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By M. Alvarez ,Deputy Clerk

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10  
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF SAN DIEGO, CENTRAL DISTRICT

13 Del Island Tenants, )  
14 Plaintiff and Petitioner, )  
15 vs. )  
16 308 Orange, LLC; TNG Lincoln, LLC; )  
Coronado PEP, LLC; Williamsburg )  
17 Village, LLC; TNG Happy Valley, LLC; )  
and DOES 1-20, Inclusive, )  
18 Defendants. )  
19 \_\_\_\_\_ )  
20 City of Coronado as Successor Agency to )  
the Community Development Agency of )  
21 City of Coronado, )  
22 Respondent. )  
23 \_\_\_\_\_ )

Case No. 25CU067994C  
**IMAGED FILE**  
Unlimited Civil Action

VERIFIED COMPLAINT FOR INJUNCTIVE  
RELIEF AND RESTITUTION FOR  
VIOLATION OF STATE AFFORDABLE  
HOUSING PRESERVATION LAWS; AND  
PETITION FOR PEREMPTORY WRIT OF  
MANDATE TO ENFORCE  
AFFORDABLE HOUSING COVENANTS,  
CONDITIONS AND RESTRICTIONS

[Code Civ. Proc. § 1085 and Gov Code §§  
65863.10 and 65863.11]

24 Plaintiff and Petitioner is informed and believes and thereon alleges as follows:

25 **PRELIMINARY STATEMENT**

- 26 1. This case arises from calculated actions by the named Defendant-LLCs (the Owners) to violate  
27 binding affordable housing covenants and state law, by illegally displacing very low and lower  
28 income residents from the Del Island apartment complex in Coronado, California.

- 1 2. Del Island is a 29-unit apartment complex located at the corner of Third Street and Orange  
2 Avenue. For nearly three decades, it has provided affordable housing to income-eligible  
3 families and individuals, pursuant to recorded covenants with the City's former redevelopment  
4 agency (Agency). Respondent the City of Coronado, as the successor to its redevelopment  
5 agency (City), is responsible for monitoring and enforcing the recorded agreement.
- 6 3. In 1996, the Agency provided financial support to rehabilitate Del Island. In exchange,  
7 covenants were recorded requiring the rental of 15 of the units to very low income tenants and  
8 14 of the units to lower income tenants, at affordable rents, through January 31, 2026.
- 9 4. On May 22, 2025, the Owners acquired Del Island and immediately initiated a campaign to  
10 undermine the covenants and state law. The Owners failed to rent vacant units to eligible very  
11 low and lower income tenants or make needed repairs. Instead, without obtaining any permits,  
12 they have undertaken extensive renovations of vacant units, offered tenants "cash for keys"  
13 inducements and pressured them to vacate with threats of rent increases and market-rate  
14 conversions. The tenants have been harassed by property management and construction  
15 workers, and have had to contend with and/or flee unsafe conditions.
- 16 5. The Owners undertook their campaign with the clear intent to convert rent restricted units to  
17 market-rate or nightly rentals, in direct violation of covenants running with the land and state  
18 law.
- 19 6. The City failed to take any action to cure the violations of the covenants by the Owners.  
20 Tenants who contacted the City for help, were instead referred to affordable housing in the City  
21 and region, including Del Island.
- 22 7. At the time the property was transferred to the Owners, 5 of the 29 units had been left vacant by  
23 their predecessor. As a result of the Owners' actions, and the City's failure to enforce the  
24 covenants, 20 of the 29 units are now vacant. This represents an increase in the vacancy rate  
25 from 17 percent to 69 percent. In comparison, vacancy rates in the area are under 5 percent,  
26 while vacancy rates in affordable housing are lower.
- 27 8. Given our state's affordable housing crisis, to preserve existing affordable housing, before rent  
28 restrictions expire, owners must provide 3-year, 12-month and 6-month notices to affected

1 tenants, public agencies and qualified entities, in accordance with the Affordable Housing  
2 Preservation Laws, Government Code §§ 65863.10 and 65863.11. Neither the Owners, nor their  
3 predecessor in interest, provided any of the required notices, disregarding both procedural  
4 obligations and the substantive rights of residents. Accordingly, the affordable housing  
5 covenants should not expire on January 31, 2026, but instead should continue, because the  
6 required notices have not been provided.

7 9. Plaintiff seeks injunctive relief and restitution to halt the Owners' unlawful displacement  
8 scheme, protect remaining and displaced tenants, and reimpose the covenants to ensure that Del  
9 Island remains affordable, unless and until the Owners fully comply with the Affordable  
10 Housing Preservation Laws. Petitioner seeks a writ of mandate to compel the City to enforce the  
11 covenants, now and as reimposed, unless and until all the required notices have been provided  
12 and the time for each has elapsed.

### 13 **PARTIES/VENUE**

14 10. Plaintiff and Petitioner Del Island Tenants is an unincorporated association. Its members are  
15 very low and low income current and recently displaced tenants of Del Island, the 29-unit  
16 affordable apartment complex located at 308-330 Orange Avenue and 1014-1028 Third Street  
17 in the City of Coronado, County of San Diego, State of California. Members include adults and  
18 seniors who have lived at Del Island for more than 30 years. Most members have very limited  
19 and fixed incomes, relying on Social Security, pensions, and food stamps, and/or are disabled.  
20 They paid or pay from about \$950 to \$1,400 a month, for rent and utilities, for their studio, 1-  
21 and 2-bedrooms, and cannot afford market rents in Coronado.

22 11. Defendants 308 Orange, LLC; TNG Lincoln, LLC; Coronado PEP, LLC; Williamsburg Village,  
23 LLC and TNG Happy Valley, LLC (collectively "Owners") are California Limited Liability  
24 Corporations and the current owners of Del Island.

25 12. Respondent the City of Coronado as the Successor Agency to the Community Development  
26 Agency of the City of Coronado, its former redevelopment agency, (referred to herein as City),  
27 is a separate local public entity, pursuant to Health & Safety Code §34173 (g), and is  
28 responsible for monitoring and enforcing Del Island's Covenants, Conditions and Restrictions

1 (CC&Rs).

2 13. Defendants named as DOES 1-20, inclusive, are persons, firms, corporations, and public or  
3 quasi-public entities that have been instrumental in, or participated in, the matters which are the  
4 subject of this action. Plaintiff does not know the true names and capacities of Defendants sued  
5 as DOES 1 through 20, and will amend this pleading to show their true names and capacities  
6 when ascertained.

7 14. At all times mentioned herein, each Defendant, including those sued as DOES, was the agent,  
8 employee, or in some way acted to advance the interest or purpose of each of the remaining  
9 Defendants and was at all times acting within the scope of that relationship. Each Defendant  
10 authorized, ratified, and approved the actions of its agents.

11 **STATEMENT OF FACTS**

12 15. Del Island originally consisted of numerous properties in different ownership. In 1926, single  
13 dwellings and garages were constructed at 320 and 330 Orange Avenue. In 1947, four 1-  
14 bedroom apartments were constructed at 308 Orange Avenue, to which seven apartments were  
15 added in 1963. In 1948, a 9-unit motel was built at 316 Orange Avenue. In 1959, the garage at  
16 330 was converted to a bedroom. In 1978, a 2-story apartment building was added to 320  
17 Orange Avenue. Over the years, ownership of the properties was consolidated and the units  
18 were rented to tourists and tenants by the day, week and month.

19 16. In or about 1996, Del Island Motel, the Owners' predecessor in interest, received financial  
20 assistance from the former redevelopment agency of the City of Coronado, known as the  
21 Community Development Agency of the City of Coronado (Agency), to rehabilitate the 29 units  
22 now known as Del Island. In exchange for this financial assistance, Del Island Motel committed  
23 to rehabilitate and rent 100 percent of the units as affordable housing to income-eligible tenants  
24 for 30 years, through January 31, 2026.

25 17. The recorded CC&Rs require that 15 units must be occupied by and affordable to very low  
26 income tenants and 14 to lower income tenants, with the eight studios, eight 1-bedrooms and  
27 nine 2-bedrooms allocated equally between the two income categories. Page 2, 1.A. of Exhibit  
28 A, incorporated herein, by reference.

- 1 18. In accordance with Community Redevelopment Law (Health & Saf. Code § 33334.2 (a)) and  
2 the CC&Rs, very low income households have incomes of no more than 50 percent of area  
3 median, adjusted for household size (Health & Saf. Code § 50105 (a)) and lower income  
4 households have incomes of no more than 80 percent of area median, adjusted for household  
5 size (Health & Saf. Code § 50079.5 (a)). Exhibit A, p.2, 1.B.
- 6 19. In accordance with Community Redevelopment Law (Health & Saf. Code § 33334.2 (a)) and  
7 the CC&Rs, affordable monthly rent, including a reasonable utility allowance, shall not exceed  
8 one-twelfth of 30 percent of 50 percent of the area median income for very low income or one-  
9 twelfth of 30 percent of 60 percent of the area median income for lower income. Exhibit A,  
10 pp.2-3, 1.C. and Health & Saf. Code §§ 50052.5 (d) and 50053 (b)(1)(C)-(D).
- 11 20. Pursuant to the CC&Rs, these affordable restrictions are not due to expire until January 31,  
12 2026. Exhibit A, p.3, I.E.
- 13 21. On or about May 22, 2025, the Owners purchased Del Island. At the time of the sale, 5 units  
14 were vacant and units were in need of repair. As purchasers of the property, the Owners had or  
15 are deemed to have had full knowledge of the CC&Rs, the vacancies and needed repairs.
- 16 22. On or about May 22, 2025, management posted notice on the tenants' doors introducing  
17 themselves to the tenants at Del Island. Exhibit B, incorporated herein, by reference.
- 18 23. After acquiring Del Island, and without obtaining any permits, the Owners commenced  
19 extensive renovation of the vacant units.
- 20 24. On or about August 4, 2025, management posted notices on the tenants' doors offering to  
21 forego rent increases and make cash payments of \$3,000, \$2,000 or \$1,000 to tenants who  
22 agreed to move out in 60, 90 or 120 days, respectively, to enable the Owners to continue to  
23 renovate units and convert them to market rate, ahead of the expiration of rent restrictions.  
24 Exhibit C, incorporated herein by reference.
- 25 25. The Owners' conduct has forced vulnerable residents from their homes and directly contravenes  
26 the covenants intended to benefit very low and lower income residents of Coronado. As a result  
27 of the Owners' campaign, 20 of the 29 deed-restricted units are now vacant.
- 28 26. The Owners' actions threaten the broader public interest in preserving affordable housing and

1 honoring public commitments made in exchange for redevelopment financing. This systematic  
2 displacement has not only inflicted immediate hardship on Plaintiff's members, but also  
3 jeopardized critical affordable housing resources intended to benefit the community.

4 **FIRST CAUSE OF ACTION AGAINST DEFENDANTS**  
5 **FOR VIOLATION OF GOVERNMENT CODE SECTION 65863.10**

6 27. Plaintiff realleges and incorporates paragraphs 1-26, above, herein.

7 28. Del Island is an assisted housing development, as defined by Government Code § 65863.10,  
8 subdivision (a)(3)(N)(i).

9 29. Plaintiff is an association of affected tenants as defined by Government Code § 65863.10 (a)(2).  
10 As such Plaintiff is entitled to injunctive relief, pursuant to subdivision (j) of that section  
11 including, but not limited to, reimposition of the CC&Rs until the required notices are provided  
12 and the time period for each has elapsed and restitution of all rent increases collected without  
13 compliance with this section.

14 30. Without injunctive relief from this court, the affordable housing restrictions on Del Island will  
15 expire on January 31, 2025, in violation of the Affordable Housing Preservation Laws.

16 **Failure to Provide 3-Year Notice**

17 31. Pursuant to Government Code § 65863.10 (e)(2), the owner of an assisted housing development  
18 with rental restrictions scheduled to expire after January 1, 2021, shall, within three (3) years of  
19 the scheduled expiration of rental restrictions, provide notice of the scheduled expiration of  
20 rental restrictions to any prospective tenant at the time the prospective tenant is interviewed for  
21 eligibility, and to existing tenants by posting the notice in an accessible location of the property.  
22 This notice shall also be provided to affected public entities.

23 32. A template of the required 3-year notice, prepared by the State Department of Housing and  
24 Community Development (Department) and available at:  
25 <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/three-year-notice>  
26 is attached hereto and incorporated herein as Exhibit D.

27 33. Neither by January 31, 2023, nor since, have the Owners, or their predecessor in interest,  
28 provided notice of the scheduled expiration of rental restrictions, required by Government Code

1 § 65863.10 (e)(2), to any prospective tenant at the time the prospective tenant was interviewed  
2 for eligibility, or to existing tenants by posting the notice in an accessible location of the  
3 property. Nor was this notice provided to the Mayor of the City of Coronado, the Housing  
4 Authority of the County of San Diego and the Department, the affected public entities as  
5 defined by Government Code § 65863.10 (a)(1). Exhibit E.

6 **Failure to Provide 12-Month Notice**

7 34. Pursuant to Government Code § 65863.10 (b)(1), at least 12 months before the expiration of  
8 rental restrictions, the owner shall provide notice of the proposed change to each affected tenant  
9 household residing in the assisted housing development and to the affected public entities. The  
10 notice shall contain all of the following:

- 11 a. A statement that the restrictions will expire, and whether the owner might increase rents  
12 during the 12 months following expiration of rental restrictions;
- 13 b. The anticipated date of the expiration of rental restrictions, and the identity of the  
14 federal or other program described in subdivision (a);
- 15 c. A statement that the proposed change would have the effect of removing the current  
16 low-income affordability restrictions in the applicable contract or regulatory agreement;
- 17 d. A statement that a subsequent notice of the proposed change, including anticipated  
18 changes in rents, if any, for the development, will be provided at least six months prior  
19 to the expiration of rental restrictions; and
- 20 e. A statement that the notice of opportunity to submit an offer to purchase has been sent to  
21 qualified entities, is attached to or included in the notice, and is posted in the common  
22 area of the development, as required in Section 65863.11.

23 35. A template of the required 12-month notice, prepared by the Department, and available at:  
24 [https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/twelve-](https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/twelve-month-notice)  
25 [month-notice](https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/twelve-month-notice) is attached hereto and incorporated herein as Exhibit F.

26 36. Neither by January 31, 2025, nor since, have the Owners or their predecessor in interest  
27 provided the 12-month notice required by Government Code § 65863.10 (b)(1), to the tenants  
28 then residing at Del Island. Nor was notice provided to the Mayor of the City of Coronado, the

1 Housing Authority of the County of San Diego and the Department, the affected public entities  
2 as defined by Government Code § 65863.10 (a)(1). Exhibit E.

3 **Failure to Provide 6-month Notices**

4 37. Pursuant to Government Code § 65863.10 (c), at least six months before the expiration of rental  
5 restrictions, the owner shall provide notice of the proposed change to each affected tenant  
6 household then residing in the assisted housing development and to the affected public entities.

7 38. Pursuant to subdivision (c)(2), the 6-month notice to the tenants shall contain all of the  
8 following:

- 9 a. The anticipated date of the expiration of rental restrictions, and the identity of the  
10 federal or other program, as described in subdivision (a);
- 11 b. The current rent and rent anticipated for the unit during the 12 months immediately  
12 following the date of the expiration of rental restrictions;
- 13 c. A statement that a copy of the notice will be sent to the city, county, or city and county,  
14 where the assisted housing development is located, to the appropriate local public  
15 housing authority, if any, and to the Department;
- 16 d. A statement of the possibility that a rent increase may not take place due to the  
17 expiration of rental restrictions;
- 18 e. A statement of the owner's intention to participate in any current replacement subsidy  
19 program made available to the affected tenants;
- 20 f. A statement that the owner shall accept all enhanced Section 8 vouchers if the tenants  
21 receive them; and
- 22 g. The name and telephone number of the city, county, or city and county, the appropriate  
23 local public housing authority, if any, the Department, and a legal services organization,  
24 that can be contacted to request additional written information about an owner's  
25 responsibilities and the rights and options of an affected tenant.

26 39. A template of the required 6-month notice to affected tenants, prepared by the Department, and  
27 available at:  
28 <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/six-mont>

1 h-notice is attached hereto and incorporated herein as Exhibit G.

- 2 40. Pursuant to subdivision (c)(3), in addition to the information provided in the notice to the  
3 affected tenants, pursuant to subdivision (c)(2), as alleged in paragraph 27, above, the 6-month  
4 notice to the affected public entities shall contain information regarding:
- 5 a. The number of affected tenants in the project;
  - 6 b. The number of units that are government assisted and the type of assistance;
  - 7 c. The number of the units that are not government assisted;
  - 8 d. The number of bedrooms in each unit that is government assisted;
  - 9 e. The ages and income of the affected tenants; and
  - 10 f. The notice shall briefly describe the owner’s plans for the project, including:
    - 11 i. Any timetables or deadlines for actions to be taken and specific governmental  
12 approvals that are required to be obtained:
    - 13 ii. Any contacts the owner has made or is making with other governmental agencies  
14 or other interested parties in connection with the notice.

15 The information contained in the notice shall be based on data that is reasonably available from  
16 existing written tenant and project records.

- 17 41. A template of the required 6-month notice to public entities, prepared by the Department, and  
18 available at:  
19 <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/six-month>  
20 h-notice is attached hereto and incorporated herein as Exhibit H.

- 21 42. Pursuant to Government Code § 65863.10 (d), the owner of an assisted housing development in  
22 which there will be the expiration of rental restrictions shall provide additional notice of any  
23 significant changes to the notice required by subdivision (c) within seven business days to each  
24 affected tenant household residing in the assisted housing development and to the affected  
25 public entities. “Significant changes” shall include, but not be limited to, any changes to the  
26 date of termination or prepayment, or expiration of rental restrictions or the anticipated new  
27 rent.

- 28 43. Neither by July 31, 2025, nor since, have the Owners or their predecessor in interest provided

1 the 6-month notice required by Government Code § 65863.10 (c)(1), to the tenants then residing  
2 at Del Island. Nor was the tenant notice and the additional information required by subdivision  
3 (c)(3) provided to the Mayor of the City of Coronado, the Housing Authority of the County of  
4 San Diego and the Department, the affected public entities as defined by Government Code §  
5 65863.10 (a)(1). Exhibit E.

6 **Failure to Provide Notices to Prospective Tenants**

7 44. Pursuant to Government Code § 65863.10 (e)(1), an owner who is subject to the requirements  
8 of this section shall also provide a copy of any notices issued to existing tenants pursuant to  
9 subdivision (b), (c), or (d) to any prospective tenant at the time the prospective tenant is  
10 interviewed for eligibility.

11 45. At no time have the Owners or their predecessor in interest provided any of the notices required  
12 by Government Code § 65863.10 (e)(1) to any prospective tenant, at the time the prospective  
13 tenant was interviewed for eligibility or at any other time.

14 46. Pursuant to Government Code § 65863.10 (j), injunctive relief shall be available to any party  
15 including, but not limited to, a group of affected tenants. Injunctive relief pursuant to this  
16 subdivision may include, but is not limited to, reimposition of the prior restrictions until all  
17 required notices are provided and the required periods have elapsed, and restitution of all rent  
18 increases collected without compliance with this section.

19 **SECOND CAUSE OF ACTION AGAINST DEFENDANTS**

20 **FOR VIOLATION OF GOVERNMENT CODE SECTION 65863.11**

21 47. Plaintiff realleges and incorporates paragraphs 1-46, above, herein.

22 48. Pursuant to Government Code § 65863.11 (b), an owner of an assisted housing development in  
23 which there will be the expiration of rental restrictions shall provide each of the entities listed in  
24 subdivision (d) an opportunity to submit an offer to purchase the development, in compliance  
25 with subdivisions (g) and (h).

26 49. Pursuant to Government Code § 65863.11 (d), the entities to whom an opportunity to purchase  
27 shall be provided include only the following:

- 28 a. The tenant association of the development;

- b. Local nonprofit organizations and public agencies;
- c. Regional or national nonprofit organizations and regional or national public agencies;  
and
- d. Profit-motivated housing organizations or individuals.

50. Pursuant to Government Code § 65863.11 (g), the owner of an assisted housing development in which rental restrictions are due to expire, shall give notice of the opportunity to offer to purchase to each qualified entity on the list provided to the owner by the Department as well as to those qualified entities that directly contact the owner. The notice of the opportunity to offer to purchase must be given before or concurrently with the 12-month notice required pursuant to Section 65863.10 (b)(1). The owner shall contact the Department to obtain the list of qualified entities. The notice shall conform to the requirements of subdivision (h) and shall be sent to the entities by registered or certified mail, return receipt requested. The owner shall also post a copy of the notice in a conspicuous place in the common area of the development.

51. Pursuant to Government Code § 65863.11 (h), the initial notice of a bona fide opportunity to submit an offer to purchase (NOSOP) shall contain all of the following:

- a. Whether the owner intends to maintain the current number of affordable units and level of affordability;
- b. Whether the owner has an interest in selling the property.
- c. Whether the owner has executed a contract or agreement of at least five years' duration with a public entity to continue or replace subsidies to the property and to maintain an equal or greater number of units at an equal or deeper level of affordability and, if so, the length of the contract or agreement.
- d. A statement that each of the type of entities listed in subdivision (d), or any combination of them, has the right to purchase the development under this section;
- e. A statement that the owner will make available to each of the types of entities listed in subdivision (d), within 15 business days of receiving a request therefor, that includes all of the following:
  - i. Itemized lists of monthly operating expenses for the property;

- 1           ii.     Capital improvements, as determined by the owner, made within each of the two  
2                     preceding calendar years at the property;
- 3           iii.    The amount of project property reserves;
- 4           iv.    Copies of the two most recent financial and physical inspection reports on the  
5                     property, if any, filed with a federal, state, or local agency;
- 6           v.     The most recent rent roll for the property listing the rent paid for each unit and  
7                     the subsidy, if any, paid by a governmental agency as of the date the notice of  
8                     offer to purchase was made pursuant to subdivision (g);
- 9           vi.    A statement of the vacancy rate at the property for each of the two preceding  
10                    calendar years
- 11          vii.   The terms of assumable financing, if any, the terms of the subsidy contract, if  
12                    any, and proposed improvements to the property to be made by the owner in  
13                    connection with the sale, if any.
- 14          f.     A statement that the owner has satisfied all notice requirements pursuant to subdivision  
15                    (b) of Section 65863.10, unless the notice of opportunity to submit an offer to purchase  
16                    is delivered more than 12 months before the anticipated date of termination,  
17                    prepayment, or expiration of rental restrictions.
- 18   52.    A template of the required 12-month NOSOP, prepared by the Department, and available at:  
19            <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/nosop>  
20            attached hereto and incorporated herein as Exhibit H.
- 21   53.    Neither by January 31, 2025, nor since, have the Owners or their predecessor in interest  
22            provided the 12-month NOSOP required by Government Code § 65863.11, to entities and  
23            qualified entities.
- 24   54.    Del Island is a tenant association, as defined by Government Code § 65863.11 (a)(4).
- 25   55.    Pursuant to Government Code § 65863.11 (o)(1), the provisions of this section may be  
26            enforced, either in law or in equity, by a tenant association, as defined by Government Code §  
27            65863.11 (a)(4).

28   ///

1           **THIRD CAUSE OF ACTION AGAINST RESPONDENT, UNDER CODE OF CIVIL**  
2           **PROCEDURE SECTION 1085, FOR FAILURE TO ENFORCE THE CC&Rs**

3   56.    Petitioner realleges and incorporates paragraphs 1-55, herein.

4   57.    Petitioner and its members have a beneficial interest in the enforcement of the CC&Rs. If the  
5        CC&Rs are not enforced, the units at Del Island will remain vacant, substandard and/or convert  
6        to market rate or nightly rentals. Failure to ensure the enforcement of the CC&Rs deprives very  
7        low and lower income tenants of the opportunity to live in decent and affordable housing in the  
8        City.

9   58.    Respondent City, as the Successor Agency, is responsible for the monitoring and enforcement  
10       of the CC&Rs. Respondent has a clear and present statutory duty, under Community  
11       Redevelopment Law, to ensure that all enforceable obligations of the redevelopment agencies  
12       are fulfilled. At all relevant times Respondent had the legal ability to perform its duties but has  
13       failed to do so.

14   59.    Petitioner has no other plain, speedy, and adequate remedy in the ordinary course of law, other  
15       than the relief sought in this Petition.

16   60.    Despite requests for help from Petitioner members, Respondent took no action to enforce the  
17        CC&Rs, instead allowing Defendants to threaten tenants, push tenants out and renovate units,  
18        without the benefit of permits, to convert them to market rate or nightly rentals. The CC&Rs  
19        which Respondent has violated or allowed Defendants to violate and/or threaten to violate  
20        include, but are not limited to, the following:

21       a.    Owners shall make available, restrict occupancy to and rent fifteen (15) of the  
22            Affordable Units in the Property to Very Low Income Households, and fourteen (14) of  
23            the Affordable Units in the Property to Lower Income Households, with studios (4  
24            each), one bedrooms (5 each) and two bedrooms (6 to Very Low and 5 to Low)  
25            allocated equally between the income groups. The Affordable Units provided to Very  
26            Low Income Households shall not be less desirable with respect to such factors as size  
27            and location as those provided to Lower Income Households. Exhibit A, p.2, 1.A.

28       b.    The maximum rent chargeable for the Affordable Units shall not exceed the following as

1 established by the Department, per Exhibit A, pp. 2-3, 1.C.:

2 i. For studios:

3 (1) One-twelfth (1/12th) of 30 percent of 50 percent of area median income  
4 for a family of one (1) for Very Low Income Households; and

5 (2) One-twelfth (1/12th) of 30 percent of 60 percent of area median income  
6 for a family of one (1) for Lower Income Households;

7 ii. For one (1) bedrooms:

8 (1) One-twelfth (1/12th) of 30 percent of 50 percent of area median income  
9 for a family of two (2) for Very Low Income Households; and

10 (2) One-twelfth (1/12th) of 30 percent of 60 percent of area median income  
11 for a family of two (2) for Lower Income Households;

12 iii. For two (2) bedrooms:

13 (1) One-twelfth (1/12th) of 30 percent of 50 percent of area median income  
14 for a family of three (3) for Very Low Income Households; and

15 (2) One-twelfth (1/12th) of 30 percent of 60 percent of area median income  
16 for a family of three (3) for Lower Income Households.

17 c. The Owners shall formulate a fair and equitable method for selecting tenants for the  
18 Affordable Units. The method shall be subject to reasonable review and approval of the  
19 City. Exhibit A, p. 3, D.

20 d. To ensure proper management and operation of the property, the City may from time to  
21 time review and evaluate the identity and performance of the management and their  
22 compliance with the provisions of the CC&Rs. If management's performance is  
23 deficient, the City shall provide notice of the deficiencies. Upon default of the terms of  
24 the CC&Rs, the City shall requires Owners to immediately remove and replace  
25 management with experienced management that is reasonably acceptable to the City,  
26 and neither related to nor affiliated with the Owners. Exhibit A, pp. 3-4, 1.G.

27 e. None of the units nor any portion of the property shall at any time be utilized on a  
28 transient basis, including as a hotel, motel, dormitory or rooming house. Exhibit A, p. 6,

1 f. The Owners shall maintain the interiors and exteriors of Del island in a decent, safe and  
2 sanitary condition, in compliance with state law, Uniform Codes and City ordinances. If  
3 debris, waste material and general maintenance is not corrected within five (5) after  
4 written notice by the City or within thirty (30) days of written notice regarding building  
5 improvements and landscaping, the City may enter the property to protect, maintain and  
6 improve it, and impose a lien thereon. Exhibit A, p. 6, 5 and p. 7, 5 (c)(1).

7 g. In the event of the Owners' default, the City has the right to acquire the property at the  
8 fair market rent based on the deed restrictions. Exhibit A, p. 10, 11 (d).

9 61. Unless compelled by this Court to comply with their statutory obligations, Respondent City will  
10 continue to fail or refuse to perform its duties to monitor and enforce the CC&Rs causing injury  
11 to Petitioner, its members and the community. Petitioner requests a writ of mandate to compel  
12 the City to immediately enforce the CC&Rs and continue to do so during the full time period  
13 they are effective, as reimposed.

14 **PRAYER**

15 WHEREFORE, Plaintiff and Petitioner prays for the following:

- 16 1. For injunctive relief reimposing the Del Island CC&Rs until the notices required pursuant to  
17 Government Code §§ 65863.10 (b)-(e) and 65863.11 (b), (d), (g)-(h), have been provided and  
18 the time required for each notice has elapsed;
- 19 2. For injunctive relief requiring Defendant Owners or their successor to:
- 20 a. Provide restitution to displacees;
- 21 b. Offer displacees a right of first refusal to return to their former unit or a comparable unit  
22 in Del Island at their former, compliant rent;
- 23 c. Establish and maintain a wait-list of eligible tenants and rent the remaining vacant units  
24 to income-eligible tenants;
- 25 3. For relief enjoining Defendant Owners, their agents, employees and successors from
- 26 a. All unlawful practices complained of herein;
- 27 b. Violating the CC&Rs, unless and until the Department has verified that they have  
28 provided all of the notices required by Government Code §§ 65863.10 and 65863.11,

- 1 and the time period for each notice has elapsed;
- 2 c. Removing Del Island or any its 29 units from the affordable rental market, unless and
- 3 until the Department has verified that all notices have been provided pursuant to
- 4 Government Code §§ 65863.10 and 65863.11 and the time period for each notice has
- 5 elapsed, including by allowing their contractors, employees, agents or guests to occupy
- 6 any unit at Del Island;
- 7 d. Removing any tenant from Del Island, except for at-fault good cause, unless and until all
- 8 the Department has verified that all notices have been provided pursuant to Government
- 9 Code §§ 65863.10 and 65863.11, and the time period for each notice has elapsed;
- 10 e. Enforcing any “cash for keys” offer made with a current or displaced tenant to remove
- 11 them from Del Island;
- 12 f. Raising the rent, except in accordance with the deed restrictions and state law;
- 13 g. Maintaining substandard conditions at Del Island;
- 14 h. Undertaking any construction work or repairs which displaces any tenant;
- 15 i. Continuing or undertaking any construction work or repairs without the required
- 16 permits, licenses and insurance;
- 17 j. Doing construction work or repairs without safeguarding the health and safety of the
- 18 residents and public; and
- 19 k. Harassing or otherwise interfering with the quiet enjoyment of any tenant.
- 20 4. Restitution of rent increases incurred by affected tenants, as a result of Defendant Owners’
- 21 violation/s of Government Code §§ 65863.10 and/or 65863.11, in an amount according to proof;
- 22 5. A peremptory writ of mandate compelling the Respondent City as Successor Agency to the
- 23 Community Development Agency to enforce the CC&Rs, currently and as reimposed, until the
- 24 Department has verified that all notices required pursuant to Government Code §§ 65863.10
- 25 (b)-(e) and 65863.11 (b), (d), (g)-(h), have been provided and the time for each has elapsed;
- 26 6. Reasonable attorney fees and costs; and
- 27 ///
- 28 ///

1 7. Such other and further relief as is just and proper.

2 **AFFORDABLE HOUSING ADVOCATES**

3  
4 DATED: December 19, 2025

5 *Catherine A Rodman*  
6 \_\_\_\_\_  
7 Catherine A. Rodman, Esq.  
8 Attorneys for Plaintiff and Petitioner

9 **NATIONAL HOUSING LAW PROJECT**

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DATED: December 19, 2025

29 *Lila Gitesatani*  
30 \_\_\_\_\_  
31 Lila Gitesatani, Esq.  
32 Parisa Ijadi-Maghsoodi, Esq.  
33 Attorneys for Plaintiff and Petitioner

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#1122097-20  
RECORDED  
COMMERCIAL/INDUSTRIAL DEPARTMENT

DOC # 1996-0037685  
25-JAN-1996 11:07 AM

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OFFICIAL RECORDS  
SAN DIEGO COUNTY RECORDER'S OFFICE  
GREGORY SMITH, COUNTY RECORDER  
FEES: 0.00

RECORDING REQUESTED BY: )  
AND WHEN RECORDED MAIL TO: )  
)  
Community Development Agency )  
of the City of Coronado )  
1825 Strand Way )  
Coronado, California 92118 )  
Attention: Executive Director )

(Space above for Recorder's Use)  
This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

**DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS**

**THIS DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS** (the "Declaration") is made by **MOTEL DEL ISLAND**, a California general partnership (the "Covenantor"), as of the 2 day of January, 1996.

**RECITALS**

A. The Covenantor is fee owner of record of that certain real property (the "Property") located in the City of Coronado, County of San Diego, State of California, legally described in the attached Exhibit "A." The Property is the subject of an Affordable Housing Agreement (the "Agreement") entered into by and between the Community Development Agency of the City of Coronado (the "Covenantee") and Covenantor, dated as of January 3, 1996, a copy of which is on file with the Covenantee as a public record. Pursuant to the Agreement, the Covenantor is required to execute this Declaration which has been or shall be recorded among the official land records of the County of San Diego.

B. The Property is within the boundaries of the Coronado Community Development Project (the "Project") in the City of Coronado and is subject to the provisions of the "Development Plan" for the Project.

C. The Agreement provides for the execution and recordation of this document. Except as otherwise expressly provided in this Declaration, all terms shall have the same meanings as set forth in the Agreement. References to "Exhibits" shall refer to exhibits to the Agreement.

D. The Community Redevelopment Law (California Health and Safety Code 33000 *et seq.*) provides that a redevelopment agency shall establish covenants running with the land in furtherance of redevelopment plans.

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**NOW, THEREFORE, THE COVENANTOR HEREBY DECLARES AS FOLLOWS:****1. Affordable Housing**

**A. Income Level of Tenants.** Subject to the rights of existing tenants to remain in possession of their Affordable Units, as provided in Section 1(D) hereof, Covenantor agrees to make available, restrict occupancy to, and rent fifteen (15) of the Affordable Units in the Property to Very Low Income Households, and an additional fourteen (14) of the Affordable Units in the Property to Lower Income Households. To the extent possible, the Covenantor shall provide an equal number (four for each) of studio Affordable Units to Very Low Income Households and Lower Income Households, an equal number (five for each) of one bedroom Affordable Units to Very Low Income Households and Lower Income Households, and a roughly equal number (six for Very Low Income Households and five for Lower Income Households) of two bedroom Affordable Units to Very Low Income Households and Lower Income Households. The Affordable Units provided to Very Low Income Households shall not be less desirable (with respect to such factors as size and location) than those provided to Lower Income Households.

**B. Income Verification.** Prior to the rental or lease of any Affordable Unit in the Property to a tenant, and annually thereafter, the Covenantor shall submit to Covenantee, at Covenantor's expense, a completed income computation and certification form, in the form which is provided by the Covenantee. Covenantor shall obtain a certification from each tenant leasing an Affordable Unit demonstrating that such tenant is a Very Low Income Household or Lower Income Household, as applicable, and meets the eligibility requirements established for the Affordable Unit. Covenantor shall verify the income of each proposed and existing tenant of the Affordable Units in the Property by at least two of the following methods as appropriate (provided, however, that upon the request of Covenantor the Covenantee may in its reasonable discretion waive the requirement to provide a second method if it finds that one method is sufficient):

- (1) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods.
- (2) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed.
- (3) obtain an income verification certification from the employer of the person.
- (4) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies.
- (5) obtain an alternate form of income verification reasonably requested by Covenantee, if none of the above forms of verification is available to the Covenantor.

**C. Affordable Rent.** The maximum rent chargeable for the Affordable Units shall be in accordance with the following requirements:

(a) **Studio Units.** The Rent for studio Affordable Units required to be rented to Very Low Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of San Diego County Median Income for a family of one (1), as established by regulations of the California Department of Housing and Community Development. The Rent for studio Affordable Units required to be rented to Lower Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of San Diego County Median Income for a family of one (1), as established by regulations of the California Department of Housing and Community Development.

(b) **One Bedroom Units.** The Rent for one bedroom Affordable Units required to be rented to Very Low Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of San Diego County Median Income for a family of two (2), as established by regulations of the California Department of Housing and Community Development. The Rent for one bedroom Affordable Units required to be rented to Lower Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of San Diego County Median Income for a family of two (2), as established by regulations of the California Department of Housing and Community Development.

(c) **Two Bedroom Units.** The Rent for two bedroom Affordable Units required to be rented to Very Low Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of San Diego County Median Income for a family of three (3), as established by regulations of the California Department of Housing and Community Development. The Rent for one bedroom Affordable Units required to be rented to Lower Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of San Diego County Median Income for a family of three (3), as established by regulations of the California Department of Housing and Community Development.

**D. Selection of Tenants.** No tenants of the Affordable Units at the time of the execution of this Declaration or at the time of the disbursement of the Agency Assistance shall be evicted from their Affordable Units solely because such tenants do not meet the requirements of this Agreement. The Covenantor shall formulate a fair and equitable method for the selection of tenants of the Affordable Units. Preference shall be given to tenants who have been displaced by redevelopment activities of the Covenantee in the implementation of the Covenantee's redevelopment plans, if any. At the discretion of the Covenantee, such method of tenant selection shall be subject to the reasonable review and approval of the Covenantee.

**E. Duration of Affordability Requirements.** The Affordable Units in the Property shall be subject to the requirements of this Section 1 commencing on February 1, 1996, and ending January 31, 2026. The duration of this requirement shall be known as the "Affordability Period."

**F. Annual Reports.** Covenantor, at its expense, shall submit to the Covenantee the reports required pursuant to Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by the Covenantee. Each annual report shall cover the immediately preceding fiscal year.

**G. Long Term Management of the Property.** The parties acknowledge that the Covenantee is interested in the long term management and operation of the Property and in

the qualifications of any person or entity retained by the Covenantor for that purpose (the "Property Manager"). The Covenantee may from time to time review and evaluate the identity and performance of the Property Manager of the Property and the Property Manager's compliance with the provisions of the Agreement and this Declaration. If the Covenantee determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in the Agreement and this Declaration, the Covenantee shall provide notice to the Covenantor of such deficiencies and the Covenantor shall use its best efforts to correct such deficiencies. Upon Default of the terms of the Agreement or this Declaration by the Property Manager, the Covenantee shall have the right to require the Covenantor to immediately remove and replace the Property Manager with another property manager or property management company who is reasonably acceptable to the Covenantee, who is not related to or affiliated with the Covenantor, and who is experienced in managing multifamily residential developments. The foregoing covenants shall run with the land for the term of the Affordability Period.

## 2. Environmental Condition of the Property.

(a) **Covenantor's Obligation to Investigate and Remediate the Property After Agency Assistance Disbursement.** After the disbursement of any part of the Agency Assistance to or on behalf of the Covenantor, and notwithstanding the obligation of Covenantor to indemnify Covenantee pursuant to Section 2.5(c) of the Agreement or any other obligations of the Covenantor pursuant to this Declaration, Covenantor shall, at its sole cost and expense, promptly take (i) all actions required by any federal, state or local governmental agency or political subdivision or any Governmental Requirements with respect to the Property, and (ii) all actions necessary to make full economic use of the Property for the purposes described in this Agreement, which actions, requirements or necessity arise from the presence upon, about or beneath the Property of any Hazardous Materials or Hazardous Materials Contamination regardless of when such Hazardous Materials or Hazardous Materials Contamination were introduced to the Property and regardless of who is responsible for introducing such Hazardous Materials or Hazardous Materials Contamination to the Property, or portion thereof (the "Remediation"). The Remediation shall include, but not be limited to, an initial investigation of the environmental condition of the Property, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work required. The Covenantor shall take all actions necessary to promptly restore the Property to an environmentally sound condition for uses contemplated by this Agreement, notwithstanding any lesser standard of remediation allowable under applicable Governmental Requirements. In addition, the Covenantor shall make all disclosures and warnings to tenants of the Property with respect to the presence of Hazardous Materials which may be required by applicable Governmental Requirements. The Covenantor's obligations under this Section 2(a) shall survive the issuance of the Release of Construction Covenants.

(b) **Indemnification.** Covenantor shall save, protect, pay for, defend, indemnify and hold harmless the Covenantee and the City and their respective officers, employees, representatives and agents, from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs) (the foregoing are hereinafter collectively referred to as "Liabilities") which may now or in the future be incurred or

suffered by the Covenantee or the City or their officers, employees, representatives or agents by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of (i) any negligent act or omission on the part of Covenantor, or its agents, employees, representatives, agents, contractors or invitees, (ii) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Property of any Hazardous Materials or Hazardous Materials Contamination after the disbursement of the Agency Assistance proceeds, (iii) the environmental condition of the Property, and (iv) any Liabilities incurred after the Covenantor's acquisition of the Property under any Governmental Requirements relating to Hazardous Materials.

(c) **Release.** The Covenantor hereby waives, releases and discharges forever the Covenantee and the City, and their employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with the Covenantee's or the Covenantor's use, maintenance, ownership or operation of the Property, any Hazardous Materials on the Property, or the existence of Hazardous Materials Contamination in any state on the Property, however they came to be placed there, except that arising out of the negligence or misconduct of the Covenantee or its employees, officers, agents or representatives.

The Covenantor acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

As such relates to this Section 2(c), the Covenantor hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

(d) **Duty to Prevent Hazardous Material Contamination.** During the Affordability Period, the Covenantor shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Property. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the Covenantor shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the then prevailing standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

(e) **Environmental Inquiries.** The Covenantor shall notify the Covenantee, and provide to the Covenantee a copy or copies, of any environmental permits, disclosures, applications, entitlements or inquiries relating to the Property: notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and the Covenantor shall report to the Covenantee, as soon as possible after each incident, any unusual, potentially important incidents. In the event of a release of any Hazardous Materials into the environment, the Covenantor shall, as soon as possible after the release, furnish to the

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Covenantee a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of the Covenantee, the Covenantor shall furnish to the Covenantee a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits and reports.

**3. Compliance with Agreement.** Covenantor shall commence and complete the Rehabilitation of the Property, and carry out the design, Rehabilitation and operation of the Property in compliance with all applicable laws, and in accordance with the Agreement and all attachments thereto.

**4. Non-Discrimination Covenants.** Covenantor by and for itself, its successors 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 persons on account of race, color, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Covenantor 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 Property. The covenants in this paragraph 4 shall run with the land for the term of the Affordability Period.

**5. Maintenance of the Property.** The Covenantor shall maintain or cause to be maintained the interiors and exteriors of the Property in a decent, safe and sanitary manner, in accordance with the standard of maintenance of similar housing units within the City, and in accordance with the maintenance standards which are set forth in the Declaration. None of the dwelling units on the Property shall at any time be utilized on a transient basis nor shall the Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. The Covenantor shall not convert the Property to condominium ownership without the prior written approval of the Covenantee, which approval the Covenantee may grant, withhold or deny in its sole and absolute discretion. If at any time Covenantor fails to maintain the Property in accordance with this Declaration or the Agreement and such condition is not corrected within five days after written notice from the Covenantee with respect to graffiti, debris, waste material, and general maintenance, or thirty days after written notice from the Covenantee with respect to landscaping and building improvements, then the Covenantee, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Property and perform all acts and work necessary to protect, maintain, and preserve the Improvements and landscaped areas on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Covenantee and/or costs of such cure, including a fifteen percent (15%) administrative charge, which amount shall be promptly paid by Covenantor to the Covenantee upon demand.

Covenantor shall properly maintain the buildings, landscaping and yard areas on the Property, in accordance with the City's Municipal Code and according to the following standards:

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(a) rights of way, including:

- No improperly maintained landscaping shall be visible from public
- (1) no lawns with grasses in excess of six (6) inches in height;
  - (2) no untrimmed hedges;
  - (3) no trees, shrubbery, lawns, and other plant life dying from lack of water or other necessary maintenance;
  - (4) no trees and shrubbery grown uncontrolled without proper pruning;
  - (5) no vegetation so overgrown as to be likely to harbor rats or vermin;
  - (6) no dead, decayed or diseased trees, weeds and other vegetation.

(b) No yard areas or balconies shall be left unmaintained, including:

- (1) no broken or discarded furniture, appliances and other household equipment stored in yard areas for periods exceeding one (1) week;
- (2) no packing boxes, lumber, trash, dirt and other debris stored in yards for periods exceeding one (1) week in areas visible from public property or neighboring properties;
- (3) no unscreened trash cans, bins or containers stored for unreasonable periods in areas visible from public property or neighboring properties; and
- (4) no vehicles parked or stored in other than approved parking areas.

(c) No buildings may be left in an unmaintained condition, including:

- (1) no violations of state law, Uniform Codes, or City ordinances;
- (2) no condition that constitutes an unsightly appearance that detracts from the aesthetics or property value of the subject property or constitutes a private or public nuisance;
- (3) no broken windows or chipped, cracked or peeling paint; and

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- (4) no conditions constituting hazards and/or inviting trespassers or malicious mischief.

If such buildings, landscaping or yard areas are not so maintained, and such condition is not corrected as soon as possible after notice thereof from Covenantee or the City of Coronado, then either Covenantee or the City may perform the necessary maintenance and Covenantor or successor homeowners association shall pay such costs as are reasonably incurred for such maintenance. This covenant shall remain in effect for the term of the Development Plan.

**6. Covenants Do Not Impair Lien.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Declaration shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest.

**7. Conflict with Other Laws; Severability.** In the event that any provision of this Declaration is found to be contrary to applicable law or the Declaration, then the contrary provisions of this Declaration shall be deemed to mean those provisions which are enforceable and consistent with such laws and policies. The remaining portions of this Declaration shall be deemed modified in a manner which is consistent with the goals and intent of this Declaration to provide housing at an Affordable Rent to Very Low and Lower Income Households. Every provision of this Declaration is intended to be severable. In the event any term or provision of this Declaration is declared by a court of competent jurisdiction to be unlawful, invalid or unenforceable for any reason, such determination shall not affect the balance of the terms and provisions of this Declaration, which terms and provisions shall remain binding and enforceable.

**8. Covenants For Benefit of City and Covenantee.** All covenants without regard to technical classification or designation shall be binding for the benefit of the Covenantee and the City of Coronado (the "City") and such covenants shall run in favor of the Covenantee and the City for the entire period during which such covenants shall be in force and effect, without regard to whether the Covenantee or the City is or remains an owner of any land or interest therein to which such covenants relate. The Covenantee and the City, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper legal proceedings to enforce and to cure such breach to which it or any other beneficiaries of these covenants may be entitled during the term specified for such covenants, except the covenants against discrimination which may be enforced at law or in equity at any time in perpetuity.

**9. Notices, Demands and Communications.** Written notices, demands and communications between the Covenantor and the Covenantee shall be sufficiently given if delivered by hand or dispatched by registered or certified mail, postage prepaid, return receipt requested, as follows:

Covenantor: The Motel Del Island  
1705 San Luis Rey  
Coronado, California 92118

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With a Rosalie Dial  
copy to: 16681 Pearl Lane  
Huntington Beach, California 92649

Covenantee: Community Development Agency of the City of Coronado  
Attention: Executive Director  
1825 Strand Way  
Coronado, California 92118

Such addresses for notice may be changed from time to time upon notice to the other party.

Any written notice, demand or communication shall be deemed received immediately if delivered by hand and shall be deemed received on the fifth (5th) calendar day from the date it is postmarked if delivered by registered or certified mail.

**10. Expiration Date.** This Declaration shall automatically terminate and be of no further force or effect as of January 31, 2026, except as otherwise provided in this Declaration.

**11. Covenantee Remedies.** The occurrence of any Event of Default under this Declaration will either at the option of the Covenantee or automatically where so specified, entitle the Covenantee to proceed with any and all remedies set forth in the Agreement, including but not limited to the following:

(a) **Specific Performance.** The Covenantee shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Covenantor to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Declaration.

(b) **Right to Cure at Covenantor's Expense.** The Covenantee shall have the right to cure any monetary default by Covenantor under a loan or grant other than the Agency Assistance; provided, however, that if the Covenantor is in good faith contesting a claim of default under a loan and the Covenantee's interest under this Agreement is not imminently threatened by such default, the Covenantee shall not have the right to cure such default. The Covenantor agrees to reimburse the Covenantee for any funds advanced by the Covenantee to cure a monetary default by Covenantor upon demand therefore, together with interest thereon at the rate of ten percent (10%) per annum, from the date of expenditure until the date of reimbursement.

(c) **Termination by Covenantee.** The Covenantee shall have the right to terminate this Agreement and at its sole option to seek any remedies at law or equity available hereunder. In the event that the Covenantee terminates this Agreement after the distribution of the Agency Assistance, the Covenantor shall pay to the Covenantee an amount equal to the Agency Assistance, multiplied by a fraction, the numerator of which is the number of full and partial years remaining in the Affordability Period, and the denominator of which is thirty (30). For example, if the Agreement were terminated by the Covenantee ten years and six months after the disbursement of the Agency Assistance, and if the amount of the Agency Assistance were One Million Seven Hundred Thousand Dollars (\$1,700,000), the Covenantor would be required

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to pay to the Covenantee the amount of the Agency Assistance (\$1,700,000) multiplied by 20/30, or \$1,133,333.

(d) **Right to Purchase Property.** The Covenantee shall have the right to acquire the Property from the Covenantor upon the occurrence of any Event of Default by Covenantor which is not cured within the applicable time for cure. The consideration for the Covenantee's acquisition of the Property shall be the fair market value of the Property, assuming that all of the requirements of this Agreement will continue to apply to the Property for the term set forth herein. The parties shall use good faith efforts to arrive at a mutually agreeable fair market value price. If the parties are unsuccessful in arriving at a mutually acceptable fair market value, the parties shall mutually select an independent appraiser who has not worked in the past for either party, who shall determine the fair market value of the Property. Such appraiser's determination of fair market value shall be binding and conclusive between the parties. The cost of such appraiser shall be shared equally between the Covenantee and Covenantor. The Covenantee and the Covenantor shall execute such assignment and assumption agreements, grant deeds and other documents as may be necessary or appropriate to effect such acquisition.

IN WITNESS WHEREOF, the Covenantor have caused this instrument to be executed on its behalf by its officers hereunto duly authorized as of the date set forth above.

MOTEL DEL ISLAND, a California general partnership

By: [Signature]  
Ledyard B. Hanks, Jr., General Partner

By: [Signature]  
Rosalie Dial, General Partner

"COVENANTOR"

APPROVED AND ACCEPTED:

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF CORONADO, a public body, corporate and politic

By: [Signature]  
Its: [Signature]

"COVENANTEE"

OFFICIAL RECORDS, GREGORY J. SMITH, SAN DIEGO RECORDER/COUNTY CLERK

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ATTEST:

*Esting* *Jean Fortune*  
Agency Secretary

APPROVED AS TO FORM:

*Jim Hutz*  
Stradling, Yocca, Carlson & Rauth  
Agency Special Counsel

OFFICIAL RECORDS, GREGORY J. SMITH, SAN DIEGO RECORDER/COUNTY CLERK



877

**Exhibit "A"**

**LEGAL DESCRIPTION OF PROPERTY**

That real property located in the State of California, County of San Diego, City of Coronado, and described as follows:

**LOTS 13 THROUGH 20 IN BLOCK 142 OF CORONADO BEACH SOUTH ISLAND, IN THE CITY OF CORONADO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 376, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 12, 1886.**

OFFICIAL RECORDS, GREGORY J. SMITH, SAN DIEGO RECORDER/COUNTY CLERK



State of California )  
 ) ss.  
County of San Diego )

On January 12, 1996, before me, Donna R. Thompson, Notary Public  
*(name, title of officer, e.g., "Jane Doe, Notary Public")*  
personally appeared Mary Herron  
*(name(s) of signer(s))*

- personally known to me —OR—
- 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 acknowledged 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 person(s) acted, executed the instrument.

Witness my hand and official seal.



Donna R. Thompson  
*(Signature of Notary)*

Capacity claimed by signer: *(This section is OPTIONAL.)*

- Individual
- Corporate Officer(s): \_\_\_\_\_
- Partner(s):
  - General  Limited
- Attorney-in-fact
- Trustee(s)
- Guardian/Conservator
- Other: Chair

Signer is representing: Community Development Agency of the City of  
*(name of person(s) or entity(ies))*  
Coronado

Attention Notary: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

**THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:**  
Title or Type of Document Declaration of Conditions, Covenants and Restrictions  
Number of Pages \_\_\_\_\_ Date of Document 1/12/96  
Signer(s) Other than Named Above Ledyard B. Hakes, Jr. and Rosalie Dial

OFFICIAL RECORDS, GREGORY J. SMITH, SAN DIEGO RECORDER/COUNTY CLERK

State of California )  
 ) ss.  
County of San Diego )

On January 12, 1996, before me, Donna R. Thompson, Notary Public  
(name, title of officer, e.g., "Jane Doe, Notary Public")  
personally appeared Ledyard B. Hakes, Jr. and Rosalie Dial  
(name(s) of signer(s))

- personally known to me —OR—
- 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 acknowledged 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 person(s) acted, executed the instrument.

Witness my hand and official seal.



Donna R. Thompson  
(Signature of Notary)

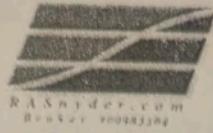
Capacity claimed by signer: (This section is OPTIONAL.)

- Individual
- Corporate Officer(s): \_\_\_\_\_
- Partner(s):
  - General  Limited
- Attorney-in-fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

Signer is representing: Motel Del Island, a California general  
(name of person(s) or entity(ies))  
partnership

Attention Notary: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

**THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:** Title or Type of Document Declaration of Conditions, Covenants and Restrictions  
Number of Pages \_\_\_\_\_ Date of Document 1/12/96  
Signer(s) Other than Named Above Mary Herron



**R.A. SNYDER  
PROPERTIES, INC.**  
2909 Camino del Rio South, San Diego, CA 92108  
Tel: 619-592-7174 • www.rasnnyder.com

May 22, 2025

All Residents:

308 Orange formally Del Island

RE: Change of Management

Dear Residents,

We are pleased to announce that effective May 22, 2025, R.A. Snyder Properties Inc will assume management of your apartment community.

Please pay your June 2025 rent by check, cashier's check or money order only. Online payments will not be available for June. There will be a drop box added for your convenience by mailboxes. We are currently building a new website and resident portal.

Should you have any questions about rental payments or concerns about work orders please let Mursal, your new property manager, know.

Thank you all for your cooperation.

Mursal Noori-Valenzuela

619-731-2230

[mursal.noori.valenzuela@rasnyder.com](mailto:mursal.noori.valenzuela@rasnyder.com)

Deborah L. McKinney-Splinter

Regional Property Manager

Email: [Debbie@rasnyder.com](mailto:Debbie@rasnyder.com)

Office: 619-793-4030

Agent DRE#01265714

Broker DRE: #00983304

August 4, 2025



Dear Resident,

We hope this message finds you well. Enclosed you will find paperwork required by the City of Coronado to verify your eligibility under the affordable housing program. Please complete and return the forms as soon as possible so we may submit them to the city on your behalf.

As you may know, your apartment community was recently sold. For nearly 30 years, the former owner maintained an agreement with the City of Coronado to operate the property as affordable housing. This agreement is scheduled to expire in January 2026, and at that time, we will no longer be participating in the affordable housing program.

As part of this transition, some apartment homes are currently undergoing renovations and will be made available at full market rent. If you are interested in one of the newly renovated units, you are welcome to apply when leasing begins.

While reviewing the current affordable housing rental rate schedules, we noticed that your current rent is below the most recently published rates (please see the attached rate sheet). However, for any residents that agree to the below unit-vacation agreement, we will not be raising your rent during the remainder of the affordability agreement period.

In recognition of the impact this change may have, we would like to offer voluntary relocation assistance for residents who wish to move prior to the expiration of the affordability agreement. This includes a return of your full security deposit, one month's rent, and an additional moving bonus based on your preferred timeline:

Vacate within 60 days from the date of this notice: Receive \$3,000.00 bonus

Vacate within 90 days from the date of this notice: Receive \$2,000.00 bonus

Vacate within 120 days from the date of this notice: Receive \$1,000.00 bonus

We truly appreciate the time you have spent as a resident and understand that moving can be both emotional and logistically challenging. We want to support you through this process in any way we can.

If you have any questions or would like to discuss your options, please feel free to contact your community manager, Mursal Noori-Valenzuela at (619) 731-2230, or reach out to me directly at (619) 793-4030.

Sincerely,

*Deborah McKinney-Splinter*

Regional Property Manager

R.A. Snyder Properties, Inc., Broker: #00983304

Debbie.Mckinney@rasnyder.com

(619) 793-4030

**NOTICE: AFFORDABLE RENT RESTRICTIONS AT THIS PROPERTY ARE SCHEDULED TO EXPIRE IN THREE YEARS**  
**You are being provided advance notice as required by state law.**  
**(Government Code 65863.10)**

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

**Date** \_\_\_\_\_

**Property Name** \_\_\_\_\_  
**Property Address** \_\_\_\_\_  
**City, State, Zip** \_\_\_\_\_

To Residents,

**RE: IMPORTANT INFORMATION ABOUT YOUR RENT AND HOUSING**

The owner of \_\_\_\_\_ (*insert name of assisted housing development*) (Owner) located at \_\_\_\_\_ (*insert address of assisted housing development*) is providing you with this notice, as required by state law ([Government Code Section 65863.10, subdivision \(e\)\(2\)](#)), that, in **three years**, the rules that keep your rent affordable may no longer apply. These rules are part of the following program(s):

Choose a program

If you selected Other, in the section above, provide a description \_\_\_\_\_  
\_\_\_\_\_

Currently, this program keeps the rent on your current unit, or the unit you are applying for, at a more affordable level. The Owner's contract to participate in this program ends on \_\_\_\_\_ (*insert date affordability ends, at least three years from date of this letter*). At that time, the Owner may choose to:

- end participation in the above program on that date;
- renew the requirements to keep the property affordable; or
- transfer the property to an affordable housing provider.

If the Owner ends their participation in the above program, or the contract expires, the amount of rent you pay, and the rent limits on your unit, could increase.

You may have options to keep your unit affordable. If you would like assistance understanding your rights and options, contact the City Mayor or Board of Supervisors, the local Public Housing Authority, the Department of Housing and Community Development, the Area Legal Services Organization, or the Local

HUD office. The contact information for these entities can be found on pages three and four of this notice in the “cc” section.

**Current Residents:**

**You should not immediately move or agree to move.** This notice is simply to inform you of possible changes three years from now. State law requires that you receive two more notices, similar to this one, at least twelve months, and at least six months, before \_\_\_\_\_ (***insert date affordability ends***) with information about how much your rent might change, and when. **Changes to your rent from the termination or expiration of the rental restrictions will not occur before \_\_\_\_\_ (*insert date at least three years from the date of this letter*).**

Before that date, other rent increases may occur under the existing rules for this property.

**Prospective Residents:**

The requirements to keep the rent affordable that currently apply to this property are set to expire on \_\_\_\_\_ (***insert date affordability ends***). If the Owner or property manager determines that you are eligible, you can still move into this property. However, the Owner is required to notify you about a rent increase that could occur in the future when this expiration occurs. If you become a resident of this property, state law requires that you receive two more notices, similar to this one, at least twelve months, and at least six months, before \_\_\_\_\_ (***insert date affordability ends***) with information about how much your rent might change, and when.

**If you need more information or assistance:**

This notice is informational only, and you are not required to take any action at this time. If you want to contact organizations that can advise and assist you, these organizations and their contact information are listed on pages three and four of this notice in the “cc” section. The Mayor or Board of Supervisors for the City or County, the Local Housing Authority Director and the California Department of Housing and Community Development have also received this notice. You should consider all of your options before you take any action.

If the Owner decides to sell the property, state law also requires the owner to notify certain qualified entities (including a tenant organization) that have indicated an interest in purchasing the property and keeping rents affordable.

If you have any questions about this notice, the Owner or Agent can be contacted at:

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

Sincerely,

\_\_\_\_\_

**Government Code section 65863.10(e)(2) requires the actions listed below to be completed. A filled-out checkbox indicates the action has been or will be completed.**

- The three-year notice has been posted in an accessible location of the property for existing tenants. Date posted: \_\_\_\_\_
- The three-year notice has been sent to affected public entities including the California Department of Housing and Community Development.
- The three-year notice will be provided to prospective tenants at their eligibility interview.

I acknowledge the requirements noted above and attest to completing the required actions noted in Government Code section 65863.10(e)(2).

Owner or Agent Name: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**cc:**

**Required Entities to be Notified (Affected Public Entities):**

*\*Owners are encouraged to inform tenants of the resources available to them as an attachment to this notice about your rent and housing. Tenants can contact the agencies/organizations listed below if they have additional questions or need assistance.*

**Mayor or Board of Supervisors for City or County**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Local Public Housing Authority Director**

*If you choose to move, the local Public Housing Authority may be able to provide resources about other affordable housing opportunities in your area.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**California Department of Housing and Community Development**

Division of Housing Policy Development

Attention: PRESERVATION

651 Bannon Street, Suite 400

Sacramento, CA 95811

Telephone Number: (916) 263-2911

Or via the [Affordable Housing Preservation Portal](#)

**Optional Entities to be Notified:**

**Local HUD Office**

*If you choose to move, the local offices of the Department of Housing and Urban Development (HUD) may be able to provide resources about other affordable housing opportunities in your area.*

[www.hud.gov/states/california/renting](http://www.hud.gov/states/california/renting).

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Area Legal Services Organization**

*If you have questions about tenant rights and owner responsibilities under the Preservation Notice Law requirements, area legal service organizations can help to advise you.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400, Sacramento, CA 95811  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



November 25, 2025

Scott Darnell & Gena Hedrick  
308 Orange, LLC  
11720 El Camino Real, Suite 250  
San Diego, CA 92130

Dear Scott Darnell & Gena Hedrick:

**RE: Del Island – Letter of Technical Assistance**

The California Department of Housing and Community Development (HCD) is responsible for implementing the state Affordable Housing Preservation Law (AHPL).<sup>1</sup> This technical assistance letter follows ongoing notifications from HCD to R. A. Snyder (Property Management) and 308 Orange, LLC (Owner) regarding Del Island's required compliance with AHPL. Del Island (Property) is located at 308-330 Orange Avenue in the City of Coronado. HCD is informed that all 29 units at the Property will reach the end of their affordability period on February 1, 2026.

The purpose of this letter is to provide continued technical assistance to the Owner of the Property of its legal obligations under AHPL. Please be advised that failure to provide the proper required notices could result in a violation of AHPL under Government Code sections 65863.10<sup>2</sup> and 65863.11.<sup>3</sup>

HCD acknowledges receipt of additional information from the Owner on November 19, 2025. Notwithstanding receipt of this information and as discussed in the meeting on November 14, 2025, the following technical assistance outlines the Owner's legal obligations to follow and meet the requirements of AHPL and the consequences for failing to do so.

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<sup>1</sup> Gov. Code, §§ 65863.10, 65863.11, and 65863.13.

<sup>2</sup> Available at

[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=65863.10.&lawCode=GOV](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65863.10.&lawCode=GOV).

<sup>3</sup> Available at

[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=65863.11.&lawCode=GOV](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65863.11.&lawCode=GOV).

## **Background**

On September 19, 2025, HCD emailed the Property Management requesting a copy of the Property's Regulatory Agreement to determine whether the Property may be subject to AHPL. After the Owner provided a copy of the Regulatory Agreement, HCD determined that the Property is subject to AHPL per Government Code Sections 65863.10 and 65863.11.

On October 6, 2025, HCD held a meeting with the Owner and their attorney to gather information about the Property and provide technical assistance for compliance with AHPL. Following the meeting, on October 7, 2025, HCD provided a summary email requesting copies of lawful notices issued and the current occupancy status at the Property. HCD also reminded the Owner of their obligation to issue a Three-Year Notice if no compliant notices are found. On November 6, 2025, the Owner stated to HCD that nine units are currently occupied at the Property, and 13 tenants have vacated the property since the recent change in ownership. The Owner also stated to HCD that the City has not been in receipt of any notices, pursuant to AHPL, previous to their ownership. The Owners have not provided HCD or the tenants with the legally required written notices under Government Code section 65863.10, subdivisions (b), (c), and (e).

## **Affordable Housing Preservation Law**

Owners of assisted housing developments, as defined in Government Code section 65863.10, subdivision (3), are prohibited from terminating subsidy contracts, prepaying a federally assisted mortgage, or allowing the expiration of rental restrictions without first meeting the requirements under AHPL. Pursuant to Government Code section 65863.10, subdivision (a)(5), "expiration" refers to expiration of the rental restriction unless the development has other recorded agreements restricting the rent to the same or lesser levels for at least 50 percent of the units or the same number of units under the rent restrictions prior to the expiration, whichever is greater. Owners are required to provide an exclusive "Notice of Opportunity to Submit an Offer to Purchase"<sup>4</sup> (NOSOP) to Qualified Entities as listed on HCD's website.<sup>5</sup> Additionally, Three-Year Notices, Twelve-Month Notices, and Six-Month Notices are required to be provided to affected tenants and prospective tenants prior to the anticipated date of the termination of a subsidy contract, the expiration of rental restrictions, or prepayment of an assisted housing development.<sup>6</sup>

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<sup>4</sup> Gov. Code, § 65863.11.

<sup>5</sup> HCD's Preservation website available at <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing>.

<sup>6</sup> Gov. Code, § 65863.10.

HCD is responsible for implementing the AHPL, found in Government Code sections 65863.10, 65863.11, and 65863.13, and templates for the notices required by Government Code sections 65863.10 and 65863.11 can be found on the HCD website.<sup>7</sup>

HCD is charged with the duty to monitor compliance with these sections and refer violations to the California Office of the Attorney General for appropriate enforcement action.<sup>8</sup>

### **Conclusion and Next Steps**

To comply with AHPL, the Owner is required to issue the following notices:

- Three-Year Notices to Affected Public Entities and Affected Tenants.<sup>9</sup> The affordability restrictions will not expire until three years from the issuance of this notice.
- Twelve-Month Notices to Affected Public Entities and Affected Tenants.<sup>10</sup> This notice must be issued at the appropriate time after the Three-Year Notice has been properly issued.
- A Notice of Opportunity to Submit an Offer to Purchase must be issued prior to or concurrent with the Twelve-Month Notice.<sup>11</sup>
- Six-Month Notices to Affected Public Entities and Affected Tenants.<sup>12</sup> This notice must be issued at the appropriate time after the Three-year, Twelve-month and NOSOP have been properly issued.

Additionally, the Owner must register the Property and annually certify compliance<sup>13</sup> with AHPL via the Affordable Housing Preservation Portal found on HCD's website.<sup>14</sup> Additional information on requirements pertaining to AHPL can be found on HCD's website.<sup>15</sup>

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<sup>7</sup> Notice templates available at <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing>.

<sup>8</sup> Gov. Code, § 65863.11, subd. (n)(4).

<sup>9</sup> Gov. Code, § 65863.10, subd. (e)(2).

<sup>10</sup> Gov. Code, § 65863.10, subd. (b).

<sup>11</sup> Gov. Code, § 65863.11.

<sup>12</sup> Gov. Code, § 65863.10, subd. (c)(1).

<sup>13</sup> Gov. Code, § 65863.11, subd. (n)(3)(B).

<sup>14</sup> Affordable Housing Preservation Portal available at <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing/annual-owner-compliance-certification>.

<sup>15</sup> HCD's Preservation website available at <https://www.hcd.ca.gov/planning-and-research/preserving-existing-affordable-housing>.

Scott Darnell & Gena Hedrick, Owners

Page 4

Failure to comply with AHPL may be grounds for enforcement action by the state. HCD requests that the Owner provide a written response to this letter by December 25, 2025, indicating a proposed timeline for submitting a Three-Year Notice and indicating how the Owner will implement the guidance in this letter to ensure compliance with AHPL.

HCD is available to assist you through the process. If you have questions or need additional information, please email J. April Martinez, Housing Policy Analyst at [jennifer.martinez@hcd.ca.gov](mailto:jennifer.martinez@hcd.ca.gov).

Sincerely,

A handwritten signature in cursive script that reads "Laura Nunn".

Laura Nunn  
Housing Accountability Unit Chief

**NOTICE: AFFORDABLE RENT RESTRICTIONS AT THIS PROPERTY ARE SCHEDULED TO EXPIRE IN TWELVE MONTHS**  
**You are being provided advance notice as required by state law (Government Code 65863.10)**

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

**Date** \_\_\_\_\_

**Property Name** \_\_\_\_\_  
**Property Address** \_\_\_\_\_  
**City, State, Zip** \_\_\_\_\_

To \_\_\_\_\_ or Prospective Resident,

**RE: IMPORTANT INFORMATION ABOUT YOUR RENT AND HOUSING**

The owner of \_\_\_\_\_ (*insert name of assisted housing development*) (Owner) located at \_\_\_\_\_ (*insert address of assisted housing development*) is providing you with this notice, as required by state law ([Government Code Section 65863.10\(b\)](#)), that, in **twelve months**, the rules that keep your rent affordable may no longer apply. These rules are part of the following program(s):

Choose a program

If you selected Other, in the section above, provide a description \_\_\_\_\_  
\_\_\_\_\_

Currently, the program listed above keeps the rent on your apartment, or the apartment you are applying for, at a more affordable level.

- The Owner could end participation in the program and the current rent and occupancy restrictions will expire on \_\_\_\_\_.
- The Owner intends to prepay a government assisted mortgage that will remove the occupancy restrictions on \_\_\_\_\_.
- The Owner intends to terminate participation in a federal, state, or local government or nongovernmental rental subsidy program on \_\_\_\_\_.

However, the Owner may choose not to take this action, and may remain in the program after the proposed date of termination.

If the Owner ends their participation in the above program, or the contract expires, the amount of rent you pay could increase. At this time, the Owner choose an item increasing rents during the 12 months following expiration. If you would like assistance understanding your rights and options, contact the City Mayor or Board of Supervisors, the local Public Housing Authority, the Department of Housing and Community Development, the Area Legal Services Organization, or the Local HUD office. The contact information for these entities can be found under the “cc” section of this notice on pages four and five.

**Current Residents:**

**You should not immediately move or agree to move.** State law requires that you receive another notice, similar to this one, six months prior to the anticipated date of the termination or expiration, with information about how much your rent would change, and when. Changes to your rent from the termination or expiration of the rental restrictions will not occur before \_\_\_\_\_ (***insert date affordability ends***).

**Prospective Residents:**

The requirements to keep the rent affordable that currently apply to this property are set to expire on \_\_\_\_\_ (***insert date affordability ends***). If the Owner or property manager determines that you are eligible, you can still move into this property, but the owner is required to notify you about a rent increase that could occur in the future. The rent increase could result from the expiration of restrictions to keep the rent affordable. If you become a resident of this property, state law requires that you receive another notice, similar to this one, six months before any changes to your rent, with information about how much your rent could change and when.

**If you need more information or assistance:**

The names of the organizations that can advise and assist you are in the “cc” section of this notice on pages four and five. Your options as a tenant are included in the attached document, titled “Tenant Advisory and Options”. The organizations listed in the “Required Entities to be Notified” section of this notice have also received this notice. You should consider all of your options before you take any action.

- At this time, the Owner **is not aware** of any government assistance that will be provided to tenants in residence at the time of termination of the subsidy contract or prepayment.
  
- At this time, the owner understands that the following government assistance **may be provided** to tenants in residence at the time of the termination of the subsidy contract or prepayment:  
\_\_\_\_\_. If the owner participates in this or another program, your rent may stay affordable.

State law also requires the owner to notify certain qualified organizations (including a tenant organization) that have indicated an interest in purchasing the property and keeping rents affordable. The owner must provide specific information about the property to such a qualified organization upon request and allow it to make a purchase offer. A Notice of Opportunity to Submit an Offer to Purchase will be posted in the common areas of the property.

If you have any questions about this notice, the Owner or Agent can be contacted at:

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

Sincerely,

\_\_\_\_\_

**Government Code section 65863.10(b)(1) requires the actions listed below to be completed. A filled-out checkbox indicates the action has been or will be completed.**

- The Notice of Opportunity to Submit an Offer to Purchase has been sent to qualified entities, is attached to or included in the twelve-month notice, and is posted in the common area of the development, as required in Section 65863.11.
- The twelve-month notice has been sent to affected public entities including the California Department of Housing and Community Development.
- The twelve-month notice has been sent to affected tenants by first-class mail postage prepaid.
- The twelve-month notice will be provided to prospective tenants at their eligibility interview.

I acknowledge the requirements noted above and attest to completing the required actions noted in Government Code section 65863.10(b)(1).

Owner or Agent Name: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**cc:**

**Required Entities to be Notified (Affected Public Entities):**

*\*Owners are encouraged to inform tenants of the resources available to them as an attachment to this notice about your rent and housing. Tenants can contact the agencies/organizations listed below if they have additional questions or need assistance.*

**Mayor or Board of Supervisors for City or County**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Local Public Housing Authority Director**

*If you choose to move, the local Public Housing Authority may be able to provide resources about other affordable housing opportunities in your area.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**California Department of Housing and Community Development**

Division of Housing Policy Development

Attention: PRESERVATION

651 Bannon Street, Suite 400

Sacramento, CA 95811

Telephone Number: (916) 263-2911

Or via the [Affordable Housing Preservation Portal](#)

**Optional Entities to be Notified:**

**Local HUD Office**

*If you choose to move, the local offices of the Department of Housing and Urban Development (HUD) may be able to provide resources about other affordable housing opportunities in your area.*

[www.hud.gov/states/california/renting](http://www.hud.gov/states/california/renting).

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Area Legal Services Organization**

*If you have questions about tenant rights and owner responsibilities under the Preservation Notice Law requirements, area legal service organizations can help to advise you.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**TENANT ADVISORY AND OPTIONS  
ATTACHMENT TO NOTICE OF INTENT (NON-HUD PROJECTS)  
Pursuant to Government Code Section 65863.10**

**Why did I receive the attached Twelve-Month or Six-Month Notice of Intent?**

The development where you live is privately owned, but government assisted. This means that the owner has maintained lower rents in exchange for a government benefit, such as \_\_\_\_\_ (*insert name of applicable program*). The notices you receive mean that the owner will be eligible to end the government assistance that kept rents low and charge higher rents on the dates specified in the notice.

**What does this mean to me?**

It means that your rent may go up. However, if you received a Twelve-Month Notice of Intent, your rent will not increase due to the termination of rental restrictions for at least 12 months. If you received a Six-Month Notice of Intent, your rent will not increase due to the termination of rental restrictions for at least six months.

**Should I plan to move?**

You should not immediately move or agree to move. First, you should consider all of your options and contact the agencies listed in the “cc” section at the end of the Twelve-Month Notice of Intent and the Six-Month Notice of Intent. Remember, changes to your rent from the termination or expiration of rental restrictions will not occur before the date specified in the attached notice. You should also know the owner’s decision may change.

**What are my options?**

Your options are influenced both by your lease or rental agreement and by state law. After any prior rental restrictions terminate and the required notice period expires, the owner can only raise your rent and/or end your tenancy as allowed by your lease or rental agreement and any remaining restrictions on the property, and by following state law requirements.

The owner may allow you to stay in your unit at a new higher rent, or the owner may seek to terminate your tenancy. **You should carefully review the terms of your lease or rental agreement!**

If your tenancy is month-to-month and has not been terminated and you want to move, state law (Civil Code Section 1946) requires you to give the owner or management at least 30 days’ advance written notice of your intent to move, unless the owner agrees otherwise.

If you have questions about your lease and/or the owner's ability to raise your rent or end your tenancy, contact your local legal aid agency for assistance. You will find contact information in the "cc" section at the end of the Twelve-Month Notice of Intent and the Six-Month Notice of Intent.

**What other notices is the owner required to provide?**

To Others: In addition to the Three-Year, Twelve- and Six-Month Notices of Intent to tenants, the owner is required to provide Qualified Entities (organizations that have the capability to continue long-term rent restrictions) with a Notice of Opportunity to Submit an Offer (and Counteroffer) to Purchase the development. This notice must be provided to Qualified Entities (including tenant organizations) at least 12 months prior to the prepayment or termination date. At the same time, a copy of this notice must be posted in a common area of your development.

The owner is also required to send a Six-month Notice to Public , including the City and/or County where your development is located. This notice describes the project in greater detail to the local government to assist them in preservation efforts.

To Tenants: In addition to the Three-Year, Twelve- and Six-Month Notices of Intent to tenants the owner and/or their agent must re-notify each tenant household of any proposed changes in the date of prepayment or termination, rent to be charged, or any other changes which may affect tenants within seven business days. This notification is to be sent to the tenant through first class mail (postage prepaid).

**Where can I go for additional information?**

Contact the owner/agent or manager of your development, the Mayor or Board of Supervisors of the city or county where you live, and legal resources such as Legal Aid, Information for these resources can be found in the "cc" section at the end of the Twelve-Month Notice of Intent and the Six-Month Notice of Intent.

**What other options are available to me?**

If the owner does not comply with all of the requirements of California law regarding the conversion of your development from assisted to market rate rents, you have the option of taking legal action. Contact the local legal services agency identified in the "cc" section at the end of the Twelve-Month Notice of Intent and the Six-Month Notice of Intent to see if they are able to assist you.

**NOTICE: AFFORDABLE RENT RESTRICTIONS AT THIS PROPERTY ARE SCHEDULED TO EXPIRE IN SIX MONTHS**  
**You are being provided advance notice as required by state law (Government Code 65863.10)**

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

**Date** \_\_\_\_\_

**Property Name** \_\_\_\_\_  
**Property Address** \_\_\_\_\_  
**City, State, Zip** \_\_\_\_\_

To \_\_\_\_\_ or Prospective Resident,

**RE: IMPORTANT INFORMATION ABOUT YOUR RENT AND HOUSING**

The owner of \_\_\_\_\_ (*insert name of development*) (Owner) is providing you with this notice, as required by state law (Government Code Section 65863.10), that, in **six months**, the rules that keep your rent affordable may no longer apply. These rules are part of the following program:  
Choose a program \_\_\_\_\_  
If you selected Other, in the section above, provide a description \_\_\_\_\_

Currently, the program listed above keeps the rent on your apartment, or the apartment you are applying for, at a more affordable level. The owner may end participation in the program on \_\_\_\_\_ (*insert date affordability ends*).

This means that the amount of rent you pay could change. The current monthly rent for your apartment is \$ \_\_\_\_\_ (*insert current rent*). As of \_\_\_\_\_ (*insert date of possible rent increase*), the monthly new rent is expected to be \$ \_\_\_\_\_ (*insert projected rent*) for each of the 12 months following the end of the rental restrictions. The owner will notify you again in writing of any change in the rent at least 60 days before the new rent becomes effective.

**Current Residents:**

**You should not immediately move or agree to move.** Remember, changes to your rent from the termination or expiration of the rental restrictions will not occur before \_\_\_\_\_ (*insert date affordability ends*).

**Prospective Residents:**

The requirements to keep the rent affordable that currently apply to this property are set to expire on \_\_\_\_\_ (*insert date affordability ends*). If the Owner or

property manager determines that you are eligible, you can still move into this property, but the Owner is required to notify you about a rent increase that could occur in the future. The rent increase could result from the expiration of restrictions to keep the rent affordable.

**If you need more information or assistance:**

The names of the organizations that can advise and assist you are listed in the “cc” section of this notice on pages three and four. Your options as a tenant are included in the attached document, titled “Tenant Advisory and Options”. This notice was also sent to the city/county, local public housing authority, and the California Department of Housing and Community Development (HCD), whose contact information is listed in the “Required Entities to be Notified” section of this notice. You should consider all of your options before you take any action.

At this time, the Owner **is not aware** of any government assistance that will be provided to tenants in residence at the time of the termination of the subsidy contract or prepayment.

At this time, the Owner understands that the following government assistance **may be provided** to tenants in residence at the time of the termination of the subsidy contract or payment: \_\_\_\_\_.

If the Owner participates in this or another program, your rent may stay the same or decrease.

The Owner may decide at a later date to remain in the program and continue the current subsidies. You will be notified separately if this occurs. It is also possible that the owner will not increase the rents when any rent restrictions expire.

The Owner shall accept all enhanced Section 8 vouchers if tenants receive them.

If you have any questions about this notice, the owner or agent can be contacted at:

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

Sincerely,

\_\_\_\_\_

**Government Code section 65863.10(c) requires the actions listed below to be completed. A filled-out checkbox indicates the action has been or will be completed.**

- The Six-Month Notice to Tenants has been sent to affected tenants by first-class mail postage prepaid.
- The Six-Month Notice to Tenants will be provided to prospective tenants at their eligibility interview.
- The Six-Month Notice to Affected Public Entities has been sent to the affected public entities including HCD (with a copy of Six-Month Notice to Tenants attached).
- The Six-Month Notice to Affected Public Entities will be sent concurrently with Six-Month Notice to Tenants.

I acknowledge the requirements noted above and attest to completing the required actions noted in Government Code section 65863.10(c).

Owner or Agent Name: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Enclosures: Tenant Advisory and Options

**cc:**

**Required Entities to be Notified (Affected Public Entities):**

*\*Owners are required to inform tenants of the resources available to them as an attachment to notices about your rent and housing (i.e., Notices of Intent to terminate rent subsidies or restrictions). Tenants can contact the agencies/organizations listed below if they have additional questions or need assistance.*

**Mayor or Board of Supervisors for City or County**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Local Public Housing Authority Director**

*If you choose to move, the local Public Housing Authority may be able to provide resources about other affordable housing opportunities in your area.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**California Department of Housing and Community Development**

Division of Housing Policy Development

Attention: PRESERVATION

651 Bannon Street, Suite 400

Sacramento, CA 95811

Telephone Number: (916) 263-2911

Or via the [Affordable Housing Preservation Portal](#)

**Optional Entities to be Notified:**

**Local HUD Office**

*If you choose to move, the local offices of the Department of Housing and Urban Development (HUD) may be able to provide resources about other affordable housing opportunities in your area.*

[www.hud.gov/states/california/renting](http://www.hud.gov/states/california/renting).

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Area Legal Services Organization**

*If you have questions about tenant rights and owner responsibilities under the Preservation Notice Law requirements, area legal service organizations can help to advise you.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**SIX-MONTH NOTICE TO AFFECTED PUBLIC ENTITIES**  
**Pursuant to Government Code Section 65863.10(c)(1)**

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

**Date** \_\_\_\_\_

**Affected Public Entity Name:** \_\_\_\_\_  
**Affected Public Entity Address:** \_\_\_\_\_

**TO:** \_\_\_\_\_ (*insert Affected Public Entity name*),

**RE:** \_\_\_\_\_ (*insert project name, street and mailing addresses*)

The owner of the above-listed multifamily rental project (Owner) hereby provides notice of the following proposed change in status: (*check ALL that apply; insert applicable expiration/prepay/termination dates*).

- The current rent and occupancy restrictions will expire on \_\_\_\_\_.
- The Owner intends to prepay a government-assisted mortgage that will remove the rent and occupancy restrictions on \_\_\_\_\_.
- The Owner intends to terminate participation in a federal, state, or local government or nongovernmental rental subsidy program on \_\_\_\_\_.

This six-month **Notice to Affected Public Entities** is sent to the jurisdiction where the project is located. The purpose of the notice is to assist localities in their efforts to preserve or replace at-risk projects and protect tenants. This notice provides localities with the following detailed information about the project and the tenants:

- Number of affected tenants \_\_\_\_\_ (*insert total number of affected tenants*).
- Number of assisted units \_\_\_\_\_ (*insert total number of assisted units*).
- Type of government assistance or rent restriction program:  
Choose a program
- If you selected Other, in the section above, provide a description \_\_\_\_\_

- Number of units not assisted \_\_\_\_\_ (*insert number of non-assisted units*).
- Number of bedrooms in assisted units (*included as **Attachment A***).
- The age and income of all affected tenants (*included as **Attachment B***).
- A narrative description of the Owner’s plans, including: (*included as **Attachment C***).
  - The timetable or deadline for actions and/or specific governmental approvals required (e.g., renewal of Section 8 contract, prepayment deadline or approval, sale to a qualified public agency, etc.);
  - The reason for termination or prepayment (e.g., convert to market rate, sale of property, etc.); and
  - A listing of any other contacts being made with governmental agencies or others (i.e., negotiations with the Department of Housing and Urban Development (HUD) for mortgage restructuring or the Mark-To-Market Program, State Tax Credit Allocation Committee (TCAC), the California Department of Housing and Community Development’s Multifamily Housing Program, possible purchasers).
- Copies of required federal notices to tenants at least 150 days, and not more than 270 days, before mortgage prepayment, and at least twelve months prior to Section 8 termination (*include as **Attachment D***).
- Copies of required 6-month notices to tenants (*include as **Attachment E***). This attachment satisfies the remaining statutory requirements noted in 65863.10 to notify public entities.

Please contact the Owner or Agent directly for additional information or clarification:

**Owner/Management/Agent Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Phone Number** \_\_\_\_\_  
**Email Address** \_\_\_\_\_

Sincerely,

\_\_\_\_\_

Enclosures:

- ATTACHMENT A:** Number of bedrooms in assisted units
- ATTACHMENT B:** Age and income of all affected tenants
- ATTACHMENT C:** Owner’s plans
- ATTACHMENT D:** Copies of federal notices to tenants, if applicable
- ATTACHMENT E:** Copies of 6-month notice to tenants

*(When including attachments, label the documents according to the attachment names noted above.)*

**cc:**

**Required Entities to be Notified:**

*\* This six-month notice shall be sent to the mayor of the city in which the assisted housing development is located, or, if located in an unincorporated area, the chair of the board of supervisors of the county, the appropriate local public housing authority, and the California Department of Housing and Community Development.*

**Mayor or Board of Supervisors for City or County**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Local Public Housing Authority Director**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**California Department of Housing and Community Development Division**

of Housing Policy Development

Attention: PRESERVATION

651 Bannon Street, Suite 400

Sacramento, CA 95811

Or via the [Affordable Housing Preservation Portal](#)

**Optional Entities to be Notified:**

**HUD Field Office**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**Area Legal Services Organization**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**ATTACHMENT A – Number of Bedrooms in Assisted Units**

Studio: \_\_\_\_\_ units

1 Bedroom: \_\_\_\_\_ units

2 Bedrooms: \_\_\_\_\_ units

3 Bedrooms: \_\_\_\_\_ units

4 Bedrooms: \_\_\_\_\_ units

5 Bedrooms: \_\_\_\_\_ units

**ATTACHMENT B – Age and Income of All Affected Tenants**

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

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Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

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Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

Unit: \_\_\_\_\_ Age of Tenants: \_\_\_\_\_ Income of Tenants: \_\_\_\_\_

**ATTACHMENT C – Owner’s Plans**

Timetables and Deadlines for Actions and Governmental Approvals:

\_\_\_\_\_  
\_\_\_\_\_

Reason for Termination or Prepayment:

\_\_\_\_\_  
\_\_\_\_\_

Contacts Made with Other Governmental Agencies or Qualified Entities:

\_\_\_\_\_  
\_\_\_\_\_

**Attachment D – Copies of Federal Notices**

See attached.

**Attachment E – Copies of 6-month Notice to Tenants**

See attached.

**LETTER TO QUALIFIED ENTITIES FROM OWNERS  
NOTICE OF OPPORTUNITY TO SUBMIT AN OFFER TO PURCHASE  
Pursuant to Government Code Section 65863.11**

Date this letter is served and posted: \_\_\_\_\_

Name of Qualified Entity: \_\_\_\_\_

Address of Qualified Entity: \_\_\_\_\_

**RE: Notice of Opportunity to Submit an Offer to Purchase**

Dear \_\_\_\_\_:

The purpose of this notice is to inform **Qualified Entities** of their opportunity, either individually or in combination to purchase \_\_\_\_\_ (*insert name of assisted housing development*) (Property), a privately owned government-assisted multifamily project, for 270 days from the date of this letter. Qualified Entities have until \_\_\_\_\_ (*insert the date counting 270 days from this letter*), within 270 days from the date of this letter to make a bona fide offer to purchase the Property. Property details listed below:

**Property Address** \_\_\_\_\_  
**Owner/Agent Name (Owner)** \_\_\_\_\_  
**Owner/Agent Name Address** \_\_\_\_\_  
**Owner/Agent Phone Number** \_\_\_\_\_  
**Owner/Agent Email Address** \_\_\_\_\_

Your organization either has been identified from the list maintained by the state Department of Housing and Community Development (HCD) as a Qualified Entity, or has directly contacted the Owner expressing interest in purchasing at-risk projects in the area where this project is located.

**Affordability End Date and Owner's Intention**

The Owner intends to end participation in \_\_\_\_\_ (*insert the applicable financing program listed in Government Code section 65863.10(a)(3)*) financing program through Choose an item on \_\_\_\_\_ (*insert date affordability ends*), that would impact affordability.

The Owner intends to terminate the contract for Project-Based Section 8 rental assistance when it expires (opt-out) on \_\_\_\_\_ (*indicate applicable date(s), at least twelve-months from date of this letter*).

- The Owner intends to sell the property AND is eligible for prepayment of mortgage assistance, or termination of subsidy within five years, or rental restrictions are scheduled to expire within five years of \_\_\_\_\_ (*insert date affordability ends*),

The Owner Choose an item \_\_\_\_\_ an interest in selling the property.

The Owner Choose an item \_\_\_\_\_ maintain the current number of \_\_\_\_\_ (*insert current number of affordable units*) affordable units at \_\_\_\_\_ (*insert current level of affordability*) beyond \_\_\_\_\_ (*insert date affordability ends*).

- The Owner has executed a contract or agreement with a public entity to continue or replace subsidies to the property and to maintain an equal or greater number of units at an equal or deeper level of affordability for \_\_\_\_\_ (*insert length of contract or agreement*).
- The Owner has not executed a contract or agreement with a public entity to continue or replace subsidies to the property and to maintain an equal or greater number of units at an equal or deeper level of affordability.

### **Project Information**

- 25 percent or less of the units on the property are subject to affordability restrictions or a rent or mortgage subsidy contract.
- More than 25 percent of the units on the property are subject to affordability restrictions or a rent or mortgage subsidy contract.

(Note: The project information requirement noted below only applies to properties with more than 25 of the units on the property are affordable.)

The Owner is required to provide the following project information, within fifteen (15) business days via certified mail, return receipt requested, to Qualified Entities on the HCD's list interested in submitting an offer to purchase:

- Itemized lists of monthly operating expenses for the property.
- Capital improvements, as determined by the Owner, made within each of the two preceding calendar years at the property.
- The amount of project property reserves.
- Copies of the two most recent financial and physical inspection reports on the property, if any, filed with a federal, state, or local agency.
- The most recent rent roll for the property listing the rent paid for each unit and the subsidy, if any, paid by a governmental agency as of the date the notice of intent was made pursuant to Section 65863.10.
- A statement of the vacancy rate at the property for each of the two preceding calendar years.

- The terms of assumable financing, if any, the terms of the subsidy contract, if any, and proposed improvements to the property to be made by the Owner in connection with the sale, if any.

To request the above project information and to submit an offer to purchase, contact the Owner and/or our agents at the addresses above.

### **Satisfaction of Noticing Requirements**

The Owner certifies that it has satisfied all notice requirements relating to affected tenants and affected public entities pursuant to Government Code section 65863.10(b).

(Note: the above certification does not apply if the property is being sold prior to the three years prior to the end of affordability.)

**Qualified Entities** that intend to make an offer to purchase must identify themselves by type of organization (i.e., tenant association, nonprofit organization, public agency, or profit-motivated organization or individual) and certify that the individual or organization meets all qualified entity criteria pursuant to Government Code section 65863.11.

Qualified Entities (tenant associations, local nonprofit organizations, public agencies, profit-motivated organizations or individuals, or any combination of these entities that have been certified by HCD) have the right to purchase the development under Government Code section 65863.11.

Sincerely,

\_\_\_\_\_

**Government Code section 65863.11(g) requires the actions listed below to be completed. A filled-out checkbox indicates the action has been or will be completed.**

- The Notice of Opportunity to Submit an Offer to Purchase has been posted in a conspicuous place in the common area of the development.
- The Notice of Opportunity to Submit and Offer to Purchase has been sent to all the qualified entities on the HCD's list that indicated interest in the county where the property is located, HCD, and those qualified entities that directly contacted the Owner by registered or certified mail, return receipt requested.
- When a bona fide offer from one or more Qualified Entities is received within the 270 days from the date of this letter, the Owner will notify the department of all such offers within 90 days.

I acknowledge the requirements noted above and attest to completing the required actions noted in Government Code section 65863.11(g).

Owner or Agent Name: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**VERIFICATION**  
(C.C.P. §§ 446 and 2015.5)

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

I am a member and the President of Plaintiff/Petitioner, Del Island Tenants, in the above entitled action, and a current resident of Del Island. I have read the Complaint for Injunctive Relief and Restitution for Violation of State Affordable Housing Preservation Laws; and Petition for Peremptory Writ of Mandate to Enforce Affordable Housing Covenants, Conditions and Restrictions. I believe the matters therein to be true and on that ground allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 12/19/2025 at Coronado, California.

DocuSigned by:  
  
3CAA6C93E1E4CE...  
Kimberley Graham