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City of South San Francisco
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FIRST MAJOR AMENDMENT TO DEVELOPMENT AGREEMENT

By and Between

THE CITY OF SOUTH SAN FRANCISCO,

And

SSF PUC HOUSING PARTNERS, LLC

Former PUC Sites B and C

**FIRST MAJOR AMENDMENT TO DEVELOPMENT AGREEMENT
FORMER PUC SITES B AND C**

This FIRST MAJOR AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR FORMER PUC SITES B AND C (the “**First Major Amendment**”) is entered into this ___ day of _____, 2026, by and between the City of South San Francisco, a California municipal corporation (“**City**”), and SSF PUC Housing Partners, LLC, a Delaware limited liability company (“**SSF**”). SSF is individually referred to as a “**Developer**”. Developer and City are, from time to time, referred to individually in this Agreement as a “**Party**” and collectively as the “**Parties.**”

RECITALS

This First Major Amendment is entered into upon the basis of the following facts, understandings and intentions of the parties:

A. City and Developer are parties to that certain Development Agreement dated January 10, 2020, and that certain First Administrative Amendment to the Development Agreement dated November 28, 2022 (collectively, “**Development Agreement**”), to facilitate the development of (a) certain publicly-accessible open space improvements on (1) an approximately 3,286 square foot portion and an approximately 8,550 sf portion of existing City-owned property (“**City Open Space Properties**”), and (2) an approximately 33,981 square feet (“sf”) portion of BART-owned property (“**BART Open Space Property**”); (b) portions of the Oak Avenue Phase 1 Extension on (1) an approximately 14,270 sf portion of City-owned property (“**City ROW Property**”), (2) an approximately 7,296 sf portion of BART-owned property (“**BART ROW Property**”), and (3) an approximately 14,350 sf portion of Kaiser-owned property (“**Kaiser ROW Property**”); and (c) certain access easements necessary to construct and operate the Project as defined in the Project Approvals, all within the City of South San Francisco, County of San Mateo, State of California (APN 093-312-080 and 093-312-090) (the “**Site**”).

B. Pursuant to Section 7.2 of the Development Agreement, any amendment to the Development Agreement other than an Administrative Agreement Amendment shall be subject to recommendation by the City of South San Francisco Planning Commission (the “**Planning Commission**”) (by advisory resolution) and approval by the City of South San Francisco City Council (the “**City Council**”) (by ordinance) following a duly noticed public hearing before the Planning Commission and City Council, consistent with Government Code sections 65867 and 65867.5.

C. On April 16, 2026, following a duly noticed public hearing before the Planning Commission, the Planning Commission approved this First Major Amendment pursuant to Resolution No. _____.

D. On April 22, 2026, following a duly noticed public hearing before the City Council, the City Council approved this First Major Amendment pursuant to Ordinance No. _____.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other valuable consideration and pursuant to Section 7.2 of the Development Agreement, the Parties hereto agree to the following:

1. Defined Terms. All capitalized terms used herein shall have the meanings given in the Development Agreement, except as expressly otherwise defined in this First Amendment.

2. Enumeration of Specific Amendments. The Development Agreement is hereby modified to incorporate the following amendments. In this Section 2, for clarity, where the amendment revises existing text, double underline text indicates new text; ~~strikeout~~ text indicates a deletion.

2.1 Recitals. The following Recital is hereby added to the Development Agreement:

J. For the avoidance of doubt, and to reflect the Parties' agreement, the Purchase and Sale Agreement and Joint Escrow Instructions (PSA), and specifically Recital O, entered into as of December 23, 2019, and the Development Agreement, Section 6.10 of Article 6, Standards, Laws and Procedures Governing the Project, effective January 10, 2020, simply provide, separately and when read together, for compliance with the requirements of the California Labor Code regarding the payment of Prevailing Wages. Accordingly, should Prevailing Wages be required by law for any portion of the construction work on the Project pursuant to California Labor Code section 1720 et. seq. and the implementing regulations, Developer (and where applicable its contractors and agents) will comply with such requirement to pay Prevailing Wages and will monitor that payments have been made in compliance with the law.

2.1 Term. Section 2.2 of the Development Agreement is hereby amended as follows:

2.2 Term. The term of this Agreement ("**Term**") shall commence upon the Effective Date and continue unless this Agreement is otherwise terminated or extended as provided in this Agreement) until the earliest of (1) the issuance of a certificate of occupancy for all buildings in the Project or (2) December 31, 2032~~ten (10) years plus one day after the Effective Date~~.

2.3 City Fees. Section 3.2 of the Development Agreement is hereby amended as follows:

3.2 City Fees.

(a) Processing Fees and Charges. Developer shall pay those processing, building permit, inspection and plan checking fees and charges required by the City for processing applications and requests for Subsequent

Approvals under the applicable non-discriminatory regulations in effect at the time such applications and requests are submitted to the City.

(b) Development Fees. Consistent with the terms of the Agreement, City shall have the right to impose only such development fees ("**Development Fees**") as have been adopted by City as of the Effective Date of this Agreement and at those rates in effect at the time of payment of the Development Fees, and which are identified and as set forth on Exhibit C. The Parties agree that the only increase in the Development Fees set forth in Section 2.2 of Exhibit C shall be the relevant index increase authorized by the enabling ordinance or resolution for each Development Fee set forth in Section 2.2 of Exhibit C as of the Effective Date of this Agreement. The Development Fees shall be paid at the time set forth on Exhibit C. This shall not prohibit City from imposing on Developer any fee or obligation that is imposed by a regional agency in accordance with state or federal obligations and required to be implemented by City.

(c) In lieu of such Development Fee payments as identified in Section 3.2(b) and set forth in Exhibit C, the Developer shall pay to the City the same amounts as community benefit payments. The Parties agree that such payments shall not be considered "Fees" as that term is defined under the Mitigation Fee Act (Gov. C. § 66000 – 66025.)

(d) The Developer authorizes the City to, in its sole discretion, either redirect any or all of the following payments to the Affordable Housing Project or use any or all for the original purpose or for any public purpose:

i. Approximately \$6,772,997 (community benefit payment in lieu of Park and Recreation Fees, Section 3.2(b) and Exhibit C),

v. Approximately \$64,090 (community benefit payment in lieu of Bicycle and Pedestrian Impact Fee, Section 3.2 (b) and Exhibit C), and

vi. Approximately \$468,358 (community benefit payment in lieu of Public Safety Fee, Section 3.2 (b) and Exhibit C).

Developer releases City from any contractual or legal obligation to use any or all of the payments listed immediately above for their original purposes. The Parties agree that any use of the funds to support the Affordable Housing Project shall be subject to compliance with all laws. In the event that City uses any or all of the payments listed immediately above to support the Affordable Housing Project, the City reserves all rights to require standard funding agreement conditions and terms for any payment from the Affordable Housing Developer, including but not limited to use of funds, indemnification and audit rights. Developer agrees that it shall cooperate,

in accordance with the City's requests, in the case of any claim or action taken against the City by a third party related to this section.

2.3 Off-Site Improvements and Maintenance. Section 3.4(a) of the Development Agreement is hereby amended to provide that the Oak Park Avenue Phase II Extension Payment shall be FIVE MILLION ~~FIVE~~ SIX HUNDRED THOUSAND DOLLARS (\$5,~~5~~600,000).

2.5 Off-Site Improvements and Maintenance. A Section 3.4(h) is hereby amended to add a new subsection (h) as follows:

(h) In lieu of the Developer payments as identified in Section 3.4 listed below, the Developer shall pay to the City the same amounts as community benefit payments. The Parties agree that such payments are not considered "Fees" as that term is defined under the Mitigation Fee Act (Gov. C. § 66000 – 66025.) The Developer authorizes the City to, in its sole discretion, either redirect any or all of the following payments to the Affordable Housing Project or use any or all for the original purpose or for any public purpose:

- i. \$5,600,000 related to Oak Avenue Phase 2 (Section 3.4(b)),
- ii. \$200,000 related to the Mission Road Pedestrian Connection (Section 3.4(c)),
- iii. \$1,500,000 Pedestrian Bridge Connection to Centennial Trail (Section 3.4(d)),

Developer releases City from any contractual or legal obligation to use any or all of the payments listed immediately above for their original purposes. The parties agree that any use of the funds to support the Affordable Housing Project shall be subject to compliance with all laws. In the event that City uses any or all of the payments listed immediately above to support the Affordable Housing Project, the City reserves all rights to require standard funding agreement conditions and terms for any payment from the Affordable Housing Developer, including but not limited to use of funds, indemnification and audit rights. Developer agrees that it shall cooperate, in accordance with the City's requests, in the case of any claim or action taken against the City by a third party related to this section.

2.6 Affordable Housing. Section 3.5 of the Development Agreement is hereby amended as follows:

3.5 Affordable Housing. Developer acknowledges and agrees that Building C2 (the "Affordable Housing Project") will be subject to recorded covenants that will restrict use of Building C2 for the Affordable Units for a term of not less than fifty-five (55) years, commencing upon the issuance of a final certificate of occupancy for Building C2, as further set

forth in a recorded Affordable Housing Agreement in a form to be approved by the City Council, except in the case of BRIDGE (or an Affiliate of BRIDGE pursuant to Section 8.1 (b), below) in substantially the form attached hereto as Exhibit D, which shall be recorded in the Official Records at the time specified in the PSA. The Affordable Housing Agreement shall be reviewed prior the issuance of the certificate of occupancy for Building C2, and amended by mutual agreement of the Parties if necessary to reflect actual built conditions consistent with this Agreement. Prior to issuance of building permits for Building C2, the applicant shall execute and record the Affordable Housing Agreement referenced herein and such Affordable Housing Agreement shall be consistent with SSFMC Chapter 20.380, Inclusionary Housing Regulations, including a preference for individuals who live and/or work in South San Francisco consistent with Federal and State Fair Housing laws. Notwithstanding the foregoing, the City hereby waives any available impact fees in connection with the Affordable Housing Project to the extent necessary to close the funding gap for the Affordable Housing Project, subject to reasonable and written approval by the City Manager.

2.7 Obligations of Developer. The following Sections 3.12 and 3.13 are hereby added to Article 3 of the Development Agreement:

3.12 Profit Participation. The City shall receive a twenty percent (20%) share of all profits in excess of a sixteen (16%) internal rate of return on Parcel B by SSF PUC, not to exceed the greater of (a) TWO MILLION DOLLARS (\$2,000,000); or (b) the actual amount of the gap funding paid by the City (using the Developer's market rate payments and impact fees (as outlined in Sections 3.2(d) and 3.4(h)) paid by SSF PUC to the City, and actually contributed by the City to the Affordable Housing Project, provided, however, that (i) Building C-1 has commenced construction, and (ii) the City's profits interest is purely economic (i.e., no management, voting, participation in the entity).

3.13 Project Labor Agreement. Developer must enter into a Project Labor Agreement ("PLA") for all sitework funded by the City's Infill Infrastructure Grant ("IIG Grant") award prior to commencement of any work paid for by the IIG Grant. For purposes of clarity, this provision does not require a PLA for any work on the Project other than that sitework funded directly by the IIG Grant estimated at approximately \$20 million.

2.8 Defaults. The following sentence is added to the end of Section 10.1 of the Development Agreement:

Notwithstanding the foregoing, to the extent there is a default under this Agreement, the PSA, or under the Phasing Plan to the Schedule of Performance, the recitals related to clarification of repurchasing terms in the

Phasing Plan to the Schedule of Performance in effect at the time of an event of default will control.¹

3. Interpretation. The Development Agreement shall be construed as having been modified by this First Major Amendment. Except as expressly modified by this First Major Amendment, the Development Agreement remains unmodified, and is in full force and effect. In the case of conflict between the provisions hereof and the terms of the Development Agreement, the provisions hereof shall control.

4. Effective Date and Recordation. The "Effective Date" of this First Major Amendment shall be the later of the dates on which the City and Developer execute this First Major Amendment, which shall then be recorded in the official records of San Mateo County.

[Remainder of Page Intentionally Left Blank]

¹ See #6 on the Term Sheet ("Term Sheet"): "6. Add a new Section to the Default terms of Article 10 (Default; Remedy; Termination): add language to the Default terms that states any recitals related to clarification of repurchasing terms in the Phasing Plan to the Schedule of Performance in effect at the time of an event of default will control."

IN WITNESS WHEREOF, City and Developers have executed this First Major Amendment as of the date first written above.

CITY

**CITY OF SOUTH SAN FRANCISCO,
a municipal corporation**

By: _____

Name: Laura Snideman
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

DEVELOPER

SSF PUC HOUSING PARTNERS, LLC,

a Delaware limited liability company

By: _____

Name: _____

Title: _____

[Notary Acknowledgment Required]

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

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me _____ (insert
name and title of the officer) personally appeared
_____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and 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 the
person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

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

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me _____ (insert
name and title of the officer) personally appeared
_____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and 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 the
person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)