

**AHSC IMPLEMENTATION AND
COOPERATION AGREEMENT
(1051 Mission Affordable)**

THIS AHSC IMPLEMENTATION AND COOPERATION AGREEMENT (the “**Agreement**”) is made and entered into as of _____, 2023 (the “**Effective Date**”) between the City of South San Francisco, a municipal corporation (“**Agency**”), and BRIDGE Housing Corporation, a California nonprofit public benefit corporation (the “**Developer**” and collectively with the Agency, the “**Parties**”, or individually, a “**Party**”) upon the basis of the following facts, understanding and intentions of the Parties:

A. The State of California, the Strategic Growth Council (“**SGC**”) and the Department of Housing and Community Development (“**HCD**”) issued a Notice of Funding Availability dated January 30, 2023 (the “**AHSC NOFA**”), under the Affordable Housing and Sustainable Communities (“**AHSC**”) Program established under Division 44, Part 1 of the Public Resources Code, commencing with Section 75200 and as further governed by the AHSC Program Round 7 Guidelines dated December 15, 2022 (the “**AHSC Guidelines**”).

B. Developer is applying for AHSC funds in response to the AHSC NOFA to provide funding for (A) development of the “1051 Mission Affordable” affordable housing project in the City of South San Francisco, California, to be constructed by the Developer (the “**Housing Project**”); (B) the construction of certain sustainable transportation infrastructure to be constructed by the Developer, and described more particularly below (the “**Developer STI Improvements**”); (C) the construction of certain sustainable transportation infrastructure to be constructed by the Agency and described more particularly below (the “**Agency STI Improvements**”); (D) the construction of certain transit related amenities to be constructed by the Agency (the “**Agency TRA Improvements**”); together with the Agency STI Improvements, the “**Transportation Project**”); and (E) the construction of certain transportation-related improvements to be constructed by other parties and performance of certain program costs elements (“**Non-Agency Projects**”). These improvements are described in more detail in the final application to be submitted by April 4, 2023 (collectively, the “**AHSC Application**”). The Agency is not a co-applicant with the Developer on the AHSC Application, but has rights of access and development over the property on which the Developer STI Improvements and the Transportation Project will take place (the “**Transportation Property**”).

C. The AHSC Application is anticipated to seek an award to the Developer in an approximate aggregate amount of up to \$50,000,000 in AHSC funds consisting of: (A) up to \$35,000,000 of AHSC loan funds for a permanent loan (“**AHSC Loan**”) which will be disbursed to a limited partnership (the “**Partnership**”) formed for the development and operation of the Housing Project; (B) up to \$5,000,000 of AHSC grant funds for the purpose of reimbursing the cost of the Developer STI Improvements; (C) up to \$1,000,000 of AHSC grant funds for the purpose of reimbursing the cost of the Agency STI Improvements; (D) up to \$1,000,000 of AHSC grant funds for the purpose of reimbursing the cost of Agency TRA Improvements; and (E) up to \$8,000,000 of AHSC grant funds for the purpose of reimbursing the cost of Non-Agency Projects.

The AHSC grants shall be referred to collectively as the “**AHSC Grants**”. The AHSC Loan and the AHSC Grants are collectively referred to herein as the “**AHSC Financing**.”

D. The Agency and Developer are entering into this Agreement to comply with the AHSC Guidelines and the specific AHSC “Program Threshold Requirements” set forth in Section 106 of the AHSC Guidelines, including, without limitation, the requirement that the Developer and Agency establish “site control” over the land on which the Transportation Project and the Developer STI Improvements will be constructed, and the requirement that grant recipients and sub-recipients demonstrate prior experience with similar transportation projects by providing evidence of at least two prior projects that are similar to the proposed AHSC project in scope and size, which have been completed by the applicant, or joint applicant, during the ten (10) years preceding the AHSC Application due date. The AHSC Program Threshold Requirements also state that applicants may demonstrate this requisite experience by using the past experience of work completed of a non-applicant so long as the applicants can provide an executed agreement with that specific non-applicant for the completion of the related work in the AHSC Application for which funding is sought. The Agency is a non-applicant, but, as set forth herein, will have obligations to complete the following Transportation Project:

1. Agency Sustainable Transportation Infrastructure (STI): [Install approximately 9,000-feet of Class IV bike lane along Westborough Boulevard between Camaritas Avenue and Junipero Sierra Boulevard. The bikeway will run on both sides of the street, with 4,500 linear feet each way.]
2. Agency Transportation-Related Amenities (TRA):
 - (a) Install 5 bus shelters: 1 shelter at the northwest corner and 1 shelter at the southeast corner of Grand Avenue and Willow Avenue, 1 shelter at the northwest corner and 1 shelter at the southeast corner of Grand Avenue and Chestnut Avenue, 1 shelter at the northwest corner of Grand Avenue and Maple Avenue.
 - (b) Install 4 bus bulb-outs: 1 bus-bulb at the northwest corner and 1 bus-bulb at the southeast corner of Grand Avenue and Willow Avenue, bus-bulb at the northwest corner and 1 bus-bulb at the southeast corner of Grand Avenue and Chestnut Avenue.

E. The Agency can demonstrate prior experience and provide evidence of at least two prior projects that are similar in scope and size which have been completed during the ten (10) years preceding April 4, 2023. Below is a list of these projects:

1. Agency STI EXAMPLE 1: Caltrain Access & Bay Trail Gap Closure Project.

Description: The project installed approximately 1700-feet of Class IV separated bikeway along East Grand Avenue. The full scope was the project constructed

pedestrian and bicycle improvements that closed the gap between the new pedestrian and bicycle facility connection from the East Plaza of the new South San Francisco Caltrain station and the pedestrian and bicycle connections in the areas of East Grand Ave and Gateway Boulevard, and East Grand Avenue and Forbes Boulevard/Harbor Way.

Completion Date: 1/1/2023
Construction Costs: \$650,000

2. Agency STI EXAMPLE 2: North Access Bike Ped Improvement Project

Description: This project installed approximately 100 feet of Class IV median-protected separated bikeway along North Access Road. The full scope of the project was to install the City’s first median-protected cycle track, a Class IV bike facility, and sidewalk widening improvements along North Access Road connecting South Airport Boulevard to the Bay Trail adjacent to ParkSFO, as part of the BCDC permitting requirements.

Completion Date: 8/1/2020
Construction Costs: \$597,000

3. Agency TRA EXAMPLE 1: Linden and Spruce Traffic Calming Improvements

Description: The project installed concrete curb extensions “bulb-outs” along both Spruce Avenue and Linden Avenue which serve the Samtrans 130 Route. The bulb-outs along Linden Ave included storm drain biofiltration (bioswale) areas with an irrigation system. Pavement reconstructed and striped with high visibility “ladder” style crosswalks, new stop pavement markings, and new green-back shared bike/vehicle lane pavement markings “sharrows”.

Completion Date: 7/9/2021
Construction Cost: \$1,355,000

4. Agency TRA EXAMPLE 2: Sunshine Gardens Safety and Connectivity Improvements:

Description: The project installed multiple bulb-outs, high-visibility yellow ladder crosswalks, edge lines, new ADA curb ramps, and a Class 3 bikeway to improve pedestrian and bicyclist safety and connectivity in the Sunshine Gardens neighborhood.

Construction Date: 3/20/2020
Construction Cost: \$1,016,000

5. Agency [Add more STI/TRA projects as applicable.]

F. The Developer, as set forth herein, will have obligations to complete the following Developer STI Improvements:

1. Developer Sustainable Transportation Infrastructure (STI):

- (a) Construct new sidewalk and related improvements along a portion of the West side of Mission Road, from approximately Grand Avenue to Oak Avenue;
- (b) Construct raised crosswalks located within Mission Road at approximately Grand Avenue and Oak Avenue, and within Oak Avenue at approximately Mission Road.

G. The Developer can demonstrate prior experience and provide evidence of at least two prior projects that are similar in scope and size which have been completed during the ten (10) years preceding April 4, 2023. Below is a list of these projects:

1. Developer STI EXAMPLE 1: [Description of prior project – BRIDGE to provide].

Completion Date: []

Construction Cost: []

2. Developer STI EXAMPLE 2: [Description of prior project – BRIDGE to provide].

Completion Date: []

Construction Cost: []

F. The Agency shall be responsible for developing and constructing the Transportation Project and for conveying to Developer sufficient site control to enable Developer to complete the Developer STI Improvements (the “**Agency Obligations**”), and for all costs and expenses related thereto. Developer shall be responsible for constructing and developing the Housing Project and the Developer STI Improvements (together, the “**Developer Obligations**”), and for all costs and expenses related thereto, except as related to the Agency obligation to convey sufficient site control to enable Developer to complete the Developer STI Improvements. In connection with the AHSC Grants and AHSC Loan, Developer is required to enter into standard agreements, reimbursement agreements, and regulatory agreements with HCD where Developer will be liable for the full and timely performance by the Parties to complete the obligations set forth therein, including completion of the Housing Project, the Developer STI, the Transportation Project, and Non-Agency Projects, all as described in the AHSC Application. The AHSC Application and all standard agreements, reimbursement agreements, regulatory agreements and any other agreements required by HCD in connection with the AHSC Financing shall be collectively referred to herein as the “**AHSC Documents**”.

G. The Agency and Developer each acknowledge and agree that the inability or failure by either Party to complete its obligations, and to fully and timely complete each Party’s respective

improvements required by the AHSC Documents, may affect the timing and right of the other Party to receive reimbursement of AHSC funds due the non-performing Party, notwithstanding the other Party's full and timely performance of its obligations.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Obligations. The Agency shall, in its sole responsibility, complete the Transportation Project in accordance with the terms of the AHSC Documents and the approved design and construction documents and in accordance with the terms of this Agreement. The Agency also shall, in its sole responsibility, convey to Developer sufficient site control to enable Developer to complete the Developer STI Improvements. The Developer shall, in its sole responsibility, complete the Housing Project in accordance with the terms of the AHSC Documents and the approved design and construction documents. The Developer also shall complete the Developer STI Improvements, contingent upon conveyance by the Agency to Developer sufficient site control for completion of the Developer STI Improvements. Each Party will provide the other Party with copies of all requisitions for work related to their respective work, the notice of completion, and other documents related to their respective work that another party may reasonably request.

2. Schedule of Performance; Progress Reports. Developer and Agency shall comply with the schedule of performance initially projected as set forth in Exhibit A attached hereto, but ultimately as shall be set forth in the AHSC Documents (the "**Schedule of Performance**"), provided, however, the Agency shall not be obligated to comply with any changes to the Schedule of Performance included within the AHSC Documents unless the Agency has consented to such changes, which Agency consent will not be unreasonably withheld, conditioned or delayed. The Agency and Developer agree to give the other Party a written quarterly status report on the progress toward the milestones and grant disbursement milestones listed in the Schedule of Performance for the Agency Obligations. If any Party anticipates not meeting the targeted construction milestones as established in the AHSC Documents, that Party will promptly notify the other Party in writing and will meet with the other Party to discuss the reasons why the milestone dates may not be met and what actions the delayed Party intends to take to meet the milestones or otherwise rectify the work schedule in order to maintain good standing with the terms and conditions established in the AHSC Documents.

3. Site Control. The Agency hereby represents and warrants that it possesses sufficient site control rights to fulfill its obligations in connection with the Transportation Property and the Developer STI Improvements.

4. Delegation. Notwithstanding the obligations of each Party under this Agreement, each Party shall be entitled to enter into sub-agreements with each other or with other parties to

provide any assistance or services needed for each Party to perform its obligations under this Agreement and the AHSC Documents.

5. Cost Overruns. Developer shall be responsible for paying all costs required to complete the Housing Project, irrespective of whether such costs exceeds the AHSC Loan. Developer shall be responsible for paying all costs required to complete the Developer STI Improvements, irrespective of whether such costs exceeds the AHSC Loan; provided however, that the Agency and not Developer shall be responsible for all costs of conveying to Developer site control sufficient for Developer to complete the Developer STI Improvements. Agency shall be responsible for paying all costs required for the Transportation Project, irrespective of whether such costs exceed the portion of the AHSC Grant actually awarded and designated for the Transportation Project.

6. Billing and Payment Procedure: The Agency shall submit to Developer all reimbursement requests in the form of monthly invoices for the costs associated with the Transportation Project. Invoices will include backup documentation as required by HCD. Developer shall submit corresponding reimbursement requests to HCD within 15 days of receipt of Agency's invoice (or such later date as may be required by HCD, but in any event within 45 days after receipt of the Agency's invoice) and disburse to the Agency any such funds received from HCD within 7 days of receipt. In no event will the Agency's invoices submitted to Developer exceed in the aggregate the amount of the portion of the AHSC Grant actually awarded and designated for the Transportation Project.

7. Implementation Agreements. The Agency and the Developer recognize that each Party may need additional assurances from the other Party regarding the AHSC Grant and AHSC Loan before commencement of construction of the Housing Project and the Transportation Project, including assurances for lenders and investors. The Parties agree to cooperate with each other to reach mutual agreement on amendments to this Agreement, other implementation agreements or estoppel certificates necessary to provide reasonable assurances and indemnifications. Developer recognizes that any such amendments to this Agreement, other implementation agreements or estoppel certificates may require the approval of the governing body of the Agency.

8. Notices. Formal notices, demands, and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the designated address of the Parties as follows:

Agency: City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080
ATTN: Economic & Community Development Housing

To Developer: Smitha Seshadri
BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, CA 94108
Fax: 415-495-4898

9. Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

(a) A Party fails to perform any of its obligations under this Agreement, and does not cure such failure within 30 days after written notice of such failure has been delivered to the defaulting Party in accordance with Section 8 above; or

(b) A Party purports to revoke this Agreement or this Agreement becomes ineffective for any reason.

10. Termination. This Agreement shall terminate upon the earlier of: (i) completion of all obligations under the AHSC Documents related to the Agency Obligations; or (ii) mutual agreement of the Parties hereto.

11. Third Party Beneficiary. The Partnership shall be a third party beneficiary of this Agreement and shall be entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party to this Agreement.

12. Assignment. Agency hereby acknowledges and approves the assignment by Developer and the Partnership to the Housing Project's senior construction lender ("**Construction Lender**") of all of their respective right, title and interest in, to and under the Agreement (the "**Collateral**") as collateral security for the Partnership's obligations to Construction Lender under, and in connection with Construction Lender's loan to the Partnership. In the event Construction Lender forecloses upon the Collateral, Agency hereby agrees that Construction Lender shall have all of Developer's and the Partnership's rights and interests under the Agreement. Construction Lender shall be a third party beneficiary of this Section 12.

13. Indemnity.

(a) Developer shall indemnify, defend (with counsel approved by Agency), and hold the Agency and its officers, directors, employees, agents, consultants (collectively, "**Agency Indemnitees**") harmless from and against any and all claims, losses, costs, damages, liability and judgments, including reasonable attorneys' fees (with counsel of Agency's choice), incurred by or asserted against any Agency Indemnitees arising in connection with any breach by Developer, the Partnership, any affiliate of Developer, or any contractor, subcontractor, agent or employee of Developer, the Partnership or any affiliate of Developer of any term or condition of the AHSC Financing, including the AHSC Documents and any related documents executed by Developer, the Partnership, or any affiliate of Developer; provided, that Developer's indemnification obligations under this Agreement shall not extend to claims resulting solely from

the gross negligence or willful misconduct of Agency Indemnitees. It is further agreed that Agency does not and shall not waive any rights against Developer or the Partnership that it may have by reason of this indemnity and hold harmless agreement because of Agency's acceptance, or Developer's or the Partnership's deposit with Agency of any of the insurance policies.

(b) Agency shall indemnify, defend (with counsel approved by Developer), and hold the Developer, the Partnership and their respective officers, directors, employees, agents, consultants and partners (collectively, "Developer Indemnitees") harmless from and against any and all claims, losses, costs, damages, liability and judgments, including reasonable attorneys' fees (with counsel of Developer's choice), incurred by or asserted against any Developer Indemnitees arising in connection with any breach by Agency, or any division, department, office, contractor, subcontractor, agent or employee of Agency of any term or condition of the AHSC Financing, including the AHSC Documents, and any related documents executed by Agency; provided, that Agency's indemnification obligations under this Agreement shall not extend to claims resulting solely from the gross negligence or willful misconduct of Developer Indemnitees. It is further agreed that Developer does not and shall not waive any rights against Agency that it may have by reason of this indemnity and hold harmless agreement because of Developer's acceptance, or Agency's deposit with Developer of any of the insurance policies.

14. Miscellaneous.

(a) Nothing in this Agreement shall be construed to limit any claim or right which any Party may otherwise have at any time against an Indemnitor or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under any federal or state environmental law or any other applicable law, regulation, or ordinance.

(b) If any Party delays in exercising or fails to exercise any right or remedy against a Party, that alone shall not be construed as a waiver of such right or remedy. All remedies of any Party against the other Party are cumulative.

(c) This Agreement shall be binding upon and inure to the benefit of each of the Parties hereto and their respective representatives, heirs, executor, administrators, successors, and assigns. This Agreement may not be amended except by a written instrument executed by the Parties hereto.

(d) This Agreement shall be deemed to have been delivered and accepted in the State of California and governed exclusively by the internal substantive laws of the State of California as the same may exist at the date hereof. The Parties hereto agree that any action hereon between the parties and their successors in interest may be maintained in a court of competent jurisdiction located in the State of California, and consent to the jurisdiction of any such California court for the purposes connected herewith.

(e) Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties hereto.

(f) This Agreement may be executed in multiple counterpart copies, any one of which when duly executed, with all formalities hereof, shall be fully binding and effective as the original of this Agreement. This Agreement may be executed using electronic signatures and delivered via .pdf and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of manually signed paper documents which have been converted into electronic form (such as scanned into .pdf format), or an electronically signed documents converted into another format, for transmission, delivery and/or retention.

(g) This Agreement shall be effective as of the Effective Date, provided however that in the event that the Parties do not receive an award of the AHSC funds, this Agreement shall automatically terminate and be of no further force or effect.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

AGENCY:

CITY OF SOUTH SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____

Its: _____

[Signatures Continue on Following Page]

DEVELOPER:

BRIDGE Housing Corporation,
a California nonprofit public benefit corporation

By: _____
Name: _____
Its: _____

EXHIBIT A

**Schedule of Performance
(1051 Mission Affordable AHSC)**

AGENCY:

Agency STI Improvements

Performance Milestone	Date
Begin construction	September 1, 2023
Complete Agency STI Improvements	February 1, 2024
All funds fully disbursed	July 1, 2025

Agency TRA Improvements

Performance Milestone	Date
Begin construction	February 1, 2024
Complete construction	August 1, 2024
All funds fully disbursed	March 1, 2025

Note Agency performance milestone below regarding Agency site control obligation under Developer STI Improvements, below.

DEVELOPER:

Developer STI Improvements

Performance Milestone	Date
Agency conveys site control to Developer	June 1, 2024
Begin construction	January 1, 2025
Complete Developer STI Improvements	November 1, 2026
All funds fully disbursed	December 1, 2028

Developer Housing Project

Performance Milestone	Date
Execute Standard Agreement for AHSC Grants	December 31, 2023
Execute Disbursement Agreement for AHSC Grants	December 31, 2023
Begin construction of housing project	January 1, 2025
Complete construction and obtain Certificate of Occupancy for the Housing Project	June 1, 2027

All AHD funds fully disbursed	December 31, 2028
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[END OF EXHIBIT A]