prolonged or shortened to begin and end on the boundary lines of said Lot 19 and the East line of that certain 30 foot P.U.E. along the West line of said Lot G-1, as shown upon the said subdivision.

APN: 071-070-78-1