

**USE RESTRICTION REQUIREMENTS**

REV 09/2024

As outlined in the Homekey Notice of Funding Availability (NOFA) and Exhibit E of the Standard Agreement, each Project is required to submit a draft Use Restriction to the Department for express acceptance and a copy of the final recordation.

Each Regulatory Agreement or Affordability Covenant submitted to the Department for your Project shall demonstrate the following:

**Program Requirements**

- ✓ The use restriction must reference the MHP Program, the NOFA, the MHP Guidelines, CARES, ARPA, federal interpretive guidance relation to CARES and ARPA, and the Standard Agreement comprise the "Program Requirements."

**Property Owner Name**

- ✓ All Property Owners shall be the same as listed in the Standard Agreement.

**Property Information**

- ✓ The address and Assessor Parcel Number (APN) shall match the Standard Agreement and Title Report for each parcel.
- ✓ Include an Exhibit A to the Use Restriction with the exact Property Description from the Title Report.

**Unit Mix and Restriction Level**

- ✓ The unit mix and restriction level shall match the Standard Agreement.
- ✓ Include an Exhibit B to the Use Restriction that demonstrates the unit mix, restriction levels including the approved Area Median Income (AMI), subset of the target populations being served, and unit size as outlined in the Standard Agreement.
- ✓ If applicable per Standard Agreement Exhibit E Section B - Special Terms and Conditions, and the Application the use restriction must demonstrate the number of assisted units accessible to persons with mobility disabilities and/or accessible to persons with hearing or vision disabilities and that exceed the state and federal accessibility requirements set forth in the NOFA.

**Duration of the Agreement**

- ✓ The term shall match Standard Agreement Exhibit E §B (1). Use Restriction.

**Lien Position**

- ✓ The use restriction shall be in first lien position.

**Note:** Grantee is required to submit a current preliminary title report dated within 15 days of the date of recordation to demonstrate the use restriction is in first lien position.

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**Beneficiary Requirements**

- ✓ **Permanent and Interim to Permanent Projects** - HCD (The Department) shall be an express third-party beneficiary with the right and privilege, but not the obligation of enforcement of the Use Restriction for Permanent and Interim to Permanent Projects.
- ✓ **Interim in perpetuity Projects must** either use HCD's Interim Housing Covenant Template located on our [website](#) or include the following clause:

This Declaration of Restrictive Covenants (the "**Declaration**"), dated **[INSERT DATE]** for reference purposes only, by **[INSERT NAME OF REAL PROPERTY OWNER AND TYPE OF ENTITY]**, and its successors, assigns and transferees (the "**Owner**"), is hereby given to and on behalf of the Department of Housing and Community Development, a public agency of the State of California (the "**Department**").

**Note:** It is recommended that each Interim Project uses the Department's Interim Housing Covenant template. The most recent round will be listed on the [Homekey website](#) under [Program Forms](#). Previous rounds will be under [Archive](#)>NOFA Round Number>Program Forms.