

Recording Requested by
and
When Recorded mail to:
City of San José
Housing Department
200 East Santa Clara Street, 12th Floor Tower
San José, California 95113-1905
Attn: Loan Management
Re:

**NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF
PROPERTY**

The Notice of Affordability Restrictions dated as of July 14, 2016 (today's date)_____ (“Notice”) and the 45–year Affordability Restriction dated as of (date of restrictions) July 14, 2016 (“Restrictions”) are being recorded concurrently herewith in the Official Records of County of Santa Clara as required under Health and Safety Code Section 33334.3 (f).

A. The City is providing a loan of up to \$_____ (the “Loan”) to ___(name of borrower(s))_____, (“Borrower” or “Owner”) for the acquisition of the property located at (street address)_____, in the City of San José, County of Santa Clara, California as more particularly set forth in **EXHIBIT A** attached hereto (the “Property”).

B. Pursuant to an agreement between the City and the Redevelopment Agency of the City (“Agency”), the City is acting as agent of the Agency in Health and Safety Code Sections 33000, et. seq. (the “Community Redevelopment Law”), to increase the supply of housing affordable to low- and moderate-income households.

C. Health and Safety Code Section 33334.3(f) requires a covenant or restriction be recorded against all units constructed or substantially rehabilitated with the assistance of 20% Funds, restricting such units to remain available at “affordable housing costs” (as defined in Health and Safety Code Sections 50052.5 and 50053, as amended from time to time) (“Affordable Housing Costs”) to Persons and Families of Lower or Moderate Income and Very Low-Income Households. Any property assisted with 20% Funds assessed in merged redevelopment project areas must be restricted for a period as set forth in Health and Safety Code Sections 33334.3(f) and 33487. The restrictions or covenants must be enforceable against the

successors in interest pursuant to Health and Safety Code Section 33334.3(f).

D. In general, the Restrictions will require that the Property be restricted as follows: The property shall be income-restricted for a period of 45 years to a low- or moderate-income household. The Agency may permit the sale of the owner-occupied unit prior to the affordability period provided that the loan principal and a pro-rated portion of the accrued equity in the property (“excess proceeds”) are returned to the City’s Low- and Moderate-Income Housing Fund, or other applicable funding source from which the acquisition loan was made.

The City of San José Department of Housing must be notified and give written permission prior to any junior or senior mortgage liens being placed on this property so as not to unreasonably adversely affect the City’s equity position in this property.

E. The term of the Restrictions shall be from _____ (date loan is made)..... and shall continue through _____(date 45 years out), inclusive.

BORROWER:

(type name of borrower)

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(type name of borrower)

Attach Notary-