Recording Requested by

and when Recorded, return to:

County of Siskiyou

1312 Fairlane Road

Yreka, CA 96097

Attn: County Administrator

EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER’S USE)

# REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE

COVENANTS (this “Agreement”) is made and entered as of \_\_\_\_\_\_\_\_\_\_, 2025, by and between the County of Siskiyou, a political subdivision of the State of California (“County”), and Mount Shasta Chestnut Street LP, a California limited partnership (“Owner” and, together with the County, the “Parties”) with reference to the following:

**RECITALS**

1. Owner is the owner of certain real property, located at 735 Chestnut Street, in the City of Mount Shasta (the “City”), California (the “Property”). The Property is more particularly described in Exhibit A.
2. The purpose of this Agreement is to establish rental restrictions on four (4) Permanent Supportive Housing residential units within the Property in connection with the County providing a loan to Owner in the original principal of One Million Eight Hundred Eighty-Five Thousand and Three Hundred Twenty-One Dollars and Fifty-Five Cents ($1,885,321.55) as evidenced by the “PLHA Loan Agreement" (Permanent Local Housing Allocation) executed by Owner and County dated \_\_\_\_\_\_\_\_\_\_, 2025 ("Loan Agreement").
3. This Agreement shall run with the land and shall bind Owner and all of Owner’s successors in interest as owners of the Property.

NOW, THEREFORE, in consideration of the foregoing and the benefits secured by Owner and County, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. RECITALS. The foregoing recitals are a part of this Agreement.
2. DEFINITIONS. In addition to the terms defined elsewhere in the Agreement, the following terms shall have the following meetings:
   1. "Extremely Low-Income Household" means a household whose income does not exceed thirty percent (30%) of the Median Income applicable to Siskiyou County, adjusted for family size as published and annually updated by the California Tax Credit Allocation Committee (“CTCAC”).
   2. “Loan Documents” shall mean this Agreement and the Loan Agreement, as well as the Promissory Note and Deed of Trust securing the Loan Agreement and any other document or agreement evidencing the PLHA Loan from County to Owner.
   3. “Median Income” shall mean the median income adjusted for household size applicable to Siskiyou County as determined annually by CTCAC.
   4. “Permanent Supportive Housing” has the same meaning as in HSC Section 50675.14, that is, housing with no limit on the length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Permanent supportive housing may include associated facilities if used to provide services to housing residents. Permanent supportive housing does not include “health facility” as defined by HSC Section 1250 or any “alcoholism or drug abuse recovery or treatment facility” as defined by HSC Section 11834.02 or “Community care facility” as defined in HSC Section 1502, “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code (WIC), or other residential treatment programs.
   5. “Rent” shall mean the monthly total of payments by the tenants of a Unit for the following: use and occupancy of the Unit and associated facilities, including parking; the separately charged fees or service charges assessed by Owner which are required of all tenants, other than security deposits; the allowance for utility costs paid by the tenant estimated in accordance with regulations promulgated by the CTCAC, including electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service; any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Owner, and paid by the Tenant.
   6. “Target Population” are persons who are extremely low-income and are experiencing or at risk of homelessness in conformance with 24 CFR 578.3.
   7. “Tenant” shall mean an occupant of any one of the Units.
3. TERM OF AGREEMENT, RUNS WITH THE LAND. This Agreement shall remain in full force and effect until fifty-five (55) years from date that a certificate of occupancy is issued for the Property following completion of construction of the Project. The Agreement term may be extended by the mutual consent of the Parties. The covenants set forth herein shall be covenants running with the land (as they may be amended from time to time) and shall inure to the benefit of and be enforceable by County while County maintains any interest in the Property and shall be binding upon Owner and/or any other party having any right, title or interest in the Property (including any portion thereof). By accepting title, Owner, or any other person who acquires an ownership interest in the Property, agrees (a) that all covenants and restrictions created by this Agreement are necessary in order to preserve the stock of affordable housing for Extremely Low-Income Households and are reasonable in light of their purposes, and (b) to abide by each and every covenant and restriction herein.
4. RENTAL AND OCCUPANCY REQUIREMENTS
   1. From the date that a certificate of occupancy is issued for the Property following completion of construction of the Project, and for a period of fifty-five (55) years thereafter, four (4) of the Units in the Project shall be occupied by Extremely Low-Income Households who meet the definition of the Target Population (other than any time prior to the completion of construction of the Project), and each of the four (4) Units in the Project occupied by the Target Population shall be operated as Permanent Supportive Housing. Each Extremely Low-Income Household is subject to annual certification and Owner is authorized to immediately terminate, subject to applicable law including the rules and regulations of CTCAC, the tenancy of any Household one or more of whose members misrepresented any fact material to the Household’s qualification as an Extremely Low-Income Household.
   2. Annual Rents for the Extremely Low-Income Units occupied by an Extremely Low-Income Household shall be restricted to no more than 30% of 30% of Median Income, adjusted for number of bedrooms, assumed household size and applicable utility allowances.
   3. Owner shall require each Extremely Low-Income Unit to be subject to a rental agreement and shall not lease any such Unit for less than six months or for more than one year.
   4. Owner shall operate the Project in compliance with the core components of Housing First, as provided in WIC Section 8255(b).
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, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Owner or any person claiming under or through Owner 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, subleases or vendees in the Property, except to the extent required by any public funding source utilized by the Owner for the construction and operation of the Project in accordance with applicable law.
6. NO IMPAIRMENT OF LIEN. No violation or breach of the covenants, conditions, restrictions, provisions or limitation 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 permitted under this Agreement.
7. DEFAULTS AND REMEDIES. Upon substantial violation by Owner of this Agreement, County shall give written notice to Owner, and each limited partner of Owner, specifying the nature of the violation. If Owner or any limited partner does not commence and diligently pursue correction of the violation to the satisfaction of County, in its reasonable discretion, within thirty (30) days after its receipt of such notice, and complete such cure within such further time as County, in its reasonable discretion, determines is necessary to correct the violation, County may immediately declare a default under this Agreement and the County shall have the right to enforce this Agreement by an action at law or equity to compel the Owner’s performance or seek other declaratory relief permitted at law or in equity. County agrees to accept cure from any limited partner of Owner on the same basis as if tendered by Owner.
8. SUCCESSOR AND ASSIGNS. This Agreement shall bind, and the benefit shall inure to, Owner and his or her heirs, legal representatives, executors, successors in interest and assigns, and County and its successors and assigns for the term of this Agreement as provided in Section 3.
9. SUPERIORITY OF AGREEMENT. Owner covenants that Owner has not, and will not, execute any other agreement with provisions contradictory to or in opposition of the provisions of this Agreement, and that, in any event, this Agreement is controlling as to the rights and obligations between Owner and County and their respective successors and assigns. Notwithstanding the foregoing, in the event of a conflict between the provisions of this Agreement and the provisions of any other regulatory agreement required to be recorded in connection with any governmental funding utilized for the Project (collectively, the “Government Restrictions”); the Government Restrictions shall prevail.
10. INVALID PROVISIONS. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
11. CONTROLLING LAW. The terms of this Agreement shall be interpreted under the laws of the State of California.
12. NOTICES. All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as of the date received or the date delivery was refused as indicated on the return receipt as follows:

To Owner: Mount Shasta Chestnut Street LP

5251 Ericson Way

Arcata, CA  95591

Attn: President

To Owner’s

Limited Partners: Key Community Development Corporation

Mailcode: OH-01-10-0633

127 Public Square

Cleveland, Ohio 44114

Attention: Asset Management - Mountain Townhomes

Holland & Knight LLP

10 St. James Avenue, 12th Floor

Boston, Massachusetts 02116

Attention: Kristen Cassetta, Esq.

To County: County of Siskiyou  
 1312 Fairlane Road

Yreka, CA 96097

Attn: County Administrator

The Parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Agreement.

1. EXHIBITS. Any exhibits referred to in this Agreement are incorporated in this Agreement by such reference.
2. TRANSFERS. The qualifications and identity of Owner and its principals are of particular concern to the County. It is because of these qualifications and identity that the County has entered into the PLHA Loan Agreement with Owner and this Agreement. No voluntary or involuntary successor in interest of the Owner shall acquire any rights or powers under the PLHA Loan Agreement or this Agreement, except as expressly set forth herein or in the PLHA Loan Agreement.

Owner shall not assign all or any part of this PLHA Loan Agreement without prior written approval of the County. Assignment without prior written approval of County will be a default of this PLHA Loan Agreement, and the assignment shall be void and unenforceable. If Owner seeks an assignment, Owner shall promptly notify the County in writing of any and all changes whatsoever in the identity of the parties thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. The County will have the option to approve any such changes in writing and the County will not unreasonably withhold such approval. If not approved by the County, the PLHA Loan Agreement and this Agreement may be terminated by the County in the event of significant change (voluntary or involuntary) in membership, management, or control of Owner, except as may be permitted hereunder or under the Loan Documents. Termination of this Agreement shall be in the County’s sole discretion, and nothing in this Section 14 shall obligate the County to terminate this Agreement. Notwithstanding anything herein to the contrary, the following Transfers shall not require the prior approval of the County and shall not constitute a default hereunder: the transfer of the Property pursuant to a foreclosure, deed-in-lieu of foreclosure or other realization upon the deed of trust encumbering the Property (a “Foreclosure Action”); the first transfer of the Property following such Foreclosure Action, and the encumbrance of the Property with any financing obtained in connection therewith; or the refinancing of any senior debt on the Property in an amount equal to the then-outstanding principal balance of the applicable loan, plus the costs of such refinancing, including to provide cash resources to purchase the limited partnership interest, provided that such refinancing is on commercially reasonable terms.

1. COUNTERPARTS. This Agreement may be executed in counterpart signatures all of which shall constitute one and the same document.
2. TAX CREDIT PROVISIONS. The County agrees and acknowledges that the development of the Project will be financed in part with proceeds of an equity investment made by one or more limited partners of the Borrower (collectively, the "Limited Partner") in connection with the allocation of federal and/or state low-income housing tax credits (“Tax Credits”) to the Borrower. Notwithstanding anything to the contrary set forth in this Agreement, the following provisions shall apply at all times during which a Limited Partner is a partner of the Borrower:
3. Permitted Transfers. Notwithstanding any other provision of this Agreement, County approval shall not be required for (i) sale of limited partner interests related to the syndication of Tax Credits, or the direct or indirect transfer of limited partnership interests in Borrower by the Limited Partner; or (ii) purchase of the Project or of any interest in Borrower pursuant to any option rights or rights of first refusal granted by the limited partner in Borrower's Amended and Restated Agreement of Limited Partnership (“Partnership Agreement”) and/or any purchase option agreement and/or right of first refusal agreement entered into in connection therewith.
4. Removal of General Partner. The removal and/or replacement of Borrower's general partner(s) for cause in accordance with the Partnership Agreement shall not constitute a default hereunder. If a Limited Partner exercises its right to remove a general partner of Developer, County shall not unreasonably withhold its consent to the substitute general partner. Notwithstanding the preceding sentence, the County’s consent will not be required if the substitute general partner is an affiliate of or an entity under common control with a Limited Partner. For the avoidance of doubt, amendments to the Partnership Agreement effectuating the transfers permitted herein shall not require the prior written consent of the County.
5. Notice and Cure Rights. The County hereby agrees that any cure of any default made or tendered by a Limited Partner hereunder or under any Loan Document shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower. Copies of all notices which are sent to Borrower under the terms of the Loan Documents shall also be sent to each Limited Partner at an address to be provided to County in writing by said Limited Partner.

[SIGNATURES ON FOLLOWING PAGE]

**IN WITNESS WHEREOF** the foregoing Agreement is executed on the date and year first above-written.

|  |  |
| --- | --- |
| Approved as to Legal Form: COUNTY COUNSEL  By: | COUNTY:  COUNTY OF SISKIYOU, a political subdivision of the State of California  By:  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

\_\_\_\_\_\_\_\_\_\_\_, County Counsel

***Signatures continue on following page***

THIS DOCUMENT MUST BE PROPERLY NOTARIZED

**(to be indexed as Affordable Housing Regulatory Agreement)**

OWNER:

MOUNT SHASTA CHESTNUT STREET LP,

a California limited partnership

By: Mount Shasta Chestnut Street LLC,   
 a California limited liability company,  
 its Administrative General Partner

By: Danco Communities,   
 a California corporation,  
 its Manager

By:

Daniel Johnson (Date)

President

And: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Christopher Dart (Date)

Secretary

By: Community Revitalization and Development

Corporation, a California nonprofit public

benefit corporation, its Managing General Partner

By:

David Rutledge (Date)

President

And: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Shelby Marocco (Date)

Vice President

THIS DOCUMENT MUST BE PROPERLY NOTARIZED

**(to be indexed as Affordable Housing Regulatory Agreement)**

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF COUNTY OF

On before me,

personally appeared , 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 acknowledge 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 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF COUNTY OF

On before me,

personally appeared , 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 acknowledge 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 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF COUNTY OF

On before me,

personally appeared , 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 acknowledge 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 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

**EXHIBIT “A”**

**COUNTY OF SISKIYOU**

**PLHA REGULATORY AGREEMENT**

**LOW INCOME HOUSING PROJECT**

**735 CHESTNUT STREET, MOUNT SHASTA, CALIFORNIA**

**(County of Siskiyou/ Mount Shasta Chestnut Street LP)**

**LEGAL DESCRIPTION**

REAL PROPERTY IN THE CITY OF MOUNT SHASTA, COUNTY OF SISKIYOU, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 17 THROUGH 32, BLOCK 18, ACCORDING TO THE MAP OF THE CITY OF MT. SHASTA, FORMERLY SISSON, SISKIYOU COUNTY, STATE OF CALIFORNIA, ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 057-112-010

**EXHIBIT "B"**

**COUNTY OF SISKIYOU**

**PLHA REGULATORY AGREEMENT**

**LOW INCOME HOUSING PROJECT**

**735 CHESTNUT STREET, MOUNT SHASTA, CALIFORNIA**

**(County of Siskiyou/ Mount Shasta Chestnut Street LP)**

Unit Affordability Breakdown:

Four (4) units for 30% AMI Households (Extremely Low-Income

Households)

Twenty (20) units for 80% or below AMI Households (Lower Income

Households)

One (l) unit for the on-site manager, not subject to affordability

restrictions