

## Homekey Use Restriction Guidance

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:

### 1. Property Owner Name

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

### 2. 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.

### 3. 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.

### 4. Duration of the Agreement

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

### 5. Lien Position

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

### 6. Third Party Beneficiary

- ✓ 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.