City of Brisbane

City Council Meeting Agenda

Thursday, May 21, 2026 at 6:30 PM ● Hybrid Meeting ● 50 Park Place, Brisbane, CA

The public may observe/participate in City Council meetings using remote public comment options or by attending in person. The City Council may take action on any item listed in the agenda.

To Address the Council

In Person:

Location: Community Meeting Room 50 Park Place, Brisbane, CA 94005

To address the City Council on any item – whether on the posted agenda or not – please fill out a Request to Speak Form located in the Community Meeting Room Lobby and submit it to the City Clerk, preferably before the start of the meeting. Speakers are not required to submit their name or address.

Remote Participation:

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The agenda materials may be viewed online at brisbaneca.org at least 72 hours prior to a Regular Meeting, and at least 24 hours prior to a Special Meeting.

Remote Public Comments:
Remote meeting participants may address the City Council via Zoom Webinar. Aside from commenting personally while in the Zoom Webinar, you can also use the call in number. The public comments received will be noted for the record during Oral Communications 1 and 2 or during an agenda item. We encourage you to email comments in advance of the meeting to ipadilla@brisbaneca.org. That email address, however, will not be monitored during the meeting and emails received during the meeting will not be responded to or brought to the attention of the City Council during the meeting.

Join Zoom Webinar: zoom.us (please use the latest version: zoom.us/download)
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Webinar ID: 991 9362 8666
Call In Number: 1 (669) 900-9128
Note: Callers dial *9 to "raise hand" and dial *6 to mute/unmute.

Special Assistance:

If you need special assistance to participate in this meeting, please contact the City Clerk at (415) 508- 2113. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Writings that Are Received After the Agenda Has Been Posted

Any writings that are received after the agenda has been posted but before 4pm of the day of the meeting will be available for public inspection at the front lobby in City Hall and on the internet (brisbaneca.org/meetings). Any writings that are received after 4pm of the day of the meeting will be distributed to the Council and made available for public inspection at the front lobby and on the internet the day after the meeting (brisbaneca.org/meetings).

Call to Order – Pledge of Allegiance

Roll Call

A. Remote Attendance Under the Just Cause Provisions of the Brown Act

Adoption of Agenda

Awards and Presentations

B. Proclamation to Honor the Retirement of Bill Del Chiaro of Brisbane Hardware

C. 101 Corridor Connect Presentation

Oral Communications No. 1

Consent Calendar

D. Proclaiming May 2026 as Mental Health Month

E. Proclaiming May 17-23, 2026 as National Public Works Week

F. Approve Minutes of City Council Meeting of April 16, 2026

G. Approve Minutes of City Council Closed Session Meeting of April 20, 2026

H. Approve Minutes of City Council Special Meeting of April 21, 2026

I. Approve Minutes of City Council Closed Session Meeting of April 27, 2026

J. Approve Minutes of City Council Closed Session Meeting of May 4, 2026

K. Approve Minutes of City Council Closed Session Meeting of May 7, 2026

L. Approve Minutes of Joint City Council, Housing Authority & GVMID Meeting of May 7, 2026

M. Approve Cosponsorship of Sierra Point Yacht Club's Regatta Day

N. Approve Cosponsorship of San Bruno Mountain Watch's "Meet the Mountain" Festival

O. Approve Cosponsorship of Excelsior Running Club's Half Marathon & 5K Race

P. Receive Update on Solid Waste Collection Rate Adjustment-South San Francisco Scavenger Company

Q. Receive an Update on Solid Waste Collection Rate Adjustment-Recology

R. Award artist contracts for the Artful Bench Program

S. Approve Emergency Services Council Fiscal Year 2026–27 JPA Budget

New Business

T. Proposal from HEART for the Ground Lease and Acquisition of the Visitacion Garden Senior Apartments; Termination of the Brisbane Housing Authority's Ground Lease and Related Documents with BRIDGE Housing Corporation and Brisbane Senior Housing, Inc.

U. Presentation on Public Tree Inventory and Consider Adoption of Citywide Canopy Goal

V. Master Fee Study Results and Preliminary Master Fee Schedule

Staff Reports

W. City Manager's Report- City Updates and Upcoming Activities

Mayor and Council Matters

X. Future Agenda Items

Y. Countywide Assignments and Subcommittee Report
i. Parkside 2 Ad Hoc Subcommittee Update
ii. Report Out on Subcommittee Meetings
iii. Upcoming Subcommittee Meetings

Z. Written Communications

Oral Communications No. 2

Adjournment

City of Brisbane
PROCLAMATION

MENTAL HEALTH MONTH
MAY 2026

Whereas, each May, the City of Brisbane joins the San Mateo County, the state and nation in celebrating Mental Health Month; and

Whereas, this month is an opportunity to increase awareness and reduce stigma by inspiring action and sparking meaningful conversation around mental health and substance use conditions; and

Whereas, Mental Health Is Ours — the theme for 2026 — highlights that mental health belongs to all of us. It is shaped by families, communities, relationships, culture, and lived experience. This theme invites everyone to take ownership of their well-being; while also recognizing the shared responsibility we have to support one another; and

Now, therefore, be it resolved that the City of Brisbane hereby recognizes May 2026 as Mental Health Month in the City of Brisbane to enhance public awareness of mental health to help end the stigma and direct members of the community to resources and support for mental health and substance use conditions.

DATED this 21ST day of May 2026.

Coleen Mackin, Mayor

City of Brisbane
PROCLAMATION

National Public Works Week Proclamation
May 17–23, 2026
"Rooted in Service, Powered by Community"

WHEREAS, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities and to public health, high quality of life, and well-being of the people of Brisbane; and

WHEREAS, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals who are responsible for rebuilding, improving, and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the citizens, civic leaders, and children in Brisbane to gain knowledge of and maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and,

WHEREAS, the year 2026 marks the 66th annual National Public Works Week sponsored by the American Public Works Association, be it now,

RESOLVED, I, Coleen Mackin, Mayor of the City of Brisbane, do hereby designate the week of May 17–23, 2026, as National Public Works Week. I urge all to pay tribute to our public works professionals, engineers, managers, and employees, and to recognize the substantial contributions they make to protecting our national health, safety, and advancing quality of life for all.

DATED this 21ST day of May 2026.

Coleen Mackin, Mayor

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL MEETING AGENDA
THURSDAY, APRIL 16, 2026

HYBRID MEETING, 50 PARK PLACE, BRISBANE, CA 94005

6:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

Mayor Mackin called the meeting to order at 6:33 P.M. and led the Pledge of Allegiance.

ROLL CALL

A. Remote Attendance Under the Just Cause Provisions of the Brown Act

No Councilmembers attended the meeting remotely.

Councilmembers Present: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Councilmembers Absent: None

Staff Present: City Manager Dennis, City Clerk Padilla, Legal Counsel Roush, Assistant City Manager Fernandez, Finance Director Yuen, Parks and Recreation Director Leek, Economic Vitality Director Bull, Management Analyst Brown, and Admin Management Analyst Ibarra

REPORT OUT OF CLOSED SESSION

Legal Counsel Roush reported out of the Closed Session Meetings of April 13 and April 16, 2026. She reported that Council gave direction to staff regarding and Council action was taken. She also reported out of the Housing Authority Closed Session of April 16, 2026 and no Housing Authority Board action was taken.

ADOPTION OF AGENDA

Councilmember Kern made a motion, seconded by Councilmember O'Connell, to adopt the agenda as it stands. The motion was passed unanimously by all present.

Ayes: Councilmember Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None

Abstain: None

AWARDS AND PRESENTATIONS

B. Peninsula Clean Energy/WestLight Energy Presentation

Marc Hershman, Director of Government Affairs of Peninsula Clean Energy, presented on the achievements of Peninsula Clean Energy. Adding tonight they are requesting the Council to consider approval of the Joint Powers Agreement amendment that reflects their new name WestLight Energy.

After some Council questions, Council thanked Mr. Hershman for his presentation.

ORAL COMMUNICATIONS NO. 1

No member of the public wished to speak.

CONSENT CALENDAR

C. Approve Minutes of City Council Meeting of March 19, 2026

D. Approve Minutes of City Council Special Meeting of March 21, 2026

E. Approve Minutes of City Council Closed Session Meeting of March 23, 2026

F. Approve Minutes of City Council Closed Session of April 2, 2026

G. Adopt a Resolution Approving Amendment to the Peninsula Clean Energy Joint Powers Authority Agreement Reflecting the Name Change of Peninsula Clean Energy Authority to WestLight Energy

H. Adopt a Resolution Establishing the Business License Tax Charged to Kinder Morgan for Calendar Year 2026

Councilmember Lentz made a motion, seconded by Councilmember O'Connell, to approve Consent Calendar Items C-H. The motion was passed unanimously by all present.

Ayes: Councilmember Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

NEW BUSINESS

I. Consider Approval of Legal Services Agreement with Burke, Williams & Sorensen and Appointment of Samantha Zutler as City Attorney

DRAFT

City Manager Dennis reported that he is available should the Council have any further questions about the legal services agreement with Burke, Williams, and Sorensen and appointment of Samantha Zutler.

After some council questions and no public comment, Councilmember Kern thanked the search committee for their work. Councilmember Kern made a motion, seconded by Councilmember Davis, to approve the legal services agreement with Burke, Williams, and Sorenson and appoint Samantha Zutler as City Attorney. The motion was passed unanimously by all present.

Ayes: Councilmember Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

J. Open Space and Ecology 2025 Accomplishments & 2026 Work Plan

Management Analyst Brown introduced Anthony Walker, Chair of the Open Space and Ecology Committee (OSEC) and Mary Rogers, Vice-Chair of OSEC. Mr. Walker and Ms. Rogers presented on OSEC's 2025 Accomplishments and Work Plan for 2026. After some council question, and no public comment, Councilmembers thanked members for their service and especially for their work reviewing the Baylands Draft Environmental Impact Report.

K. Consider Adoption of Fiscal Year 2026-2027 Council Priorities

City Manager Dennis reported that based on the Council's conversation on March 21st, five clear priorities emerged:

- Implementation of the City's Affordable Housing Strategic Plan and plan for expenditure of affordable housing funds held by the City
- Repair and update of Mission Blue, and activation of the Community Center so the entire building can be utilized by residents
- Examine the future of the City's retail corridor, consisting of businesses along Old County Road and Visitacion Avenue
- Continue with last year's priority committing to maintaining the City's fiscal health
- Continue with last year's priority increasing maintenance of all the City's facilities

He added The City Council also discussed the Parkside 2 Subcommittee's work and the Subcommittee shared that its initial recommendation would be coming later this fiscal year. Staff will also address the ratings of those bonds affected by recent audit work in the same timeframe.

After Council questions, Michele Salmon commented that the community center is an important resource and should be high in the Council's priorities. Councilmember Davis made a motion, seconded by Councilmember O'Connell to adopt and approve FY 2026/27 City Council Priorities as discussed at the Priority Setting Session of March 21, 2026.

L. Review Business License Fee Proposal

Finance Director Yuen reported that staff is recommending Council to direct staff to begin the process of launching a ballot initiative for November 2026 to change

the Business License Fee Structure. She added that staff worked with our business license program administrator, Hinderliter De Llamas & Associates (HdL), in August 2025 to conduct a business license tax study.

Finance Director Yuen added, that after reviewing all the business license models from HdL's study, the Fiscal Policy Subcommittee recommended the Council move forward with Model 2. This model considers the need to simplify the current rate structure, raises fees that haven't been adjusted since 1983, considers the variety of current and future industries within city limits, and encourages support for smaller businesses, or microenterprises. Model 2 would increase revenues from our current industry mix, as well as protect us if the mix were to change in future years.

Additionally, if Council agrees with the Subcommittee's recommendation and decides to move forward with Model 2, staff would then conduct community outreach in April and May, and finalize ballot and ordinance language in June in time for the November 2026 Election.

After Council questions, Chris Florkowski commented that she is concerned because Brisbane is not like other cities.

Economic Vitality Director Bull commented that we have not updated this in 43 years and this policy is drafted to be future proof.

After Council discussion, staff was directed to begin the process of launching a ballot initiative for November 2026 to change the Business License Fee Structure based on Model 2.

STAFF REPORTS

M. City Manager's Report- City Updates and Upcoming Activities

City Manager provided updates on previous city activities and reported on upcoming events.

MAYOR/COUNCIL MATTERS

N. Future Agenda Items

No requests were made.

O. Countywide Assignments and Subcommittee Reports
- **i. Parkside 2 Ad Hoc Subcommittee Update**
- **ii. Report Out on Subcommittee Meetings**
- **iii. Upcoming Subcommittee Meetings**

Councilmembers reported on their county and subcommittee meetings.

P. Written Communications

Written correspondence was received from the following members of the public:

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- Jason Barnaby (4/15/26) Response Requested 120 Constituents Urge Action on Preschool Program Cancellation
- Lorie Mae (2 emails on 4/14/26) Follow Up Survey on the Petition to reinstate the Brisbane Preschool Program
- Jill Reed (4/13/26) Partnership Request Brisbane's 2026-27 Support for SSMC
- Susan Lau (4/10/26) Brisbane Quarry Plans
- Tony Verreos (4/8/26) Quarry Rd. Trail Project
- Michele Salmon (4/3/26) April 2 Council Meeting Comments

ORAL COMMUNICATIONS NO. 2

Chris Florkowski made a comment on Caltrains' $75 million deficit.

Adjournment

Mayor Mackin adjourned the meeting at 8:22 P.M.

_____
Ingrid Padilla
City Clerk

DRAFT

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL CLOSED SESSION MEETING AGENDA
MONDAY, APRIL 20, 2026

HYBRID MEETING, 25A PARK PLACE ANNEX CONFERENCE ROOM,
BRISBANE, CA 94005

3:30 P.M. CALL TO ORDER

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Government Code, Section 54956.9 (d). Number of Cases: One

Mayor Mackin called the meeting to order at 3:36 P.M.

Councilmember Lentz made a motion, seconded by Councilmember O'Connell to approve the Closed Session Meeting agenda as it stands. The motion passed unanimously by all present.
Ayes: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

There was no public comment. Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT OF CLOSED SESSION
City Attorney Zutler reported that direction was provided to staff regarding Anticipated Litigation Item D.

ADJOURNMENT
The meeting was adjourned at 7:30 P.M.

_____
Ingrid Padilla, City Clerk

DRAFT

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL SPECIAL MEETING AGENDA
TUESDAY, APRIL 21, 2026

HYBRID MEETING, 50 PARK PLACE, CITY HALL CONFERENCE ROOM,
BRISBANE, CA 94005

4:00 P.M. CALL TO ORDER

Mayor Mackin called the meeting to order at 4:03 P.M.

ADOPTION OF AGENDA

Councilmember Davis will be recusing herself from the Public Art Advisory Committee interviews and appointment vote. Item E will be moved at the very end of the Special Meeting. Councilmember Lentz requested to add Janice Au-Young as an applicant for the Complete Streets Safety Committee. Her application was submitted before the deadline but was not received by the City Clerk. Mayor Mackin made a motion, seconded by Councilmember Kern to approve the agenda as amended. The motion was carried unanimously by all present.

Ayes: Councilmember Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: Councilmember Davis (attended the meeting after the PAAC interviews)
Abstain: None

Public Comment

No members of the public wished to speak at this time.

Committee Interviews and Possible Appointments

A. Interview Applicants for up to 4 seats to the Public Art Advisory Committee (PAAC) with shortened terms ending January of 2028

- 4:05 pm Karen Cunningham
- 4:15 pm Danette Davis
- 4:25 pm Kevin Fryer
- 4:35 pm Kat Thomas
- 4:45 pm Deanna Washington
- 4:55 pm Lupita Gonzalez

Councilmembers Kern, Lentz, O'Connell and Mayor Mackin interviewed all six applicants.

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B. Interview Applicants for 1 seat for the IDEA Committee for a shortened term of January 2027

- 5: 10 pm Lupita Gonzalez

Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin interviewed Ms. Gonzalez.

C. Interview Applicants for up to 3 seats in the Complete Streets Safety Committee with terms ending in January 2030

- 5: 20 pm Jose Moreno
- 5:25 Janice Au-Young

Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin interviewed both applicants.

D. Interview Applicants for 1 seat in the Open Space and Ecology Committee with a term ending in January 2030

- 5: 30 pm Hannah Carney
- 5:40 pm Peter Sutherland
- 5:50 pm Dale Wilhem

Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin interviewed all three applicants.

F. Discuss and Consider making Appointments for 1 seat for the IDEA Committee for a shortened term of January 2027

After council questions, no public comment, and council discussion, Council directed staff to draft a resolution appointing Lupita Gonzales for a shortened term of January 2027 to the IDEA Committee for council approval at the next City Council Meeting.

G. Discuss and Consider making Appointments for 3 seats in the Complete Streets Safety Committee with terms ending in January 2030

After council questions, no public comment, and council discussion, Council directed staff to draft a resolution appointing Jose Moreno and Janice Au-Young for a term ending January 2030 to the Complete Streets Safety Committee for council approval at the next City Council Meeting.

H. Discuss and Consider making Appointments for up to 1 seat in the Open Space and Ecology Committee with a term ending in January 2030

After council questions, no public comment, and council discussion, Council directed staff to draft a resolution appointing Hannah Carney for a term ending January 2030 to the Open Space and Ecology Committee for council approval at the next City Council Meeting. Council also directed staff to ask Peter Sutherland if he would be interested in being appointed to the Complete Streets Safety Committee.

E. Discuss and Consider making Appointments for up to 4 seats to the Public Art Advisory Committee (PAAC) with shortened terms ending January of 2028

Councilmember Davis left the room and recused herself from Item E. After council questions, no public comment, and council discussion, Council directed staff to draft a resolution appointing Kat Thomas and Deanna Washington for a shortened term ending January 2028 to the Public Art Advisory Committee for council approval at the next City Council Meeting. Council also directed staff to research whether the Public Art Advisory Committee membership can be up to 7 members.

ADJOURNMENT

The meeting was adjourned at 6:54 P.M.

_____
Ingrid Padilla, City Clerk

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL CLOSED SESSION MEETING AGENDA
MONDAY, APRIL 27, 2026

HYBRID MEETING, 25A PARK PLACE ANNEX CONFERENCE ROOM,
BRISBANE, CA 94005

3:30 P.M. CALL TO ORDER

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Government Code, Section 54956.9 (d). Number of Cases: One

Mayor Mackin called the meeting to order at 3:35 P.M.

Councilmember O'Connell made a motion, seconded by Councilmember Davis to approve the Closed Session Meeting agenda as it stands. The motion passed unanimously by all present.
Ayes: Councilmembers Davis, Kern, O'Connell and Mayor Mackin
Noes: None
Absent: Lentz (arrived at 3:40pm)
Abstain: None

Public comment was made by Clara Johnson. She commented that being a councilmember is a thankless job and appreciated the stop to a community park camera. She added to vote no when Councilmembers have doubts especially about toxins and the safety of the kids.

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT OF CLOSED SESSION
City Attorney Zutler reported that direction was provided to staff regarding Anticipated Litigation Item D.

ADJOURNMENT
The meeting was adjourned at 7:30 P.M.

_____
Ingrid Padilla, City Clerk

DRAFT

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL CLOSED SESSION MEETING AGENDA
MONDAY, MAY 4, 2026

HYBRID MEETING, 25A PARK PLACE ANNEX CONFERENCE ROOM,
BRISBANE, CA 94005

3:30 P.M. CALL TO ORDER

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Government Code, Section 54956.9 (d). Number of Cases: One

Mayor Mackin called the meeting to order at 3:34 P.M.

Councilmember Lentz made a motion, seconded by Councilmember O'Connell to approve the Closed Session Meeting agenda as it stands. The motion passed unanimously by all present.
Ayes: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT OF CLOSED SESSION
City Attorney Zutler reported that direction was provided to staff regarding Anticipated Litigation Item D.

ADJOURNMENT
The meeting was adjourned at 7:30 P.M.

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Ingrid Padilla, City Clerk

DRAFT

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL CLOSED SESSION MEETING AGENDA
THURSDAY, MAY 7, 2026

HYBRID MEETING, 50 PARK PLACE, CITY HALL CONFERENCE ROOM,
BRISBANE, CA 94005

6:00 P.M. CALL TO ORDER

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. Liability Claim: Lai, pursuant to Government Code, section 54956.95

Mayor Mackin called the meeting to order at 6:00 P.M.

Councilmember O'Connell made a motion, seconded by Councilmember Lentz to approve the Closed Session Meeting agenda as it stands. The motion passed unanimously by all present.
Ayes: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None
There was no public comment. Mayor Mackin adjourned the meeting into Closed Session.

REPORT OUT OF CLOSED SESSION
City Attorney Zutler reported that Council took action on Liability Claim Item D.

ADJOURNMENT
The meeting was adjourned at 6:10 P.M.

_____
Ingrid Padilla, City Clerk

DRAFT

BRISBANE CITY COUNCIL

ACTION MINUTES

JOINT CITY COUNCIL, HOUSING AUTHORITY, & GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT MEETING AGENDA
THURSDAY, MAY 7, 2026

HYBRID MEETING, 50 PARK PLACE, BRISBANE, CA 94005

6:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

Mayor Mackin called the meeting to order at 6:31 P.M. and led the Pledge of Allegiance.

ROLL CALL

A. Remote Attendance Under the Just Cause Provisions of the Brown Act

No Councilmembers attended the meeting remotely.

Councilmembers Present: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Councilmembers Absent: None

Staff Present: City Manager Dennis, City Clerk Padilla, City Attorney Zutler, Assistant City Manager Fernandez, Human Resources Director Partin, Parks and Recreation Director Leek, Recreation Coordinator Nahass Lopez, Finance Director Yuen, Public Works Director Bozorginia, Assistant to the City Manager Cheung, Management Analyst Brown, and Admin Management Analyst Ibarra

REPORT OUT OF CLOSED SESSION

City Attorney Zutler reported out of the Closed Session Meetings of April 20, April 27, May 4th and May 7th, 2026. She reported that Council gave direction to staff regarding and no reportable action was taken. The litigation on May 7th was denied.

Adoption of Agenda

Mayor Mackin reported that this week is Municipal Clerk's Week and recognized City Clerk Padilla and acting Deputy City Clerk Ibarra for their work. She also welcomed new City Attorney Samantha Zutler to her first City Council Meeting.

Councilmember Davis made a motion, seconded by Councilmember O'Connell to adopt the agenda as it stands.

Ayes: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

Awards and Presentations

B. Youth Advisory Committee Annual Presentation

The Youth Advisory Committee members presented their community events and leadership activities throughout the year. Councilmembers thanked them for their intergenerational work and service to the community.

Oral Communications No. 1

No members of the public wished to speak.

Consent Calendar

C. Proclaiming May 2026 as Asian American Native Hawaiian Pacific Islander Heritage Month

D. Proclaiming May 2026 as Wildfire Preparedness Month

E. Proclaiming Week of May 17-23, 2026 as Emergency Medical Services Week

F. Approve Minutes of City Council Meeting of April 2, 2026

G. Approve Minutes of City Council Closed Session Meeting of April 6, 2026

H. Approve Minutes of City Council Closed Session Meeting of April 13, 2026

I. Approve Minutes of City Council Closed Session of April 16, 2026

J. Approve Minutes of Housing Authority Closed Session of April 16, 2026

K. Accept Investment Report as of March 2026

L. Adopt Resolution Approving Agreement with the County of San Mateo for Animal care and Control Services to be Provided by the Peninsula Humane Society & SPCA (PHS)

M. Adopt a Brisbane City Council Resolution and a GVMID Resolution approving the First Amendment to the Joint Exercise of Powers Agreement between the City and County of San Francisco, the City of Brisbane, and the Guadalupe Valley Municipal Improvement District for Wholesale Wastewater Treatment and Disposal Services

DRAFT

N. Approve Resolutions to Appoint Members to City Committees

O. Adopt Resolution to Amend the Current Communication and Digital Media Coordinator and Senior Accounting Assistant Job Descriptions

P. Approve Cosponsorship of Lions Club Scholar Dinner

Q. Approve Cosponsorship of Brisbane Library's CaveSim Event

R. Approve Cosponsorship of Brisbane Library's Lucha Libro Event

S. Approve Cosponsorship of the Friends of the Brisbane Library's Citywide Garage Sale

Councilmember O'Connell made a motion, seconded by Councilmember Kern to approve Consent Calendar Items C-S.

Ayes: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

T. Approve Cosponsorship of Brisbane Chamber's Brassy, Bassy, & Broadway Event

Councilmember Davis abstained from the vote as the Chief Executive Office of the Brisbane Chamber. Councilmember Lentz made a motion, seconded by Councilmember O'Connell to approve Consent Calendar Item T.

Ayes: Councilmembers Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: Councilmember Davis

Continued Awards and Presentations

U. Swearing In Newly Appointed Committee Members

City Clerk Padilla administered the Oath or Affirmation of Allegiance for Public Officers and Employees to the following newly appointed committee members:

- Jose Moreno, Complete Streets Safety Committee for a term through January 2030
- Janice Au-Young, Complete Streets Safety Committee for a term through January 2030
- Hannah Carney, Open Space and Ecology Committee for a term through January 2030
- Lupita Gonzalez, IDEA Committee for an initial shortened term through January 2027
- Kat Thomas, Public Art Advisory Committee for a shortened term through January 2028

DRAFT

New Business

V. **Review and Acceptance of the Fiscal Year 2022-2023 Audit**

Finance Director Yuen provided an overview of the Fiscal Year 2022-2023 Audit report, also known as the Annual Comprehensive Financial Report, and the correlating Memorandum on Internal Control. The City's General Fund revenues increased by $5.2 million, or 22.6% compared to the prior fiscal year amount of $23.2 million. She reported that the General Fund revenues, including property taxes, sales taxes, charges for services, business license taxes, and transient occupancy taxes increased compared to the prior year. The City's General Fund expenditures totaled $31.7 million, an increase of $3.8 million from prior year expenditures of $27.9 million, or 13.8%.

After Council questions, Diana S. suggested that the City create a Finance and Audit Committee to better keep track of this process.

Councilmembers discussed wanting to have quarterly updates and appreciated having more support for the department.

After Council discussion, Councilmember O'Connell made a motion, seconded by Councilmember Kern to received the Fiscal Year 2022-2023 Audit report and Memorandum of Internal Control.

Ayes: Councilmembers Davis, Kern, Lentz, O'Connell and Mayor Mackin
Noes: None
Absent: None
Abstain: None

W. **Receive Sanitary Sewer Smoke Testing Informational Update**

Public Works Director Bozorginia reported that smoke testing is a standard method used by many jurisdictions to evaluate sanitary sewer systems and identify defects such as cracks, leaks, and improper connections that contribute to inflow and infiltration (I&I). While commonly used throughout the region, smoke testing has not previously been conducted in Brisbane. He added that staff is implementing a smoke testing program to better understand system conditions and prioritize future maintenance and capital improvements.

He also added that the smoke used is safe and does not pose a health risk and staff anticipates conducting smoke testing in targeted areas during the second half of June 2026. In advance of this work, the City is conducting a series of outreach efforts starting next week.

After no council questions and discussion, Council thanked Public Works Director Bozorginia for the update.

DRAFT

X. **Receive Local Hazard Mitigation Planning Update**

Assistant City Manager Fernandez reported that to be eligible for hazard mitigation grants and certain disaster recovery funds, a public agency must adopt a local hazard mitigation plan that has been approved by the California Office of Emergency Services (CalOES) and by the Federal Emergency Management Agency (FEMA). This is the fourth time Brisbane is updating its plan, occurring every five years, with the last action taken on November 18, 2021. She added that the plan is to have a CalOES and FEMA approved plan in the fall to allow San Mateo County and Plan Participants to put it on Board agendas for adoption before the current plan expires in December.

After council questions, no public comment and no council discussion. Councilmembers thanked Assistant City Manager Fernandez for the update.

Y. **Discuss Public Art Advisory Committee Membership Composition and Consider Adopting a Resolution to Amend the Public Art Implementation Guidelines**

City Manager Dennis reported that the Public Art Implementation Guidelines were most recently amended on September 18, 2025 to ensure consistency with the Public Art Master Plan. As part of this amendment, the structure of the Public Art Advisory Committee (PAAC) was adjusted by eliminating the appointment of two Parks and Recreation Commissioners and two Councilmembers and increasing the number of community members from three to seven.

As a result of the changes made to the Public Art Implementation Guidelines, the City Council held a special city council meeting on April 21, 2026 to recruit four community members to the PAAC. As a result of this recruitment, two community members were offered a committee seat. Subsequently, one of the two appointees declined the appointment, leaving the PAAC with just one new appointee.

Public Art Implementation guidelines state that PAAC be made up of seven members. However, other committees such as the Complete Streets Safety Committee (CSSC) and the Inclusion, Diversity, Equity, and Accountability (IDEA) Committee have language in their bylaws indicating a composition of "five to seven members".

City Manager Dennis added that if Council wishes to align with CSSC and IDEA Committee membership bylaws, staff propose amending the Public Art Implementation Guidelines to reflect a range of five to seven committee members appointed by Council. Amended implementation guidelines and an accompanying resolution are attached for consideration.

Currently, the PAAC has four vacancies. If membership remains unchanged, the City Clerk will proceed with recruitment for these four positions. Alternatively, if Council reduces PAAC membership to five seats, the City Clerk will recruit for the single remaining vacancy.

After Council questions, Michael Barnes commented that there should be a public accounting of what public arts funding is and it should be part of the municipal code to ensure that public arts fund are spent according to the law.

DRAFT

After Council discussion, Councilmember O'Connell made a motion to retain the Public Art Advisory Committee membership to seven. The motion failed with a 2 to 3 vote.

Ayes: Councilmembers Davis and Councilmember O'Connell
Noes: Councilmembers Kern, Lentz and Mayor Mackin
Absent: None
Abstain: None

Councilmember Lentz made a motion, seconded by Mayor Mackin, to adopt a Resolution to Amend the Public Art Implementation Guidelines indicating a membership composition of "five to seven members". The motion passed with a three to two vote.

Ayes: Councilmember Kern, Lentz and Mayor
Noes: Councilmember Davis and Councilmember O'Connell
Absent: None
Abstain: None

Staff was directed by Councilmember Davis, Kern and O'Connell to begin the recruitment immediately to fill the vacancies.

Z. City Manager's Report- City Updates and Upcoming Activities

City Manager Dennis reported on upcoming city activities and events.

Mayor and Council Matters

AA. Future Agenda Item

Councilmember Davis and Mayor Mackin wanted staff to explore ordinances on Data Centers.

BB. Countywide Assignments and Subcommittee Reports
i. Parkside 2 Ad Hoc Subcommittee Update
ii. Report Out on Subcommittee Meetings
iii. Upcoming Subcommittee Meetings

Councilmembers shared their county assignment and subcommittee activities.

CC. Written Communications

Written correspondence was received from the following members of the public:

Mae (5/7/26) List of 17 Committed Families to Enroll to the Brisbane Preschool for Summer 2026
Mae (5/3/26) Update: 12 out of 15 committed families ready to enroll to the Brisbane Preschool immediately (Summer 2026)
Lee (5/4/26) Abandoned boats in Sierra Point inlet near Prothena building (SF Bay Trail) – request action/timeline

DRAFT

Kern (4/29/26) For Distribution to Full Council - Dennis SMART goals - Strategic Planning
Dillworth (4/28/26) Comments
Jefferson Union High School District (4/13/26) Fourteen Day Notice of Proposal to Implement Development Fees

Oral Communications No. 2

Michael Barnes commented to have the City review the Public Art Master Plan's mission statement because it is flawed.

Adjournment

Mayor Mackin adjourned the meeting at 9:37 P.M.

_____
Ingrid Padilla
City Clerk

DRAFT

City Council Staff Report

Meeting Date: May 21, 2026

From: Jeff Franco, Parks and Recreation Coordinator, Noreen Leek, Parks and Recreation Director

Subject: Approve Cosponsorship of Sierra Point Yacht Club's Regatta Day

Recommendation

Staff recommends that the Council review and consider approving the Sierra Point Yacht Club's Regatta Day as a cosponsored event.

Background

In 2003, following construction of the Mission Blue Center, the Brisbane City Council adopted a policy establishing guidelines for event cosponsorships. The policy supports and encourages recreational, educational, and cultural programs that are accessible to all individuals regardless of age, gender, race, religion, or national origin. As such, the City has a long-standing tradition of partnering with local nonprofit organizations by cosponsoring community events and waiving facility rental and staffing fees, thereby expanding access to programs that enrich residents' lives and strengthen civic connections. This collaborative approach maximizes public resources, increases community engagement, encourages volunteerism, fosters inclusivity, and activates public spaces in meaningful ways.

Qualifying criteria for cosponsored events include Brisbane residency, designation by the State of California as a non-profit organization (i.e. 501c3), and the event must be open to the public and suitable for the community at large.

Discussion

The Sierra Point Yacht Club was established in 1984 to promote social interaction among the membership and other yacht clubs, with the intent of encouraging safe, enjoyable pleasure-boating. On Saturday, September 19, 2026, from 12:00-5:00pm, the Sierra Point Yacht Club event will include music, food, boat-knot training, games, and fun. The event is open and free to the general public. An amplified sound permit and an encroachment permit to block parking is required through the City of Brisbane. Food and beverage permits are required through San Mateo County.

They are also requesting the City's support with promotion and marketing of their event (i.e.

signboards, social media). SPYC is also requesting to borrow city equipment including 10 tables, 30 chairs, and 20 sandbags.

Fiscal Impact

FINANCIAL SUMMARY BASED ON APPLICATION	
Parks & Recreation Staff time	4 hours of labor @ $60/hr = $240
Public Works Staff time for "No Parking" closures	1 hour of OT @ $52.50/hr = $52.50
Police Department support - 1 officer	5 hours of OT @ $81.56/hr = $407.80
Amplified Sound Permit	$229
Encroachment Permit	115
TOTAL	**$1,044.30**

Attachments

1. SPYC Regatta_2026 Application

City Manager Approval



Jeremy Dennis, City Manager

City of Brisbane

CO-SPONSORSHIP APPLICATION

This application must be submitted to the Parks & Recreation Department at least **(90) working days** prior to the requested event.

Phone: 415-508-2140 | Email: brisbanerec@brisbaneca.org | Office: 50 Park Place, Brisbane, CA 94005

APPLICANT INFORMATION

Name of Contact Person: _Meg Chandler_____ **Contact Person's Phone:** ____415-730-7030_____

Contact Person's Email: _____emchandler1227@gmail.com_____

Name of Organization: _____Sierra Point Yacht Club_____ **Organization's Website:** __spyc.clubexpress.com_____

Organization's Address or P.O. Box: __500 Sierra Point Pkwy, Brisbane, CA 94005_____

Circle ONE of the following items below that best describes your organization.

a. **Brisbane Non-Profit Organization**
b. **Non-resident, Non-Profit Organization (Outside of Brisbane)**
c. **School District, School, or School Affiliated Group (ex. PTO)**
d. **Private Group, Club, or Organization**

What year did your organization begin serving the Brisbane community? _____1984_____

How has your organization contributed to the Brisbane community in the past 2 years?

SPYC has held The Regatta for the last 3 years. Bringing the Brisbane Community together to share in a day of music, food and beverage educational booth to learn about the Marina

What is your organization's mission and/or purpose?

The SPYC was established to promote social interactions, with the intent of encouraging, safe enjoyable pleasure boating and build relationships with Brisbane and the surrounding yacht Clubs

EVENT DETAILS

Name of Event: The Regatta Day

Event Set-up Start Time: 9am

Event Date (mm/dd/yy): 09/19/26

Event Start Time: 12noon

Event Day of Week: Saturday

Event Close Time : 5:00pm

Event Location: 500 Sierra Point Parkway, Brisbane, CA 94005

Reservation Permit Number (if applicable): _____

Describe what can be expected from this event? (ex. Performance, shopping, activities, etc.) Music, Food and Beverage, Brisbane Booth, boat knot training, games, and fun

Will there be any fundraising at this event? ___no__ **If yes, what will the funds raised be used for?** _____

Are there any admission fees for this event? ____no **If yes, please list them here:** _____

If this event is NOT open to the general public, what are the restrictions for who may attend? (ex. Age, membership, residency, etc.)

_____

INDOOR FACILITY ACCESS REQUEST

City Staff must be present to accommodate the use of any of our indoor facilities. The following schedule will be used to ensure someone will be available when you need access. (If you are not requesting indoor facility use, you may skip to the next section)

Date of Facility Access (mm/dd/yy):_____ **Opening Time:** _____ **Closing Time:** _____

Date of Facility Access (mm/dd/yy):_____ **Opening Time:** _____ **Closing Time:** _____

Date of Facility Access (mm/dd/yy):_____ **Opening Time:** _____ **Closing Time:** _____

EQUIPMENT USE REQUEST

<Insert Equipment Use Liability Notice>
Indicate the equipment you wish to borrow for this event.

Bluetooth Speaker? _____ **with Microphone?** _____

Projector & Screen? *(Mission Blue Only)* _____

Other: _____

Quantity:	**Item:**
_____8-10_____	6ft Long Rectangle Tables
_____	5ft Diameter Round Tables
_____30-40__	Chairs
_____	10ft x 10ft Canopy/Pop-up Tent
_____20_____	Weighted Sandbags

PERMITS

Food & Beverage Permits

Will any food or non-alcoholic beverages be sold at your event? ___X___ If yes, this permit is required smchealth.org/food-program

Will alcoholic beverages be served or sold at your event? __X___ If yes, you must attach a copy of an Alcoholic Beverage Permit
***Full Liquor Liability: If beer or wine is available for consumption and money is transacted in any form (i.e. for donation, for a ticket, for a meal, for entry to the event, for the beverage) then full liquor liability premiums are necessary.**

Traffic Permits

Will this event require any street or parking closures? __X___ If yes, you must obtain a Brisbane Encroachment Permit

Amplified Sound Permits

Do you wish to use amplified sound at this event? __X__ If yes, you must submit an Brisbane Amplified Sound Permit Application

ADDITIONAL SUPPORT

Do you need any promotional support for this event?

Signboards? YES **Social Media? YES**

Digital Graphics / Flyers? **Programs?**

Other: _____

USE AGREEMENT & LIABILITY RELEASE

To the fullest extent allowed by law, I agree to indemnify and defend the City of Brisbane, its directors, officers, agents, employees and volunteers and hold them harmless from and against any and all loss, liability, expense, claims, costs, suits, and damages, including attorneys' fees, arising out of the use or occupancy described in this application. I agree to waive all rights of subrogation against the City, its elected or appointed officers, officials, agents and employees for losses paid under the terms of any policy which arise from the use or occupancy described in this application.

Applicant Signature___ ***E Meg Chandler***_____ **Date**___**3/13/26**_____

City Council Staff Report

Meeting Date: May 21, 2026

From: Jeff Franco, Parks and Recreation Coordinator, Noreen Leek, Parks and Recreation Director

Subject: Approve Cosponsorship of San Bruno Mountain Watch's "Meet the Mountain" Festival

Recommendation

Staff recommends that the Council review and consider approving San Bruno Mountain Watch's "Meet the Mountain Festival" as a cosponsored event.

Background

In 2003, following construction of the Mission Blue Center, the Brisbane City Council adopted a policy establishing guidelines for event cosponsorships. The policy supports and encourages recreational, educational, and cultural programs that are accessible to all individuals regardless of age, gender, race, religion, or national origin. As such, the City has a long-standing tradition of partnering with local nonprofit organizations by cosponsoring community events and waiving facility rental and staffing fees, thereby expanding access to programs that enrich residents' lives and strengthen civic connections. This collaborative approach maximizes public resources, increases community engagement, encourages volunteerism, fosters inclusivity, and activates public spaces in meaningful ways.

Qualifying criteria for cosponsored events include Brisbane residency, designation by the State of California as a non-profit organization (i.e. 501c3), and the event must be open to the public and suitable for the community at large.

Discussion

San Bruno Mountain Watch (SBMW) is a Non-profit 501(c)(3) organization established in 1995. Their mission is to care for San Bruno Mountain through conservation, ecological restoration, education, and advocacy in partnership with local communities. SBMW engages local communities, including Brisbane residents, in efforts to protect and restore the mountain, including habitat workdays. They also teach the community about the cultural and natural history of the mountain and provide them with native plants from the Mission Blue Nursery. The Mission Blue Nursery provides opportunities to learn about and participate in native plant propagation and environmental horticulture. The "Meet the Mountain" Festival will take place at the Mission Blue Center on Saturday, September 26, 2026, from 11:00am–5:00pm. The event will include presentations, exhibits, art activities, and performances that all aim to help the public learn about and appreciate San Bruno Mountain. This event is open and free to the general public.

The event sponsor is also requesting waiver of the $500 deposit and insurance certificates which are typically required for private facility rental groups. They are also requesting the City's support with promotion and marketing of their event (i.e. signboards, social media).

Fiscal Impact

FISCAL IMPACT SUMMARY BASED ON APPLICATION	
Rental of Mission Blue Center	$371/hr x 11.5 hours = $4,266.50
TOTAL	**$4,266.50**

Attachments

1. Cosponsorship Application of SBMW Meet the Mountain Event

City Manager Approval



Jeremy Dennis, City Manager

City of Brisbane
CO-SPONSORSHIP APPLICATION

This application must be submitted to the Parks & Recreation Department at least **(90) working days** prior to the requested event.

PHONE: 415-508-2140 | EMAIL: BRISBANEREC@BRISBANECA.ORG | OFFICE: 50 Park Place, Brisbane, CA 94005

APPLICANT INFORMATION

Name of Contact Person: Ariel Cherbowsky Corkidi **Contact Person's Phone:** 415-467-6631

Contact Person's Email: ariel@mountainwatch.org

Name of Organization: San Bruno Mountain Watch **Organization's Website:** www.mountainwatch.org

Organization's Address or P.O. Box: 44 Visitacion Ave, Ste 206, Brisbane, CA 94005

Circle ONE of the following items below that best describes your organization.

a. **Brisbane Non-Profit Organization**
b. **Non-resident, Non-Profit Organization (Outside of Brisbane)**
c. **School District, School, or School Affiliated Group (ex. PTO)**
d. **Private Group, Club, or Organization**

What year did your organization begin serving the Brisbane community? 1995

How has your organization contributed to the Brisbane community in the past 2 years?

In the past two years, we have collaborated with the City of Brisbane to host multiple habitat restoration days on the Northeast Ridge and Icehouse Hill. We hosted a San Bruno Mountain Solstice Celebration at the Brisbane Community Park in the summer of 2025. We have provided plants to city beautification projects along Quarry Road and stairways connecting streets in Brisbane. We have hosted 8 open-house plant sales at Mission Blue Nursery in Brisbane.

What is your organization's mission and/or purpose?

The mission of San Bruno Mountain Watch is to care for San Bruno Mountain through conservation, ecological restoration, education, and advocacy in partnership with local communities.

EVENT DETAILS

Name of Event: Meet the Mountain Festival **Event Set-up Start Time:** 12pm

Event Date (mm/dd/yy): 09/26/26 **Event Start Time:** 2pm

Event Day of Week: Saturday **Event Close Time:** 8pm

Event Location: Mission Blue Center

Reservation Permit Number (if applicable): _____

Describe what can be expected from this event? (ex. Performance, shopping, activities, etc.)

Presentations, exhibits, videos, art activities, and performances that all aim to help the public learn about and appreciate San Bruno Mountain.

Will there be any fundraising at this event? Yes **If yes, what will the funds raised be used for?** Restoration & education programs

Are there any admission fees for this event? No **If yes, please list them here:** _____

If this event is NOT open to the general public, what are the restrictions for who may attend? (ex. Age, membership, residency, etc.)

INDOOR FACILITY ACCESS REQUEST

City Staff must be present to accommodate the use of any of our indoor facilities. The following schedule will be used to ensure someone will be available when you need access. (If you are not requesting indoor facility use, you may skip to the next section)

Date of Facility Access (mm/dd/yy): Saturday, September 26th, 2026 **Opening Time:** 12pm **Closing Time:** 8:30pm

Date of Facility Access (mm/dd/yy): _____ **Opening Time:** _____ **Closing Time:** _____

Date of Facility Access (mm/dd/yy): _____ **Opening Time:** _____ **Closing Time:** _____

EQUIPMENT USE REQUEST

<Insert Equipment Use Liability Notice>
Indicate the equipment you wish to borrow for this event.

Bluetooth Speaker? Yes **with Microphone?** Yes

Projector & Screen? *(Mission Blue Only)* Yes

Other: _____

Quantity:	Item:
15	6ft Long Rectangle Tables
10	5ft Diameter Round Tables
150	Chairs
3	10ft x 10ft Canopy/Pop-up Tent
	Weighted Sandbags

PERMITS

Food & Beverage Permits

Will any food or non-alcoholic beverages be sold at your event? No **If yes, this permit is required** smchealth.org/food-program

Will alcoholic beverages be served or sold at your event? No **If yes, you must attach a copy of an Alcoholic Beverage Permit**
***Full Liquor Liability: If beer or wine is available for consumption and money is transacted in any form (i.e. for donation, for a ticket, for a meal, for entry to the event, for the beverage) then full liquor liability premiums are necessary.**

Traffic Permits

Will this event require any street or parking closures? No **If yes, you must obtain a Brisbane Encroachment Permit**

Amplified Sound Permits

Do you wish to use amplified sound at this event? Yes **If yes, you must submit an Brisbane Amplified Sound Permit Application**

ADDITIONAL SUPPORT

Do you need any promotional support for this event?

Signboards? Yes **Social Media?** Yes

Digital Graphics / Flyers? **Programs?**

Other: Brisbane STAR, Blast

USE AGREEMENT & LIABILITY RELEASE

To the fullest extent allowed by law, I agree to indemnify and defend the City of Brisbane, its directors, officers, agents, employees and volunteers and hold them harmless from and against any and all loss, liability, expense, claims, costs, suits, and damages, including attorneys' fees, arising out of the use or occupancy described in this application. I agree to waive all rights of subrogation against the City, its elected or appointed officers, officials, agents and employees for losses paid under the terms of any policy which arise from the use or occupancy described in this application.

Applicant Signature _____ **Date** 2/6/26

City Council Staff Report

Meeting Date: May 21, 2026

From: Jeff Franco, Parks and Recreation Coordinator, Noreen Leek, Parks and Recreation Director

Subject: Approve Cosponsorship of Excelsior Running Club's Half Marathon & 5K Race

Recommendation

Staff recommends that the Council review and consider approving the Excelsior Running Club's Half Marathon & 5K Race as a cosponsored event.

Background

In 2003, following construction of the Mission Blue Center, the Brisbane City Council adopted a policy establishing guidelines for event cosponsorships. The policy supports and encourages recreational, educational, and cultural programs that are accessible to all individuals regardless of age, gender, race, religion, or national origin. As such, the City has a long-standing tradition of partnering with local nonprofit organizations by cosponsoring community events and waiving facility rental and staffing fees, thereby expanding access to programs that enrich residents' lives and strengthen civic connections. This collaborative approach maximizes public resources, increases community engagement, encourages volunteerism, fosters inclusivity, and activates public spaces in meaningful ways.

Qualifying criteria for cosponsored events include Brisbane residency, designation by the State of California as a non-profit organization (i.e. 501c3), and the event must be open to the public and suitable for the community at large.

Discussion

The Excelsior Running Club has promoted health & wellness in Brisbane through running since 2013. The Excelsior Running Club Half Marathon and 5K will take place on San Bruno Mountain on Saturday, October 3, 2026, from 7:00am–1:00 pm. This annual run begins at 9:00am on Visitacion Avenue and concludes on Quarry Road Trail near the Community Park. It is anticipated that the fastest runners should be done by 10:30am and the last of the runners will be done by approximately 2:00pm. Event registration is fee-based and tickets will be available for purchase through Excelsior Running Club. A portion of the funds raised will support El Camino High School, the Brisbane Lions Club, and San Bruno Mountain Watch. Last year's event had 83 runners participate in the half-marathon. As a result, Excelsior Running Club donated $500 each to San Bruno Mountain Watch and the Brisbane Lions Club. They also donated $1,500 to the El Camino High School Cross Country team for their volunteer support at the event and purchased 100 lunches from the Lion's Club at the Day in the Park event. They

are also requesting to borrow City equipment including 7 tables and 14 chairs. An encroachment permit is required to block parking.

Fiscal Impact

FISCAL IMPACT SUMMARY BASED ON APPLICATION	
Public Works Staff OT for set up/take down of flags on Visitacion & street closures	Approximately 6 hours of OT @ 52.50/hour = $315
Encroachment Permit	$115
TOTAL	**$430**

Attachments

1. 2026 Cosponsorship Application - Excelsior Running Club's Half Marathon & 5K
2. Certificate of Insurance - Excelsior Running Club

City Manager Approval



Jeremy Dennis, City Manager

City of Brisbane
CO-SPONSORSHIP APPLICATION

This application must be submitted to the Parks & Recreation Department at least **(90) working days** prior to the requested event.

PHONE: 415-508-2140 | EMAIL: BRISBANEREC@BRISBANECA.ORG | OFFICE: 50 Park Place, Brisbane, CA 94005

APPLICANT INFORMATION

Name of Contact Person: Cliff Lentz **Contact Person's Phone:** 650-219-0293

Contact Person's Email: cliffordlentz@gmail.com

Name of Organization: Excelsior Running Club **Organization's Website:** www.runexcelsior.com

Organization's Address or P.O. Box: ~~3[illegible]~~ 3060 Sacramento St., S.F., CA 94115

Circle ONE of the following items below that best describes your organization.

a. Brisbane Non-Profit Organization
(b.) Non-resident, Non-Profit Organization (Outside of Brisbane)
c. School District, School, or School Affiliated Group (ex. PTO)
d. Private Group, Club, or Organization

What year did your organization begin serving the Brisbane community? 2013

How has your organization contributed to the Brisbane community in the past 2 years?
Contribute financially to Brisbane organizations such as SB Mt. Watch, and the Brisbane Lions Club. Promoted health and wellness through our races to the community.

What is your organization's mission and/or purpose?
Our goal is to promote health and active lifestyles through running.

EVENT DETAILS

Name of Event: Star City SB Mt. Half Marathon + 5K **Event Set-up Start Time:** 7 AM

Event Date (mm/dd/yy): 10/3/26 **Event Start Time:** 9 AM

Event Day of Week: Saturday **Event Close Time:** 1 PM

Event Location: See attached maps for course routes

Reservation Permit Number (if applicable): _____

Describe what can be expected from this event? (ex. Performance, shopping, activities, etc.)
Participants will be running in Brisbane and on SB Mt.

Will there be any fundraising at this event? Yes **If yes, what will the funds raised be used for?** El Camino HS, Brisbane Lions, SBMW

Are there any admission fees for this event? Yes **If yes, please list them here:** Registration range $25 to $110.00

If this event is NOT open to the general public, what are the restrictions for who may attend? (ex. Age, membership, residency, etc.)
The event is open to the public

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INDOOR FACILITY ACCESS REQUEST

City Staff must be present to accommodate the use of any of our indoor facilities. The following schedule will be used to ensure someone will be available when you need access. (If you are not requesting indoor facility use, you may skip to the next section)

Date of Facility Access (mm/dd/yy):_____ **Opening Time:** _____ **Closing Time:** _____

Date of Facility Access (mm/dd/yy):_____ **Opening Time:** _____ **Closing Time:** _____

Date of Facility Access (mm/dd/yy):_____ **Opening Time:** _____ **Closing Time:** _____

EQUIPMENT USE REQUEST

<Insert Equipment Use Liability Notice>
Indicate the equipment you wish to borrow for this event.

Bluetooth Speaker? _____ **with Microphone?** _____

Projector & Screen? *(Mission Blue Only)* _____

Other: _____

Quantity:	Item:
7	6ft Long Rectangle Tables
~~15~~	5ft Diameter Round Tables
14	Chairs
	10ft x 10ft Canopy/Pop-up Tent
	Weighted Sandbags

PERMITS

Food & Beverage Permits

Will any food or non-alcoholic beverages be sold at your event? no **If yes, this permit is required** smchealth.org/food-program

Will alcoholic beverages be served or sold at your event? no **If yes, you must attach a copy of an** Alcoholic Beverage Permit
***Full Liquor Liability: If beer or wine is available for consumption and money is transacted in any form (i.e. for donation, for a ticket, for a meal, for entry to the event, for the beverage) then full liquor liability premiums are necessary.**

Traffic Permits

Will this event require any street or parking closures? Yes **If yes, you must obtain a** Brisbane Encroachment Permit

Amplified Sound Permits

Do you wish to use amplified sound at this event? no **If yes, you must submit an** Brisbane Amplified Sound Permit Application

ADDITIONAL SUPPORT

Do you need any promotional support for this event?

Signboards? Yes **Social Media?** Yes

Digital Graphics / Flyers? Yes **Programs?**

Other: _____

USE AGREEMENT & LIABILITY RELEASE

To the fullest extent allowed by law, I agree to indemnify and defend the City of Brisbane, its directors, officers, agents, employees and volunteers and hold them harmless from and against any and all loss, liability, expense, claims, costs, suits, and damages, including attorneys' fees, arising out of the use or occupancy described in this application. I agree to waive all rights of subrogation against the City, its elected or appointed officers, officials, agents and employees for losses paid under the terms of any policy which arise from the use or occupancy described in this application.

Applicant Signature _____ **Date** 3/21/26

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CERTIFICATE OF INSURANCE

PRINT DATE: 3/9/2026

CERTIFICATE NUMBER: 202603091192858

AGENCY:

Edgewood Partners Insurance Center
5909 Peachtree Dunwoody Road, Suite 800
Atlanta, GA 30328
678-324-3300 (Phone), 678-324-3303 (Fax)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

NAMED INSURED:

USA Track & Field, Inc.
342 Massachusetts Avenue
Suite 400
Indianapolis IN 46204

Excelsior Running Club

INSURERS AFFORDING COVERAGE:

INSURER A: Clear Blue Insurance Company NAIC #28860

EVENT INFORMATION:

Star City San Bruno Mountain Half Marathon (10/3/2026 - 10/3/2026)

POLICY/COVERAGE INFORMATION:

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INS	TYPE OF INSURANCE:	POLICY NUMBER(S):	EFFECTIVE:	EXPIRES:	LIMITS:	
A	GENERAL LIABILITY					
	X Occurrence X Participant Legal Liability	CZ26INGL0001-04	2/1/2026 12:01 AM	2/1/2027 12:01 AM	General Aggregate (Per Event) Each Occurrence Damage to Rented Premises (Each Occ.) Medical Expense (Any one person) Personal & Advertising Injury Products-Comp/Op Agg	$4,000,000 $2,000,000 $2,000,000 Excluded $2,000,000 $2,000,000
A	UMBRELLA/EXCESS LIABILITY					
	X Occurrence	CZ27IN3X0001-04	2/1/2026 12:01 AM	2/1/2027 12:01 AM	Each Occurrence Aggregate	$3,000,000 $3,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS:

Coverage applies to USA Track & Field sanctioned events and registered practices, including any directly related activities, such as event set-up and tear-down, participant check-in and award ceremonies.

The certificate holder is an additional insured per the following endorsement: Blanket Additional Insured (CB 03 03 06/23).

The General Liability policy is primary and non-contributory with respect to the negligence of the Named Insureds (Form CG 20 01 12/19).

The General Liability policy contains a blanket Waiver of Subrogation as required by contract per Waiver of Transfer of Rights of Recovery Against Others (Form CG 24 04 12/19).

Excess policy follows form of underlying General Liability.

CERTIFICATE HOLDER:

City of Brisbane
50 Park Place
Brisbane CA 94005

NOTICE OF CANCELLATION:

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

AUTHORIZED REPRESENTATIVE:



City Council Staff Report

Meeting Date: May 21, 2026

From: Maz Bozorginia, Public Works Director

Subject: Receive Update on Solid Waste Collection Rate Adjustment-South San Francisco Scavenger Company

Recommendation

Staff recommend the City Council receive an update on South San Francisco Scavenger's 2026 rate increase effective July 1, 2026.

Background

The City has two Franchise Agreements dated November 20, 2014 for the provision of waste collection services; one with South San Francisco Scavenger Company (Scavenger) in Solid Waste Collection Zones 1 (A&B) and 2, and one with Recology Brisbane in Solid Waste Collection Zone 3. Both agreements have language specifying under what conditions a rate increase may occur.

Discussion

Scavenger did submit a request for a rate increase; their proposed rates were reviewed by staff and found to be in accordance with their franchise agreement. Pursuant to each agreement "…not later than June 30th of the year of the Notice of Intention, the City Council shall act upon the new maximum rates as appropriate, with any new maximum rates to become effective on July 1st of the same year."

Scavenger's notice of intent was received on March 25, 2026, and the calculated rate increase for this year is 1.40%. With the company completing their calculations per the agreement, there is no discretionary action for the Council to take.

Fiscal Impact

The effective date of the new rates is July 1, 2026.

Attachments

1. Rate Adjustment Request_Scavenger_032526
2. Solid Waste Collection Zone Maps

City Manager Approval



Jeremy Dennis, City Manager 05/13/2026

SOUTH SAN FRANCISCO
SCAVENGER
COMPANY, INC.

March 25, 2026

Jeremy Dennis
City Manager
City of Brisbane
50 Park Lane
Brisbane, CA 94005

Dear Mr. Dennis,

In accordance with the terms of Section 6.2 of the Franchise Agreement, please accept this letter as the required Notice of Intent to adjust the current rates in Brisbane.

We are applying for a rate adjustment equal to 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as described in section 6.2. The calculation for this year yields an increase of 1.40%.

Copies of the calculation, the relevant CPI data, and a proposed rate schedule, are attached for your consideration. The new rates will take effect July 1, 2026, if approved.

Thank you for your consideration of this matter. If you have any questions, please contact me at (650) 589-4020 at your earliest convenience. We are, of course, available to meet with you to discuss any concerns or issues, at your convenience.

Sincerely,

Michael Formosa, CFO
South San Francisco Scavenger Co., Inc.

500 East Jamie Court • South San Francisco, CA 94080
V: 650.589.4020 • F: 650.589.7385 • e: info@ssfscavenger.com • web: www.ssfscavenger.com

Printed on Post-consumer Recycled Paper.

South San Francisco Scavenger Co.

City of Brisbane

Rate Computation
March 31, 2026

CPI Index February 2025	350.836
CPI Index February 2026	356.964
Numerical change	6.128
Percentage change	1.75%
80% of change	1.40%

Index Used - Consumer Price Index
Urban Wage Earners and Clerical Workers
San Francisco-Oakland-Hayward, CA
All Items
1982-84 = 100
New Series ID - CWURS49BSAO
Previous Series ID - CWURA422SAO
(replaced as of January 2018)

U.S. BUREAU OF LABOR STATISTICS

Databases, Tables & Calculators by Subject

Special Notices 1/14/2026

Change Output Options: From: 2016 To: 2026 GO

include graphs include annual averages More Formatting Options

Data extracted on: March 17, 2026 (12:42:50 PM)

Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

Series Id: CWURS49BSA0,CWUSS49BSA0
Not Seasonally Adjusted
Series Title: All items in San Francisco-Oakland-Hayward, CA, urban wage earners and clerical workers, not seasonally adjusted
Area: San Francisco-Oakland-Hayward, CA
Item: All items
Base Period: 1982-84=100

Download: .xlsx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2016		257.141		259.386		261.017		262.326		264.026		263.222	260.830	258.715	262.946
2017		265.569		268.896		269.508		269.827		271.272		271.342	268.990	267.426	270.555
2018		275.699		278.039		280.219		281.536		283.183		283.278	279.572	277.035	282.110
2019		284.758		288.266		288.581		288.514		291.707		289.456	288.192	286.615	289.770
2020		292.010		290.304		292.420		293.062		294.442		295.687	292.601	291.297	293.906
2021		297.170		302.294		304.971		307.423		309.656		312.019	304.602	300.275	308.928
2022		316.463		322.021		328.137		325.932		329.331		326.465	323.900	320.408	327.391
2023		331.875		333.478		335.725		336.663		337.698		335.597	334.662	332.718	336.605
2024		341.595		346.671		345.789		344.633		345.472		342.582	343.886	343.520	344.253
2025		350.836		352.077		352.456		353.869		-(X)		353.216	351.630	350.453	353.043
2026		356.964													

X: Data unavailable due to the 2025 lapse in appropriations

U.S. BUREAU OF LABOR STATISTICS Office of Publications and Special Studies Suitland Federal Center Floor 7 4600 Silver Hill Road Washington, DC 20212-0002

Telephone: 202-691-5200_ Telecommunications Relay Service: 7-1-1_ www.bls.gov Contact Us

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2026
CITY OF BRISBANE, CALIFORNIA

		Current Rates	*Proposed change*	**Proposed Maximum Rates**
1. RESIDENTIAL PROPERTY SERVICE -				
Single family, and up to four units. As per section 2.13				
Rate is per month, one pickup per week				
Includes 64 gallon weekly curbside recycling toter service				
Includes weekly mixed organic materials / yardwaste toter service				
20	Gallon Trash Toter	29.20	1.40%	29.61
32	Gallon Trash Toter	46.71	1.40%	47.36
64	Gallon Trash Toter	93.42	1.40%	94.72
2. COMMERCIAL AND MULTIPLE UNIT RESIDENTIAL PROPERTY CAN SERVICE-				
Multiple Unit Residential Property, 5 or more units, as per section 2.14				
Rate is per month, one pickup per week, for Solid Waste				
and / or Source Separated Organic Materials				
Includes Source Separated Recyclable Materials				
0 - 30	Gallons	40.40	1.40%	40.97
31 - 32	Gallons	43.14	1.40%	43.74
33 - 40	Gallons	53.83	1.40%	54.58
41 - 45	Gallons	60.67	1.40%	61.52
46 - 50	Gallons	74.05	1.40%	75.09
51 - 64	Gallons	86.19	1.40%	87.40
3. COMPACTED YARDAGE				
Residential, Multi Unit Residential, Commercial, Industrial Customers				
Per Cubic Yard, per pickup		87.33	1.40%	88.55
4. DEBRIS BOXES				
Temporary / One Time Use				
Residential, Multi Unit Residential, Commercial, Industrial Customers				
Rate is for each pickup				
5 yard	Container, 1 ton limit	362.17	1.40%	367.24
7 yard	Container, Dirt - Rock - Concre	790.73	1.40%	801.80
14 yard	Container, 3 ton limit	790.73	1.40%	801.80
20 yard	Container, 5 ton Limit	1,076.40	1.40%	1,091.47
30 yard	Container, 6 ton limit	1,552.60	1.40%	1,574.34
Rental Charge (per day, over 3 days for 5 yard and over 7 days for others)		35.67	1.40%	36.17

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2026
CITY OF BRISBANE, CALIFORNIA

		Current Rates	*Proposed change*	**Proposed Maximum Rates**
4. DEBRIS BOXES (coninued)				
Permanent Commercial and Industrial use				
7 yard	Container, Dirt - Rock - Concre	666.66	1.40%	675.99
14 yard	Container, 3 ton limit	666.66	1.40%	675.99
20 yard	Container, 5 ton Limit	952.44	1.40%	965.77
30 yard	Container, 6 ton limit	1,428.68	1.40%	1,448.68
Overweight Charge				
Per ton over limit		206.23	1.40%	209.12
5. CONTAINER SERVICE				
Residential, Multi Unit Residential, Commercial, Industrial Customers				
Rate is per month, one pickup per week, for Solid Waste				
and / or Source Separated Organic Materials				
Includes Source Separated Recyclable Materials				
A) Regular Pickup (Rate per month, one pickup per week)				
1/2 - yard (96 gal)	Container	170.92	1.40%	173.31
1 - yard	Container	341.82	1.40%	346.61
2 - yard	Container	421.54	1.40%	427.44
3 - yard	Container	632.28	1.40%	641.13
4 - yard	Container	842.91	1.40%	854.71
5 - yard	Container	1,053.67	1.40%	1,068.42
6 - yard	Container	1,264.40	1.40%	1,282.10
B) On Call Pick-up Per yard				
Per pick-up, per yard		48.69	1.40%	49.37
Plus Container Rental per Month				
Rental charges (per month)				
1 - yard	Container	76.07	1.40%	77.13
2 - yard	Container	82.26	1.40%	83.41
3 - yard	Container	88.43	1.40%	89.67
4 - yard	Container	95.02	1.40%	96.35
5 - yard	Container	107.57	1.40%	109.08
6 - yard	Container	114.17	1.40%	115.77

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2026
CITY OF BRISBANE, CALIFORNIA

6. In the case of any additional service not described in the Agreement, Scavenger Company shall charge such amount as is agreed to by the customer.

7. Trash Container Management Policy Fees

Maximum fees allowed pursuant to approved Policy, as per Section 5.1.

Maximum fee consists of Admin Fee plus Extra Trip Fee for containers 1 yard and up.

Residential, Multi Unit Residential, Commercial, Industrial Customers

	Current Rates	*Proposed change*	**Proposed Maximum Rates**
Container Size	Admin fee		Admin Fee
30 gallon	30.00	-	$ 30.00
32 gallon	30.00	-	$ 30.00
40 gallon	30.00	-	$ 30.00
45 gallon	30.00	-	$ 30.00
55 gallon	30.00	-	$ 30.00
64 gallon	30.00	-	$ 30.00
96 gallon	30.00	-	$ 30.00
1 yard	30.00	-	$ 30.00
1.5 yard	30.00	-	$ 30.00
2 yard	30.00	-	$ 30.00
3 yard	30.00	-	$ 30.00
4 yard	30.00	-	$ 30.00
5 yard	30.00	-	$ 30.00
6 yard	30.00	-	$ 30.00

Container Size	Extra Trip Fee		Extra Trip Fee
1 yard	78.88	1.40%	$ 79.99
1.5 yard	118.32	1.40%	$ 119.98
2 yard	97.28	1.40%	$ 98.64
3 yard	145.91	1.40%	$ 147.95
4 yard	194.52	1.40%	$ 197.24
5 yard	243.15	1.40%	$ 246.56
6 yard	291.78	1.40%	$ 295.87

Extra Trip Fee calculated as approved monthly 5.A) Container Service rates (one pickup per week) times 12 months per year divided by 52 weeks per year.

SOUTH SAN FRANCISCO SCAVENGER, INC.
RATES AND CHARGES EFFECTIVE JULY 1, 2026
CITY OF BRISBANE, CALIFORNIA

8. Container Monitoring Program - Compliance Fees associated with SB 1383 requirements.

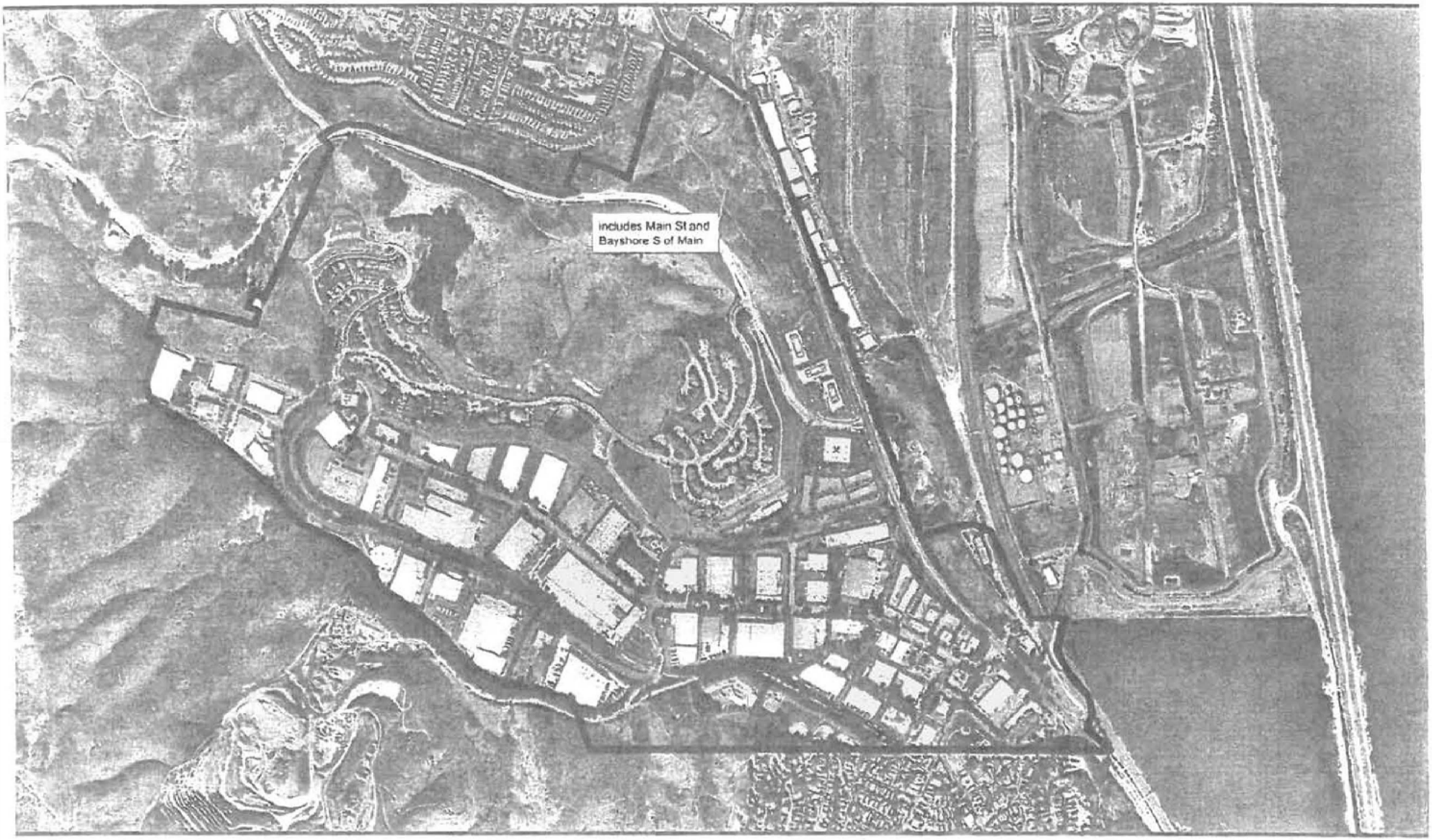
A. When service of any container is delayed due to contamination and then corrected, no extra charge if collected on next regular service day.

B. When service of any container is delayed due to contamination, and then corrected, and return trip is requested prior to next pickup day, the following fee applies:

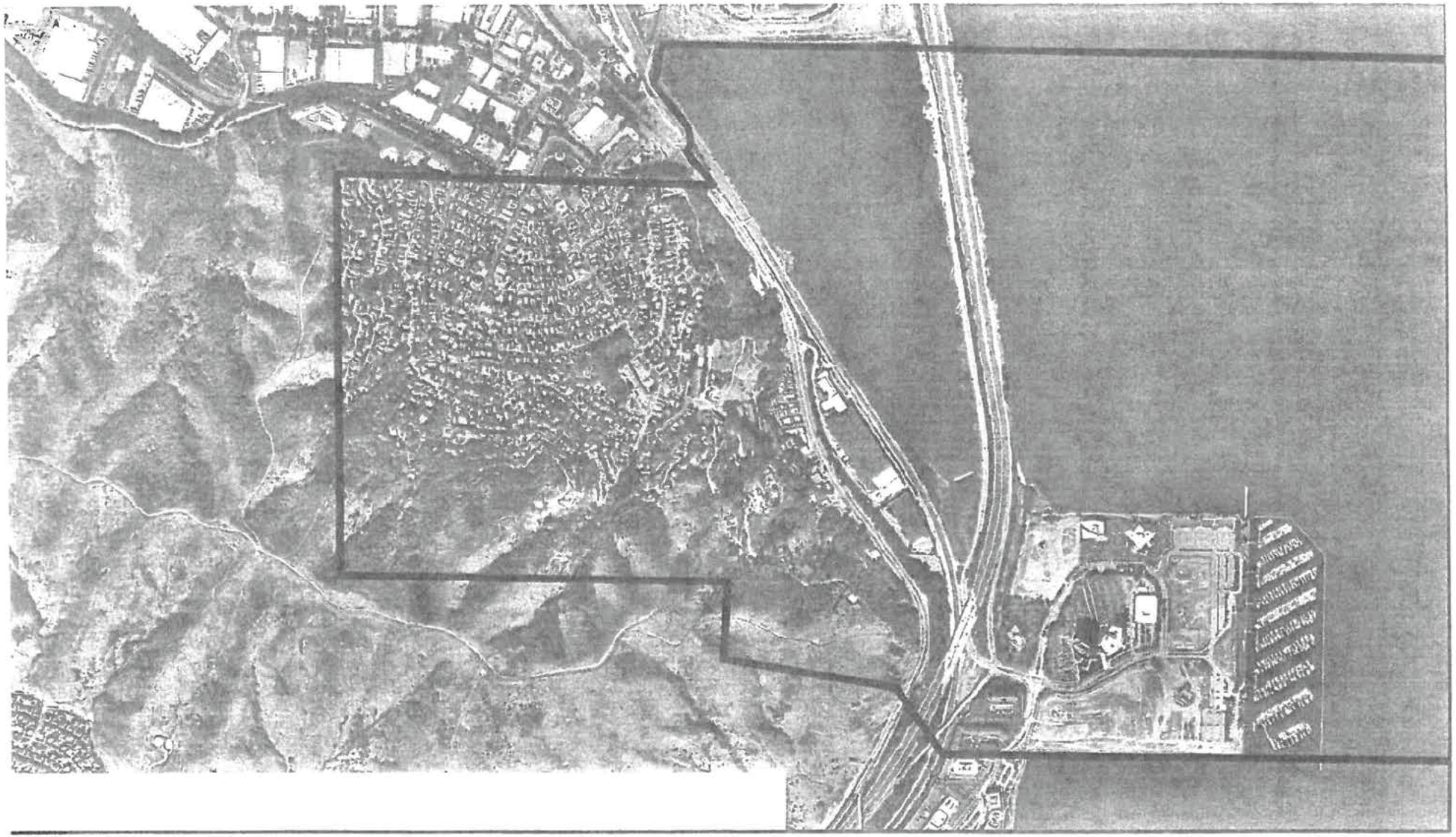
Return Trip Fee	$30.00

C. When container is contaminated, and customer requests to empty the contents as is, the following fees will apply:

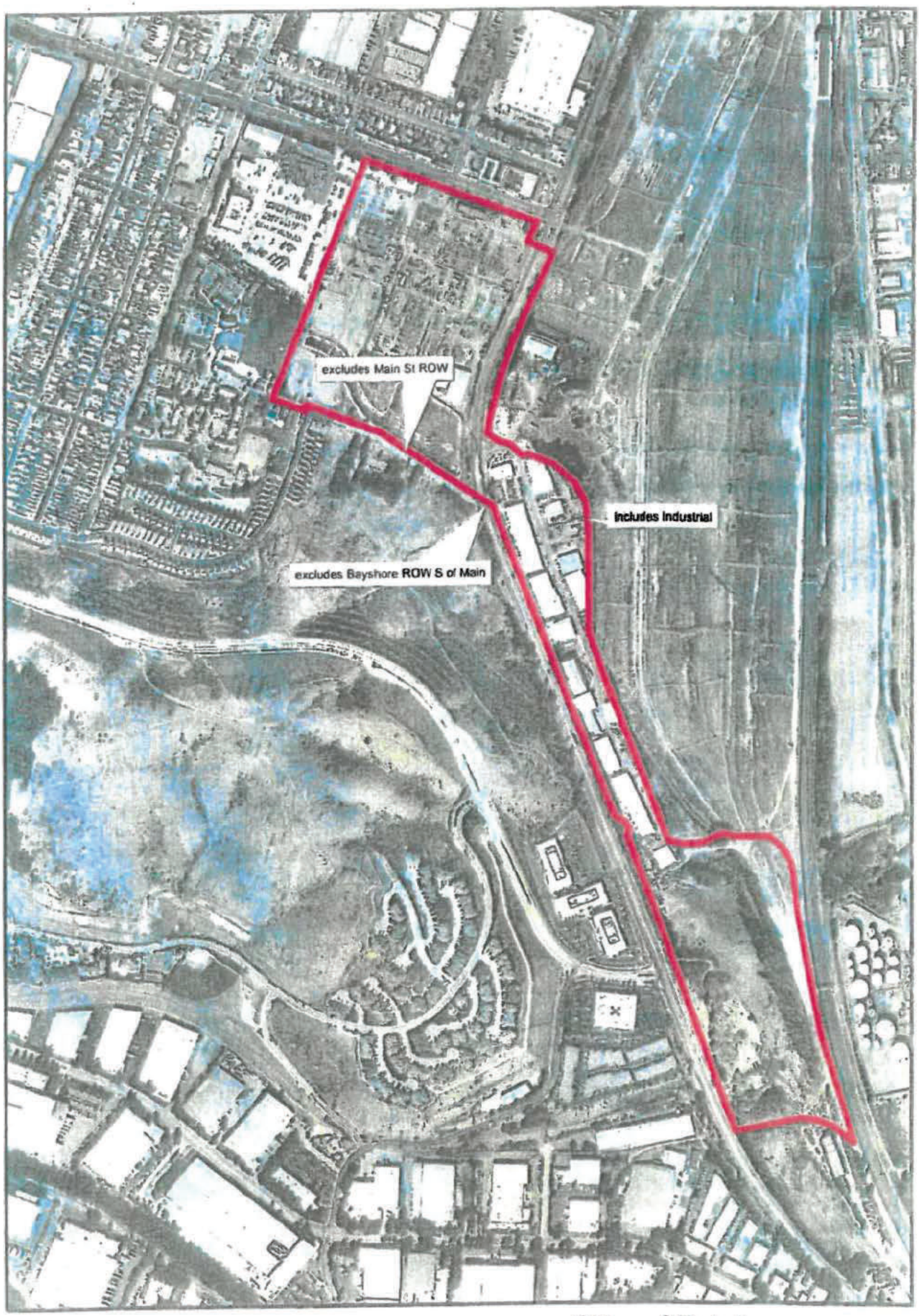
Container Size	Extra Pickup Fee	Contamination Fee	Total Charge
20 or 32 gallon	$ 11.00	$ 30.00	$ 41.00
64 gallon	22.00	30.00	52.00
96 gallon	33.00	30.00	63.00
1 yard	79.99	30.00	109.99
2 yard	98.64	60.00	158.64
3 yard	147.95	90.00	237.95
4 yard	197.24	120.00	317.24
5 yard	246.56	150.00	396.56
6 yard	295.87	180.00	475.87



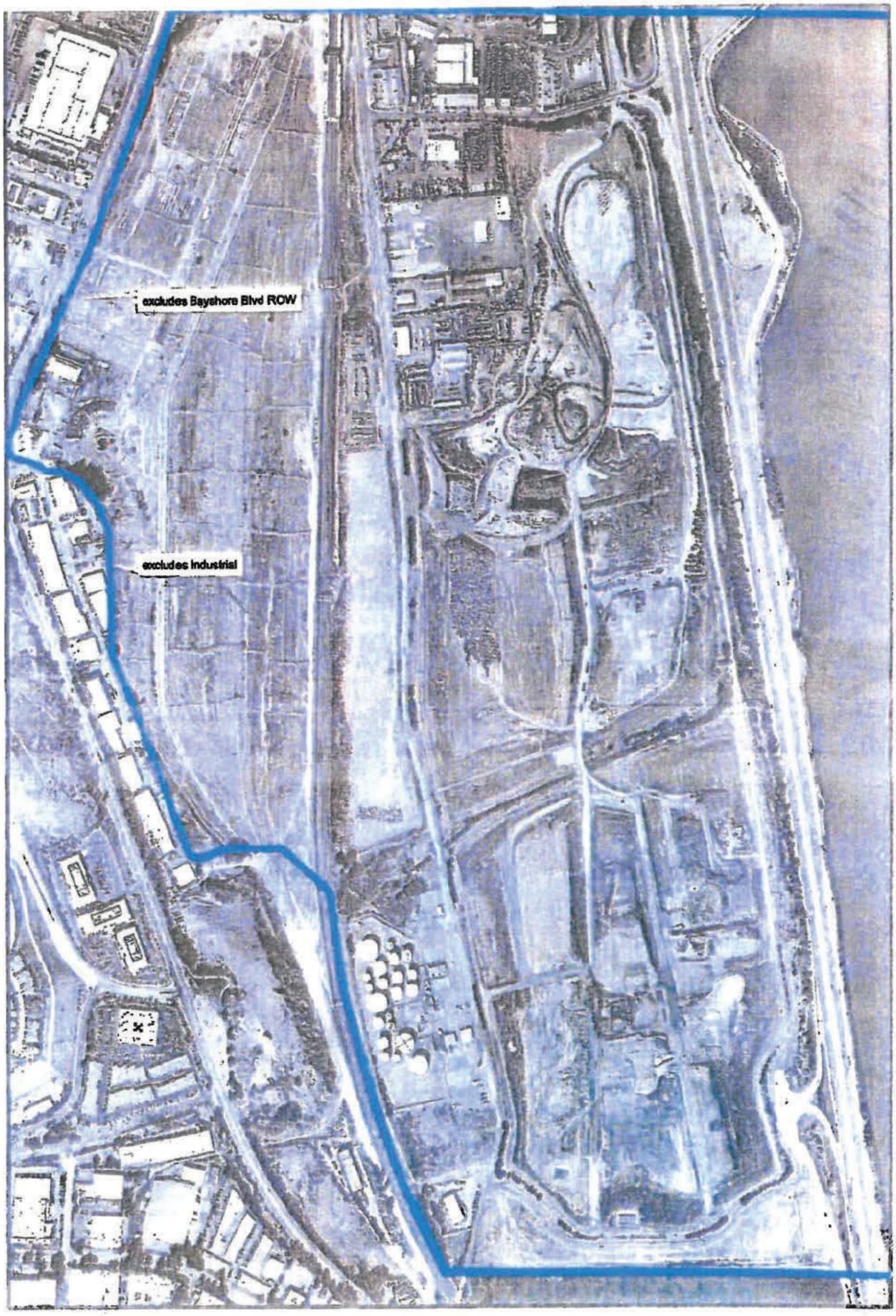
City of Brisbane
Solid Waste Collection Zone
1 - A



City of Brisbane
Solid Waste Collection Zone
1 - B



City of Brisbane
Solid Waste Collection Zone
2



City of Brisbane
Solid Waste Collection Zone
3

City Council Staff Report

Meeting Date: May 21, 2026

From: Maz Bozorginia, Public Works Director

Subject: Receive an Update on Solid Waste Collection Rate Adjustment-Recology

Recommendation

Staff recommend the City Council receive an update on Recology's 2026 rate increase effective July 1, 2026.

Background

The city has two Franchise Agreements dated November 20, 2014 for the provision of waste collection services; one with South San Francisco Scavenger Company in Solid Waste Collection Zones 1(A&B) and 2, and one with Recology Brisbane in Solid Waste Collection Zone 3. Both agreements have language specifying under what conditions a rate increase may occur.

Discussion

Recology Brisbane did submit a request for a rate increase; their proposed rates were reviewed by staff and found to be in accordance with their franchise agreement. Pursuant to each agreement "…not later than June 30th of the year of the Notice of Intention, the City Council shall act upon the new maximum rates as appropriate, with any new maximum rates to become effective on July 1st of the same year."

Recology's notice of intent was received on March 16, 2026, and the calculated rate increase for this year is 3.67%. With the company completing their calculations per the agreement, there is no discretionary action for the Council to take.

Fiscal Impact

The effective date of the new rates is July 1, 2026.

Attachments

1. Rate Adjustment Request_Recology_031626
2. Solid Waste Collection Zone Maps

City Manager Approval



Jeremy Dennis, City Manager 05/14/2026

March 16, 2026

BY EMAIL

Jeremy Dennis
City Manager
City of Brisbane
50 Park Lane
Brisbane, CA 94005

RE: Notice of Intention to Increase Rates & Related Matters

Dear Mr. Dennis:

The purpose of this letter is to notify the City of Brisbane of Recology's intention to increase rates effective July 1, 2026 pursuant to the refuse rate index methodology set forth in the Franchise Agreement between the City and Recology.

RRI Rate Adjustment

Section 6.2 of the Franchise Agreement provides that maximum rates shall be adjusted each July 1 using a refuse rate index consisting of the weighted average of certain index items as specified below. The annual percentage change in each index item and the calculation of the RRI Adjustment Percentage are also set forth below. Accordingly, maximum rates shall be increased by 3.67% effective July 1, 2026 under Section 6.2.

Cost Category	Weighting	Source/Index	Annual % Change in Source/Index	Weighted % Change
Fixed Labor	0.60	As per CBAs	3.50%	2.10%
Variable/Processing Costs	0.25	CPI(U)	3.04%	0.76%
CNG Fuel	0.05	Fuel Index	16.11%	0.81%
			RRI Adjustment Percentage:	3.67%

Franchise Fee Payment

Under Section 4.1 of the Franchise Agreement Recology must make an annual franchise fee payment to the City on or before April 30 of each year. The franchise fee is 14% of Recology's gross revenues during the proceeding calendar year from the collection and disposal of solid waste within Zone 3. For Calendar Year 2025, these revenues amounted to $134,230.90. The franchise fee is therefore $18,792.33. We will remit payment before April 30.

Diversion Rate

Section 8.4 of the Franchise Agreement requires Recology to provide the City with an annual written report setting forth Recology's best estimate of the diversion rate for its Zone 3 customers.

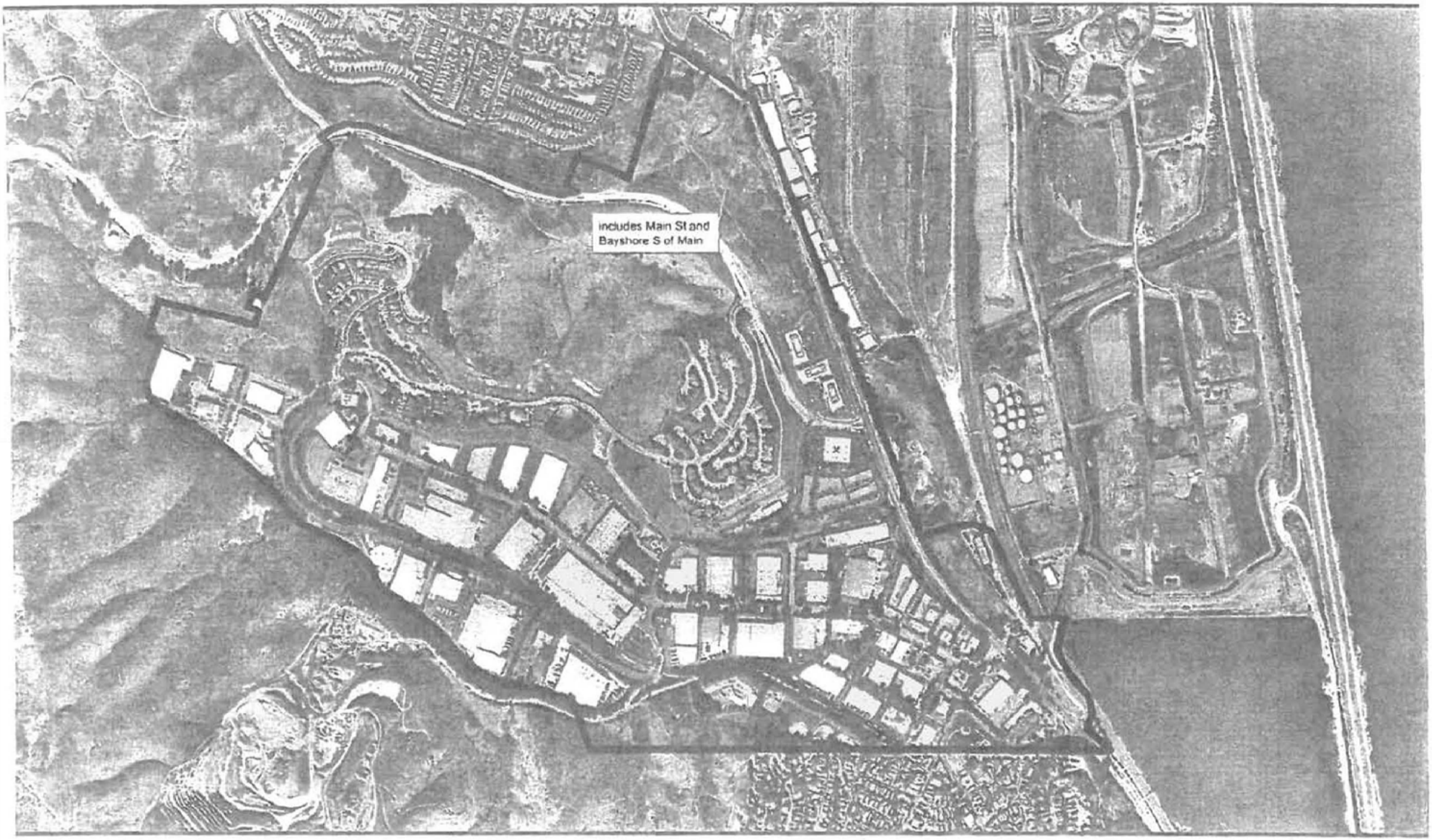
We estimate based on volume and type of service, that the diversion rate for our Zone 3 customers was approximately 32% for the Calendar Year 2025.

Thank you for your consideration. We would be happy to meet with City staff to discuss these matters at your earliest convenience.

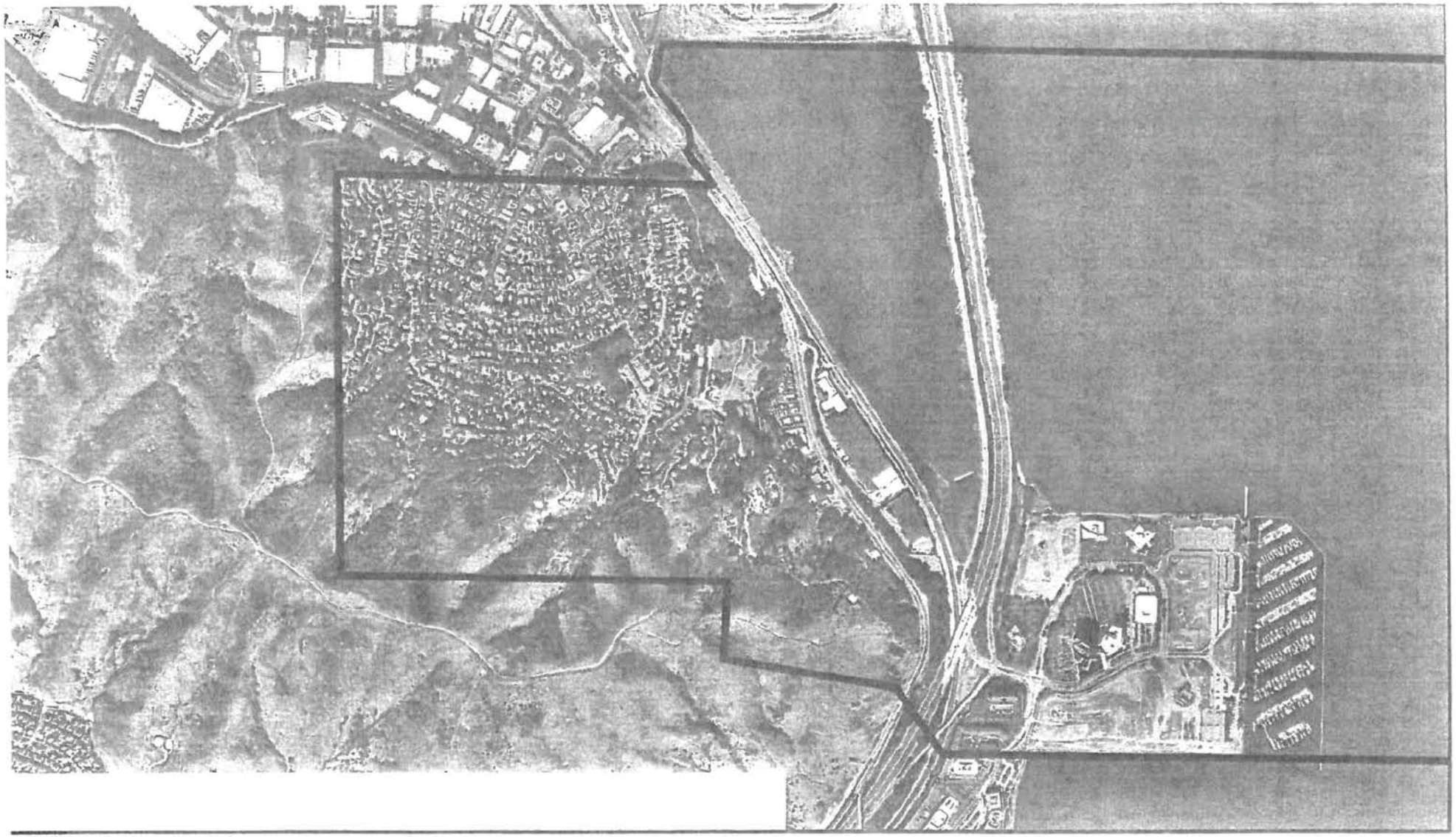
Sincerely,

Anthony Crescenti
General Manager
Recology Sunset Scavenger
(415) 330-2911

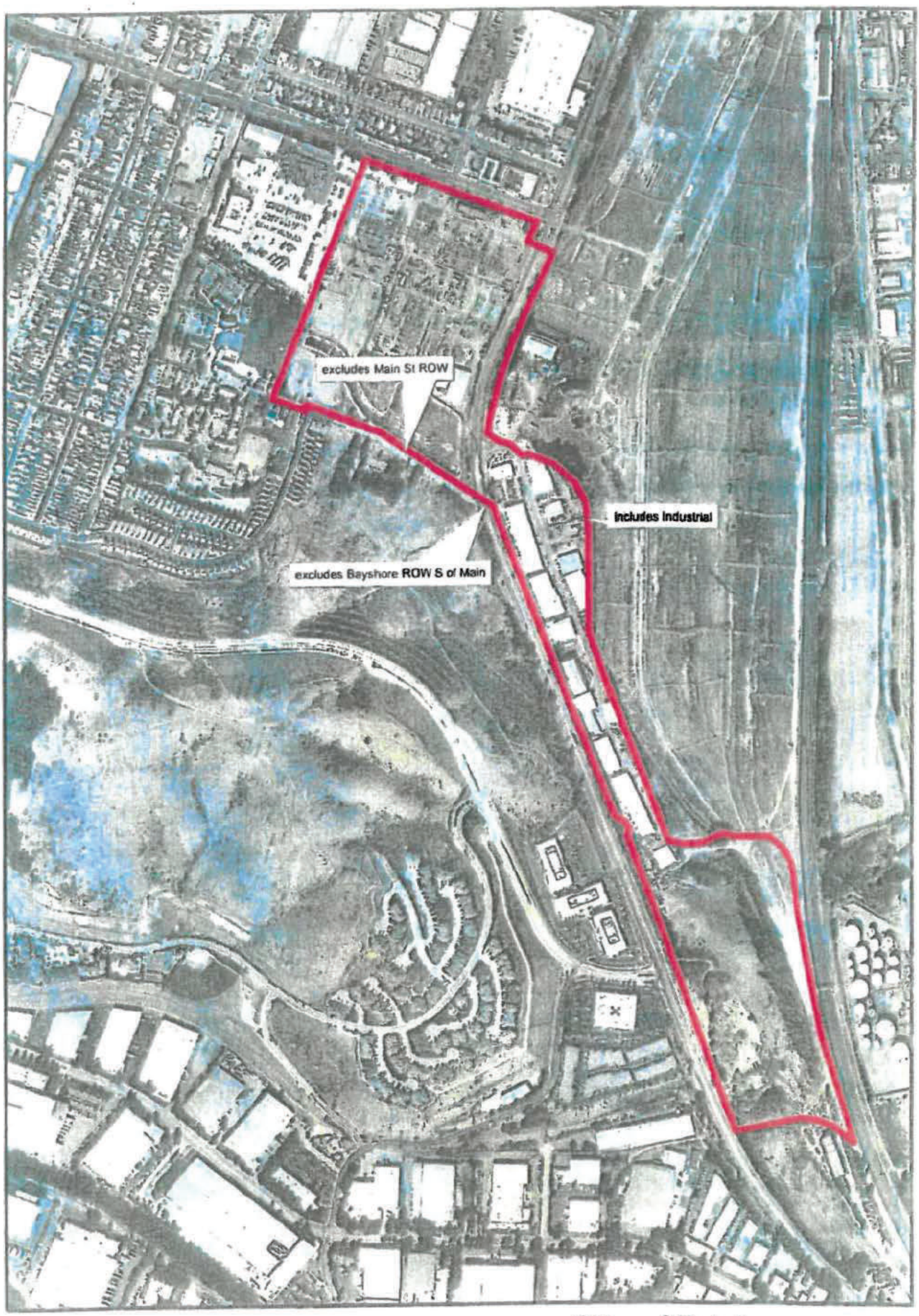
cc: Randy Breault, Public Works Director, City Engineer
Rich Lanser, Recology SF Region Controller



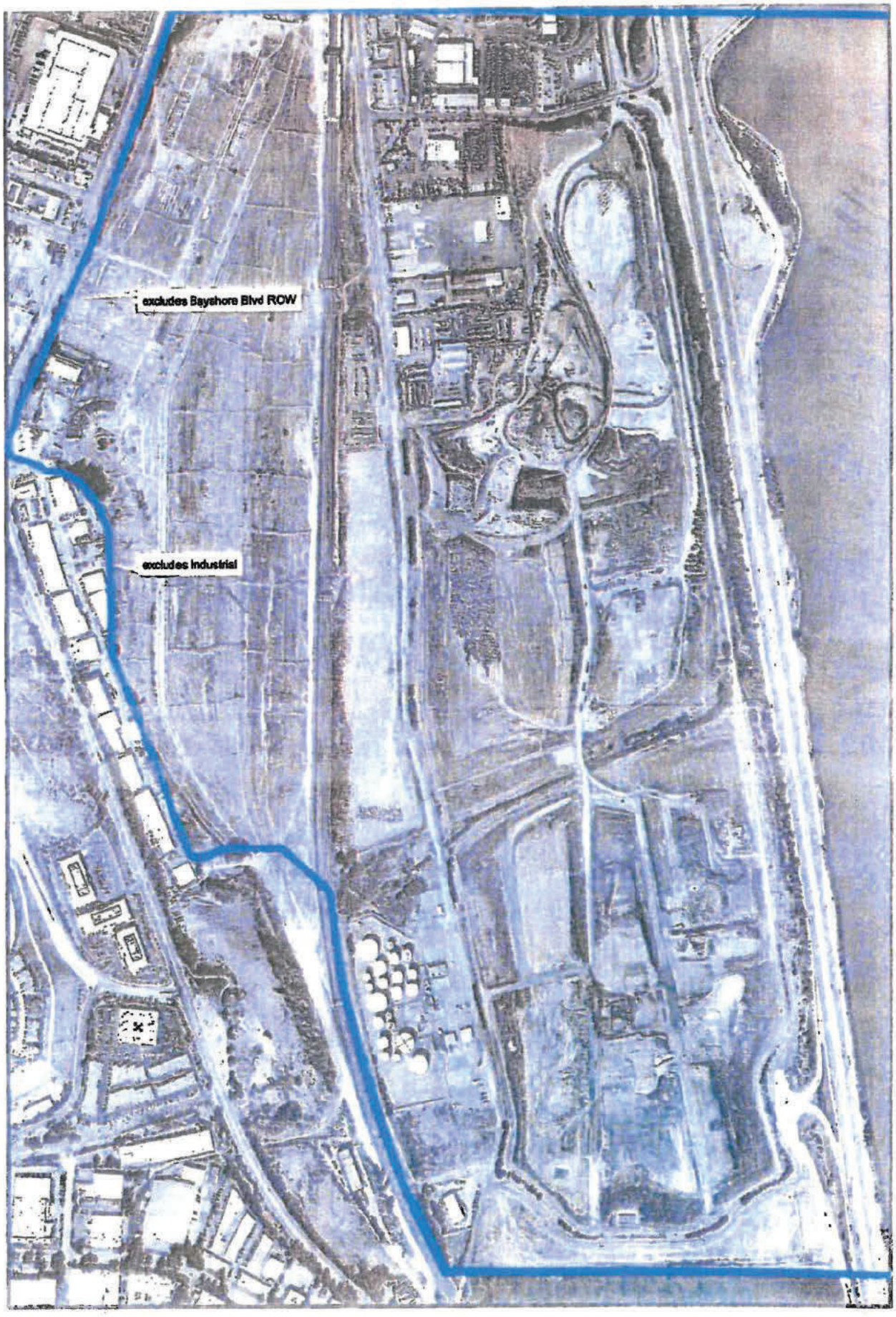
City of Brisbane
Solid Waste Collection Zone
1 - A



City of Brisbane
Solid Waste Collection Zone
1 - B



City of Brisbane
Solid Waste Collection Zone
2



City of Brisbane
Solid Waste Collection Zone
3

City Council Staff Report
Meeting Date: May 21, 2026
From: Noreen Leek, Parks and Recreation Director
Subject: Award artist contracts for the Artful Bench Program

Recommendation

Staff recommend the City Council award contracts to three (3) artists for the Artful Bench public art project. Award contract to AnT Sculpture and Design in the amount of $25,000. Award contract to Chris Granillo in the amount of $50,000. Award contract to Luminous Waveforms in the amount of $24,100.

Background

As outlined in the City's Art in Public Places Ordinance, public art has the power to energize our public spaces, arouse our thinking, and transform the places where we live, work, and play into more welcoming and beautiful environments that invite interaction. By its presence alone, public art can heighten our awareness, question our assumptions, transform a landscape, or express community values, and for these reasons it can have the power, over time, to transform a city's image. Public art helps define a community's identity and reveal its unique character.

Discussion

The Public Art Advisory Committee aspired to establish an artfully designed bench program that would combine public seating with site-specific artwork, enhancing both the functional and aesthetic value of public spaces throughout the community. This program provides opportunities for local artists, increases civic engagement, complements the City's age-friendly goals, and contributes to a more vibrant and welcoming streetscape. The Committee selected locations and directed staff to draft an RFP and solicit prospective artists. In November 2025, the City Council approved the Public Art Committee's recommendation to publish an RFP soliciting proposals for artfully designed benches. The RFP was published in November 2025 and a total of fifty-two (52) responsive proposals were received. Proposals were reviewed by the Public Art Advisory Committee in January and February 2026. The Committee evaluated proposals based on alignment with Brisbane's public art mission as well as the six Brisbane-specific public art criteria that were developed during the master planning process. At their February 24, 2026, meeting, the Committee ranked proposals and established a short-list of artists to be considered for three locations including Mission Blue, the Dog Park, and the

Marina.

In March, 2026, the Committee affirmed staff's approach for soliciting community feedback on the preferred artists for all three locations as well as the timeline for next steps. Public voting through the City's Engage platform went live on 3/25/2026 and remained open through 4/14/2026. To maximize awareness and encourage participation, staff implemented a comprehensive outreach campaign that included promotion through the City Manager's eBlast and the City's social media channels, including Facebook and Instagram. Printed flyers with a QR code linking directly to the voting page were distributed throughout the community at locations such as the Community Center, Mission Blue, Library, Pool, City Hall, and public facilities. Staff also conducted direct outreach by sharing information through City programs (e.g. childcare), informing senior lunch participants, encouraging front-line staff to notify customers about the opportunity to vote, and included the voting link in Parks and Recreation staff email signatures.

In April, 2026, the Committee reviewed the community voting results and discussed their recommendations for preferred artists for each of the three locations. They were unanimous in recommending AnT Sculpture and Design for the Dog Park, Chris Granillo for the Marina, and Luminous Waveforms for Mission Blue. Each of their respective proposals, cost estimates, and draft artist agreements can be found in the attachments. The artists will work directly with the Public Art Advisory Committee over the next several months to finalize designs for each location. It is anticipated that fabrication and installation will occur in late 2026 through early 2027.

Fiscal Impact

The total cost for this project is $99,100. The Committee is also recommending a 20% contingency be applied to draw from as needed to support the project. Funds to support this project are available within the Public Art Fund (Fund 275). There is no impact to the general fund.

Attachments

1. ATT1_AnT_Proposal_Budget_Agreement
2. ATT2_Luminous Waveforms_Proposal_Budget_Agreement
3. ATT3_Chris Granillo_Proposal_Budget_Agreement

City Manager Approval



Jeremy Dennis, City Manager 05/13/2026

City of Brisbane Artful Bench RFQ- AnT Sculpture and Design

Letter of Interest

We are excited to submit our application for the City of Brisbane Artful Bench Program, as this RFQ aligns closely with our practice and our commitment to creating durable, site-responsive public artworks that invite interaction and instill a sense of place and local pride. We are particularly drawn to this opportunity because it combines functional design and art, is assessable to all ages. Much of our work in the past incorporates seating and we would be thrilled to have the opportunity to create something that celebrates the City of Brisbane's identity and character.

When working in a community, especially one that is not our own, we take seriously the responsibility of thoughtful research, listening, and engagement. Our approach is grounded in understanding local history, storytelling, and the cultural and environmental context of a site. We value the opportunity to consider local histories through appropriate collaboration and respectful processes, and we bring experience working across cultures, including with Aboriginal communities in Australia as well as with the Muscogee Creek Nation in our home region of Macon, Georgia. We believe that local place and knowledge, when done responsibly, can create meaningful narratives that deepen connections between people and their community.

Our public art practice focuses on creating high-quality, long-lasting works that endure both physically and conceptually. We specialize in carved brick, architectural ceramics, cast and formed concrete, and mosaic. These materials are exceptionally suited for outdoor environments and long-term public use. Our site-specific works often integrate functional elements such as seating, gathering spaces, and playable sculptures that encourage interaction and connection. We feel our work, process and values are particularly relevant to the Artful Bench Program.

We bring extensive experience working on projects of similar scale and budget, and collaborate closely with architects, engineers, fabricators, contractors, and city partners to meet standards for safety, accessibility, durability, and maintenance. We understand the importance of ADA compliance, vandalization resistance, and long-term care, and we design our work with these considerations in mind.

Our goal is to create benches that not only serve their practical purpose but also contribute to a lasting sense of pride, care, and belonging within Brisbane's public spaces. We would be honored to be considered for the Artful Bench Program and to contribute work that reflects the city's character while supporting meaningful everyday use of the spaces where they are installed.

Thank you for your consideration.

Sincerely,

Alexis Gregg and Tanner Coleman
AnT Sculpture and Design
www.antsculpture.com

ANT SCULPTURE AND DESIGN
www.antsculpture.com • 770.402.0141 • 2520 Rockbridge Road Macon, GA 31204

PROFESSIONAL WORK/EDUCATION

2014–present	**WESLEYAN COLLEGE, Associate Professor of Art (Alexis)** **Executive Director, Wesleyan Leadership Lab** Teaching Ceramics, Sculpture, Jewelry and 3-D Design	Macon, GA
2007–2010	**CALIFORNIA STATE UNIVERSITY LONG BEACH** *MFA Ceramics, May 2010*	Long Beach, CA
2003–2007	**UNIVERSITY OF GEORGIA** *BFA Ceramics, May 2007*	Athens, GA
2014–2018	**CHEROKEE BRICK, Resident Artist (Tanner)**	Macon, GA
2003–2006	**UNIVERSITY OF GEORGIA** *BFA Sculpture, December 2006*	Athens, GA

PUBLIC ART/PERMANENT INSTALLATIONS

2025	**MACON BICENTENNIAL PARK** Permanent installation of "Column of Change"	Macon, GA
2023/2024	**UNIVERSITY OF SOUTHERN MISSISSIPPI** Collaborative public art installation with students	Hattiesburg, MS
2022	**INSTITUTO ALLENDE** Collaborative public art installation through two workshops	SMA, Mexico
2021	**MUSEUM OF ARTS AND SCIENCES** Four concrete bug bench sculptures	Macon, GA
2019	**NORTHERN CLAY CENTER** Created a collaborative permanent mural during an invited artist workshop	Minneapolis, MN
	COLTON SCHOOL PUBLIC ART Created 30ft playable earth integrated bench for k-12 Colton School	Colton, WA
	MUSEUM OF ARTS AND SCIENCES Created "Frog on a Log" playable bench.	Macon, GA
	WESLEYAN COLLEGE Created Arboretum Entrance, and outdoor gallery	Macon, GA
2018	**UGA CORTONA MURAL** Created high relief tile memorial mural for Cortona campus	Cortona, Italy
2017	**ATLANTA BELTLINE** Temporary installation of "Column of Change"	Atlanta, GA
	WASHBURN UNIVERSITY MURAL Created high relief memorial mural with participants at NCECA conference	Topeka, KS
	PLEIN AIR ART PARK Redesign of Bernd Park with 7 playable and functional sculptures	Macon, GA
2016	**MUSEUM OF ARTS AND SCIENCES** Created playable brick "Slider Turtle" bench	Macon, GA
	BALLARD PARK Created "Transformation" carved brick and mosaic Butterfly benches	Tupelo, MS
	DAPHNE FOUNTAIN SCULPTURE Created 8-foot carved brick fountain for private residence	Macon, GA
	MUSEUM OF ARTS AND SCIENCES Created memorial Armadillo brick bench.	Macon, GA
2014	**WESLEYAN COLLEGE** Created two tile murals, and carved brick memorial bench for campus	Macon, GA
	UNIVERSITY OF GEORGIA Created large tile mural in collaboration with students for Ceramics Department	Athens, GA
2013	**FULE INTERNATIONAL CERAMIC ART MUSEUMS** Created two 9ft carved brick playable sculptures for the museum campus.	Fuping, China
	7th INTERNATIONAL TERRA COTTA SYMPOSIUM Created and installed carved brick "Toy Horse" at 12-day symposium	Eskisehir, Turkey
2012	**PLAYABLE ART PARK AT ABERNATHY GREENWAY** Created a 54ft carved brick dragonfly with seven cast concrete slides and climbing rope wings	Atlanta, GA
	NEW TAIPEI CITY YINGGE CERAMICS MUSEUM Three permanent playable brick and ceramic sculptures for the museum ceramics park.	Taipei, Taiwan

2011	**BEEHIVE MONTESSORI SCHOOL**	Fremantle, WA
	Permanent playable brick crocodile sculpture for new playground at Beehive Montessori School.	
	DOWNTOWN TUPELO WATER MONUMENT	Tupelo, MS
	Created a carved brick "Water Monument" at HWM Green space.	
2010	**CLAYARCH GIMHAE MUSEUM**	South Korea
	Created two 15ft carved brick playable sculptures for museum campus	
	HAWAIIAN AVENUE ELEMENTARY SCHOOL	Wilmington, CA
	Installed a brick oxcart sculpture on playground with functional bench and planter	

SELECTED EXHIBITIONS

2025	"Down to Earth" Georgia College and State University	Milledgeville, GA
2024	"Crosstown 2" East Gallery	Macon, GA
2023	"Blossoming" Macon Mall Bicentennial Exhibition	Macon, GA
2022	"My Studio" Instituto Allende	SMA, Mexico
2021	"Art in Everyday Life: 15 Years"	Red Lodge, MT
2020	"Drawn to Macon II" Macon Arts Alliance (juried)	Macon, GA
2019	"AnT Sculpture and Design" Northern Clay Center (solo)	Minneapolis, MN
2017	"I Used You" Macon Arts Alliance (solo)	Macon, GA
	"Shaping the New South" Hudgens Center for Art and Learning (invited)	Duluth, GA
2016	"Like Talking to a Brick Wall" MMC Longview	Lee's Summit, MO
	"The New Southern Aesthetic" Museum of Arts and Sciences (invited)	Macon, GA
2015	"Make-End" Makers fair (invited demonstrator)	Macon, GA
	"Time Spent in Los Angeles" KT Wolf Gallery (invited)	Nashville, TN
	"Emerging Artists" Museum of Arts and Sciences (invited)	Macon, GA
2014	"Mostra" University of Georgia Study Abroad Cortona	Cortona, Italy
2013	"KSCA International Spring Exhibition" Kangnam University (invited)	South Korea
	"Art from the Big Sky" Kolva-Sullivan Gallery	Spokane, WA
	"International Ceramic Exhibition"	South Korea
	"Catch and Release" Red Lodge Clay Center	Red Lodge, MT
	"Between the Benches" Northwest College	Powell, WY
	"5 x 5" Rocky Mountain College	Billings, MT
2012	"Taiwan Is" New Taipei City Yingge Ceramics Museum	Taipei, Taiwan
	"Playable Art Park" Abernathy Arts Center	Atlanta, GA
2011	"Haire Wealth Management Green Space Opening"	Tupelo, MS
	"Dawn of Humanities" Chulalongkorn University Museum	Thailand
	"Featured Artist" Bank Left Gallery	Palouse, WA

RECENT AWARDS/PUBLICATIONS/WORKSHOPS

2026	Arrowmont Pentaculum, Invited Artists	Gatlinburg, TN
2022/24/25	Residency Award, The Hambidge Center	Rabun Gap, GA
2022/24	Visiting Artist lecture and workshop, University of Southern Mississippi	Hattiesburg, MS
2022	Workshop Exchange, Visiting Instructor, Instituto Allende	SMA, Mexico
2019	"Studio Visit" Ceramics Monthly (Feb. issue)	
	Macon-Bibb Earth Day Community Award	Macon, GA
	Northern Clay Center short term residency/workshop	Minneapolis, MN
2018	"Here's the Story.." The Telegraph	Macon, GA
	"Bernd Park" 13 WMAZ	Macon, GA
	"Bernd Park Upgrades" 41 NBC/WMGT	Macon, GA
2017	Downtown Challenge Grant award recipient	Macon, GA
	Visiting Artist lecture and workshop, University of Southern Mississippi	Hattiesburg, MS
	Featured Artists, The Creative Catalyst Show, The Creek Radio	Macon, GA
2016	Vulcan Materials Company Teaching Excellence Award, Georgia Independent College Association	
	Featured Artists, The Creative Catalyst Show, The Creek Radio	Macon, GA
	Downtown Challenge Grant award recipient	Macon, GA
	NCECA Project Space Demonstrating Artist	Kansas City, MO
2015	Demonstrating Artists, Make-End Makers Fair	Macon, GA
	"Brick by Brick" Macon Magazine	Macon, GA
	Arts Quest Demonstrating artist and lecturer	Bismarck, ND
	NCECA Discussion Leader: Taking Practical Risks	Providence, RI

Proposal for the City of Brisbane Artful Bench Program: AnT Sculpture and Design

Project Vision and Concept

AnT Sculpture and Design proposes a series of sculptural, functional benches for the City of Brisbane's Artful Bench Program that intentionally integrate art, design, and everyday use across multiple public sites. Our approach is rooted in the belief that functional public artworks, particularly seating, can play an important role in shaping how people experience and connect to place. We envision these benches as engaging, durable, and site specific artworks that support interaction, connection, and reflection while celebrating to the identity of the City of Brisbane.

We are interested in all locations identified in the RFQ and view this opportunity as an opportunity to create several unique pieces while having some cohesive aesthetic qualities. Each bench will be site specific while the overall body of work will be related through materials use and style. We are eager to develop full, site-specific proposals in collaboration with project and community stakeholders to ensure the final designs reflect local values, appropriate use, and collective identity.

Brief of Specific Locations

At Location 1, Mission Blue Center, we would prioritize a larger seating area to accommodate events bigger gatherings. We would make sure our design compliments the existing architecture and shape of the space while connecting to the beautiful views of the space. The forms and materials would visually bridge indoor and outdoor environments, reinforcing the Mission Blue Center as a hub of civic and cultural life.

For location 2, the Brisbane Dog Park, we envision sculptural seating that acknowledges the energy and playfulness of the space. These benches would give the space new character, a place for visitors to rest, as well as a loved photo op. We always balance durability with approachable, playful forms that are resilient in a high-use environment. The designs would consider the unique relationship between people and dogs and become an icon for the Brisbane Dog Park.

At Location 3, Brisbane Community Center, our design approach would focus on creating seating that is comfortable and safe for all ages and possibly have two sizes for children and adults. We would love to engage residents of the area and community center members in this design to create something that is collaborative and meaningful to the people who will experience and use it most.

We would also like to consider the refurbishing of the benches a Brisbane Marina. We are keen on the idea of using a light etching process to clean and create patterns in the benches while incorporating new ceramic elements either as mosaic or as sculptural additions to select areas of the bench. We would be mindful to retain the structural integrity of the benches while enhancing them through new surfacing and architectural ceramic additions.

Artistic Practice and Community Engagement

AnT Sculpture and Design's public art practice is grounded in deep engagement with place, community, and material. We prioritize listening and research as essential parts of the creative process. For this project, we are committed to collaborating with community stakeholders to understand how each site is used, what stories matter most to residents, and what type of artistic functional seating can best support the spaces.

We believe that public artworks are most successful when communities feel ownership and pride in work. Through public meetings, site visits, and intentional conversations, we integrate local knowledge, history, and environmental context into the design development process. This collaborative approach would allow the

benches to function appropriately and serve as shared cultural assets that promote a sense of ownership and care.

Materials and Fabrication
Our work is known for its durability and long-term performance in outdoor environments. We specialize in cast and formed concrete, architectural ceramics, mosaic, and carved masonry, all of which are well suited to public spaces with high use and exposure to the elements. For the Artful Bench Program, materials will be selected to withstand weather, vandalism, and long-term wear while maintaining their visual integrity over time.

Each bench will be designed with accessibility and comfort in mind, meeting ADA guidelines and universal design standards. Forms, seat heights, and edges will be carefully considered to ensure usability by a wide range of people. We provide a detailed maintenance schedule and are always available to consult or repair/renew our work.

Our Process
If selected, we begin with site analysis and community consultation to build and refine our concept and design. We prepare drawings, renderings, and material samples for review/approval, and work closely with city staff and project committees. We have all footing and designs approved by engineers/architects to ensure safety and compliance with city standards.

The work would be produced in our studio, shipped to the site, and installed on site. We work closely with local professionals such as masons, concrete professionals, and metal fabricators to install our work. Once completed, we provide documentation and maintenance guidance to support the longevity of the work.

Experience and Capacity
AnT Sculpture and Design brings extensive experience creating public artworks of similar scale, complexity, and budget. We have a strong track record of working with cities, engineers, fabricators, architects, and community partners to deliver projects that meet and exceed expectations.

We are enthusiastic about the opportunity to contribute to the City of Brisbane through the Artful Bench Program. This project represents a meaningful chance to combine functional design, community engagement, and sculpture in a way that enhances everyday life. We would be honored to develop site-specific proposals for all identified locations in collaboration with community stakeholders and city leadership and create public art benches that serve and celebrate the city of Brisbane.

Thank you for your consideration.

Alexis Gregg and Tanner Coleman
AnT Sculpture and Design LLC
www.antsculpture.com

AnT Portfolio



Dragonfly. Brick, mortar, 7 polished concrete slides, 6 benches, exposed concrete ramp, climbing rope wings, dalle de verre windows, steel. 54’ x 42’ x 9’. 2012. Playable Art Park in Sandy Springs, GA.



Frog on a Log. 4’ x 9’ x 4’. Carved brick, metal. 2019. Permanent playable sculpture at the Museum of Arts and Sciences in Macon, Georgia.



Concrete Bug benches. Dimensions vary. Formed polished concrete, metal. 2021. Permanent playable sculpture at the Museum of Arts and Sciences in Macon, Georgia.



Slider Turtle. 3.5’ x 9’ x 6’. Carved brick. 2016. Permanent playable sculpture at the Museum of Arts and Sciences in Macon, Georgia.



Wheat to Wheel. 4’ x 30’ x 6’. 2016. Permanent playable bench at Colton School in Colton, Washington.



In Plein Air Art Park (Boat). Brick, concrete slides, metal, swings. Dimensions vary. 2018. Seven playable sculptures inspired by Monet’s garden in downtown Macon, Georgia.



In Plein Air Art Park (Duck). Brick, concrete slides, metal, swings**.** Dimensions vary. 2018. Seven playable sculptures inspired by Monet’s garden in downtown Macon, Georgia.



Taiwan IS. Brick, ceramic, cast concrete slide and tunnels**.** 6.5’ x 40’ x 40’. 2012. Permanent playable installation including Phoenix, Dragonfish, and the island of Taiwan at the New Taipei City Yingge Ceramics Museum. The concept is inspired by the poem “If You Would Ask” by Lee Min-Yung.



Beehive Crocodile. Brick, concrete culverts, wood, mosaic. 5’ x 25’ x 7’. 2011. Permanent playable sculpture at Beehive Montessori School in Fremantle, Western Australia.





Transformation. Brick, metal, concrete, mosaic. 2016. Three sculptures created for Ballard Park in Tupelo, MS as part of an Arts to Heal Grant.

Artful Bench Project – Budget Proposal

Below is a budget proposal for consideration reflecting the design, fabrication and delivery of the Dog Park Bench.

- **Artist Fee (30%)** – $7,500
- **Fabrication / Labor** – $14,000
- **Materials** – $3,500

Total: $25,000

- **Shipping (estimated)** – $3,500

If shipping costs need to be absorbed within the total project budget, we are happy to adjust the scale and/or complexity of the piece accordingly. This would allow us to reallocate funds toward transportation while maintaining the overall quality and intent of the work.

We are committed to delivering a thoughtful, well-crafted installation and are flexible in refining the project to align with budget priorities.

Thank you!
Alexis Gregg and Tanner Coleman

www.antsculpture.com

AGREEMENT FOR THE DESIGN, FABRICATION, AND INSTALLATION OF PUBLIC ART WORK

THIS AGREEMENT for the design, fabrication, and installation of Public Art Work is entered into this 21st day of May, 2026, between the City of Brisbane ("City"), AnT Sculpture and Design ("Artist"), with offices at 2520 Rockbridge Road Macon, GA 31204.

WHEREAS, City requires the services of an artist to design, fabricate and install a work of art, namely an artfully designed bench ("the Artwork") on public property at the Brisbane Dog Park located at 50 Park Place, Brisbane, CA 94005 ("the Project Site"); and

WHEREAS, the Artwork shall include artfully designed seating; and

WHEREAS, Artist is a professional artist whose work and qualifications make the Artist well qualified to create the Artwork; and

WHEREAS, Artist has developed a proposal to design, fabricate, and install the Artwork at the Project Site, as more particularly described in the Art Work Proposal submitted by the Artist pursuant to that certain proposal described in Exhibit A; and

WHEREAS, the City's Public Art Committee reviewed the Art Work Proposal and recommended to the City Council that it enter this Agreement; and

WHEREAS, City has allocated funds from money it has received under its Public Art Ordinance for the design, fabrication, and installation of the Artwork at the Project Site; and

WHEREAS, on May 21, 2026, the Brisbane City Council approved the recommendation of the Public Art Committee to select Artist and authorized this Agreement with Artist; and

NOW, THEREFORE, in consideration of the above-stated premises and subject to the conditions of this Agreement, the parties agree as follows:

Article 1 Scope of Services

1.1 Artist's Obligations

a. The Artist shall perform all services and furnish all supplies, material and/or work equipment as necessary for the design, fabrication, and installation of the Artwork. Services shall be performed in a professional manner and in strict compliance with all terms and conditions in this Agreement.

b. The Artist shall determine the artistic expression, design, dimensions and materials of the Artwork, subject to review and acceptance by the City and any regulatory agencies with project oversight, as set forth in this Agreement.

c. The Artist shall prepare the design concept described in Section 1.3 of this Agreement.

d. The Artist shall complete the fabrication, and installation of the Artwork by the scheduled dates as provided in Section 1.5 of this Agreement.
e. The Artist shall secure any and all required licenses, permits and similar legal authorizations at the Artist's expense as may be necessary for the installation of the Artwork at the Project Site.
f. The Artist shall arrange for the installation of the Artwork in coordination with the City. If the Artist does not install the Artwork itself, Artist shall supervise and approve the installation. Prior to the installation of the Artwork, Artist shall inspect the Project Site to ensure that it is ready to accept the Artwork and compliant with the specifications provided by the Artist. Artist shall notify the City of any perceived conflict, defect or non-compliance with specifications and resolve, at no expense to the City, all such conflicts, defects or non-compliance with the specifications before installing the Artwork. All work shall be performed by qualified professionals and by licensed contractors as required by law.
g. Artist shall provide required insurance in amounts and limits specified in Article 5 and Exhibit C.
h. Artist shall provide a list of all subcontractors along with a copy of the agreement between the Artist and each subcontractor.
i. Artist shall provide a set of "as built" drawings if there is significant deviation from approved and permitted construction documents.
j. Artist shall provide a list of all final materials used including the manufacturer name and supplier and for each material, a Product Data Sheets (PDS), Technical Data Sheets (TDS), and Safety Data Sheets (SDS).
k. Artist shall provide a maintenance manual with the expected lifetime of the Artwork, a description of all materials, processes and products to be used for maintaining the Artwork, the required care and upkeep involved, and the recommended procedures in the event of necessary conservation intervention. The maintenance plan is subject to review by a professional conservator.
l. Artist shall provide photographic documentation of the Artwork in a format acceptable to Artist and the City.
m. Artist shall be available with reasonable advance notice for a reasonable number of meetings required to coordinate design and project implementation, ceremonies and the like, as necessary.
n. The Artist shall be responsible for researching whether there are any required permits, building and municipal code regulations, or any other policies, guidelines or approvals required by regulatory or oversight agencies that may impact the Artwork and/or the installation of the Artwork.
o. Consistent with plaque guidelines provided by the City, the Artist shall design and install a plaque on or near the Artwork containing a credit to the Artist and a copyright notice substantially in the following form: Copyright © [Artist's name, date of publication]. The plaque design and installation plans must be approved by City staff prior to installation.

1.2 City's Obligations

a. The City shall perform all obligations in strict compliance with all terms and conditions in this Agreement.

b. The City shall not knowingly permit any use of the Artist's name or misuse of the Artwork which would reflect discredit on the Artist's reputation as an artist or which would violate the spirit of the Artwork, should such use or misuse be within the City's control.

1.3 Final Design, Budget and Related Documents Phase

Artist shall submit to the City for its review the Final Design Documents as described in subsections a. and c. of this Section 1.3, and any revisions as required by the City. Once the City has approved the Final Design Documents, the Final Budget and Schedule of Deliverables, and the Artist has all required licenses, permits and similar legal authorizations for the installation of the Artwork at the Project Site, the Artist is authorized to proceed with the Fabrication Phase as described in Section 1.5.

a. Final Design

Artist shall proceed with the Final Design Documents of the Artwork which shall include the following: presentation quality materials, which shall include colored drawings or computer-generated color images (in plan and elevation) and/or 3-dimensional models that accurately reflect the Artwork and how it will be installed at the Project Site, mock-ups, final color and materials samples, proposed fabrication methods, and final cost estimates at design completion. When used in reference to the proposed Artwork, Final Design Documents shall fix and describe the size and character of the Artwork with respect to its relationship to the Project Site, including architectural, structural, mechanical and electrical systems, materials and other elements as may be appropriate.

b. Construction Documents and Maintenance Plan

i. Artist shall, if Construction Drawings are required for construction and installation of the Artwork, submit Construction Documents to the City Permit Center for construction and/or installation of the proposed Artwork as approved, which must be signed and stamped by design professionals licensed in the State of California, as required by the California Building Code and any local government amendments to the Building Code.

ii. Artist shall deliver computer-generated (or otherwise as agreed to by both parties) color and material design samples.

iii. Artist shall review Architect's Design Development and/or Construction Documents for accuracy of the integration of Artist's Proposal within the Site and provide the City with written comments and/or corrections.

iv. Artist shall provide a list of all proposed materials including the manufacturer name and supplier and for each material, a Product Data Sheets (PDS), Technical Data Sheets (TDS), and Safety Data Sheets (SDS).

v. Artist shall provide a detailed description of future maintenance requirements for the Artwork, including the lifetime of the Artwork ("the Maintenance Plan").

vi. City may appoint a conservator to review the Final Design Documents and the Maintenance Plan. Based on comments provided by the conservator, Artist may need to revise the Design and/or the Maintenance Plan. In addition, City may require the Artist to present the Design and/or the Maintenance Plan to a qualified conservator for that conservator to provide to the City recommendations as to the Design and Maintenance Plan. Based on those

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recommendations, City may require the Artist to revise the Design and/or the Maintenance Plan.

c. Final Budget and Schedule of Deliverables
    i. The Artist shall prepare a Budget, not to exceed $25,000, which shall include all goods, services and materials related to the Artwork, with such costs itemized.
    ii. Budget shall mean a specific and detailed document identifying the cost of completion of all work under this Agreement, including all modifications. The Budget shall include the costs for all design fees and costs; preliminary and final engineering requirements; materials and labor for fabrication, including Artist and subcontractors' costs; consultants, including engineers and specifications writers; transportation of Artwork; installation of Artwork, including any necessary permits; permits and licenses; required insurance; any sales tax; and 10% contingency allowance, which contingency allowance may be used only with written permission of the City. Calculation of the Budget will take into consideration the possible inflation of service and material costs between the date of execution of this Agreement and the anticipated completion date. If the Artist incurs costs in excess of the amount in the approved Budget, including the contingency, the Artist shall pay such excess from the Artist's own funds unless the Artist obtain approval in writing from the City for such additional costs or such costs were the result of actions or inaction of the City.
    iii. The Artist shall notify the City of the anticipated schedule for the fabrication and installation of the Artwork, including a schedule for the submission of progress reports and inspections if any required by the City ("the Schedule of Deliverables"). The Schedule of Deliverables must identify a specific date or timeframe for the completion of the Artwork. The Schedule of Deliverables may be amended by written agreement.

1.4 Payment Schedule and Progress Reports

a. Artist's completion milestones and payment schedule is as set forth in Exhibit B, Payment Schedule, which is incorporated herein by reference.
b. The Artist shall inform the City of the progress of each phase of work completed under the Agreement.

1.5 Fabrication Phase

Following City's approval of all Design Phase documents described in Section 1.3:

a. The Artist shall fabricate the Artwork in substantial conformity with the Final Design. The Artist may not deviate from the approved design without written approval of the City.
b. If the Artwork is being constructed on site, the Artist shall avoid creating nuisance conditions arising out of the Artist's operations.
c. The City shall have the right to review the Artwork at reasonable times during the fabrication thereof upon reasonable notice.
d. If the City, upon review of the Artwork, determines that the Artwork does not conform to the approved Final Design, the City reserves the right to notify the Artist

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in writing of the deficiencies and that the City intends to withhold the next budget installment within 5 business days of the determination as in paragraph (g) below.

e. The Artist will have thirty days to cure the City's objections and will notify the City in writing of completion of the cure. The City shall promptly review the Artwork, and upon approval shall release the next budget installment. If the Artist disputes the City's determination that the Artwork does not conform, the Artist shall promptly submit reasons in writing to the City within 5 business days of the City's prior notification to the contrary. The City shall make reasonable efforts to resolve the dispute with the Artist in good faith. However, final determination as to whether the Artist has complied with the terms of this Agreement shall remain with the City.
f. The Artist shall notify the City in writing when fabrication of the Artwork has been completed, and that the Artwork is ready for delivery and installation at the Project Site if the Artwork was fabricated off-site.
g. Prior to the installation of the Artwork, the City shall inspect the Artwork within 10 business days after receiving notification pursuant to paragraph (f) to determine that the Artwork conforms with the Final Design: give final approval of the fabricated Artwork and; authorize the installation of the Artwork at the Project Site. The City shall not unreasonably withhold final approval of the fabricated Artwork. In the event that the City does withhold final approval, the City shall submit the reasons for such disapproval in writing within 5 business days of examining the fabricated Artwork. The Artist shall then have 30 days from the date of the City's notice of the disapproval to make the necessary adjustments to the fabricated Artwork in accordance with such writing. The Artist shall not be penalized for any delay in the delivery and installation of the Artwork to the Project Site unless the Artist has willfully and substantially deviated from the Final Design without the prior approval of the City. The Artist shall then be held responsible for any expenses incurred in correcting such deviation.
h. The City shall promptly notify the Artist of any delays impacting installation of the Artwork. Any additional storage and insurance costs incurred by the Artist shall be borne by the City in the event that the delay is caused by the City.
i. The Artist shall be required to inspect the Project Site prior to the installation of the Artwork and shall notify the City of any adverse Project Site conditions that will impact the installation of the Artwork and which are in need of correction. Failure to do so by the Artist shall be deemed as an acceptance of the Project Site conditions.
j. The Artist shall take reasonable measures to protect or preserve the integrity of the Artwork with the application of a protective sealant, patina or anti-graffiti coating, if applicable, unless the City specifically disapproves of such.

1.6 Installation Phase

a. Upon the City's final approval of the fabricated Artwork as being in conformity with the Final Design, the Artist shall install the completed Artwork to the Project Site in accordance with the schedule provided for in Section 1.3.
b. The Artist will coordinate closely with the City to ascertain that the Project Site is prepared to receive the Artwork. Artist must notify the City of any adverse conditions at the Project Site that would affect or impede the installation of the Artwork.

c. The Artist is responsible for timely installation of the Artwork. Artist may not install the Artwork until authorized to do so by the City.
d. Artist shall install the artwork in compliance with all local, regional and national safety regulations such as OSHA. The installation site is to be protected for safety of the public and workers at all times.
e. The Artist shall be present to supervise the installation of the Artwork.
f. Upon installation, the Artwork shall be deemed to be in the custody of the City for purposes of Article 3 and Article 5 of this Agreement.
g. Upon completion of the installation of the Artwork, the Artist shall provide the City with written instructions for the future maintenance and preservation of the Artwork.

1.7 Approval and Acceptance

a. The Artist shall notify the City in writing when all services as required by this Agreement prior to this paragraph have been completed in substantial conformity with the Final Design and contract documents.
b. The City shall promptly notify the Artist in writing of its final acceptance of the Artwork within 7 business days after the Artist submitted written notice pursuant to paragraph (a) above. The effective date of final acceptance shall be the date the City submits written notice to the Artist of its final acceptance of the Artwork. The final acceptance shall be understood to mean that the City acknowledges completion of the Artwork in substantial conformity with the Final Design, and that the City confirms that all services as required by this Agreement prior to paragraph (c) of this section have been completed. Title to the Artwork to the City passes upon final acceptance of the Artwork and final payment by City to Artist. If a regulatory agency must approve the completed artwork, the City should move promptly to gain such approval as it will be a precondition to the City's ability to accept and approve the finished Artwork from the Artist.
c. If the City disputes that all the services have been performed, the City shall notify the Artist in writing of those services the Artist has failed to perform within 7 business days after the Artist submitted written notice pursuant to paragraph (a) above. The Artist shall promptly perform those services indicated by the City.
d. If the Artist disputes the City's determination that not all services have been performed, the Artist shall submit reasons in writing to the City within 7 business days of the City's prior notification to the contrary. The City shall make reasonable efforts to resolve the dispute with the Artist in good faith. However, final determination as to whether all services have been performed shall remain with the City.
e. Upon the resolution of any disputes that arise under paragraphs (c) and (d) of this Section, the City shall notify the Artist of its final acceptance of the Artwork pursuant to paragraph (b).

Article 2. Terms of Agreement

a. Duration
    i. This Agreement shall be effective on the date that this contract has been signed by both parties, and, unless terminated earlier pursuant to such

provisions in the Agreement, shall extend until final acceptance by the City under Section 1.7(b), or submission of final payment to the Artist by the City under Exhibit B, whichever is later. Extension of time of performance hereunder may be granted upon the request of one party and the consent of the other thereto, which consent shall not be unreasonably withheld. Such extension shall be in writing, signed by both parties, and attached to the schedule described in Section 1.3.

b. Force Majeure
   i. The City shall grant to the Artist a reasonable extension of time in the event that conditions beyond the Artist's control render timely performance of the Artist's services impossible or unduly burdensome. All such performance obligations shall be suspended for the duration of the condition. Both parties shall take all reasonable steps during the existence of the condition to assure performance of their contractual obligations when the condition no longer exists. Failure to fulfill contractual obligations due to conditions beyond either Party's reasonable control will not be considered a breach of contract, provided that such obligations shall be suspended only for the duration of such conditions.

Article 3. Risk of Loss

The Artist shall bear the risk of loss or damage to the Artwork until the installation of the Artwork. The Artist shall take such measures as are reasonably necessary to protect the Artwork from loss or damage. The City shall bear the risk of loss or damage to the Artwork prior to final acceptance only if, during such time, the partially or wholly completed Artwork is in the custody, control or supervision of the City or its agent(s) for the purposes of performing services to the Artwork.

Article 4 Artist's Representations and Warranties

4.1 Warranties of Title

The Artist represents and warrants that:

a. the Artwork is solely the result of the artistic effort of the Artist;
b. except as otherwise disclosed in writing to the City, the Artwork is unique and original and does not infringe upon any copyright or the rights of any person;
c. the Artwork (or duplicate thereof) has not been accepted for sale elsewhere;
d. the Artist has not sold, assigned, transferred, licensed, granted, encumbered or utilized the Artwork or any element thereof or any copyright related thereto which may affect or impair the rights granted pursuant to this Agreement;
e. the Artwork is free and clear of any liens from any source whatsoever;
f. all Artwork created by the Artist under this Agreement, whether created by the Artist alone or in collaboration with others shall be wholly original with the Artist and shall not infringe upon or violate the rights of any third party;
g. the Artist has the full power to enter into and perform this Agreement and to make the grant of rights contained in this Agreement;
h. all services performed hereunder shall be performed in accordance with all applicable laws, regulations, ordinances, etc. and with all necessary care, skill, and diligence;

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i. these representations and warranties shall survive the termination or other extinction of this Agreement.

4.2 Warranties of Quality and Condition

a. The Artist represents and warrants that all work will be performed in accordance with professional "workmanlike" standards and free from defective or inferior materials and workmanship (including any defects consisting of "inherent vice," or qualities that cause or accelerate deterioration of the Artwork) for 2 years after the date of final acceptance by the City under Section 1.7(b).
b. The Artist represents and warrants that the Artwork and the materials used are not currently known to be harmful to public health and safety.
c. The Artist represents and warrants that reasonable maintenance of the Artwork will not require procedures substantially in excess of those described in the maintenance and preservation recommendations submitted by the Artist pursuant to Section 1.6(g).
d. If within one year the City observes any breach of warranty described in this Section 4.2, the Artist shall cure the breach promptly, satisfactorily and consistent with professional conservation standards, at no expense to the City. The City shall give notice to the Artist of such breach with reasonable promptness. However, if Artist did not disclose this risk of breach in the Proposal and Maintenance and Conservation manual, and if breach is not curable by Artist, the Artist is responsible for reimbursing the City for damages, expense and loss incurred by the City as a result of the breach of warranty. However, if the Artist disclosed the risk of this breach in the Proposal and maintenance and conservation manual and the City accepted that it may occur, as indicated by the written final acceptance of the artwork, it shall not be deemed a breach for purposes of this Section 4.2 of this Agreement.
e. If after one year the City observes any breach of warranty described in this Section 4.2 that is curable by the Artist, the City shall contact the Artist to make or supervise repairs or restorations at a reasonable fee during the Artist's lifetime. The Artist shall have the right of first refusal to make or supervise repairs or restorations. Should the Artist be unavailable or unwilling to accept reasonable compensation under the industry standard, the City may seek the services of a qualified restorative conservator and maintenance expert.
f. The foregoing warranties are conditional and shall be voided by the failure of the City to maintain the Artwork in accordance with the Artist's specifications and the applicable conservation standards. If the City fails to maintain the Artwork in good condition, the Artist, in addition to other rights or remedies the Artist may have in equity or at law, shall have the right to disown the Artwork as the Artist's creation and request that all credits be removed from the Artwork and reproductions thereof until the Artwork's condition is satisfactorily repaired.

Article 5 Insurance

5.1 General

a. The Artist acknowledges that until installation of the Artwork under Section 1.6(e), any injury to property or persons caused by the Artist's Artwork or any

damage to, theft of, vandalism to, or acts of God affecting the Artist's Artwork are the sole responsibility of the Artist, including, but not limited to, any loss occurring during the creation, storage, transportation or delivery of the Artist's Artwork, regardless of where such loss occurs.

b. Terms for the procurement and duration of insurance are provided in Exhibit C.
c. Required insurance policies are described in Exhibit C.

5.2 Indemnity

a. The Artist shall indemnify the City, its respective officers, agents, and employees, from any claims brought arising out of the breach of this Agreement or any negligent occurrence which occurs pursuant to the performance of this Agreement by the Artist, its subcontractors, agents or employees.
b. The City shall indemnify the Artist, Artist's subcontractors, agents or employees from any claims brought arising out of the breach of this Agreement or any negligent occurrence which occurs pursuant to the performance of this Agreement by the City, its respective officers, agents, and employees.
c. Each Party shall immediately notify the other of any written claim regarding any matter resulting from or relating to the Party's obligations under this Agreement. Each Party shall cooperate, assist, and consult with the other in the defense or investigation of any such claim arising out of or relating to the performance of this Agreement.
d. The indemnification shall include reasonable attorneys' fees and costs.
e. This indemnification shall survive the termination or expiration of this Agreement.
f. Notwithstanding any provision of this Agreement to the contrary, no Party shall recover from a Party to this Agreement in an action, of whatever nature, in contract or tort, any consequential or incidental damages, lost profits, or any type of expectancy damages.

Article 6 Ownership and Intellectual Property Rights

6.1 Title

Title to the Artwork shall pass to the City upon the City's written final acceptance and payment for the Artwork pursuant to Section 1.7(b) and Exhibit B.

6.2 Ownership of Documents

One set of presentation materials prepared by Artist and submitted to City under this Agreement shall be retained by the City.

6.3 Copyright Ownership

The Artist retains all rights under the Copyright Act of 1976, 17 U.S.C. §101 et seq., as the sole author of the Artwork for the duration of the copyright.

6.4 Reproduction Rights

a. In view of the intention that the final Artwork shall be unique, the Artist shall not make any additional exact duplicate [three]-dimensional reproductions of the final Artwork, nor shall the Artist grant permission to others to do so except with the

written permission of the City. However, nothing shall prevent the Artist from creating works in the Artist's manner and style of artistic expression.

b. The Artist grants to the City and its assignees an irrevocable license to make two-dimensional reproduction of the Artwork for non-commercial purposes, including, but not limited to, reproductions used in brochures, media publicity, and exhibition catalogues or other similar publication provided that these rights are exercised in a tasteful and professional manner.
c. All reproductions by the City shall contain a credit to the Artist and a copyright notice in substantially the following form: © [Artist's name, date of publication].
d. The Artist shall not reproduce nor replicate the Artwork without the City's express written permission which the City in its sole discretion may give except for the use of photographs of the Artwork for purposes of the Artist's resume, in which case the Artist must provide acknowledgment to the City in substantially the following form: "An original artwork owned and commissioned by the City of Brisbane."
e. If the City wishes to make reproductions of the Artwork for commercial purposes including, but not limited to, tee shirts, post cards and posters, the Parties shall execute a separate agreement to address the terms of the license granted by the Artist and the royalty the Artist shall receive.

Article 7 Artist's Rights

7.1 General

a. The Artist retains all rights under state and federal laws including §106A of the Copyright Act of 1976.
b. The City will not intentionally alter, modify, change, destroy or damage the Artwork without first obtaining permission from the Artist. The City shall take reasonable measures to avoid these from occurring from the gross negligence of the City, its representatives, or employees pursuant to the federal Visual Artists' Rights Act.
c. If any alteration or damage to the Artwork occurs, the Artist shall have the right to disclaim authorship of the Artwork in addition to any remedies the Artist may have in law or equity under this Agreement. Upon written request, the City shall remove the identification plaque and all attributive references to the Artist at its own expense within 60 days of receipt of the notice. No provision of this Agreement shall obligate the City to alter or remove any such attributive reference printed or published prior to the City's receipt of such notice. The Artist may take such other action as the Artist may choose in order to disavow the Artwork.
d. Artist shall on an ongoing basis provide to the City the Artist's contact information, such as address, email address, phone number, etc., City shall have no obligation other than to make reasonable efforts to notify the Artist.
e. If the Artist is deceased or becomes mentally incapacitated, City shall make reasonable efforts to notify the Artist's heirs, successors, assigns or conservator.

7.2 Alteration of Site or Removal of Artwork

a. Subject to paragraphs d and e of Section 7.1, the City shall notify the Artist in writing upon adoption of a plan of construction or alteration of the Project Site which would entail removal or relocation of the Artwork which might result in the Artwork being destroyed, distorted or modified. The Artist shall be granted the right of consultation regarding the removal or relocation of the Artwork. If the Artwork cannot be successfully removed or relocated as determined by the City, the Artist may disavow the Artwork.
b. The Artwork may be removed or relocated or destroyed by the City should the Artist and the City not reach mutual agreement on the removal or relocation of the Artwork after a period not to exceed [90] days after written notice to the Artist. During the [90] day period, the parties shall engage in good faith negotiations concerning the Artwork's removal or relocation.
c. In the event of changes in building codes or zoning laws or regulations that cause the Artwork to be in conflict with such codes, laws or regulations, the City may authorize the removal or relocation of the Artwork without the Artist's prior permission. In the alternative, the City may commission the Artist by a separate agreement to make any necessary changes to the Artwork to render it in conformity with such codes, laws or regulations.
d. If the City reasonably determines that the Artwork presents an imminent hazard to the public, other than as a result of the City's failure to maintain the Artwork as required under this Agreement, the City may authorize the removal of the Artwork without the prior approval of the Artist.
e. This clause is intended to replace and substitute for the rights of the Artist under the Visual Artists' Rights Act to the extent that any portion of this Agreement is in direct conflict with those rights. The Parties acknowledge that this Agreement supersedes that law to the extent that this Agreement is in direct conflict therewith.

Article 8 Artist as an Independent Contractor

The Artist shall perform all work under this Agreement as an independent contractor and not as an employee of the City. The Artist acknowledges and agrees that the Artist shall not hold itself out as an authorized agent of the City with the power to bind in any manner.

The Artist shall provide the City with the Artist's Tax Identification number and any proof of such number as requested by the City. The Artist shall provide the City with a copy of the Artist's City business license.

Article 9 Assignment of Artwork

The work and services required of the Artist are personal and shall not be assigned, sublet or transferred. Any attempt by the Artist to assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect unless prior written consent is given by the City. The City shall have the right to assign or transfer any and all of the City's rights and obligations under this Agreement, subject to the Artist's consent, if ownership of the Project Site is transferred; if the Artist refuses to give consent, this Agreement shall terminate.

Article 10 Termination

a. Either Party may terminate this Agreement without recourse by the other where performance is rendered impossible or impracticable for reasons beyond such Party's reasonable control such as, but not limited to, acts of nature; war or warlike operation; superior governmental regulation or control; public emergence; or strike or other labor disturbances. Notice of termination of this Agreement shall be given to the non-terminating party in writing not less than 30 days prior to the effective date of termination.
b. The City may terminate this Agreement without cause upon [60] days written notice to the Artist. The City shall pay the Artist for services performed and commitments made prior to the date of the termination, consistent with the schedule of payments set forth in Exhibit B of this Agreement. The Artist shall have the right to an equitable adjustment in the fee for services performed and expenses incurred beyond those for which the Artist has been compensated to date under Exhibit B with allowance for documented lost opportunities, unless the parties come to a settlement otherwise. The Artist shall retain possession and title to the studies, drawing, designs, maquettes, and models already prepared and submitted or prepared for submission to the City by the Artist under this Agreement prior to the date of termination.
c. If either party to this agreement shall willfully or negligently fail to fulfill in a timely and proper manner, or otherwise violate any of the covenants, agreements or stipulations material to this Agreement, the other party shall thereupon have the right to terminate this Agreement by giving written notice to the defaulting party of its intent to terminate specifying the grounds for termination. The defaulting party shall have 30 days after the effective date of the notice to cure the default. If it is not cured by that time, this Agreement shall terminate.
d. If the Artist defaults for cause other than death or incapacitation, the Artist shall return to the City all funds provided by the City in excess of the expenses already incurred. The Artist shall provide an accounting of these expenses. All finished and unfinished drawings, sketches, photographs and other work products prepared and submitted or prepared for submission by the Artist under this Agreement shall be retained by the Artist.
e. Upon notice of termination, the Artist and the Artist's subcontractors shall cease all services affected.

Article 11 Death or Incapacity

a. If the Artist becomes unable to complete this Agreement due to death or incapacity, such death or incapacity will not be deemed a breach of this Agreement or a default on the part of the Artist for purposes of Article 10.
b. In the event of incapacity, the Artist's conservator shall assign the Artist's obligations and services under this contract to another artist provided that the City approves of the new artist and so agrees in writing. If the City does not agree, the City may elect to terminate this Agreement. The Artist shall retain all rights under Article 6 and Article 7. The Artwork and any reproductions thereof shall contain a credit to the Artist and a copyright notice in substantially the following form: © [Artist's name, date of publication].

c. In the event of death, this Agreement shall terminate effective the date of death. The Artist's heirs shall retain rights under Article 6 and Article 7.

Article 12 Notices and Documents

Notices under this Agreement shall be delivered personally or through the [registered or certified mail, return receipt requested] mail, postage prepaid, to the addresses stated below, or to any other address as may be noticed by a Party:

For the City:

City Manager
City of Brisbane
50 Park Place
Brisbane, CA 94005

For the Artist:

AnT Sculpture and Design
2520 Rockbridge Road
Macon, GA 31204

Notice shall be deemed effective on the date personally delivered or, if mailed, [three (3) days] after the postmarked date.

Article 13 Waiver

The Parties agree that a waiver of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition.

Article 14 Conflict of Interest

The Artist and Owner shall avoid all conflicts of interest or appearance of conflicts of interest in the performance of this Agreement.

Article 15 Amendments

No alteration, change or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Parties.

Article 16 Conflict with the Law

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall be held by a court of competent jurisdiction or arbitration panel to be in conflict with the laws, rules and/or regulations of the United States or the State of California, invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby to the extent the remainder of the terms, covenants, conditions or provisions of this Agreement are capable of execution.

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Article 17 Choice of Law

This contract shall be governed by the laws of the State of California both as to interpretation and performance and any legal action shall be filed in San Mateo County, California.

Article 18 Entire Agreement

This Agreement, including the exhibits, comprises all of the covenants, promises, agreements and conditions between the Parties. No verbal agreements or conversation between the Parties prior to the execution of this Agreement shall affect or modify any of the terms or obligation.

AnT Sculpture and Design

CITY OF BRISBANE
A Municipal Corporation

_____

_____

Jeremy Dennis, City Manager

Approved as to form

Samantha Zutler, Legal Counsel

_____

APPROVED AS TO FORM

Samantha Zutler
City Attorney

_____

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Exhibit A
Description of Project

See attached proposal.

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Exhibit B

Payment Schedule

The City shall pay the Artist a fixed fee of $25,000.00, which shall constitute full and complete compensation for all the services performed and material furnished by the Artist under this Agreement.

Payment shall be made in accordance with the following scheduled installments, each installment representing full and final payment for all services and material provided prior to payment thereof:

a. 5% upon the execution of this Agreement, recognizing that the Artist will invest time and expense in preparing the Design as set forth under Section 1.3;
b. 15% upon the City's notification to the Artist of its approval of the Final Design Phase documents as set forth under Section 1.3, including the issuance of all planning and building permits;
c. 30% upon commencement of fabrication
d. 20% upon completion and approval of the fabrication and when the Artwork is ready for delivery and installation at the Project Site as set forth under Section 1.6(a);
e. 30% upon final acceptance of the Artwork by the City as set forth under Section 1.7(b) and approval by the regulatory agency.

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Exhibit C

Insurance

General

a. The Artist shall procure and maintain for the duration of this Agreement, at the Artist's expense, insurance in the kinds and amounts as provided in this Exhibit with insurance companies authorized to do business in California. Such insurance shall cover the Artist's agents, contractors, subcontractors or employees. The City, its officials, employees, agents and contractors shall be named as additional insureds. The coverage shall contain no special limitations on the scope of protection afforded to the City its officials, employees, agents and contractors.

b. The Artist and the Artist's subcontractors' insurance coverage shall be the primary insurance as respects the City, its officials, employees, agents and contractors. Any insurance or self-insurance maintained by the City, its officials, employees, agents and contractors shall be in excess of the Artist's or the Artist's subcontractor's insurance and shall not contribute to the Artist's or the Artist's subcontractor's insurance. The coverage shall state that the Artist's or the Artist's subcontractors' insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

c. Prior to undertaking any work under this Agreement, the Artist, at no expense to the City, shall furnish to the City a certificate of insurance with original endorsements affecting coverage for each of the insurance policies provided in this Exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates must be current and the Artist must submit replacement or renewal certificates of insurance for all the policies expiring during the term of this Agreement. Each certificate shall clearly indicate that the Artist has obtained insurance in the type, amount and classification as specified in this Exhibit and that no material changes, cancellation, suspension or reduction in limits of insurance shall be effective except after [30] days prior written notice to the City. Each certificate shall indicate that the subcontractors are additionally insured or the Artist shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including, but not limited to, naming the parties as additional insureds.

d. Any deductibles or self-insured retentions must be declared to, and approved by, the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and contractors.

e. Despite any changes to or cancellation of insurance, the Artist remains responsible for maintaining the required insurance coverage for the duration of the Agreement.

f. Failure of the Artist to comply with any of the terms of Article 6 of the Agreement shall be considered a material breach of this Agreement and cause for its immediate termination.

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Insurance Policies

a. Commercial General Liability insurance policy, written on an occurrence form, including all the usual coverage known as:
    1. premises/operations liability
    2. products/completed operations
    3. personal/advertising injury
    4. contractual liability
    5. [broad-form property damage]
    6. [independent contractor's liability]

Said policy must provide the following minimum coverage:

1. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. $2,000,000 annual aggregate

b. Automobile liability insurance policy, including coverage for owner, non-owner, leased or hired vehicles, providing the following minimum coverage:
    1. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage;
    2. $2,000,000 annual aggregate

The Artist agrees to keep in good standing a valid driver's license at all times during the term of this Agreement.

c. Transportation/Cartage insurance all risk. Coverage must include loading, transportation and unloading of the Artwork. If the Artwork is to be loaded, transported or unloaded by a person or entity other than the Artist, the insurance coverage must cover that person or entity. The minimum limit shall be the total amount of compensation paid to Artist through the date of loading under Exhibit B.

d. All Risk Installation insurance which covers physical damage to or destruction of the Artwork. If the Artwork is to be installed by a person or entity other than the Artist, the insurance coverage must cover that person or entity. The minimum limit shall be the total amount of compensation paid to the Artist through the date of the beginning of the installation of the Artwork under Exhibit B.

e. Worker's Compensation and Employers' Liability insurance in accordance with the statutory requirements of the State of California, providing coverage for any and all employees of Artist. The Artist shall require all subcontractors to carry this coverage also. The minimum coverage for the Worker's Compensation and Employers' Liability insurance shall be $[100,000].

f. If, however, the Artist does not have any employees as defined by state statutes and regulations and does not wish to cover him/her/itself for Worker's Compensation, the Artist shall sign the following statement:

> ["I do not have, nor intend to have for the full term of this Agreement, any employees. Furthermore, I do not wish to obtain or be covered under any Worker's Compensation insurance coverage and, therefore, am signing this statement in lieu of providing the above require Worker's Compensation coverage."

_____
(Artist's signature)

_____
(Print Artist's name)

The requirement for Worker's Compensation and Employers' Liability insurance shall be waived in writing upon submission of this signed statement by the Artist to the Owner.

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City Of Brisbane

Artful Bench Program

Luminous Waveforms

Phil Spitler and Victoria Mara Heilweil

luminouswaveforms@gmail.com
(510) 918-4631
luminouswaveforms.art

Letter of Interest

We are interested in creating a bench for the City of Brisbane Artful Bench Program. This opportunity aligns with our goal of making stunning and engaging public seating. Our sculptural seating, *Luminous Waveforms*, uses parametric design techniques to evoke waves that move across the bench. The design strategy highlights the intersection of the social and the aesthetic, while simultaneously being functional and comfortable. The seating is both a utilitarian and sculptural object. Since 2016, we have designed and fabricated nineteen custom Luminous Waveforms benches. The seating can also be accompanied by an optional, integrated custom light score to enliven and illuminate the benches in the evening. *Luminous Waveforms* seating is striking day and night, with or without lighting.

Our approach is to start by modeling the bench using 3D CAD software. Once we have a design we are happy with, we move to a ⅓ scale prototype to look at the bench in a physical form. We then often make small tweaks to the design and do a second prototype. Once the design is finalized, the individual slices are CNC cut and the edges are rounded. Each slice is then individually sanded before assembling the pieces using stainless steel rods. All components are fully weatherproof and easy to maintain.

We have created outdoor public art benches for a park in San Francisco, Arts Los Altos and the City of Indio. Los Altos and Indio were both fabricated with Acre, a sustainable, weatherproof and bug proof outdoor material. The color does not fade or darken over time and thus are simple to maintain. Arts Los Altos commissioned three benches: 5', 10' & 12'. The larger 12' size allowed for a more complex design, and we are eager for another opportunity to create a bench in this dimension. The seating has been outdoors and lovingly sat upon for the past three years with no issues.

When the City of Indio commissioned us to create two 8' benches for their downtown area, they requested that we include a hump in the bench to combat people sleeping on top of it. This was an interesting challenge to integrate the hump seamlessly into the design. Those benches were functional, but still retained our core aesthetic. Indio has temperatures up to 125 degrees and the Acre material has been unaffected by the extreme heat.

Lakeside Landing was a commission of an 8' bench to be placed in a small community park created from repurposing an underutilized parking lot in San Francisco. The park has a nautical theme that paired well with the waves inherent in our design language. The park is heavily utilized by families and a wide range of ages. The playfulness of the overall aesthetic of the park was also echoed by our seating. Due to the strong blue color used throughout the park, we fabricated a bench from phenolic plywood as it was available in a blue surface.

Our previous experience, design aesthetic and passion for engaging public seating are strongly aligned with your RFP and it immediately caught our eye. As community minded artists, living and working only 15 minutes from Brisbane, we have connections to your city through Joe Joe Martin and Erin Becker. They invited us to participate in the Brisbane Festival of Lights for the past three years, and it was how we discovered the strong connection Brisbane residents have to the city. We are confident that we would produce eye catching, durable and sustainable artistic seating for The City of Brisbane Artful Bench Program.

Resume

Luminous Waveforms is the collaborative art practice of Phil Spitler and Victoria Mara Heilweil. Bringing fine art and creative technology together, they produce experiential works of art incorporating innovative technologies in the design, fabrication and aesthetics. Based in San Francisco, the artists are inspired by community engagement with their creations.

Heilweil (MFA California College of the Arts) is also a lens-based artist and independent curator, and Spitler is a Creative Technologist and partner at Bonfire Labs, a boutique content creation company in San Francisco.

EXHIBITIONS

2026 THE ART OF SAN FRANCISCO, San Francisco, CA
2025 GARDEN OF D'LIGHTS, Walnut Creek, CA
2025 AUTUMN LIGHTS FESTIVAL, Oakland, CA
2025 KARL, San Francisco, CA
2024 AUTUMN LIGHTS FESTIVAL, Oakland, CA
2024 RESONANCE IN LIGHT, Heron Arts, San Francisco, CA
2023 NAPA LIGHTED ARTS FESTIVAL, Napa, CA
2022 OAKLAND FESTIVAL OF IMMERSIVE ARTS, Oakland, CA
2019 TEMPLE OF DIRECTION, Burning Man, Black Rock City, NV
2019 WATER MUSIC, DZINE Gallery, San Francisco, CA
2017 NIGHTLIFE LIVE, California Academy of Sciences, San Francisco, CA
2017 AUTUMN LIGHTS FESTIVAL, The Gardens at Lake Merritt, Oakland, CA
2018 stARTup Art Fair, San Francisco, CA
2017 LUMINARY ART.TECH.MUSIC, The Midway, San Francisco, CA
2017 MAKER FAIRE, San Mateo County Event Center, San Mateo, CA
2017 MANUAL DIGITAL, Space 151, San Francisco, CA
2016 AUTUMN LIGHTS FESTIVAL, The Gardens at Lake Merritt, Oakland, CA
2016 FRIENDS AND FAMILY MUSIC FESTIVAL, Saratoga Springs, CA
2015 NIGHT LIVE, California Academy of Sciences, San Francisco, CA
2012 REACHING FOR THE TOP, ZERO1 Biennial, San Jose, CA
2012 FRIENDS AND FAMILY MUSIC FESTIVAL, Saratoga Springs, CA

GRANTS

2024 MORE THAN 2 BLOCKS OF ART, San Francisco, CA
2024 VACANT TO VIBRANT, San Francisco, CA
2016 TEMPLE OF DIRECTION, Burning Man Festival, Black Rock City, NV
2016 FRIENDS AND FAMILY MUSIC FESTIVAL, Saratoga Springs, CA
2012 ART HERE, ZERO1 Biennial, San Jose, CA
2012 FRIENDS AND FAMILY MUSIC FESTIVAL, Saratoga Springs, CA

ART FAIRS

2024 SAN FRANCISCO ART FAIR, San Francisco, CA
2024 INTERSECT ART & DESIGN, Palm Springs, CA
2024 FOG FOCUS, San Francisco, CA
2023 UNTITLED, Miami, FL

PUBLIC AND PRIVATE COMMISSIONS

CITY OF INDIO, Indio CA
LAKESIDE LANDING, San Francisco, CA
FOUR ONE NINE, San Francisco, CA
JONATHAN CARVER MOORE GALLERY, San Francisco, CA
J RESORT HOTEL AND CASINO, Reno, NV
ARTS LOS ALTOS, Permanent Collection, Los Altos, CA
BOSTON ART, Boston, MA
SOBRATO FAMILY, Private Commission, Hillsborough, CA
WONDERSPACES MUSEUM, Permanent Collection

References:

Shannon Riley
CEO, Founder
Building 180
www.building180.com
shannon@building180.com
(508) 523-4944

Maddy McBirney
CoDirector
Arts Los Altos
www.artslosaltos.org
mcbirneymaddy7@gmail.com
(650) 867-0051

Proposal

Our proposal is for the Mission Blue Center (Location 1). We chose this location due to the natural setting. Our Luminous Waveforms benches are an imaginative interpretation of seating, transforming a simple act into an uplifting experience. The organic curves echo nature, and will create a visual conversation with the surrounding hills. It will be a unified aesthetic that allows visitors to be able to sit and admire the views of San Bruno Mountain. The seating is a light color that harmonizes with the tonality of the site, and creates a warm and inviting place to rest and converse.

Given the scale of the site, we propose to create a 12' long x 4' wide x 20" high bench. Our design will be without a back so that people can sit facing in any direction on the bench. We have found that this style works best for public art commissions (such as Los Altos). By placing the bench more centrally in the site, visitors would be able to appreciate both unique sides of the design. All our benches are asymmetrical and one of a kind. Our site specific bench will be inspired by the undulations in the landscape.

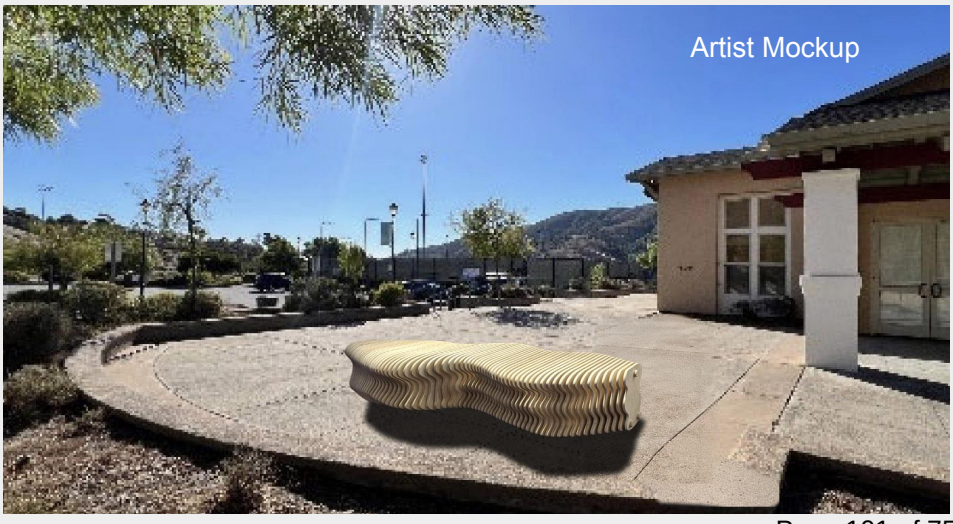
The seating encourages engagement with its dynamic form, inviting interaction and contemplation As the site hosts many community and private events, the seating stimulates conversation and affords a visually compelling place to sit. The benches are sturdy enough to hold a group of people easily, and appeals to all ages. Children, in particular, are drawn to the whimsical form, while adults admire the artistry and craftsmanship.

As mentioned in our Letter of Interest, *Luminous Waveforms* seating has the option of internal LED lighting. This option may be evaluated if the site hosts evening events and adequate power is available. If internal illumination is requested, we would create a custom light score for this site. Not all of our public and private commissions have included lighting, for example Lakeside Landing. As a functional sculpture, the optional lighting is not critical for the success of our benches.

The bench would be fabricated from Acre, our time tested, sustainable and weatherproof material. If optional lighting is requested, we use weatherproof electronics that have also stood the test of time. We fabricate and assemble the benches off site in San Francisco. Installation is very straightforward and only takes a few hours. We have a delivery team that we trust and have used in the past that will transport and place the bench under our supervision. We have installed these benches using only dollies and a lift gate on the truck, but may use a pallet jack if needed to move the bench into place.

As each of our art benches are custom designed, the following examples of representative work we feel is the best way to visualize our proposal.

In conclusion, we see a strong visual connection between the Mission Blue Center location and our design aesthetic. The forms and tonality would harmonize with the surrounding landscape and feel as if it belongs there. The comfort and functionality of our *Luminous Waveforms* seating has ten years of experience behind it. We look forward to the opportunity to collaborate with you on this proposal.



Images of Original Representative Work (1/10)

Two Acre benches commissioned for the city of Indio. These were part of a strategic plan to bring public artworks to the downtown area in order to revitalize it. This design includes a hump in the center to discourage sleeping, which we integrated into the overall aesthetic.



Date: 2024
Location: Indio, CA
Size: 6’ x 4’ x 4’ each

Images of Original Representative Work (2/10)

Phenolic plywood bench commissioned for Lakeside Landing, a community park. The whimsical nautical theme and color is echoed in the seating design.



Date: 2024
Location: San Francisco, CA
Size: 8’ x 4’ x 20”

Images of Original Representative Work (3/10)

Daytime view of two sculpted Acre art benches located in Village Park, Los Altos. Commissioned by Arts Los Altos and in their civic public art permanent collection.



Date: 2025
Location: Los Altos, CA
Size: 12’ x 4’ x 20” & 10’ x 4’ x 20”

Images of Original Representative Work (4/10)

Night view of two Acre sculpted art benches located in Village Park, Los Altos. Commissioned by Arts Los Altos and in their civic public art permanent collection.



Date: 2025
Location: Los Altos, CA
Size: 12’ x 4’ x 20” & 10’ x 4’ x 20”

Images of Original Representative Work (5/10)

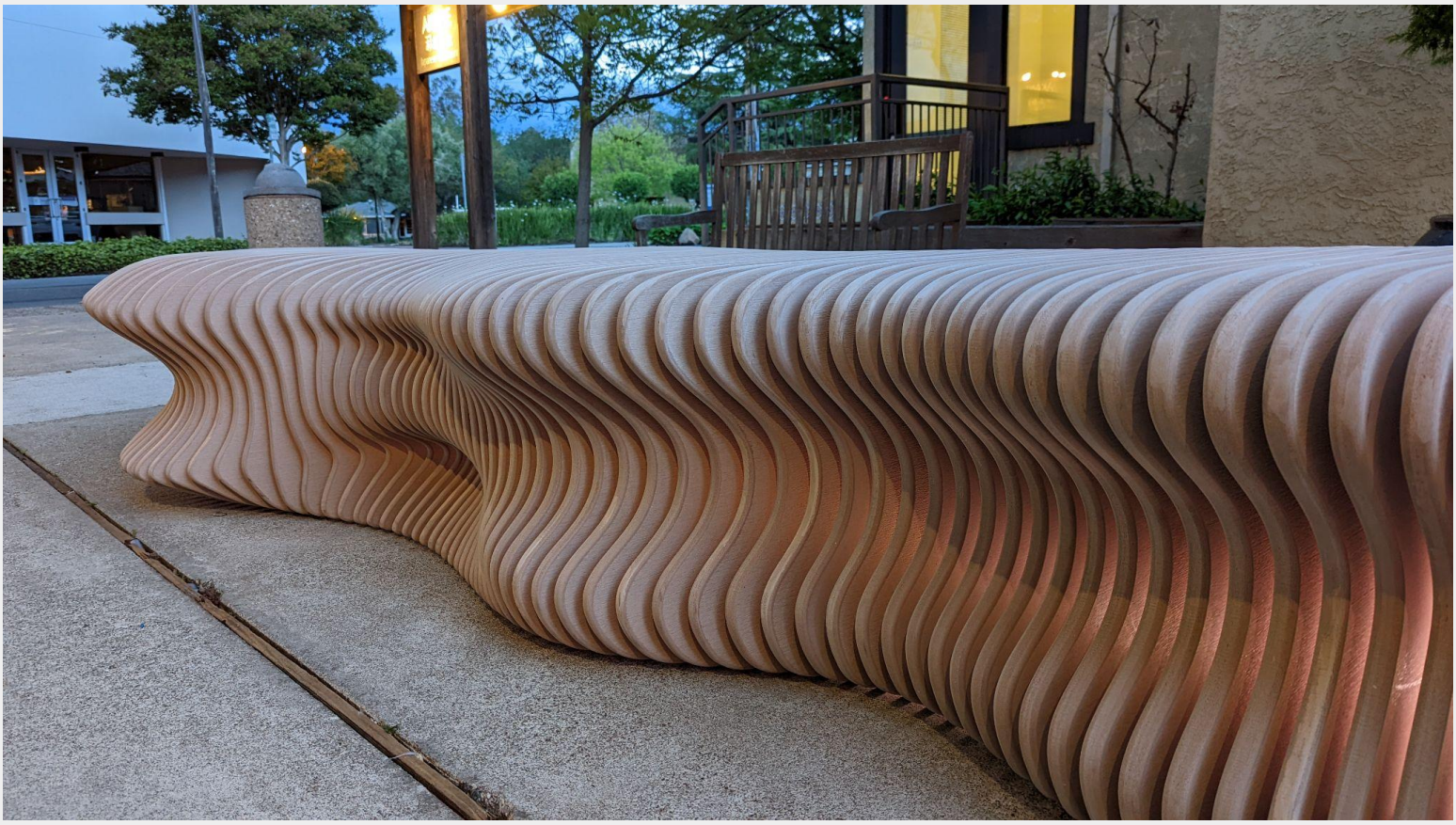
Daytime view of Acre art benches in downtown Los Altos. This seating installation is comprised of three benches totalling 27'. The seating was part of an initiative to bring more life to this well used passageway. Commissioned by Arts Los Altos and in their civic public art permanent collection.



Date: 2023
Location: Los Altos, CA
Size: 12' x 4' x 20" & 10' x 4' x 20" & 5' x 4' x 20"

Images of Original Representative Work (6/10)

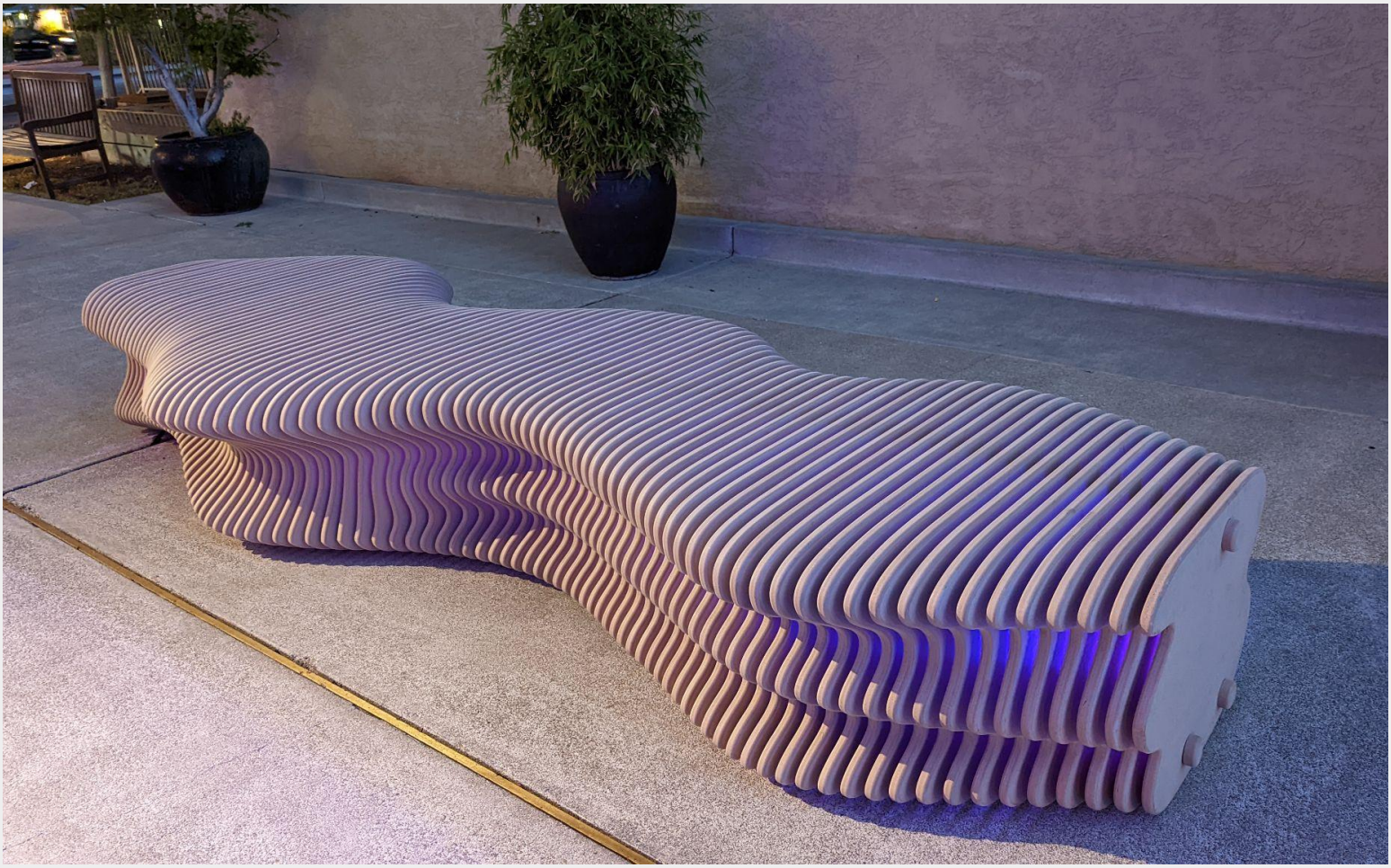
Side detail view of Acre sculpted art bench in downtown Los Altos. Commissioned by Arts Los Altos and in their civic public art permanent collection.



Date: 2023
Location: Los Altos, CA
Size: 12’ x 4’ x 20”

Images of Original Representative Work (7/10)

Dusk view of Acre illuminated, sculpted art bench in downtown Los Altos. This seating installation is comprised of three benches totalling 27'. Commissioned by Arts Los Altos and in their civic public art permanent collection.



Date: 2023
Location: Los Altos, CA
Size: 10' x 4' x 20"

Images of Original Representative Work (8/10)

Baltic birch plywood sculpted art bench at the Napa Lighted Arts Festival. Two benches were placed in a busy location outside of the Oxbow Public Market.



Date: 2023
Location: Napa, CA
Size: 8’ x 4’ x 4’

Images of Original Representative Work (9/10)

Installation of two baltic birch plywood sculpted art benches at the Napa Lighted Arts Festival. The benches were placed in a busy location outside of the Oxbow Public Market. You can see in this photograph how many people can comfortably sit on each 8’ bench.



Date: 2023
Location: Napa, CA
Size: 8’ x 4’ x 4’ each

Images of Original Representative Work (10/10)

Installation of two stained marine plywood sculpted art benches for a private commission.



Date: 2018
Location: Hillsborough, CA
Size: 8’ x 4’ x 4’ each

Thank You

luminouswaveforms.art



City Of Brisbane

Artful Bench Program

Sealed Fee Proposal

Luminous Waveforms

Phil Spitler and Victoria Mara Heilweil

luminouswaveforms@gmail.com

(510) 918-4631

luminouswaveforms.art

Sealed Fee Proposal

This budget includes all costs associated with the proposed bench design, fabrication and installation.

Artist Fee	$8000
Materials	$6000
Prototyping	$1200
Fabrication	$4700
Art Assistant	$700
Engineering	$500
Transportation	$2000
Installation	$1000

Total Cost: $24,100

Thank You

luminouswaveforms.art



AGREEMENT FOR THE DESIGN, FABRICATION, AND INSTALLATION OF PUBLIC ART WORK

THIS AGREEMENT for the design, fabrication, and installation of Public Art Work is entered into this 21st day of May, 2026, between the City of Brisbane ("City"), Luminous Waveforms ("Artist"), with offices at 1497 Palou Avenue, San Francisco, CA 94124.

WHEREAS, City requires the services of an artist to design, fabricate and install a work of art, namely an artfully designed bench ("the Artwork") on public property at the Mission Blue Center located at 475 Mission Blue Drive, Brisbane, CA 94005 ("the Project Site"); and

WHEREAS, the Artwork shall include artfully designed seating; and

WHEREAS, Artist is a professional artist whose work and qualifications make the Artist well qualified to create the Artwork; and

WHEREAS, Artist has developed a proposal to design, fabricate, and install the Artwork at the Project Site, as more particularly described in the Art Work Proposal submitted by the Artist pursuant to that certain proposal described in Exhibit A; and

WHEREAS, the City's Public Art Committee reviewed the Art Work Proposal and recommended to the City Council that it enter this Agreement; and

WHEREAS, City has allocated funds from money it has received under its Public Art Ordinance for the design, fabrication, and installation of the Artwork at the Project Site; and

WHEREAS, on May 21, 2026, the Brisbane City Council approved the recommendation of the Public Art Committee to select Artist and authorized this Agreement with Artist; and

NOW, THEREFORE, in consideration of the above-stated premises and subject to the conditions of this Agreement, the parties agree as follows:

Article 1 Scope of Services

1.1 Artist's Obligations

a. The Artist shall perform all services and furnish all supplies, material and/or work equipment as necessary for the design, fabrication, and installation of the Artwork. Services shall be performed in a professional manner and in strict compliance with all terms and conditions in this Agreement.

b. The Artist shall determine the artistic expression, design, dimensions and materials of the Artwork, subject to review and acceptance by the City and any regulatory agencies with project oversight, as set forth in this Agreement.

c. The Artist shall prepare the design concept described in Section 1.3 of this Agreement.

d. The Artist shall complete the fabrication, and installation of the Artwork by the scheduled dates as provided in Section 1.5 of this Agreement.
e. The Artist shall secure any and all required licenses, permits and similar legal authorizations at the Artist's expense as may be necessary for the installation of the Artwork at the Project Site.
f. The Artist shall arrange for the installation of the Artwork in coordination with the City. If the Artist does not install the Artwork itself, Artist shall supervise and approve the installation. Prior to the installation of the Artwork, Artist shall inspect the Project Site to ensure that it is ready to accept the Artwork and compliant with the specifications provided by the Artist. Artist shall notify the City of any perceived conflict, defect or non-compliance with specifications and resolve, at no expense to the City, all such conflicts, defects or non-compliance with the specifications before installing the Artwork. All work shall be performed by qualified professionals and by licensed contractors as required by law.
g. Artist shall provide required insurance in amounts and limits specified in Article 5 and Exhibit C.
h. Artist shall provide a list of all subcontractors along with a copy of the agreement between the Artist and each subcontractor.
i. Artist shall provide a set of "as built" drawings if there is significant deviation from approved and permitted construction documents.
j. Artist shall provide a list of all final materials used including the manufacturer name and supplier and for each material, a Product Data Sheets (PDS), Technical Data Sheets (TDS), and Safety Data Sheets (SDS).
k. Artist shall provide a maintenance manual with the expected lifetime of the Artwork, a description of all materials, processes and products to be used for maintaining the Artwork, the required care and upkeep involved, and the recommended procedures in the event of necessary conservation intervention. The maintenance plan is subject to review by a professional conservator.
l. Artist shall provide photographic documentation of the Artwork in a format acceptable to Artist and the City.
m. Artist shall be available with reasonable advance notice for a reasonable number of meetings required to coordinate design and project implementation, ceremonies and the like, as necessary.
n. The Artist shall be responsible for researching whether there are any required permits, building and municipal code regulations, or any other policies, guidelines or approvals required by regulatory or oversight agencies that may impact the Artwork and/or the installation of the Artwork.
o. Consistent with plaque guidelines provided by the City, the Artist shall design and install a plaque on or near the Artwork containing a credit to the Artist and a copyright notice substantially in the following form: Copyright © [Artist's name, date of publication]. The plaque design and installation plans must be approved by City staff prior to installation.

1.2 City's Obligations

a. The City shall perform all obligations in strict compliance with all terms and conditions in this Agreement.

b. The City shall not knowingly permit any use of the Artist's name or misuse of the Artwork which would reflect discredit on the Artist's reputation as an artist or which would violate the spirit of the Artwork, should such use or misuse be within the City's control.

1.3 Final Design, Budget and Related Documents Phase

Artist shall submit to the City for its review the Final Design Documents as described in subsections a. and c. of this Section 1.3, and any revisions as required by the City. Once the City has approved the Final Design Documents, the Final Budget and Schedule of Deliverables, and the Artist has all required licenses, permits and similar legal authorizations for the installation of the Artwork at the Project Site, the Artist is authorized to proceed with the Fabrication Phase as described in Section 1.5.

a. Final Design

Artist shall proceed with the Final Design Documents of the Artwork which shall include the following: presentation quality materials, which shall include colored drawings or computer-generated color images (in plan and elevation) and/or 3-dimensional models that accurately reflect the Artwork and how it will be installed at the Project Site, mock-ups, final color and materials samples, proposed fabrication methods, and final cost estimates at design completion. When used in reference to the proposed Artwork, Final Design Documents shall fix and describe the size and character of the Artwork with respect to its relationship to the Project Site, including architectural, structural, mechanical and electrical systems, materials and other elements as may be appropriate.

b. Construction Documents and Maintenance Plan

i. Artist shall, if Construction Drawings are required for construction and installation of the Artwork, submit Construction Documents to the City Permit Center for construction and/or installation of the proposed Artwork as approved, which must be signed and stamped by design professionals licensed in the State of California, as required by the California Building Code and any local government amendments to the Building Code.

ii. Artist shall deliver computer-generated (or otherwise as agreed to by both parties) color and material design samples.

iii. Artist shall review Architect's Design Development and/or Construction Documents for accuracy of the integration of Artist's Proposal within the Site and provide the City with written comments and/or corrections.

iv. Artist shall provide a list of all proposed materials including the manufacturer name and supplier and for each material, a Product Data Sheets (PDS), Technical Data Sheets (TDS), and Safety Data Sheets (SDS).

v. Artist shall provide a detailed description of future maintenance requirements for the Artwork, including the lifetime of the Artwork ("the Maintenance Plan").

vi. City may appoint a conservator to review the Final Design Documents and the Maintenance Plan. Based on comments provided by the conservator, Artist may need to revise the Design and/or the Maintenance Plan. In addition, City may require the Artist to present the Design and/or the Maintenance Plan to a qualified conservator for that conservator to provide to the City recommendations as to the Design and Maintenance Plan. Based on those

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recommendations, City may require the Artist to revise the Design and/or the Maintenance Plan.

c. Final Budget and Schedule of Deliverables
    i. The Artist shall prepare a Budget, not to exceed $24,100, which shall include all goods, services and materials related to the Artwork, with such costs itemized.
    ii. Budget shall mean a specific and detailed document identifying the cost of completion of all work under this Agreement, including all modifications. The Budget shall include the costs for all design fees and costs; preliminary and final engineering requirements; materials and labor for fabrication, including Artist and subcontractors' costs; consultants, including engineers and specifications writers; transportation of Artwork; installation of Artwork, including any necessary permits; permits and licenses; required insurance; any sales tax; and 10% contingency allowance, which contingency allowance may be used only with written permission of the City. Calculation of the Budget will take into consideration the possible inflation of service and material costs between the date of execution of this Agreement and the anticipated completion date. If the Artist incurs costs in excess of the amount in the approved Budget, including the contingency, the Artist shall pay such excess from the Artist's own funds unless the Artist obtain approval in writing from the City for such additional costs or such costs were the result of actions or inaction of the City.
    iii. The Artist shall notify the City of the anticipated schedule for the fabrication and installation of the Artwork, including a schedule for the submission of progress reports and inspections if any required by the City ("the Schedule of Deliverables"). The Schedule of Deliverables must identify a specific date or timeframe for the completion of the Artwork. The Schedule of Deliverables may be amended by written agreement.

1.4 Payment Schedule and Progress Reports

a. Artist's completion milestones and payment schedule is as set forth in Exhibit B, Payment Schedule, which is incorporated herein by reference.
b. The Artist shall inform the City of the progress of each phase of work completed under the Agreement.

1.5 Fabrication Phase

Following City's approval of all Design Phase documents described in Section 1.3:

a. The Artist shall fabricate the Artwork in substantial conformity with the Final Design. The Artist may not deviate from the approved design without written approval of the City.
b. If the Artwork is being constructed on site, the Artist shall avoid creating nuisance conditions arising out of the Artist's operations.
c. The City shall have the right to review the Artwork at reasonable times during the fabrication thereof upon reasonable notice.
d. If the City, upon review of the Artwork, determines that the Artwork does not conform to the approved Final Design, the City reserves the right to notify the Artist

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in writing of the deficiencies and that the City intends to withhold the next budget installment within 5 business days of the determination as in paragraph (g) below.

e. The Artist will have thirty days to cure the City's objections and will notify the City in writing of completion of the cure. The City shall promptly review the Artwork, and upon approval shall release the next budget installment. If the Artist disputes the City's determination that the Artwork does not conform, the Artist shall promptly submit reasons in writing to the City within 5 business days of the City's prior notification to the contrary. The City shall make reasonable efforts to resolve the dispute with the Artist in good faith. However, final determination as to whether the Artist has complied with the terms of this Agreement shall remain with the City.
f. The Artist shall notify the City in writing when fabrication of the Artwork has been completed, and that the Artwork is ready for delivery and installation at the Project Site if the Artwork was fabricated off-site.
g. Prior to the installation of the Artwork, the City shall inspect the Artwork within 10 business days after receiving notification pursuant to paragraph (f) to determine that the Artwork conforms with the Final Design: give final approval of the fabricated Artwork and; authorize the installation of the Artwork at the Project Site. The City shall not unreasonably withhold final approval of the fabricated Artwork. In the event that the City does withhold final approval, the City shall submit the reasons for such disapproval in writing within 5 business days of examining the fabricated Artwork. The Artist shall then have 30 days from the date of the City's notice of the disapproval to make the necessary adjustments to the fabricated Artwork in accordance with such writing. The Artist shall not be penalized for any delay in the delivery and installation of the Artwork to the Project Site unless the Artist has willfully and substantially deviated from the Final Design without the prior approval of the City. The Artist shall then be held responsible for any expenses incurred in correcting such deviation.
h. The City shall promptly notify the Artist of any delays impacting installation of the Artwork. Any additional storage and insurance costs incurred by the Artist shall be borne by the City in the event that the delay is caused by the City.
i. The Artist shall be required to inspect the Project Site prior to the installation of the Artwork and shall notify the City of any adverse Project Site conditions that will impact the installation of the Artwork and which are in need of correction. Failure to do so by the Artist shall be deemed as an acceptance of the Project Site conditions.
j. The Artist shall take reasonable measures to protect or preserve the integrity of the Artwork with the application of a protective sealant, patina or anti-graffiti coating, if applicable, unless the City specifically disapproves of such.

1.6 Installation Phase

a. Upon the City's final approval of the fabricated Artwork as being in conformity with the Final Design, the Artist shall install the completed Artwork to the Project Site in accordance with the schedule provided for in Section 1.3.
b. The Artist will coordinate closely with the City to ascertain that the Project Site is prepared to receive the Artwork. Artist must notify the City of any adverse conditions at the Project Site that would affect or impede the installation of the Artwork.

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c. The Artist is responsible for timely installation of the Artwork. Artist may not install the Artwork until authorized to do so by the City.
d. Artist shall install the artwork in compliance with all local, regional and national safety regulations such as OSHA. The installation site is to be protected for safety of the public and workers at all times.
e. The Artist shall be present to supervise the installation of the Artwork.
f. Upon installation, the Artwork shall be deemed to be in the custody of the City for purposes of Article 3 and Article 5 of this Agreement.
g. Upon completion of the installation of the Artwork, the Artist shall provide the City with written instructions for the future maintenance and preservation of the Artwork.

1.7 Approval and Acceptance

a. The Artist shall notify the City in writing when all services as required by this Agreement prior to this paragraph have been completed in substantial conformity with the Final Design and contract documents.
b. The City shall promptly notify the Artist in writing of its final acceptance of the Artwork within 7 business days after the Artist submitted written notice pursuant to paragraph (a) above. The effective date of final acceptance shall be the date the City submits written notice to the Artist of its final acceptance of the Artwork. The final acceptance shall be understood to mean that the City acknowledges completion of the Artwork in substantial conformity with the Final Design, and that the City confirms that all services as required by this Agreement prior to paragraph (c) of this section have been completed. Title to the Artwork to the City passes upon final acceptance of the Artwork and final payment by City to Artist. If a regulatory agency must approve the completed artwork, the City should move promptly to gain such approval as it will be a precondition to the City's ability to accept and approve the finished Artwork from the Artist.
c. If the City disputes that all the services have been performed, the City shall notify the Artist in writing of those services the Artist has failed to perform within 7 business days after the Artist submitted written notice pursuant to paragraph (a) above. The Artist shall promptly perform those services indicated by the City.
d. If the Artist disputes the City's determination that not all services have been performed, the Artist shall submit reasons in writing to the City within 7 business days of the City's prior notification to the contrary. The City shall make reasonable efforts to resolve the dispute with the Artist in good faith. However, final determination as to whether all services have been performed shall remain with the City.
e. Upon the resolution of any disputes that arise under paragraphs (c) and (d) of this Section, the City shall notify the Artist of its final acceptance of the Artwork pursuant to paragraph (b).

Article 2. Terms of Agreement

a. Duration
    i. This Agreement shall be effective on the date that this contract has been signed by both parties, and, unless terminated earlier pursuant to such

provisions in the Agreement, shall extend until final acceptance by the City under Section 1.7(b), or submission of final payment to the Artist by the City under Exhibit B, whichever is later. Extension of time of performance hereunder may be granted upon the request of one party and the consent of the other thereto, which consent shall not be unreasonably withheld. Such extension shall be in writing, signed by both parties, and attached to the schedule described in Section 1.3.

b. Force Majeure
   i. The City shall grant to the Artist a reasonable extension of time in the event that conditions beyond the Artist's control render timely performance of the Artist's services impossible or unduly burdensome. All such performance obligations shall be suspended for the duration of the condition. Both parties shall take all reasonable steps during the existence of the condition to assure performance of their contractual obligations when the condition no longer exists. Failure to fulfill contractual obligations due to conditions beyond either Party's reasonable control will not be considered a breach of contract, provided that such obligations shall be suspended only for the duration of such conditions.

Article 3. Risk of Loss

The Artist shall bear the risk of loss or damage to the Artwork until the installation of the Artwork. The Artist shall take such measures as are reasonably necessary to protect the Artwork from loss or damage. The City shall bear the risk of loss or damage to the Artwork prior to final acceptance only if, during such time, the partially or wholly completed Artwork is in the custody, control or supervision of the City or its agent(s) for the purposes of performing services to the Artwork.

Article 4 Artist's Representations and Warranties

4.1 Warranties of Title

The Artist represents and warrants that:

a. the Artwork is solely the result of the artistic effort of the Artist;
b. except as otherwise disclosed in writing to the City, the Artwork is unique and original and does not infringe upon any copyright or the rights of any person;
c. the Artwork (or duplicate thereof) has not been accepted for sale elsewhere;
d. the Artist has not sold, assigned, transferred, licensed, granted, encumbered or utilized the Artwork or any element thereof or any copyright related thereto which may affect or impair the rights granted pursuant to this Agreement;
e. the Artwork is free and clear of any liens from any source whatsoever;
f. all Artwork created by the Artist under this Agreement, whether created by the Artist alone or in collaboration with others shall be wholly original with the Artist and shall not infringe upon or violate the rights of any third party;
g. the Artist has the full power to enter into and perform this Agreement and to make the grant of rights contained in this Agreement;
h. all services performed hereunder shall be performed in accordance with all applicable laws, regulations, ordinances, etc. and with all necessary care, skill, and diligence;

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i. these representations and warranties shall survive the termination or other extinction of this Agreement.

4.2 Warranties of Quality and Condition

a. The Artist represents and warrants that all work will be performed in accordance with professional "workmanlike" standards and free from defective or inferior materials and workmanship (including any defects consisting of "inherent vice," or qualities that cause or accelerate deterioration of the Artwork) for 2 years after the date of final acceptance by the City under Section 1.7(b).
b. The Artist represents and warrants that the Artwork and the materials used are not currently known to be harmful to public health and safety.
c. The Artist represents and warrants that reasonable maintenance of the Artwork will not require procedures substantially in excess of those described in the maintenance and preservation recommendations submitted by the Artist pursuant to Section 1.6(g).
d. If within one year the City observes any breach of warranty described in this Section 4.2, the Artist shall cure the breach promptly, satisfactorily and consistent with professional conservation standards, at no expense to the City. The City shall give notice to the Artist of such breach with reasonable promptness. However, if Artist did not disclose this risk of breach in the Proposal and Maintenance and Conservation manual, and if breach is not curable by Artist, the Artist is responsible for reimbursing the City for damages, expense and loss incurred by the City as a result of the breach of warranty. However, if the Artist disclosed the risk of this breach in the Proposal and maintenance and conservation manual and the City accepted that it may occur, as indicated by the written final acceptance of the artwork, it shall not be deemed a breach for purposes of this Section 4.2 of this Agreement.
e. If after one year the City observes any breach of warranty described in this Section 4.2 that is curable by the Artist, the City shall contact the Artist to make or supervise repairs or restorations at a reasonable fee during the Artist's lifetime. The Artist shall have the right of first refusal to make or supervise repairs or restorations. Should the Artist be unavailable or unwilling to accept reasonable compensation under the industry standard, the City may seek the services of a qualified restorative conservator and maintenance expert.
f. The foregoing warranties are conditional and shall be voided by the failure of the City to maintain the Artwork in accordance with the Artist's specifications and the applicable conservation standards. If the City fails to maintain the Artwork in good condition, the Artist, in addition to other rights or remedies the Artist may have in equity or at law, shall have the right to disown the Artwork as the Artist's creation and request that all credits be removed from the Artwork and reproductions thereof until the Artwork's condition is satisfactorily repaired.

Article 5 Insurance

5.1 General

a. The Artist acknowledges that until installation of the Artwork under Section 1.6(e), any injury to property or persons caused by the Artist's Artwork or any

damage to, theft of, vandalism to, or acts of God affecting the Artist's Artwork are the sole responsibility of the Artist, including, but not limited to, any loss occurring during the creation, storage, transportation or delivery of the Artist's Artwork, regardless of where such loss occurs.

b. Terms for the procurement and duration of insurance are provided in Exhibit C.
c. Required insurance policies are described in Exhibit C.

5.2 Indemnity

a. The Artist shall indemnify the City, its respective officers, agents, and employees, from any claims brought arising out of the breach of this Agreement or any negligent occurrence which occurs pursuant to the performance of this Agreement by the Artist, its subcontractors, agents or employees.
b. The City shall indemnify the Artist, Artist's subcontractors, agents or employees from any claims brought arising out of the breach of this Agreement or any negligent occurrence which occurs pursuant to the performance of this Agreement by the City, its respective officers, agents, and employees.
c. Each Party shall immediately notify the other of any written claim regarding any matter resulting from or relating to the Party's obligations under this Agreement. Each Party shall cooperate, assist, and consult with the other in the defense or investigation of any such claim arising out of or relating to the performance of this Agreement.
d. The indemnification shall include reasonable attorneys' fees and costs.
e. This indemnification shall survive the termination or expiration of this Agreement.
f. Notwithstanding any provision of this Agreement to the contrary, no Party shall recover from a Party to this Agreement in an action, of whatever nature, in contract or tort, any consequential or incidental damages, lost profits, or any type of expectancy damages.

Article 6 Ownership and Intellectual Property Rights

6.1 Title

Title to the Artwork shall pass to the City upon the City's written final acceptance and payment for the Artwork pursuant to Section 1.7(b) and Exhibit B.

6.2 Ownership of Documents

One set of presentation materials prepared by Artist and submitted to City under this Agreement shall be retained by the City.

6.3 Copyright Ownership

The Artist retains all rights under the Copyright Act of 1976, 17 U.S.C. §101 et seq., as the sole author of the Artwork for the duration of the copyright.

6.4 Reproduction Rights

a. In view of the intention that the final Artwork shall be unique, the Artist shall not make any additional exact duplicate [three]-dimensional reproductions of the final Artwork, nor shall the Artist grant permission to others to do so except with the

written permission of the City. However, nothing shall prevent the Artist from creating works in the Artist's manner and style of artistic expression.

b. The Artist grants to the City and its assignees an irrevocable license to make two-dimensional reproduction of the Artwork for non-commercial purposes, including, but not limited to, reproductions used in brochures, media publicity, and exhibition catalogues or other similar publication provided that these rights are exercised in a tasteful and professional manner.
c. All reproductions by the City shall contain a credit to the Artist and a copyright notice in substantially the following form: © [Artist's name, date of publication].
d. The Artist shall not reproduce nor replicate the Artwork without the City's express written permission which the City in its sole discretion may give except for the use of photographs of the Artwork for purposes of the Artist's resume, in which case the Artist must provide acknowledgment to the City in substantially the following form: "An original artwork owned and commissioned by the City of Brisbane."
e. If the City wishes to make reproductions of the Artwork for commercial purposes including, but not limited to, tee shirts, post cards and posters, the Parties shall execute a separate agreement to address the terms of the license granted by the Artist and the royalty the Artist shall receive.

Article 7 Artist's Rights

7.1 General

a. The Artist retains all rights under state and federal laws including §106A of the Copyright Act of 1976.
b. The City will not intentionally alter, modify, change, destroy or damage the Artwork without first obtaining permission from the Artist. The City shall take reasonable measures to avoid these from occurring from the gross negligence of the City, its representatives, or employees pursuant to the federal Visual Artists' Rights Act.
c. If any alteration or damage to the Artwork occurs, the Artist shall have the right to disclaim authorship of the Artwork in addition to any remedies the Artist may have in law or equity under this Agreement. Upon written request, the City shall remove the identification plaque and all attributive references to the Artist at its own expense within 60 days of receipt of the notice. No provision of this Agreement shall obligate the City to alter or remove any such attributive reference printed or published prior to the City's receipt of such notice. The Artist may take such other action as the Artist may choose in order to disavow the Artwork.
d. Artist shall on an ongoing basis provide to the City the Artist's contact information, such as address, email address, phone number, etc., City shall have no obligation other than to make reasonable efforts to notify the Artist.
e. If the Artist is deceased or becomes mentally incapacitated, City shall make reasonable efforts to notify the Artist's heirs, successors, assigns or conservator.

7.2 Alteration of Site or Removal of Artwork

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a. Subject to paragraphs d and e of Section 7.1, the City shall notify the Artist in writing upon adoption of a plan of construction or alteration of the Project Site which would entail removal or relocation of the Artwork which might result in the Artwork being destroyed, distorted or modified. The Artist shall be granted the right of consultation regarding the removal or relocation of the Artwork. If the Artwork cannot be successfully removed or relocated as determined by the City, the Artist may disavow the Artwork.
b. The Artwork may be removed or relocated or destroyed by the City should the Artist and the City not reach mutual agreement on the removal or relocation of the Artwork after a period not to exceed [90] days after written notice to the Artist. During the [90] day period, the parties shall engage in good faith negotiations concerning the Artwork's removal or relocation.
c. In the event of changes in building codes or zoning laws or regulations that cause the Artwork to be in conflict with such codes, laws or regulations, the City may authorize the removal or relocation of the Artwork without the Artist's prior permission. In the alternative, the City may commission the Artist by a separate agreement to make any necessary changes to the Artwork to render it in conformity with such codes, laws or regulations.
d. If the City reasonably determines that the Artwork presents an imminent hazard to the public, other than as a result of the City's failure to maintain the Artwork as required under this Agreement, the City may authorize the removal of the Artwork without the prior approval of the Artist.
e. This clause is intended to replace and substitute for the rights of the Artist under the Visual Artists' Rights Act to the extent that any portion of this Agreement is in direct conflict with those rights. The Parties acknowledge that this Agreement supersedes that law to the extent that this Agreement is in direct conflict therewith.

Article 8 Artist as an Independent Contractor

The Artist shall perform all work under this Agreement as an independent contractor and not as an employee of the City. The Artist acknowledges and agrees that the Artist shall not hold itself out as an authorized agent of the City with the power to bind in any manner.

The Artist shall provide the City with the Artist's Tax Identification number and any proof of such number as requested by the City. The Artist shall provide the City with a copy of the Artist's City business license.

Article 9 Assignment of Artwork

The work and services required of the Artist are personal and shall not be assigned, sublet or transferred. Any attempt by the Artist to assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect unless prior written consent is given by the City. The City shall have the right to assign or transfer any and all of the City's rights and obligations under this Agreement, subject to the Artist's consent, if ownership of the Project Site is transferred; if the Artist refuses to give consent, this Agreement shall terminate.

Article 10 Termination

a. Either Party may terminate this Agreement without recourse by the other where performance is rendered impossible or impracticable for reasons beyond such Party's reasonable control such as, but not limited to, acts of nature; war or warlike operation; superior governmental regulation or control; public emergence; or strike or other labor disturbances. Notice of termination of this Agreement shall be given to the non-terminating party in writing not less than 30 days prior to the effective date of termination.
b. The City may terminate this Agreement without cause upon [60] days written notice to the Artist. The City shall pay the Artist for services performed and commitments made prior to the date of the termination, consistent with the schedule of payments set forth in Exhibit B of this Agreement. The Artist shall have the right to an equitable adjustment in the fee for services performed and expenses incurred beyond those for which the Artist has been compensated to date under Exhibit B with allowance for documented lost opportunities, unless the parties come to a settlement otherwise. The Artist shall retain possession and title to the studies, drawing, designs, maquettes, and models already prepared and submitted or prepared for submission to the City by the Artist under this Agreement prior to the date of termination.
c. If either party to this agreement shall willfully or negligently fail to fulfill in a timely and proper manner, or otherwise violate any of the covenants, agreements or stipulations material to this Agreement, the other party shall thereupon have the right to terminate this Agreement by giving written notice to the defaulting party of its intent to terminate specifying the grounds for termination. The defaulting party shall have 30 days after the effective date of the notice to cure the default. If it is not cured by that time, this Agreement shall terminate.
d. If the Artist defaults for cause other than death or incapacitation, the Artist shall return to the City all funds provided by the City in excess of the expenses already incurred. The Artist shall provide an accounting of these expenses. All finished and unfinished drawings, sketches, photographs and other work products prepared and submitted or prepared for submission by the Artist under this Agreement shall be retained by the Artist.
e. Upon notice of termination, the Artist and the Artist's subcontractors shall cease all services affected.

Article 11 Death or Incapacity

a. If the Artist becomes unable to complete this Agreement due to death or incapacity, such death or incapacity will not be deemed a breach of this Agreement or a default on the part of the Artist for purposes of Article 10.
b. In the event of incapacity, the Artist's conservator shall assign the Artist's obligations and services under this contract to another artist provided that the City approves of the new artist and so agrees in writing. If the City does not agree, the City may elect to terminate this Agreement. The Artist shall retain all rights under Article 6 and Article 7. The Artwork and any reproductions thereof shall contain a credit to the Artist and a copyright notice in substantially the following form: © [Artist's name, date of publication].

c. In the event of death, this Agreement shall terminate effective the date of death. The Artist's heirs shall retain rights under Article 6 and Article 7.

Article 12 Notices and Documents

Notices under this Agreement shall be delivered personally or through the [registered or certified mail, return receipt requested] mail, postage prepaid, to the addresses stated below, or to any other address as may be noticed by a Party:

For the City:

City Manager
City of Brisbane
50 Park Place
Brisbane, CA 94005

For the Artist:

Luminous Waveforms
1497 Palou Avenue
San Francisco, CA 94124

Notice shall be deemed effective on the date personally delivered or, if mailed, [three (3) days] after the postmarked date.

Article 13 Waiver

The Parties agree that a waiver of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition.

Article 14 Conflict of Interest

The Artist and Owner shall avoid all conflicts of interest or appearance of conflicts of interest in the performance of this Agreement.

Article 15 Amendments

No alteration, change or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Parties.

Article 16 Conflict with the Law

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall be held by a court of competent jurisdiction or arbitration panel to be in conflict with the laws, rules and/or regulations of the United States or the State of California, invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby to the extent the remainder of the terms, covenants, conditions or provisions of this Agreement are capable of execution.

Article 17 Choice of Law

This contract shall be governed by the laws of the State of California both as to interpretation and performance and any legal action shall be filed in San Mateo County, California.

Article 18 Entire Agreement

This Agreement, including the exhibits, comprises all of the covenants, promises, agreements and conditions between the Parties. No verbal agreements or conversation between the Parties prior to the execution of this Agreement shall affect or modify any of the terms or obligation.

LUMINOUS WAVEFORMS

CITY OF BRISBANE
A Municipal Corporation

_____

_____

Jeremy Dennis, City Manager

Approved as to form

Samantha Zutler, Legal Counsel

_____

APPROVED AS TO FORM

Samantha Zutler
City Attorney

_____

DRAFT

Exhibit A
Description of Project

See attached proposal.

DRAFT

Exhibit B

Payment Schedule

The City shall pay the Artist a fixed fee of $24,100.00, which shall constitute full and complete compensation for all the services performed and material furnished by the Artist under this Agreement.

Payment shall be made in accordance with the following scheduled installments, each installment representing full and final payment for all services and material provided prior to payment thereof:

a. 5% upon the execution of this Agreement, recognizing that the Artist will invest time and expense in preparing the Design as set forth under Section 1.3;
b. 15% upon the City's notification to the Artist of its approval of the Final Design Phase documents as set forth under Section 1.3, including the issuance of all planning and building permits;
c. 30% upon commencement of fabrication
d. 20% upon completion and approval of the fabrication and when the Artwork is ready for delivery and installation at the Project Site as set forth under Section 1.6(a);
e. 30% upon final acceptance of the Artwork by the City as set forth under Section 1.7(b) and approval by the regulatory agency.

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Exhibit C

Insurance

General

a. The Artist shall procure and maintain for the duration of this Agreement, at the Artist's expense, insurance in the kinds and amounts as provided in this Exhibit with insurance companies authorized to do business in California. Such insurance shall cover the Artist's agents, contractors, subcontractors or employees. The City, its officials, employees, agents and contractors shall be named as additional insureds. The coverage shall contain no special limitations on the scope of protection afforded to the City its officials, employees, agents and contractors.

b. The Artist and the Artist's subcontractors' insurance coverage shall be the primary insurance as respects the City, its officials, employees, agents and contractors. Any insurance or self-insurance maintained by the City, its officials, employees, agents and contractors shall be in excess of the Artist's or the Artist's subcontractor's insurance and shall not contribute to the Artist's or the Artist's subcontractor's insurance. The coverage shall state that the Artist's or the Artist's subcontractors' insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

c. Prior to undertaking any work under this Agreement, the Artist, at no expense to the City, shall furnish to the City a certificate of insurance with original endorsements affecting coverage for each of the insurance policies provided in this Exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates must be current and the Artist must submit replacement or renewal certificates of insurance for all the policies expiring during the term of this Agreement. Each certificate shall clearly indicate that the Artist has obtained insurance in the type, amount and classification as specified in this Exhibit and that no material changes, cancellation, suspension or reduction in limits of insurance shall be effective except after [30] days prior written notice to the City. Each certificate shall indicate that the subcontractors are additionally insured or the Artist shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including, but not limited to, naming the parties as additional insureds.

d. Any deductibles or self-insured retentions must be declared to, and approved by, the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and contractors.

e. Despite any changes to or cancellation of insurance, the Artist remains responsible for maintaining the required insurance coverage for the duration of the Agreement.

f. Failure of the Artist to comply with any of the terms of Article 6 of the Agreement shall be considered a material breach of this Agreement and cause for its immediate termination.

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Insurance Policies

a. Commercial General Liability insurance policy, written on an occurrence form, including all the usual coverage known as:
   1. premises/operations liability
   2. products/completed operations
   3. personal/advertising injury
   4. contractual liability
   5. [broad-form property damage]
   6. [independent contractor's liability]

Said policy must provide the following minimum coverage:

   1. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
   2. $2,000,000 annual aggregate

b. Automobile liability insurance policy, including coverage for owner, non-owner, leased or hired vehicles, providing the following minimum coverage:
   1. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage;
   2. $2,000,000 annual aggregate

The Artist agrees to keep in good standing a valid driver's license at all times during the term of this Agreement.

c. Transportation/Cartage insurance all risk. Coverage must include loading, transportation and unloading of the Artwork. If the Artwork is to be loaded, transported or unloaded by a person or entity other than the Artist, the insurance coverage must cover that person or entity. The minimum limit shall be the total amount of compensation paid to Artist through the date of loading under Exhibit B.

d. All Risk Installation insurance which covers physical damage to or destruction of the Artwork. If the Artwork is to be installed by a person or entity other than the Artist, the insurance coverage must cover that person or entity. The minimum limit shall be the total amount of compensation paid to the Artist through the date of the beginning of the installation of the Artwork under Exhibit B.

e. Worker's Compensation and Employers' Liability insurance in accordance with the statutory requirements of the State of California, providing coverage for any and all employees of Artist. The Artist shall require all subcontractors to carry this coverage also. The minimum coverage for the Worker's Compensation and Employers' Liability insurance shall be $[100,000].

f. If, however, the Artist does not have any employees as defined by state statutes and regulations and does not wish to cover him/her/itself for Worker's Compensation, the Artist shall sign the following statement:

> ["I do not have, nor intend to have for the full term of this Agreement, any employees. Furthermore, I do not wish to obtain or be covered under any Worker's Compensation insurance coverage and, therefore, am signing this statement in lieu of providing the above require Worker's Compensation coverage."

DRAFT

_____
(Artist's signature)

_____
(Print Artist's name)

The requirement for Worker's Compensation and Employers' Liability insurance shall be waived in writing upon submission of this signed statement by the Artist to the Owner.

DRAFT

CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

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CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

Letter of Interest

Dear Noreen and Angel,

My name is Chris Granillo. I am a Bay Area-based fine artist and muralist best known for creating bright and bold graphic artworks of themes found in nature. My belief that art is necessary for one's well-being and nourishment underlies my approach to public art as a public service. Large-scale depictions of flora and fauna standing confidently and brightly in their natural environments aim to uplift people's daily lives and to evoke the feeling that beauty can exist all around us.

My public art practice is motivated by making nature accessible at times and in places one would least expect it. Through this lens, I center themes that resonate with and arouse a wider audience to reflect on our relationship to nature, to enrich and transform public spaces and other functional objects into openly accessible canvases that spark joy and provide reprieve.

My proposal for this project is entitled "Wonders of Waterfront Wildlife" and builds upon previous public art offerings capturing the playfulness and wonder within California's wild and aquatic life. This waterfront bench mural project offers an opportunity to enhance Brisbane's public spaces through art to assert the belonging of the local flora and fauna, foster community engagement and pride, and enhance the waterfront's natural beauty.

This project closely aligns with my public art practice showcasing California's native flora and fauna as a means to celebrate and inspire wonder, to imagine and shape a community's identity, and to reflect back its values and character. I worked with local governments, neighborhood associations, and organizations across the Bay Area and California more broadly, to bring my bold and bright works of art to their local communities' doorsteps. My most recent and largest projects include a series of unifying pieces in San Francisco's West Portal Neighborhood, interactive aquatic-themed crosswalk murals inaugurating San Francisco's Sunset Dunes Park, and Emeryville's longest mural, featuring local birds, insects, and butterflies. Through these collaborations and others, I have refurbished and transformed park benches, stairs, utility boxes, and pianos in parks, stimulating the public's imagination of new possibilities and different worlds.

These projects demonstrate my ability to work at various scales, collaborate with public agencies, create artwork that enhance both the functional and aesthetic value of public spaces, and are durable for long-term public use and relevance. I would be honored to contribute to the city's visual landscape and create inviting works of art where Brisbane's residents and visitors can sit, reflect, and connect to the natural beauty around them.Thank you for your time and consideration. I look forward to partnering with you on this exciting opportunity.

Best,

Chris Granillo

Lead Artist, Chris Granillo Art

@ChrisGranilloArtPage @chrisgranilloart

CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

Resume

SELECT COMMUNITY-BASED AND PUBLICLY FUNDED PROJECTS

2025 **"West Portal Community Beautification Murals"** San Francisco, CA
Series of murals celebrating the long history of the community and encouraging youth empowerment through reading and learning. Funded by San Francisco StreetSmARTS; sponsored by District 7 Supervisor, in collaboration with Greater West Portal Neighborhood Association. (680 sq. ft.)

2025 **"Octopus and Jellyfish Interactive Crosswalk Murals"** San Francisco, CA
Two interactive murals on crosswalks reflecting the unique character and history of the Sunset and Ocean Beach. Funded by Building 180, in collaboration with Friends of Ocean Beach Park, inaugurating opening of the park. (1870 sq. ft)

2024 **"Secret Garden"** Emeryville, CA
Mural to generate awareness in EmeryTech's environmental conservation and protection projects, and uplifting Emeryville as a leader in environmental stewardship. Funded by City of Emeryville, in collaboration w/ EmeryTech. (*5,500 sq. ft.)*

2023 **"Your Existence is Your Resistance"** Santa Cruz, CA
Student-initiated mural on stairs leading to the science building, celebrating and giving LGBTQ+ BIPOC students on campus a sense of belonging and representation to STEM majors. Funded by El Centro Chicanx Latinx Resource Center at UC Santa Cruz. (*420 sq. ft.)*

2022 **"Stairs of Equality: Si Se Puede"** Santa Cruz, CA
Mural painted on the stairs leading to the Oakes Student center, celebrating the achievements and history of Latinx students at UCSC. Funded by Oakes Center at UC Santa Cruz, in collaboration with muralist Victor Cervantes. (480 sq. ft.)

2021 **"You're on Ohlone Land"** Oakland, CA
Mural created as a Land Acknowledgement by Restore Oakland an organization working within the local community to provide space to cultivate solidarity, restorative economics, and healing justice in their neighborhoods.In collaboration with and funded by Restore Oakland. **(32 sq. ft.)**

2020 **"Hands of Healing"** Oakland, CA
Mural asserting care for the community and the land, rendered in the trompe l'oeil realist style.In collaboration w/ School of Thought, Dragon School, and Nano, Inc. (112 sq. ft.)

2020 **"Angela Davis & Dolores Huerta"** Oakland, CA
Mural celebrating Angela Davis and Dolores Huerta, women leaders of the Chicano and Black Power movements who have spent their lives fighting for justice and freedom. Commissioned by A Taste of Denmark Bakery. (150 sq. ft.)

2019 **"Dance the Town"** Oakland, CA
Mural in collaboration with Gritty City Repertory Youth Theater. (72 sq. ft.)

CHRIS GRANILLO

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SELECT AWARDS

2025	San Francisco StreetSmARTS program	San Francisco, CA
2024	Visual Arts Grant Recipient	Emeryville, CA
2020	"*Celebrating Essential Workers: The Backbone of our Community*" Dia de Los Muertos 2022 Poster Contest, hosted by Unity Council	Oakland, CA
2020	"*The Bee*", "*The Butterfly*" and "*The Heron*" Murals Utility Box Project Award	Oakland, CA
2018	San Leandro Utility Box Project Award	San Leandro, CA

SELECT SOLO & GROUP EXHIBITIONS

2025	*Califas*, Solo Show, Dear John	Oakland, CA
	Together We Rise, Prism Art Space	Sacramento, CA
	Skate, 111 Minna Gallery	San Francisco, CA
2024	*Wonderland* , Mirus Gallery	San Francisco, CA
	Roots & Rituals, San Pablo Community Center	San Pablo, CA
2022	*Paint the Void*	San Francisco, CA
2021	111 Minna Gallery	San Francisco, CA
	Eye and Hand Society	San Francisco, CA
	Rock Paper Scissors Gallery	Oakland, CA
2020	Archer Gallery	Oakland, CA
2019	Mae Macau Exhibition	Macau, China
2017	Bunk Spot Gallery	Cincinnati, OH
2016	Amor Eterno Gallery	Oakland, CA
2015	Mythos Gallery	Berkeley, CA

SELECT MEDIA INTERVIEWS & FEATURES

- Alan Chazaro, "The Streets Stay Talking: Oakland's pandemic street art, one year later", 1 Dec 2021, *East Bay Express*, https://eastbayexpress.com/the-streets-stay-talking-oaklands-pandemic-street-art-one-year-later/
- *East Bay Artists 2021*, Limited Edition Book, Artpush.org, https://artpush.org/east-bay-art-book-2021/

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Proposal & Renderings

Mural Proposal Title: Wonders of Waterfront Wildlife
Location Proposal: Location 4 - Brisbane Marina, 400 Sierra Point Parkway, Brisbane, CA 94005
Project Type: REFURBISH

Project Description

I am proposing a series of six hand-painted murals on the six benches facing the Brisbane waterfront. The artwork will feature a vibrant wild- and marine-life theme, celebrating the natural beauty of the bay and shoreline. Each bench will feature have its own scene but the designs will be unified in color schemes and signature motifs found in my work and include an octopus, colorful fish, coral, waves, herons, butterflies, sea otter and other sea life, painted in a colorful, engaging style that complements the surrounding water and landscape.

The designs are inspired by Brisbane's waterfront, and aim to draw attention to the rich marine ecosystem and to encourage viewers to pause, observe, and connect with nature while enjoying the view.

Artistic Vision & Community Impact

These benches are places of rest, reflection, and gathering. By transforming them into functional works of art, the project will enrich public space and create a welcoming setting for families, residents, and visitors. The goal is to create pieces that are both playful and meaningful to Brisbane, to invite people of all ages to sit, admire the scenery, and creatively engage with the natural setting.

This project aligns with my artistic practice of creating accessible public art that encourages slowing down, observing nature, and fostering imagination and connection within shared community spaces.

Materials & Longevity

To ensure durability and longevity, I will use:

- Professional-grade mural paints
- Protective UV-resistant varnish
- Anti-graffiti coating to protect the artwork from vandalism and weather.

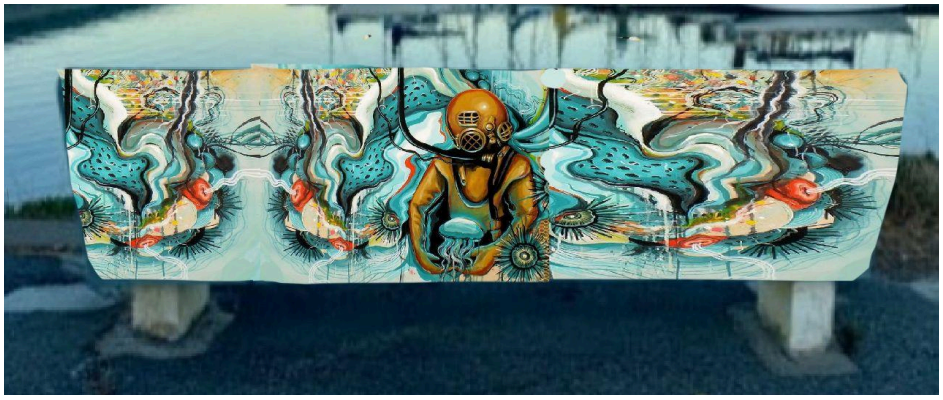
These materials are chosen to withstand outdoor conditions and ensure the artwork can be enjoyed by the community for years to come.

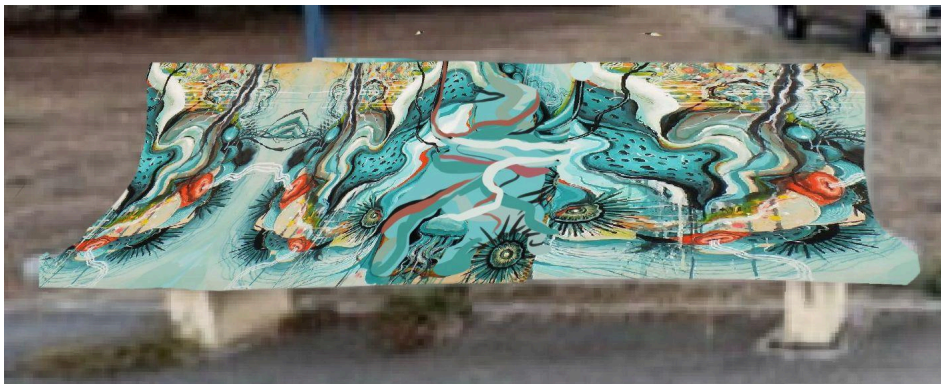
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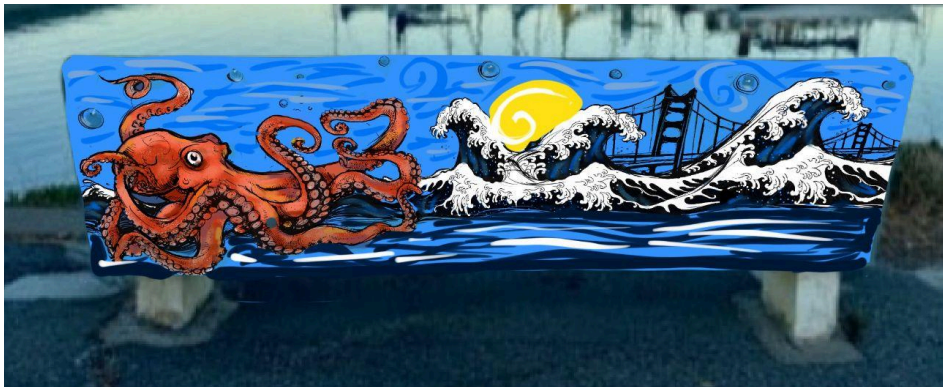
Renderings

BENCH #1: DEEP SEA EXPLORATION


(BACK)


(FRONT)

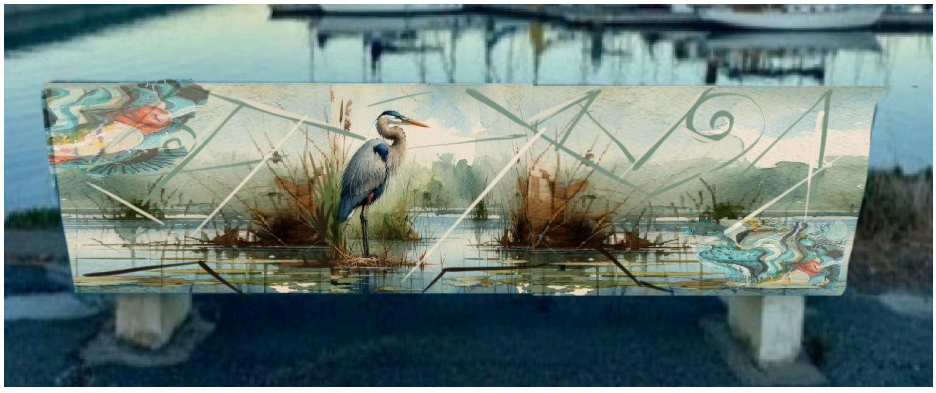
BENCH #2: OCTOPUS W/ WAVE

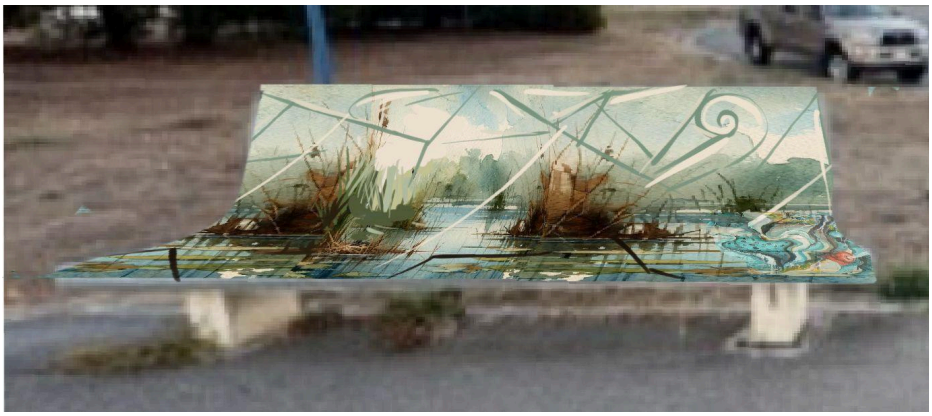

(BACK)

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com


(FRONT)

BENCH #3: HERON IN THE BAY


(BACK)


(FRONT)

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

BENCH #4: SAILING IN THE STARS


(BACK)


(FRONT)

BENCH #5: WONDERS OF THE SEA


(BACK)

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com


(FRONT)

BENCH #6: MONARCHS OF BRISBANE





CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

Images of Original Representative Work



Secret Garden (2025, portion, 5500 sq. ft.) | Emeryville



Cliff House Octopus | San Francisco, CA



Stairs of Equality: Si Se Puede (2022, 480 sq. ft.) | UC Santa Cruz



CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

Your Existence is Your Resistance (2023, 420 sq. ft.) | UC Santa Cruz



Blue Heron at Blue Heron Lake | San Francisco, CA



We are Community (2025) | San Francisco, CA

CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com



Monarch in Bloom (2025) | San Francisco, CA



Roaming Sutro Tower (2025) | San Francisco, CA

CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com



Hummingbird in Flight (2025) | San Francisco, CA



Memories of Monarchs in Ocotillo Park (2024) | Cathedral City, CA

CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

"Wonders of Waterfront Wildlife" Bench Murals
Artful Bench Program Fee Proposal

Table of Contents

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Proposal Details and Aims....1
Timeline*....1
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Responsibilities to be Performed by Lead Artist....4

Context

This Fee proposal is for the installation of six (6) hand-painted murals on Brisbane's waterfront. As described in the RFP, the benches are located at the Brisbane Marina, adjacent to the Bay trail and serve as a place of respite and sightseeing for those visiting Sierra Point. The benches are greatly worn out due to the harsh conditions of the marina. The refurbishment and beautification of the benches promises to create an enduring and inviting attraction that residents and visitors of all ages will come to enjoy for years to come.

Proposed Details & Objectives

The proposal is to create six hand painted primarily aquatic-themed murals on the back and front of each bench. The design of each bench will be anchored by a different local creature within its natural environment, in bright and bold colors. The benches' designs will be unified by color scheme, style, and signature motifs that signify the continuity of life and connection to nature that is found throughout my body of work. Taking into consideration the location's harsh environment and the current condition of the existing benches, this project proposes the following objectives:

1. To add vibrancy to the location that complements its existing natural beauty.
2. To be an inviting and welcoming part of the City for residents and visitors to utilize and frequent for their enjoyment and respite.
3. To inspire a deep connection to Brisbane's waterfront wildlife and to nature more broadly.
4. To seal and coat each bench to maintain their structural integrity and the brightness of the artworks.

Timeline*

Installation of artworks on benches will commence upon final approval of the designs and clearance from relevant city entities. Weather permitting, the project will be completed in no later than 45 days from commencement date. Each bench will take approximately 5-7 days to complete preparation of surfaces, painting, application of protective coatings, and clean up. The following tentative schedule is being proposed, pending approval:

- Days 1 - 5: Bench #1 - North end of the site between Dock 6 and the Fishing Pier
- Days 6 - 10: Bench #2 - North end of the site between Dock 6 and the Fishing Pier

- Days 11 - 15: Bench #3 - North end of the site between Dock 6 and the Fishing Pier
- Days 16 - 20: Bench - North end of the site between Dock 6 and the Fishing Pier
- Days 21 - 25: Bench #5 - South end near Dock 1
- Day 26 - 30: Bench #6 - South end near Dock 1

*The timeline is based on full work 6-8 hour workdays once the project has been approved by the City of Brisbane.

PROJECT BUDGET AND EXPENSES

Category	Item	Amount	Description
Materials, Equipment & Supplies	Anti-moisture exterior sealant primer	$ 200.00	
	Golden or Nova acrylic mural paint	$ 1,000.00	
	Painting Supplies	$ 2,000.00	paint rollers, fine art paint brushes, palettes, rolling trays
	Protective Gear and Supplies	$ 350.00	tarps, safety cones, reflective safety vest, nitrile gloves, knee pads
	Clean-up Supplies	$ 100.00	acetone, rags, wire brushes, shop towels, etc
	World's Best Graffiti Coating	$ 200.00	anti vandalism coating; two coats each on six benches
	Mural Shield Varnish	$ 300.00	UV weather resistant varnish; two coats each on six benches
	Paint sprayer	$ 30.00	
	Power Washer	$ 150.00	
Materials, Equipment & Supplies Totals		**$ 4,330.00**	
Insurance & Licensing	Liability Insurance	$ 500.00	indemnifying City of Brisbane, bonded up to $1,000,000
	City of Brisbane Business License	$ 50.00	
Insurance & Licensing Totals		**$ 550.00**	
Contingency Totals	Contingency Budget	**$ 415.00**	10% of supplies and equipment totals
Artist Fees	Chris Granillo - Lead Artist	$ 44,705.00	$7450 per bench inclusive of design, surface preparation, installation, coating, and area clean-up
Artist Fees Totals		**$ 44,705.00**	
Total Project Costs		**$ 50,000.00**	

CHRIS GRANILLO

ChrisGranilloArt@gmail.com | 510~866~1930 | www.chrisgranilloart.com

Materials

- White Primer Sealant to bond concrete and seal against moisture degrading the bench structure and paints.
- Exterior, Acrylic Mural Paint (Golden or Nova Brand)
- Protective ground coverings - Tarps
- Painting Supplies (paint roller, paint brushes, palette, pump sprayer)
- Knee pads
- Mural Shield™
- World's Best Graffiti Coating™ - Anti-graffitti coating
- Power washer
- Public Safety Cones and Reflective Vest

Work to be completed

Pursuant to the City of Brisbane's "AGREEMENT FOR THE DESIGN, FABRICATION, AND INSTALLATION OF PUBLIC ART WORK", the work being proposed is:

- Preparation of each bench, including power washing off debris, smoothing and filling surface roughness to ensure smooth application of protective coatings and paints.
- Application of one or more coats of primer to effectively seal the surface that adds a protective layer against the elements.
- Hand-painting using Golden or Nova exterior acrylic mural paint of approved designs on the entirety of the bench's surface (front, back, sides and legs).
- Application of varnishes to protect against weather and vandalism and ensure longevity of the brightness of the art works.
- Clean up of areas surrounding each bench to pre-installation condition.
- Any required reporting to the city.

Responsibilities of Lead Artist

Pre-Installation Phase

- Furnishing final designs for approval for each bench to the City of Brisbane.
- Coordinating with relevant City agencies to commence work on respective approved work sites.
- Obtaining City of Brisbane Business License.
- Obtaining any permits and approval from relevant City entities for timeline, including directives on when work can commence.
- Indemnifying City of Brisbane in Insurance policy.
- Site-visit to take stock of conditions of benches and availability of amenities (water lines and restrooms) that are necessary for proper installation.
- Procure all supplies and materials.

CHRIS GRANILLO

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Installation Phase

The following shall be carried out during the installation phase of each bench to ensure pedestrian safety, and to maintain the integrity of the art works and surrounding areas.

- Inspect and smooth any imperfections that will prevent the smooth application of paints and coatings.
- Where necessary, clean the surface of debris by hand or power washing.
- Apply sealant to create a smooth surface and to protect against degradation by the elements.
- Create a clearly marked perimeter of the respective work sites with safety cones and taped down tarps for to ensure pedestrians safety and integrity of the piece.
- Tape “wet paint” notices and/or cover the bench in a protective covering until it is dry.
- Lay down protective tarps of the surrounding area from drips and splatters.
- Clean up splatters and drips on areas outside each bench.
- Apply anti-UV and anti-vandalism varnishes as an additional layer to protect against natural wear and tear by the elements and vandalizers.

Post Installation Phase

- Furnish photos to the City of Brisbane of each side of each bench upon completion.
- Be available for minor touch ups up to five years.
- Provide instructions on proper materials and methods to remove graffiti.

Team Members

- **Lead Artist: Chris Granillo**
  - Design
  - Surface prep, including power washing and smoothing where necessary; priming surface
  - Installation of images on the front and back of each bench
  - Final coating
  - Clean up
  - Coordination with city officials
  - Procurement of permits and licensing
  - Procurement of materials and supplies
- **Project Manager: Jackie Husary**
  - Invoicing and Bookkeeping
  - Proposal Preparation
  - Final reporting

AGREEMENT FOR THE DESIGN, FABRICATION, AND INSTALLATION OF PUBLIC ART WORK

THIS AGREEMENT for the design, fabrication, and installation of Public Art Work is entered into this 21st day of May, 2026, between the City of Brisbane ("City"), Chris Granillo ("Artist"), with offices at 1976 Galbreth Road, Pinole, CA 94564.

WHEREAS, City requires the services of an artist to design, fabricate and install a work of art, namely an artfully designed bench ("the Artwork") on public property at the Brisbane Marina located at 400 Sierra Point Pkwy, Brisbane, CA 94005 ("the Project Site"); and

WHEREAS, the Artwork shall include painted murals on (6) existing concrete benches; and

WHEREAS, Artist is a professional artist whose work and qualifications make the Artist well qualified to create the Artwork; and

WHEREAS, Artist has developed a proposal to design, fabricate, and install the Artwork at the Project Site, as more particularly described in the Art Work Proposal submitted by the Artist pursuant to that certain proposal described in Exhibit A; and

WHEREAS, the City's Public Art Committee reviewed the Art Work Proposal and recommended to the City Council that it enter this Agreement; and

WHEREAS, City has allocated funds from money it has received under its Public Art Ordinance for the design, fabrication, and installation of the Artwork at the Project Site; and

WHEREAS, on May 21, 2026, the Brisbane City Council approved the recommendation of the Public Art Committee to select Artist and authorized this Agreement with Artist; and

NOW, THEREFORE, in consideration of the above-stated premises and subject to the conditions of this Agreement, the parties agree as follows:

Article 1 Scope of Services

1.1 Artist's Obligations

a. The Artist shall perform all services and furnish all supplies, material and/or work equipment as necessary for the design, fabrication, and installation of the Artwork. Services shall be performed in a professional manner and in strict compliance with all terms and conditions in this Agreement.

b. The Artist shall determine the artistic expression, design, dimensions and materials of the Artwork, subject to review and acceptance by the City and any regulatory agencies with project oversight, as set forth in this Agreement.

c. The Artist shall prepare the design concept described in Section 1.3 of this Agreement.

d. The Artist shall complete the fabrication, and installation of the Artwork by the scheduled dates as provided in Section 1.5 of this Agreement.
e. The Artist shall secure any and all required licenses, permits and similar legal authorizations at the Artist's expense as may be necessary for the installation of the Artwork at the Project Site.
f. The Artist shall arrange for the installation of the Artwork in coordination with the City. If the Artist does not install the Artwork itself, Artist shall supervise and approve the installation. Prior to the installation of the Artwork, Artist shall inspect the Project Site to ensure that it is ready to accept the Artwork and compliant with the specifications provided by the Artist. Artist shall notify the City of any perceived conflict, defect or non-compliance with specifications and resolve, at no expense to the City, all such conflicts, defects or non-compliance with the specifications before installing the Artwork. All work shall be performed by qualified professionals and by licensed contractors as required by law.
g. Artist shall provide required insurance in amounts and limits specified in Article 5 and Exhibit C.
h. Artist shall provide a list of all subcontractors along with a copy of the agreement between the Artist and each subcontractor.
i. Artist shall provide a set of "as built" drawings if there is significant deviation from approved and permitted construction documents.
j. Artist shall provide a list of all final materials used including the manufacturer name and supplier and for each material, a Product Data Sheets (PDS), Technical Data Sheets (TDS), and Safety Data Sheets (SDS).
k. Artist shall provide a maintenance manual with the expected lifetime of the Artwork, a description of all materials, processes and products to be used for maintaining the Artwork, the required care and upkeep involved, and the recommended procedures in the event of necessary conservation intervention. The maintenance plan is subject to review by a professional conservator.
l. Artist shall provide photographic documentation of the Artwork in a format acceptable to Artist and the City.
m. Artist shall be available with reasonable advance notice for a reasonable number of meetings required to coordinate design and project implementation, ceremonies and the like, as necessary.
n. The Artist shall be responsible for researching whether there are any required permits, building and municipal code regulations, or any other policies, guidelines or approvals required by regulatory or oversight agencies that may impact the Artwork and/or the installation of the Artwork.
o. Consistent with plaque guidelines provided by the City, the Artist shall design and install a plaque on or near the Artwork containing a credit to the Artist and a copyright notice substantially in the following form: Copyright © [Artist's name, date of publication]. The plaque design and installation plans must be approved by City staff prior to installation.

1.2 City's Obligations

a. The City shall perform all obligations in strict compliance with all terms and conditions in this Agreement.

b. The City shall not knowingly permit any use of the Artist's name or misuse of the Artwork which would reflect discredit on the Artist's reputation as an artist or which would violate the spirit of the Artwork, should such use or misuse be within the City's control.

1.3 Final Design, Budget and Related Documents Phase

Artist shall submit to the City for its review the Final Design Documents as described in subsections a. and c. of this Section 1.3, and any revisions as required by the City. Once the City has approved the Final Design Documents, the Final Budget and Schedule of Deliverables, and the Artist has all required licenses, permits and similar legal authorizations for the installation of the Artwork at the Project Site, the Artist is authorized to proceed with the Fabrication Phase as described in Section 1.5.

a. Final Design

Artist shall proceed with the Final Design Documents of the Artwork which shall include the following: presentation quality materials, which shall include colored drawings or computer-generated color images (in plan and elevation) and/or 3-dimensional models that accurately reflect the Artwork and how it will be installed at the Project Site, mock-ups, final color and materials samples, proposed fabrication methods, and final cost estimates at design completion. When used in reference to the proposed Artwork, Final Design Documents shall fix and describe the size and character of the Artwork with respect to its relationship to the Project Site, including architectural, structural, mechanical and electrical systems, materials and other elements as may be appropriate.

b. Construction Documents and Maintenance Plan

i. Artist shall, if Construction Drawings are required for construction and installation of the Artwork, submit Construction Documents to the City Permit Center for construction and/or installation of the proposed Artwork as approved, which must be signed and stamped by design professionals licensed in the State of California, as required by the California Building Code and any local government amendments to the Building Code.

ii. Artist shall deliver computer-generated (or otherwise as agreed to by both parties) color and material design samples.

iii. Artist shall review Architect's Design Development and/or Construction Documents for accuracy of the integration of Artist's Proposal within the Site and provide the City with written comments and/or corrections.

iv. Artist shall provide a list of all proposed materials including the manufacturer name and supplier and for each material, a Product Data Sheets (PDS), Technical Data Sheets (TDS), and Safety Data Sheets (SDS).

v. Artist shall provide a detailed description of future maintenance requirements for the Artwork, including the lifetime of the Artwork ("the Maintenance Plan").

vi. City may appoint a conservator to review the Final Design Documents and the Maintenance Plan. Based on comments provided by the conservator, Artist may need to revise the Design and/or the Maintenance Plan. In addition, City may require the Artist to present the Design and/or the Maintenance Plan to a qualified conservator for that conservator to provide to the City recommendations as to the Design and Maintenance Plan. Based on those

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recommendations, City may require the Artist to revise the Design and/or the Maintenance Plan.

c. Final Budget and Schedule of Deliverables
    i. The Artist shall prepare a Budget, not to exceed $50,000, which shall include all goods, services and materials related to the Artwork, with such costs itemized.
    ii. Budget shall mean a specific and detailed document identifying the cost of completion of all work under this Agreement, including all modifications. The Budget shall include the costs for all design fees and costs; preliminary and final engineering requirements; materials and labor for fabrication, including Artist and subcontractors' costs; consultants, including engineers and specifications writers; transportation of Artwork; installation of Artwork, including any necessary permits; permits and licenses; required insurance; any sales tax; and 10% contingency allowance, which contingency allowance may be used only with written permission of the City. Calculation of the Budget will take into consideration the possible inflation of service and material costs between the date of execution of this Agreement and the anticipated completion date. If the Artist incurs costs in excess of the amount in the approved Budget, including the contingency, the Artist shall pay such excess from the Artist's own funds unless the Artist obtain approval in writing from the City for such additional costs or such costs were the result of actions or inaction of the City.
    iii. The Artist shall notify the City of the anticipated schedule for the fabrication and installation of the Artwork, including a schedule for the submission of progress reports and inspections if any required by the City ("the Schedule of Deliverables"). The Schedule of Deliverables must identify a specific date or timeframe for the completion of the Artwork. The Schedule of Deliverables may be amended by written agreement.

1.4 Payment Schedule and Progress Reports

a. Artist's completion milestones and payment schedule is as set forth in Exhibit B, Payment Schedule, which is incorporated herein by reference.
b. The Artist shall inform the City of the progress of each phase of work completed under the Agreement.

1.5 Fabrication Phase

Following City's approval of all Design Phase documents described in Section 1.3:

a. The Artist shall fabricate the Artwork in substantial conformity with the Final Design. The Artist may not deviate from the approved design without written approval of the City.
b. If the Artwork is being constructed on site, the Artist shall avoid creating nuisance conditions arising out of the Artist's operations.
c. The City shall have the right to review the Artwork at reasonable times during the fabrication thereof upon reasonable notice.
d. If the City, upon review of the Artwork, determines that the Artwork does not conform to the approved Final Design, the City reserves the right to notify the Artist

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in writing of the deficiencies and that the City intends to withhold the next budget installment within 5 business days of the determination as in paragraph (g) below.

e. The Artist will have thirty days to cure the City's objections and will notify the City in writing of completion of the cure. The City shall promptly review the Artwork, and upon approval shall release the next budget installment. If the Artist disputes the City's determination that the Artwork does not conform, the Artist shall promptly submit reasons in writing to the City within 5 business days of the City's prior notification to the contrary. The City shall make reasonable efforts to resolve the dispute with the Artist in good faith. However, final determination as to whether the Artist has complied with the terms of this Agreement shall remain with the City.
f. The Artist shall notify the City in writing when fabrication of the Artwork has been completed, and that the Artwork is ready for delivery and installation at the Project Site if the Artwork was fabricated off-site.
g. Prior to the installation of the Artwork, the City shall inspect the Artwork within 10 business days after receiving notification pursuant to paragraph (f) to determine that the Artwork conforms with the Final Design: give final approval of the fabricated Artwork and; authorize the installation of the Artwork at the Project Site. The City shall not unreasonably withhold final approval of the fabricated Artwork. In the event that the City does withhold final approval, the City shall submit the reasons for such disapproval in writing within 5 business days of examining the fabricated Artwork. The Artist shall then have 30 days from the date of the City's notice of the disapproval to make the necessary adjustments to the fabricated Artwork in accordance with such writing. The Artist shall not be penalized for any delay in the delivery and installation of the Artwork to the Project Site unless the Artist has willfully and substantially deviated from the Final Design without the prior approval of the City. The Artist shall then be held responsible for any expenses incurred in correcting such deviation.
h. The City shall promptly notify the Artist of any delays impacting installation of the Artwork. Any additional storage and insurance costs incurred by the Artist shall be borne by the City in the event that the delay is caused by the City.
i. The Artist shall be required to inspect the Project Site prior to the installation of the Artwork and shall notify the City of any adverse Project Site conditions that will impact the installation of the Artwork and which are in need of correction. Failure to do so by the Artist shall be deemed as an acceptance of the Project Site conditions.
j. The Artist shall take reasonable measures to protect or preserve the integrity of the Artwork with the application of a protective sealant, patina or anti-graffiti coating, if applicable, unless the City specifically disapproves of such.

1.6 Installation Phase

a. Upon the City's final approval of the fabricated Artwork as being in conformity with the Final Design, the Artist shall install the completed Artwork to the Project Site in accordance with the schedule provided for in Section 1.3.
b. The Artist will coordinate closely with the City to ascertain that the Project Site is prepared to receive the Artwork. Artist must notify the City of any adverse conditions at the Project Site that would affect or impede the installation of the Artwork.

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c. The Artist is responsible for timely installation of the Artwork. Artist may not install the Artwork until authorized to do so by the City.
d. Artist shall install the artwork in compliance with all local, regional and national safety regulations such as OSHA. The installation site is to be protected for safety of the public and workers at all times.
e. The Artist shall be present to supervise the installation of the Artwork.
f. Upon installation, the Artwork shall be deemed to be in the custody of the City for purposes of Article 3 and Article 5 of this Agreement.
g. Upon completion of the installation of the Artwork, the Artist shall provide the City with written instructions for the future maintenance and preservation of the Artwork.

1.7 Approval and Acceptance

a. The Artist shall notify the City in writing when all services as required by this Agreement prior to this paragraph have been completed in substantial conformity with the Final Design and contract documents.
b. The City shall promptly notify the Artist in writing of its final acceptance of the Artwork within 7 business days after the Artist submitted written notice pursuant to paragraph (a) above. The effective date of final acceptance shall be the date the City submits written notice to the Artist of its final acceptance of the Artwork. The final acceptance shall be understood to mean that the City acknowledges completion of the Artwork in substantial conformity with the Final Design, and that the City confirms that all services as required by this Agreement prior to paragraph (c) of this section have been completed. Title to the Artwork to the City passes upon final acceptance of the Artwork and final payment by City to Artist. If a regulatory agency must approve the completed artwork, the City should move promptly to gain such approval as it will be a precondition to the City's ability to accept and approve the finished Artwork from the Artist.
c. If the City disputes that all the services have been performed, the City shall notify the Artist in writing of those services the Artist has failed to perform within 7 business days after the Artist submitted written notice pursuant to paragraph (a) above. The Artist shall promptly perform those services indicated by the City.
d. If the Artist disputes the City's determination that not all services have been performed, the Artist shall submit reasons in writing to the City within 7 business days of the City's prior notification to the contrary. The City shall make reasonable efforts to resolve the dispute with the Artist in good faith. However, final determination as to whether all services have been performed shall remain with the City.
e. Upon the resolution of any disputes that arise under paragraphs (c) and (d) of this Section, the City shall notify the Artist of its final acceptance of the Artwork pursuant to paragraph (b).

Article 2. Terms of Agreement

a. Duration
    i. This Agreement shall be effective on the date that this contract has been signed by both parties, and, unless terminated earlier pursuant to such

provisions in the Agreement, shall extend until final acceptance by the City under Section 1.7(b), or submission of final payment to the Artist by the City under Exhibit B, whichever is later. Extension of time of performance hereunder may be granted upon the request of one party and the consent of the other thereto, which consent shall not be unreasonably withheld. Such extension shall be in writing, signed by both parties, and attached to the schedule described in Section 1.3.

b. Force Majeure
   i. The City shall grant to the Artist a reasonable extension of time in the event that conditions beyond the Artist's control render timely performance of the Artist's services impossible or unduly burdensome. All such performance obligations shall be suspended for the duration of the condition. Both parties shall take all reasonable steps during the existence of the condition to assure performance of their contractual obligations when the condition no longer exists. Failure to fulfill contractual obligations due to conditions beyond either Party's reasonable control will not be considered a breach of contract, provided that such obligations shall be suspended only for the duration of such conditions.

Article 3. Risk of Loss

The Artist shall bear the risk of loss or damage to the Artwork until the installation of the Artwork. The Artist shall take such measures as are reasonably necessary to protect the Artwork from loss or damage. The City shall bear the risk of loss or damage to the Artwork prior to final acceptance only if, during such time, the partially or wholly completed Artwork is in the custody, control or supervision of the City or its agent(s) for the purposes of performing services to the Artwork.

Article 4 Artist's Representations and Warranties

4.1 Warranties of Title

The Artist represents and warrants that:

a. the Artwork is solely the result of the artistic effort of the Artist;
b. except as otherwise disclosed in writing to the City, the Artwork is unique and original and does not infringe upon any copyright or the rights of any person;
c. the Artwork (or duplicate thereof) has not been accepted for sale elsewhere;
d. the Artist has not sold, assigned, transferred, licensed, granted, encumbered or utilized the Artwork or any element thereof or any copyright related thereto which may affect or impair the rights granted pursuant to this Agreement;
e. the Artwork is free and clear of any liens from any source whatsoever;
f. all Artwork created by the Artist under this Agreement, whether created by the Artist alone or in collaboration with others shall be wholly original with the Artist and shall not infringe upon or violate the rights of any third party;
g. the Artist has the full power to enter into and perform this Agreement and to make the grant of rights contained in this Agreement;
h. all services performed hereunder shall be performed in accordance with all applicable laws, regulations, ordinances, etc. and with all necessary care, skill, and diligence;

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i. these representations and warranties shall survive the termination or other extinction of this Agreement.

4.2 Warranties of Quality and Condition

a. The Artist represents and warrants that all work will be performed in accordance with professional "workmanlike" standards and free from defective or inferior materials and workmanship (including any defects consisting of "inherent vice," or qualities that cause or accelerate deterioration of the Artwork) for 2 years after the date of final acceptance by the City under Section 1.7(b).
b. The Artist represents and warrants that the Artwork and the materials used are not currently known to be harmful to public health and safety.
c. The Artist represents and warrants that reasonable maintenance of the Artwork will not require procedures substantially in excess of those described in the maintenance and preservation recommendations submitted by the Artist pursuant to Section 1.6(g).
d. If within one year the City observes any breach of warranty described in this Section 4.2, the Artist shall cure the breach promptly, satisfactorily and consistent with professional conservation standards, at no expense to the City. The City shall give notice to the Artist of such breach with reasonable promptness. However, if Artist did not disclose this risk of breach in the Proposal and Maintenance and Conservation manual, and if breach is not curable by Artist, the Artist is responsible for reimbursing the City for damages, expense and loss incurred by the City as a result of the breach of warranty. However, if the Artist disclosed the risk of this breach in the Proposal and maintenance and conservation manual and the City accepted that it may occur, as indicated by the written final acceptance of the artwork, it shall not be deemed a breach for purposes of this Section 4.2 of this Agreement.
e. If after one year the City observes any breach of warranty described in this Section 4.2 that is curable by the Artist, the City shall contact the Artist to make or supervise repairs or restorations at a reasonable fee during the Artist's lifetime. The Artist shall have the right of first refusal to make or supervise repairs or restorations. Should the Artist be unavailable or unwilling to accept reasonable compensation under the industry standard, the City may seek the services of a qualified restorative conservator and maintenance expert.
f. The foregoing warranties are conditional and shall be voided by the failure of the City to maintain the Artwork in accordance with the Artist's specifications and the applicable conservation standards. If the City fails to maintain the Artwork in good condition, the Artist, in addition to other rights or remedies the Artist may have in equity or at law, shall have the right to disown the Artwork as the Artist's creation and request that all credits be removed from the Artwork and reproductions thereof until the Artwork's condition is satisfactorily repaired.

Article 5 Insurance

5.1 General

a. The Artist acknowledges that until installation of the Artwork under Section 1.6(e), any injury to property or persons caused by the Artist's Artwork or any

damage to, theft of, vandalism to, or acts of God affecting the Artist's Artwork are the sole responsibility of the Artist, including, but not limited to, any loss occurring during the creation, storage, transportation or delivery of the Artist's Artwork, regardless of where such loss occurs.

b. Terms for the procurement and duration of insurance are provided in Exhibit C.
c. Required insurance policies are described in Exhibit C.

5.2 Indemnity

a. The Artist shall indemnify the City, its respective officers, agents, and employees, from any claims brought arising out of the breach of this Agreement or any negligent occurrence which occurs pursuant to the performance of this Agreement by the Artist, its subcontractors, agents or employees.
b. The City shall indemnify the Artist, Artist's subcontractors, agents or employees from any claims brought arising out of the breach of this Agreement or any negligent occurrence which occurs pursuant to the performance of this Agreement by the City, its respective officers, agents, and employees.
c. Each Party shall immediately notify the other of any written claim regarding any matter resulting from or relating to the Party's obligations under this Agreement. Each Party shall cooperate, assist, and consult with the other in the defense or investigation of any such claim arising out of or relating to the performance of this Agreement.
d. The indemnification shall include reasonable attorneys' fees and costs.
e. This indemnification shall survive the termination or expiration of this Agreement.
f. Notwithstanding any provision of this Agreement to the contrary, no Party shall recover from a Party to this Agreement in an action, of whatever nature, in contract or tort, any consequential or incidental damages, lost profits, or any type of expectancy damages.

Article 6 Ownership and Intellectual Property Rights

6.1 Title

Title to the Artwork shall pass to the City upon the City's written final acceptance and payment for the Artwork pursuant to Section 1.7(b) and Exhibit B.

6.2 Ownership of Documents

One set of presentation materials prepared by Artist and submitted to City under this Agreement shall be retained by the City.

6.3 Copyright Ownership

The Artist retains all rights under the Copyright Act of 1976, 17 U.S.C. §101 et seq., as the sole author of the Artwork for the duration of the copyright.

6.4 Reproduction Rights

a. In view of the intention that the final Artwork shall be unique, the Artist shall not make any additional exact duplicate [three]-dimensional reproductions of the final Artwork, nor shall the Artist grant permission to others to do so except with the

written permission of the City. However, nothing shall prevent the Artist from creating works in the Artist's manner and style of artistic expression.

b. The Artist grants to the City and its assignees an irrevocable license to make two-dimensional reproduction of the Artwork for non-commercial purposes, including, but not limited to, reproductions used in brochures, media publicity, and exhibition catalogues or other similar publication provided that these rights are exercised in a tasteful and professional manner.
c. All reproductions by the City shall contain a credit to the Artist and a copyright notice in substantially the following form: © [Artist's name, date of publication].
d. The Artist shall not reproduce nor replicate the Artwork without the City's express written permission which the City in its sole discretion may give except for the use of photographs of the Artwork for purposes of the Artist's resume, in which case the Artist must provide acknowledgment to the City in substantially the following form: "An original artwork owned and commissioned by the City of Brisbane."
e. If the City wishes to make reproductions of the Artwork for commercial purposes including, but not limited to, tee shirts, post cards and posters, the Parties shall execute a separate agreement to address the terms of the license granted by the Artist and the royalty the Artist shall receive.

Article 7 Artist's Rights

7.1 General

a. The Artist retains all rights under state and federal laws including §106A of the Copyright Act of 1976.
b. The City will not intentionally alter, modify, change, destroy or damage the Artwork without first obtaining permission from the Artist. The City shall take reasonable measures to avoid these from occurring from the gross negligence of the City, its representatives, or employees pursuant to the federal Visual Artists' Rights Act.
c. If any alteration or damage to the Artwork occurs, the Artist shall have the right to disclaim authorship of the Artwork in addition to any remedies the Artist may have in law or equity under this Agreement. Upon written request, the City shall remove the identification plaque and all attributive references to the Artist at its own expense within 60 days of receipt of the notice. No provision of this Agreement shall obligate the City to alter or remove any such attributive reference printed or published prior to the City's receipt of such notice. The Artist may take such other action as the Artist may choose in order to disavow the Artwork.
d. Artist shall on an ongoing basis provide to the City the Artist's contact information, such as address, email address, phone number, etc., City shall have no obligation other than to make reasonable efforts to notify the Artist.
e. If the Artist is deceased or becomes mentally incapacitated, City shall make reasonable efforts to notify the Artist's heirs, successors, assigns or conservator.

7.2 Alteration of Site or Removal of Artwork

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a. Subject to paragraphs d and e of Section 7.1, the City shall notify the Artist in writing upon adoption of a plan of construction or alteration of the Project Site which would entail removal or relocation of the Artwork which might result in the Artwork being destroyed, distorted or modified. The Artist shall be granted the right of consultation regarding the removal or relocation of the Artwork. If the Artwork cannot be successfully removed or relocated as determined by the City, the Artist may disavow the Artwork.
b. The Artwork may be removed or relocated or destroyed by the City should the Artist and the City not reach mutual agreement on the removal or relocation of the Artwork after a period not to exceed [90] days after written notice to the Artist. During the [90] day period, the parties shall engage in good faith negotiations concerning the Artwork's removal or relocation.
c. In the event of changes in building codes or zoning laws or regulations that cause the Artwork to be in conflict with such codes, laws or regulations, the City may authorize the removal or relocation of the Artwork without the Artist's prior permission. In the alternative, the City may commission the Artist by a separate agreement to make any necessary changes to the Artwork to render it in conformity with such codes, laws or regulations.
d. If the City reasonably determines that the Artwork presents an imminent hazard to the public, other than as a result of the City's failure to maintain the Artwork as required under this Agreement, the City may authorize the removal of the Artwork without the prior approval of the Artist.
e. This clause is intended to replace and substitute for the rights of the Artist under the Visual Artists' Rights Act to the extent that any portion of this Agreement is in direct conflict with those rights. The Parties acknowledge that this Agreement supersedes that law to the extent that this Agreement is in direct conflict therewith.

Article 8 Artist as an Independent Contractor

The Artist shall perform all work under this Agreement as an independent contractor and not as an employee of the City. The Artist acknowledges and agrees that the Artist shall not hold itself out as an authorized agent of the City with the power to bind in any manner.

The Artist shall provide the City with the Artist's Tax Identification number and any proof of such number as requested by the City. The Artist shall provide the City with a copy of the Artist's City business license.

Article 9 Assignment of Artwork

The work and services required of the Artist are personal and shall not be assigned, sublet or transferred. Any attempt by the Artist to assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect unless prior written consent is given by the City. The City shall have the right to assign or transfer any and all of the City's rights and obligations under this Agreement, subject to the Artist's consent, if ownership of the Project Site is transferred; if the Artist refuses to give consent, this Agreement shall terminate.

Article 10 Termination

a. Either Party may terminate this Agreement without recourse by the other where performance is rendered impossible or impracticable for reasons beyond such Party's reasonable control such as, but not limited to, acts of nature; war or warlike operation; superior governmental regulation or control; public emergence; or strike or other labor disturbances. Notice of termination of this Agreement shall be given to the non-terminating party in writing not less than 30 days prior to the effective date of termination.
b. The City may terminate this Agreement without cause upon [60] days written notice to the Artist. The City shall pay the Artist for services performed and commitments made prior to the date of the termination, consistent with the schedule of payments set forth in Exhibit B of this Agreement. The Artist shall have the right to an equitable adjustment in the fee for services performed and expenses incurred beyond those for which the Artist has been compensated to date under Exhibit B with allowance for documented lost opportunities, unless the parties come to a settlement otherwise. The Artist shall retain possession and title to the studies, drawing, designs, maquettes, and models already prepared and submitted or prepared for submission to the City by the Artist under this Agreement prior to the date of termination.
c. If either party to this agreement shall willfully or negligently fail to fulfill in a timely and proper manner, or otherwise violate any of the covenants, agreements or stipulations material to this Agreement, the other party shall thereupon have the right to terminate this Agreement by giving written notice to the defaulting party of its intent to terminate specifying the grounds for termination. The defaulting party shall have 30 days after the effective date of the notice to cure the default. If it is not cured by that time, this Agreement shall terminate.
d. If the Artist defaults for cause other than death or incapacitation, the Artist shall return to the City all funds provided by the City in excess of the expenses already incurred. The Artist shall provide an accounting of these expenses. All finished and unfinished drawings, sketches, photographs and other work products prepared and submitted or prepared for submission by the Artist under this Agreement shall be retained by the Artist.
e. Upon notice of termination, the Artist and the Artist's subcontractors shall cease all services affected.

Article 11 Death or Incapacity

a. If the Artist becomes unable to complete this Agreement due to death or incapacity, such death or incapacity will not be deemed a breach of this Agreement or a default on the part of the Artist for purposes of Article 10.
b. In the event of incapacity, the Artist's conservator shall assign the Artist's obligations and services under this contract to another artist provided that the City approves of the new artist and so agrees in writing. If the City does not agree, the City may elect to terminate this Agreement. The Artist shall retain all rights under Article 6 and Article 7. The Artwork and any reproductions thereof shall contain a credit to the Artist and a copyright notice in substantially the following form: © [Artist's name, date of publication].

c. In the event of death, this Agreement shall terminate effective the date of death. The Artist's heirs shall retain rights under Article 6 and Article 7.

Article 12 Notices and Documents

Notices under this Agreement shall be delivered personally or through the [registered or certified mail, return receipt requested] mail, postage prepaid, to the addresses stated below, or to any other address as may be noticed by a Party:

For the City:

City Manager
City of Brisbane
50 Park Place
Brisbane, CA 94005

For the Artist:

Chris Granillo
1976 Galbreth Road
Pinole, CA 94564

Notice shall be deemed effective on the date personally delivered or, if mailed, [three (3) days] after the postmarked date.

Article 13 Waiver

The Parties agree that a waiver of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition.

Article 14 Conflict of Interest

The Artist and Owner shall avoid all conflicts of interest or appearance of conflicts of interest in the performance of this Agreement.

Article 15 Amendments

No alteration, change or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Parties.

Article 16 Conflict with the Law

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall be held by a court of competent jurisdiction or arbitration panel to be in conflict with the laws, rules and/or regulations of the United States or the State of California, invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby to the extent the remainder of the terms, covenants, conditions or provisions of this Agreement are capable of execution.

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Article 17 Choice of Law

This contract shall be governed by the laws of the State of California both as to interpretation and performance and any legal action shall be filed in San Mateo County, California.

Article 18 Entire Agreement

This Agreement, including the exhibits, comprises all of the covenants, promises, agreements and conditions between the Parties. No verbal agreements or conversation between the Parties prior to the execution of this Agreement shall affect or modify any of the terms or obligation.

CHRIS GRANILLO

CITY OF BRISBANE
A Municipal Corporation

_____

_____

Jeremy Dennis, City Manager

Approved as to form

Samantha Zutler, Legal Counsel

_____

APPROVED AS TO FORM

Samantha Zutler
City Attorney

_____

DRAFT

Exhibit A
Description of Project

See attached proposal.

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Exhibit B

Payment Schedule

The City shall pay the Artist a fixed fee of $50,000.00, which shall constitute full and complete compensation for all the services performed and material furnished by the Artist under this Agreement.

Payment shall be made in accordance with the following scheduled installments, each installment representing full and final payment for all services and material provided prior to payment thereof:

a. 5% upon the execution of this Agreement, recognizing that the Artist will invest time and expense in preparing the Design as set forth under Section 1.3;
b. 15% upon the City's notification to the Artist of its approval of the Final Design Phase documents as set forth under Section 1.3, including the issuance of all planning and building permits;
c. 30% upon commencement of fabrication
d. 20% upon completion and approval of the fabrication and when the Artwork is ready for delivery and installation at the Project Site as set forth under Section 1.6(a);
e. 30% upon final acceptance of the Artwork by the City as set forth under Section 1.7(b) and approval by the regulatory agency.

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Exhibit C

Insurance

General

a. The Artist shall procure and maintain for the duration of this Agreement, at the Artist's expense, insurance in the kinds and amounts as provided in this Exhibit with insurance companies authorized to do business in California. Such insurance shall cover the Artist's agents, contractors, subcontractors or employees. The City, its officials, employees, agents and contractors shall be named as additional insureds. The coverage shall contain no special limitations on the scope of protection afforded to the City its officials, employees, agents and contractors.

b. The Artist and the Artist's subcontractors' insurance coverage shall be the primary insurance as respects the City, its officials, employees, agents and contractors. Any insurance or self-insurance maintained by the City, its officials, employees, agents and contractors shall be in excess of the Artist's or the Artist's subcontractor's insurance and shall not contribute to the Artist's or the Artist's subcontractor's insurance. The coverage shall state that the Artist's or the Artist's subcontractors' insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

c. Prior to undertaking any work under this Agreement, the Artist, at no expense to the City, shall furnish to the City a certificate of insurance with original endorsements affecting coverage for each of the insurance policies provided in this Exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates must be current and the Artist must submit replacement or renewal certificates of insurance for all the policies expiring during the term of this Agreement. Each certificate shall clearly indicate that the Artist has obtained insurance in the type, amount and classification as specified in this Exhibit and that no material changes, cancellation, suspension or reduction in limits of insurance shall be effective except after [30] days prior written notice to the City. Each certificate shall indicate that the subcontractors are additionally insured or the Artist shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including, but not limited to, naming the parties as additional insureds.

d. Any deductibles or self-insured retentions must be declared to, and approved by, the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and contractors.

e. Despite any changes to or cancellation of insurance, the Artist remains responsible for maintaining the required insurance coverage for the duration of the Agreement.

f. Failure of the Artist to comply with any of the terms of Article 6 of the Agreement shall be considered a material breach of this Agreement and cause for its immediate termination.

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Insurance Policies

a. Commercial General Liability insurance policy, written on an occurrence form, including all the usual coverage known as:
   1. premises/operations liability
   2. products/completed operations
   3. personal/advertising injury
   4. contractual liability
   5. [broad-form property damage]
   6. [independent contractor's liability]

Said policy must provide the following minimum coverage:

   1. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
   2. $2,000,000 annual aggregate

b. Automobile liability insurance policy, including coverage for owner, non-owner, leased or hired vehicles, providing the following minimum coverage:
   1. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage;
   2. $2,000,000 annual aggregate

The Artist agrees to keep in good standing a valid driver's license at all times during the term of this Agreement.

c. Transportation/Cartage insurance all risk. Coverage must include loading, transportation and unloading of the Artwork. If the Artwork is to be loaded, transported or unloaded by a person or entity other than the Artist, the insurance coverage must cover that person or entity. The minimum limit shall be the total amount of compensation paid to Artist through the date of loading under Exhibit B.

d. All Risk Installation insurance which covers physical damage to or destruction of the Artwork. If the Artwork is to be installed by a person or entity other than the Artist, the insurance coverage must cover that person or entity. The minimum limit shall be the total amount of compensation paid to the Artist through the date of the beginning of the installation of the Artwork under Exhibit B.

e. Worker's Compensation and Employers' Liability insurance in accordance with the statutory requirements of the State of California, providing coverage for any and all employees of Artist. The Artist shall require all subcontractors to carry this coverage also. The minimum coverage for the Worker's Compensation and Employers' Liability insurance shall be $[100,000].

f. If, however, the Artist does not have any employees as defined by state statutes and regulations and does not wish to cover him/her/itself for Worker's Compensation, the Artist shall sign the following statement:

> ["I do not have, nor intend to have for the full term of this Agreement, any employees. Furthermore, I do not wish to obtain or be covered under any Worker's Compensation insurance coverage and, therefore, am signing this statement in lieu of providing the above require Worker's Compensation coverage."

_____
(Artist's signature)

_____
(Print Artist's name)

The requirement for Worker's Compensation and Employers' Liability insurance shall be waived in writing upon submission of this signed statement by the Artist to the Owner.

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City Council Staff Report

Meeting Date: May 21, 2026

From: Jeremy Dennis, City Manager, Christina Fernandez, Assistant City Manager

Subject: Approve Emergency Services Council Fiscal Year 2026–27 JPA Budget

Recommendation

Staff recommend approval of the City of Brisbane's FY2026-27 Emergency Services Council-Joint Powers Authority (JPA) budget contribution in the amount of $22,362.

Background

The Emergency Services Council-Joint Powers Authority (ESC-JPA) was established through an agreement between the County of San Mateo and the 20 cities and towns in San Mateo County to provide strategic oversight, budgetary management, and approval for the Emergency Services Council (ESC).

The ESC-JPA coordinates emergency services among members to enhance emergency preparedness and response capabilities within the San Mateo Operational Area. As the coordinating agency, San Mateo County Emergency Management (SMC EM) oversees the countywide hazardous materials response contract that all communities use with increasing frequency and shared law and operational communication channels. The ESC-JPA also delivers programs and capabilities to all member communities that include emergency and local hazard mitigation planning, evacuation planning tools and systems, alert and warning templates, training, systems and expertise, coordinated strategic and emergency communication frameworks and tools and community engagement tools and activities that strengthen preparedness and resiliency.
On April 30, 2026, the ESC reviewed and unanimously approved the FY2026-27 budget of $4.5 million, funded by contributions from the County (41.1%), member cities and towns (42.1%), San Francisco International Airport (8.9%), grants (7.9%), and the Trust Fund.

The approved FY2026-27 JPA Budget includes an approved contribution of $22,362 for the City of Brisbane. This amount is based primarily on population and tax roll data.

Discussion

Approval of the City's contribution will authorize the City's participation in funding the FY2026-27 JPA Budget and support the continued operations and services provided through the JPA.

Fiscal Impact

The City's Emergency Services Council FY2026-27 JPA contribution is $22,362 and will be funded through the City's FY2026-27 operating budget.

Attachments

1. ESC 2026 Budget

City Manager Approval



Jeremy Dennis, City Manager 05/13/2026

COUNTY OF SAN MATEO
EMERGENCY
MANAGEMENT

Dr. Shruti Dhapodkar
Director

County Government Center
501 Winslow Street
Redwood City, CA 94063
(650) 363-4790
www.smcgov.org/dem

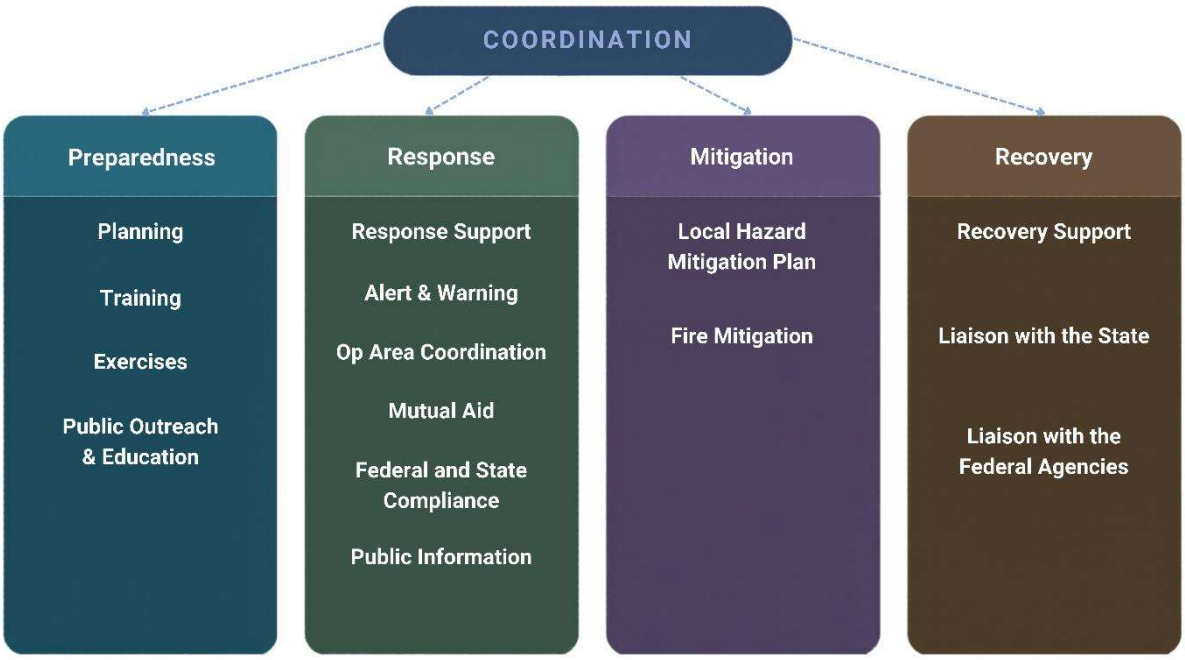
Date:	**April 30, 2026**
To:	**Emergency Services Council (ESC)**
Cc:	**Nicholas Calderon, Deputy County Executive**
From:	**Dr. Shruti Dhapodkar, Director**
Subject:	**FY2026-27 Emergency Services Council Joint Powers Authority Proposed Budget – VOTE REQUIRED**

Background

The Emergency Services Council-Joint Powers Authority (ESC-JPA) was established through an agreement between the County of San Mateo and its 20 cities and towns to provide strategic oversight, budgetary management, and approval for the Emergency Services Council (ESC).

The ESC-JPA is a collaborative platform for coordinating emergency services among its members to enhance emergency preparedness and response capabilities within the San Mateo Operational Area (SMC OA). San Mateo County Emergency Management (SMC EM) oversees programs and funding through developing and maintaining comprehensive emergency plans, operating as a central hub for coordination during emergencies, allocating and deploying resources for emergency response, conducting outreach to raise public awareness about preparedness, managing alert and notification systems, organizing training sessions to ensure effective response, and collaborating with stakeholders to strengthen preparedness and resiliency.

On April 16, 2025, the ESC-JPA unanimously approved the FY2025-26 budget of $4.7 million, funded by contributions from the County, Member Agencies, San Francisco International Airport, grants, and the Trust Fund. The approved budget allocated funding for Environmental Health (EH) and Hazmat services, ESC-JPA programs, ESC-recommended and approved projects, SMC EM personnel, facility charges, alert and warning systems, emergency preparedness and response training, and community preparedness.



Budget Discussion

ESC-JPA Budget Overview

The State, County, and Member Agencies are all under financial strain caused by significant federal cuts, economic headwinds, and rising operational costs across all levels of government. SMC EM has identified cost-saving measures and developed the following FY2026-27 proposed budget that maintains essential services while addressing fiscal constraints.

The recommended ESC-JPA budget for FY2026-27 totals $4.5 million, with funding from the County, Member Agencies, San Francisco International Airport, and grants.

Looking ahead, SMC EM recommends that the ESC begin long-term fiscal planning to replace Environmental Health and Hazmat vehicles in five to six years. Estimated replacement costs range from $1.8 million to $2.2 million, potentially increasing depending on economic conditions. Current projections indicate that the combined Vehicle Replacement Fund and the anticipated Trust Fund balance at the end of FY2025-26 may be used to support these future needs. However, even with the annual Hazmat Replacement Fund's $150,000 contribution, a funding gap of at least $430,000 is currently projected. This underscores the importance of proactive fiscal planning and the aggressive pursuit of available grants to ensure the ESC-JPA's financial health.

Trust Fund Status

The ESC-JPA maintains a Trust Fund. The minimum for the Trust Fund is set by the ESC-JPA at $500,000, and the maximum cap is $1,500,000. The estimated FY2025-26 year-end Trust Fund balance is $801,678.

FY2026-27 Proposed ESC-JPA Budget and Expenses

The Fiscal Year 2026-2027 ESC-JPA Budget totals approximately $4.5 million, with funding distributed across several key sources:

Funding Source	Percentage
County of San Mateo	41.1%
Member Cities and Towns	42.1%
Grants	7.9%
San Francisco International Airport	8.9%
TOTAL	100%

ESC-JPA expenses total $4.5 million to cover various operational requirements, including service charges, staffing costs, and programs and contracts.

ESC-JPA Programs

The ESC-JPA Programs support ongoing operational needs, proposed to be $569,193 of the FY2026-27 budget. The breakdown of expenses is as follows:

ESC Programs	Total FY26-27	Grants	Cities	County
Local Hazard Mitigation Plan (LHMP)	$0	$93,750	$0	$0
Situational Awareness and Op-Area Tools	$250,000	$125,000	$62,500	$62,500
Strategic Communications/Community Outreach	$199,625	$98,558	$49,279	$49,279
Emergency Management Training & Exercise	$84,558	$42,279	$21,139.50	$21,139.50
Disaster Preparedness Day	$35,000	$0	$17,500	$17,500
TOTAL	**$569,193**	**$360,842**	**$132,918.50**	**$132,918.50**

Recommendation

SMC Emergency Management recommends that the ESC adopt the proposed budget.

Attachment: Proposed FY2026-27 Emergency Services Council JPA Budget

FY 2026-27 Emergency Services JPA Budget									
Description	FY 2025-26	FY 2026-27							
	Adopted Budget	Cities	County	SFO Revenue	Trust Fund	Grants	Recommended Budget	Change Amount Between FY 2025-26 & FY 2026-27	Percent of Total
Grants	728,143					360,842	360,842	(367,301)	8.0%
San Mateo DEM (County Share)	1,767,534		1,821,649				1,821,649	54,115	40.3%
Environmental Health (County Share)	30,488		30,488				30,488	0	0.7%
San Francisco International Airport	410,000			410,000			410,000	0	9.1%
Atherton	61,244	63,806					63,806	2,562	1.4%
Belmont	68,987	72,702					72,702	3,714	1.6%
Brisbane	21,565	22,362					22,362	796	0.5%
Burlingame	96,381	101,343					101,343	4,963	2.2%
Colma	6,992	7,041					7,041	49	0.2%
Daly City	189,124	193,624					193,624	4,500	4.3%
East Palo Alto	54,403	55,652					55,652	1,249	1.2%
Foster City	91,814	93,194					93,194	1,380	2.1%
Half Moon Bay	29,689	30,483					30,483	794	0.7%
Hillsborough	59,272	60,915					60,915	1,642	1.3%
Menlo Park	132,652	135,750					135,750	3,098	3.0%
Millbrae	57,636	59,684					59,684	2,048	1.3%
Pacifica	77,050	78,963					78,963	1,913	1.7%
Portola Valley	22,697	23,423					23,423	725	0.5%
Redwood City	210,606	215,955					215,955	5,349	4.8%
San Bruno	92,339	95,200					95,200	2,861	2.1%
San Carlos	94,416	97,154					97,154	2,739	2.1%
San Mateo	254,283	260,408					260,408	6,126	5.8%
South San Francisco	187,980	194,097					194,097	6,118	4.3%
Woodside	36,391	37,881					37,881	1,491	0.8%
Total Revenue	**$4,781,686**	**$1,899,637**	**$1,852,137**	**$410,000**	**$0**	**$360,842**	**$4,522,616**	**($259,070)**	**100.0%**
DEM Personnel	758,167	479,397	479,397				958,794	200,627	63.6%
DEM On-Call Pay and Benefit Costs	214,639	66,494	66,494				132,987	(81,652)	8.8%
DEM Management/Admin Fees	276,291	145,758	145,758				291,516	15,226	19.4%
Environmental Health Hazmat Personnel	123,218	61,609	61,609				123,218	0	8%
Total Personnel	**$1,372,314**	**$753,258**	**$753,258**	**$0**	**$0**	**$0**	**$1,506,515**	**$134,201**	**100.0%**
San Mateo Consolidated Hazmat Contract	850,441	467,743	467,743				935,485	85,044	50.2%
Environmental Health Hazmat Services/Supplies	48,458	24,229	24,229				48,458	0	2.6%
ESC Programs	1,141,285	104,171	104,171			360,842	569,183	(572,102)	30.6%
Hazmat New Firefighter Training	42,583	23,421	23,421				46,841	4,258	2.5%
Alert & Warning	175,111	87,556	87,556				175,111	0	9.4%
DEM Services/Supplies	42,310	43,725	43,725				87,450	45,140	4.7%
Total Services & Supplies	**$2,300,188**	**$750,843**	**$750,843**	**$0**	**$0**	**$360,842**	**$1,862,528**	**($437,660)**	**100.0%**
Regional Operations Center Facility Expense & Maintenance	$495,439	253,384	253,384				506,768	11,329	43.9%
Hazmat Vehicle Replacement Fund	$150,000	75,000	75,000				150,000	0	13.0%
All Other Service Charges	$463,745	248,403	248,403				496,805	33,060	43.1%
Total Other Services	**$1,109,184**	**$576,787**	**$576,787**	**$0**	**$0**	**$0**	**$1,153,573**	**$44,389**	**100.0%**
Total Expenditures	**$4,781,686**	**$2,080,887**	**$2,080,887**	**$0**	**$0**	**$360,842**	**$4,522,616**	**($259,070)**	

FY 2026-27 Emergency Services JPA Budget									
Description	FY 2025-26	FY 2026-27							
	Adopted Budget	Cities	County	SFO Revenue	Trust Fund	Grants	Recommended Budget	Change Amount Between FY 2025-26 & FY 2026-27	Percent of Total
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San Mateo DEM (County Share)	1,600,034		1,821,649				1,821,649	221,615	40.3%
Environmental Health (County Share)	30,488		30,488				30,488	0	0.7%
San Francisco International Airport	410,000			410,000			410,000	0	9.1%
Atherton	55,764	63,806					63,806	8,042	1.4%
Belmont	62,785	72,702					72,702	9,917	1.6%
Brisbane	19,787	22,362					22,362	2,575	0.5%
Burlingame	87,623	101,343					101,343	13,720	2.2%
Colma	6,573	7,041					7,041	468	0.2%
Daly City	171,714	193,624					193,624	21,910	4.3%
East Palo Alto	49,561	55,652					55,652	6,091	1.2%
Foster City	83,482	93,194					93,194	9,712	2.1%
Half Moon Bay	27,153	30,483					30,483	3,330	0.7%
Hillsborough	53,976	60,915					60,915	6,939	1.3%
Menlo Park	120,510	135,750					135,750	15,240	3.0%
Millbrae	52,493	59,684					59,684	7,191	1.3%
Pacifica	70,095	78,963					78,963	8,868	1.7%
Portola Valley	20,813	23,423					23,423	2,610	0.5%
Redwood City	191,192	215,955					215,955	24,763	4.8%
San Bruno	83,958	95,200					95,200	11,242	2.1%
San Carlos	85,841	97,154					97,154	11,313	2.1%
San Mateo	230,795	260,408					260,408	29,613	5.8%
South San Francisco	170,677	194,097					194,097	23,420	4.3%
Woodside	33,229	37,881					37,881	4,652	0.8%
Total Revenue	**$4,446,686**	**$1,899,637**	**$1,852,137**	**$410,000**	**$0**	**$360,842**	**$4,522,616**	**$75,930**	**100.0%**
DEM Personnel	758,167	479,397	479,397				958,794	200,627	63.6%
DEM On-Call Pay and Benefit Costs	214,639	66,494	66,494				132,987	(81,652)	8.8%
DEM Management/Admin Fees	276,291	145,758	145,758				291,516	15,226	19.4%
Environmental Health Hazmat Personnel	123,218	61,609	61,609				123,218	0	8%
Total Personnel	**$1,372,314**	**$753,258**	**$753,258**	**$0**	**$0**	**$0**	**$1,506,515**	**$134,201**	**100.0%**
San Mateo Consolidated Hazmat Contract	850,441	467,743	467,743				935,485	85,044	50.2%
Environmental Health Hazmat Services/Supplies	48,458	24,229	24,229				48,458	0	2.6%
ESC Programs	1,106,285	104,171	104,171			360,842	569,183	(537,102)	30.6%
Hazmat New Firefighter Training	42,583	23,421	23,421				46,841	4,258	2.5%
Alert & Warning	175,111	87,556	87,556				175,111	0	9.4%
DEM Services/Supplies	42,310	43,725	43,725				87,450	45,140	4.7%
Total Services & Supplies	**$2,265,188**	**$750,843**	**$750,843**	**$0**	**$0**	**$360,842**	**$1,862,528**	**($402,660)**	**100.0%**
Regional Operations Center Facility Expense & Maintenance	$495,439	253,384	253,384				506,768	11,329	43.9%
Hazmat Vehicle Replacement Fund	$150,000	75,000	75,000				150,000	0	13.0%
All Other Service Charges	$463,745	248,403	248,403				496,805	33,060	43.1%
Total Other Services	**$1,109,184**	**$576,787**	**$576,787**	**$0**	**$0**	**$0**	**$1,153,573**	**$44,389**	**100.0%**
Total Expenditures	**$4,746,686**	**$2,080,887**	**$2,080,887**	**$0**	**$0**	**$360,842**	**$4,522,616**	**($224,070)**	**-5%**

City Council Staff Report

Meeting Date: May 21, 2026

From: Julia Ayres, Acting Community Development Director

Subject: Proposal from HEART for the Ground Lease and Acquisition of the Visitacion Garden Senior Apartments; Termination of the Brisbane Housing Authority's Ground Lease and Related Documents with BRIDGE Housing Corporation and Brisbane Senior Housing, Inc.

Recommendation

Staff recommend adoption of the attached resolution authorizing the Executive Director of the Brisbane Housing Authority (a) to execute with HEART-SV a Ground Lease, a Memorandum of Ground Lease, Regulatory Agreement, a Loan Agreement, (b) to execute with the BRIDGE Housing Corporation and Bridge Senior Housing, Inc a Termination of Ground Lease and Termination of Declarations of Restrictions/Restrictive Covenants, and (c) to execute all other documents, either as Executive Director or as City Manager of the City Brisbane, to implement the proposal from HEART-SV to acquire the Visitacion Garden Senior Apartment Project, all of such documents to be in a final form as approved by the Brisbane Housing Authority's General Counsel.

Background

The Brisbane Housing Authority ("Authority") owns the real property at 2-8 Visitacion Avenue which has been developed with 14 affordable rental units for seniors (Visitacion Garden) and a community room used as the City's senior center. In 1998, the property, then owned by the (now former) Redevelopment Agency of the City of Brisbane ("RDA"), was leased to and developed by the BRIDGE Housing Corporation ("BRIDGE"),a non-profit housing developer whose purpose is to provide affordable housing for low income persons. The lease runs through January 2028. The RDA also made two loans to BRIDGE totaling $2.5 million to offset predevelopment and construction costs for the project.

In 2000, with the approval of the RDA, BRIDGE assigned its interest in the lease to Brisbane Senior Housing, Inc., ("BSH"), a non-profit organization affiliated with and managed by BRIDGE. (BSH's purpose, according to its Articles of Incorporation, is "exclusively to benefit and support [BRIDGE]"). Since 2000, BSH has owned the project and, through a variety of management agreements with third parties, operated and managed the 14 rental units. Also in 2000, BRIDGE, with the approval of the RDA, assigned its interest in the two RDA loans to BSH.

In the past three years, City staff, BRIDGE/BSH, and the City Council Housing Subcommittee engaged in discussions on terms for a ground lease renewal with BSH given the 2028 lease sunset date. As a result of those discussions, it was the consensus that the preferred path

forward was to terminate BSH's leasehold interest early. In 2025 the Authority sent out a Request for Proposals for a new organization to lease and/or manage the property/project.

In response, the Authority received but one proposal from the Housing Endowment and Regional Trust of San Mateo County (HEART), a joint powers authority, the members of which are the cities in San Mateo County (including Brisbane) and San Mateo County. The proposal is actually from HEART and HEART-SV, a separate joint powers authority whose members are HEART and San Mateo County. HEART created HEART-SV as a separate entity for the purpose of holding title to properties that HEART itself would otherwise own, lease, or manage. For simplicity, this report will generally refer to "HEART".

HEART proposes "acquiring" the Visitacion Garden project and entering into a new 55-year ground lease with the Authority for the project. If such acquisition/lease (and related documents) are approved by the Authority, HEART intends to enter into a management agreement with a third party to operate and manage the day-to-day affairs of the project. HEART has also proposed to assume most of the existing, outstanding debt on the property and has requested an additional loan amount from the Authority to fund needed capital improvements. These requests are described in detail in the Discussion section below.

The Council's Housing Subcommittee (Mayor pro temp Davis and Council member Kern) met with City/Authority staff and HEART to discuss the terms and conditions of the HEART proposal and provided direction to staff to negotiate a new ground lease and related agreements with HEART. The proposed Ground Lease (see Attachment 1), a Regulatory Agreement concerning the affordable rents at the project (see Attachment 2), and loan related documents (see Attachment 3) are attached and are described in detail in the Discussion section below.

In addition, if the HEART proposal is approved, because the existing Ground Lease with BSH would be terminated earlier, that Ground Lease and the recorded Restrictions that currently limit rents at the project will need to be terminated, along with reconveying the deeds of trust stemming from the two RDA loans (see Attachment 4). These items are also described in the Discussion section below.

The Housing Authority Board met in closed session on April 16 to discuss these documents and directed staff to place them on the Board's open meeting agenda for public comment and the Board's consideration. The HEART Board, the San Mateo County Board of Supervisors, and the BRIDGE/BSH Board are also expected to consider these documents in May.

Assuming that all the affected entities approve the documents, those documents that will need to be recorded will record in June and HEART would assume operation and management of Visitacion Garden at time of recordation.

Discussion

HEART's proposal (see Attachment 5) is driven by two primary factors:

- An appraisal found the current value of the improvements to be less than the outstanding debt (including principal and accrued interest).
- A capital needs assessment found there was a critical need for capital improvements in the near term (1-5 years) as well as in the mid and long term.

The salient terms of the proposed Ground Lease, Regulatory Agreement and related documents are as follows:

Acquisition price, restructured Authority debt, BSH loan forgiveness, and an additional loan from HEART:

- HEART proposes to acquire the improvements on the property (the buildings and all associated features) at the appraised value of the improvements-- $3,290,000 (see appraisal in Attachment 6).
- As of April 30, 2026, the outstanding debt on the property (including the two RDA loans and a smaller loan issued by the County in 1998 for $175,000) totaled $4,329,983.97 in principal and accrued interest.
- Because the appraised value is less than the total outstanding debt, HEART proposed restructuring all three loans and assuming those restructured loans via new loan agreements. The requested new Authority loan would total $3,452,814 and consist of $3,062,564 of the outstanding Authority loans to BSH, and an additional $390,250 for needed capital improvements (see Capital Needs Assessment in Attachment 7), which amount would be funded from the Authority's Low and Moderate Income Housing Asset Fund. The new Authority loan would have a term of 55 years (the same as the Ground Lease), be repaid from "Residual Receipts" (akin to net operating income) and would accrue 3% interest. The County loan would be restructured from approximately $296,509 to $227,436; the County Board of Supervisors will be reviewing and acting on this restructuring request in May.
- HEART's proposed RDA loan restructuring would leave $968,068.72 in accrued interest not captured by the new loan.
- BSH has requested that the Authority forgive this accrued interest (see Attachment 8).
- In addition, HEART would loan HEART-SV an additional $390,250 also for capital improvements which loan, unlike the Authority or the County loans, would have a 15 year term and would be repaid within 14 years. (See discussion below concerning cashflow and distribution of Residual Receipts.) HEART-SV would also be receiving a "developer fee" of $120,000 for managing and overseeing, over the course of 55 years, the project's risks, costs, acquisition, financing, and rehabilitation. Of that amount, $60,000 would be distributed to HEART-SV with the close of escrow. The remainder would be paid over the course of the first five years (see discussion below).

Cashflow Distribution for Loan Repayments from Residual Receipts:

- HEART's payments of the three new/restructured loans (Authority, County and HEART), as well as the remaining $60,000 of the developer fee to HEART-SV, would be paid out from "Residual Receipts." Residual Receipts are gross income revenues less annual operating expenses such as real property taxes (although the project may be exempt from most real property taxes), insurance, utilities, and professional management services. (As mentioned, HEART-SV intends to contract with a management company to oversee day-to-day operations). Operating expenses include moneys paid into the Capital Replacement Reserve Account, to be used only for capital repairs and replacement. The money deposited into that Account annually, however, is capped as further explained below.
- The remaining $60,000 developer fee is estimated to be paid within the first five years and the $390,250 HEART loan within 14 years. During that 14 year period, only a relatively small percentage of the Residual Receipts will be allocated to the Authority's and the County's loans.
- After the developer fee and HEART loan are paid off, starting in year 14 Residual Receipts would then be allocated to the Authority and County loans in proportion to their relative loan balances. Staff notes that HEART has updated the project pro forma from the latest version reviewed by the Housing subcommittee to reflect increased property insurance costs (not related to flood insurance; see discussion below) and increased property management costs, including a provision for on-site presence in the first year of operation. These increases represent approximately $10,000 in additional annual operating costs in Year 1 and approximately $3000 in additional annual operating costs in Year 2 onward. Notwithstanding such allocations, it is doubtful that any of the loans, given accrued interest, would be fully repaid at the end of the 55-year lease term. This is certainly understandable as the rents (which provide the majority of the gross revenues) purposely are being kept very affordable while expenses have no similar limitation. Accordingly, while the Residual Receipts are unlikely to be sufficient to pay off the loans, that is offset by the Authority's assistance in facilitating affordable rents to 14 senior households for over half a century.
- A Capital Reserve Account would be funded annually at no less than 10% nor more than 20% of the gross revenues. If HEART believes that more than 20% of the gross revenues are required to be placed into the Capital Reserve Account in any given fiscal year, HEART must request approval from the Authority and justify the need for this larger allocation.
- An Operating Reserve Account would also be established. The funds to be placed into this Account shall be maintained at not less than three months of operating costs as shown in the most recent budget. This reserve account is funded at closing and replenished only if such funds are necessary to be used in a given budget year, or if operating expenses increase and additional reserves are needed to meet the minimum three month balance requirement.

Community Room (Sunrise Room):

- Currently the City leases from BSH a portion of the property for the Senior Sunrise Room, which provides a variety of programming and resources to the City's senior residents. The draft Ground Lease provides that HEART-SV will continue to lease this part of the property to the City for the same purposes, on the same terms and conditions that currently apply. The lease between HEART-SV and the City for the Community Rooms is an exhibit to the Ground Lease and would be signed at the same time as the other documents.

Fiscal Reporting

- The Ground Lease requires that annually HEART-SV provide to the Authority a fiscal report that details the income and expenses for the most recent fiscal year and, at least once every three years, HEART-SV will provide to the Authority an audit of the project's finances prepared by a certified public accountant. The audit shall delineate the annual Residual Receipts and provide financial and cash flow statements for the past three fiscal years.

Regulatory Agreement

- It is critical that the current tenants at Visitacion Gardens continue to have their rents restricted at affordable rates. Similarly, it is important that future tenants at this project also have their rents restricted. The Regulatory Agreement accomplishes those purposes and proposed rent levels are shown in the table below.

Household Income Category	**% of Area Median Income**	**Minimum Units**	**Approx. Monthly Rent (1-BR)**
Extremely Low Income Households	30%	3	$992
Very Low Income Households	50%	1	$1849

Low Income Households	60%	6	$2094
Moderate Income Households	120%; rents restricted to 80% AMI	4	$2828
Note: Approximate rents are based on State Housing and Community Development Department limits. Utilities not included.			

Required Property Insurance

The proposed ground lease would require HEART to obtain certain mandatory insurance coverages, such as commercial liability insurance. Flood insurance was not included as an insurance requirement in the RFP. The Authority Board, however, requested staff to discuss with HEART whether flood insurance could be economically obtained. HEART obtained multiple flood insurance quotes and the lowest annual premium quoted for the structure, which lies outside of a mapped flood hazard area, was approximately $11,000 annually with a maximum payout of $500,000 and a $5,000 deductible.

The practical outcome of requiring flood insurance would be diverting Residual Receipts that would be allocated to loan payments to flood insurance premiums, with HEART projecting a 31% reduction of residual receipt loan payments over 30 years (approximately $1.45 million compared to approximately $1.95 million). HEART has offered instead to fund a flood reserve (amount to be determined) and hold it in an interest bearing account if the Authority feels strongly about having some kind of flood safety net. If the Authority is amenable to this solution, staff will work with HEART to provide this provision in the Ground Lease.

BRIDGE/BSH Related Documents

As indicated under Background, HEART would only be assuming about $3.1 million of the existing BSH debt associated with the existing Authority loans. BSH has requested that this difference of $968,069 be "forgiven" and staff is recommending that this request be granted for two reasons. First, the loans that were made to BRIDGE were non-recourse loans meaning that neither BRIDGE nor BSH to whom the loans were assigned have a legal obligation to repay the loans; the Housing Authority's recourse if the loans were in default would be to foreclose on the leasehold improvements. Second, forgiving the unpaid loan amount does not constitute a gift of public funds.

Under the State Constitution, a public agency may not make a gift of public funds but this

prohibition does not preclude a forgiveness of public funds even if a private person incidentally benefits so long as the reasons for the forgiveness further a public purpose. The determination of a public purpose lies within the discretion of the legislative body and will not be set aside unless the reasons are totally arbitrary.

Here, the underlying project is a project that houses 14 rent restricted rental units for seniors. When the RDA made the initial loans for the construction of the project from the Low and Moderate Income Housing Asset Fund with no guarantee that the loans would be repaid, the RDA made an implicit finding that the use of those funds would serve a public purpose. Here, if the unpaid balance of the two loans were not forgiven, for example by requiring that HEART-SV assume the full balance of the loans, HEART-SV would not agree to enter into a new lease that will allow the project to continue to provide affordable rents to seniors for another 55 years. If there is not a new lease with HEART-SV, BSH will continue to manage and operate the project until January 2028 during which time the Authority would need to find either another lessee or a new operator for the project. In that the Authority received only one proposal—the HEART-SV proposal—in response to the RFP, finding another lessee or operator in next 18 or so months would not only be challenging but also would put at risk the project itself, meaning that 14 affordable rental units to seniors could well be lost. For that reason, a public purpose is served by forgiving the unpaid balance of the loans.

There are a number of BRIDGE/BSH related documents that are of record. These include the existing Ground Lease, and its assignment to BSH, the deeds of trust for the RDA/Authority loans, and Declarations of Restrictions concerning the rents at the project. If the Authority and the County choose to proceed with the HEART proposal, those documents will need to be terminated of record and documents to accomplish that are attached as Attachment 4. In addition, BRIDGE/BSH will execute a quit claim deed to the Authority to ensure that all of its interest in the property have reverted to the Authority and the attached resolution (Attachment 9) includes the Authority's acceptance of such deed.

Fiscal Impact

If the Authority adopts the attached resolution (Attachment 9), the Authority will loan HEART-SV $390,250 "new money" from the Authority's Low and Moderate Income Housing Asset Fund, in addition to HEART-SV's assuming $3,062,564 of the current BSH loan balance. As discussed above, the Authority would be forgiving $968,069 of the BSH loan balance. The total loan amount--$3,452,814_—would be repaid over the next 55 years from available Residual Receipts but there is no guarantee that the full amount of the loan will be repaid.

Environmental Impact

Adoption of the attached resolution does not require further environmental review under the California Environmental Quality Act as it involves a governmental funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and hence it is not a project under CEQA. CEQA

Guidelines, Section 15378 (b)(4).

Attachments

1. Draft Ground Lease with HEART-SV
2. Draft Regulatory Agreement with HEART-SV
3. Draft loan documents with HEART-SV
4. BSH/BRIDGE Termination Documents
5. HEART/HEART-SV Proposal
6. Property Appraisal
7. Capital Needs Assessment
8. Brisbane Senior Housing, Inc. letter to Housing Authority regarding loan forgiveness
9. Resolution authorizing the Executive Director of the Brisbane Housing Authority (a) to execute with HEART-SV a Ground Lease and other documents

City Manager Approval



Jeremy Dennis, City Manager 05/15/2026

GROUND LEASE

by and between

Brisbane Housing Authority, as Lessor

and

HEART-SV, as Lessee

Dated as of _____, 2026

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Exhibit B: Memorandum of Ground Lease
Exhibit C: Sublease Agreement (Community Room)

GROUND LEASE
Visitacion Garden Senior Apartments

This Ground Lease (the "**Lease**") is entered into as of _____, 2026, between the Brisbane Housing Authority, a California public agency_____ ("Authority" or "**Lessor**"), and HEART-SV, a California Joint Powers Authority ("**Lessee**").

RECITALS

A. Lessor is the owner of that certain real property in the City of Brisbane, County of San Mateo, State of California, more particularly described in the legal description attached hereto as Exhibit A (the "**Property**").

B. Lessor desires to ground lease the Land ("the Land") to Lessee for a period of five-five (55) years pursuant to the terms of this Lease; Lessee desires to acquire and operate the existing 14 unit senior rental housing development on the Land with long term affordability requirements ("the Premises").

C. Capitalized terms which are referred to and utilized throughout this Lease are defined in Article 1 of this Lease.

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

ARTICLE 1.
DEFINITIONS

Section 1.1 Definitions. For the purposes of this Lease, the following defined terms shall have the meanings ascribed thereto in this Article 1:

(a) Annual Operating Expenses: As defined in Section 4.3.

(b) Applicable Laws: As defined in Section 9.6.

(c) Approved Loans: All loans, approved in writing by Lessor, including without limitation, obtained from time to time by Lessee for operating the Leased Premises.

(d) Affordability Requirements: Lessor's requirements pursuant to Section 9.7.

(e) Authority: The Brisbane Housing Authority.

(f) Authority Loan: Means the loan from the Authority to HEART-SV, pursuant to the terms set forth in the Authority Loan Documents, in the amount of Three Hundred Ninety Thousand, Two Hundred Fifty Dollars ($390,250).

(g) Authority Loan Documents: means collectively: the Loan Agreement, Promissory Note, Leasehold Deed of Trust, and any other documents necessary to memorialize the Authority Loan from the Authority to HEART-SV.

(h) Casualty: As defined in Article 11 hereof.

(i) Claims: means collectively: claims, demands, actions, causes of action, suits, judicial or administrative proceedings, damages, losses, liabilities, costs, expenses (including without limitation reasonable attorneys' fees), damages, penalties, deficiencies, fines, orders, charges, judgments, remedial action requirements, and enforcement actions of any kind.

(j) Commencement Date: The date that the Memorandum of Ground Lease is recorded in the Official Records of San Mateo County.

(k) County: The County of San Mateo, California.

(l) County Loan: means the loan made by the County to HEART-SV in the amount of $227,436.

(m) Deferred Developer Fee: That portion of the Developer Fee that is not paid to HEART-SV at the time that the Memorandum of Ground Lease is recorded, and is paid out over time from Residual Receipts as described in Section 4.3.

(n) Developer Fee: Compensation paid to HEART-SV for managing the Leased Premises' risks, costs, acquisition, financing, and/or rehabilitation.

(o) Dwelling Units: The fourteen (14) rental units on the Property, which are and will be occupied by Tenants.

(p) Environmental Laws: All federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of Hazardous Materials, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of Hazardous Materials or the remediation of air, surface waters, groundwater or soil, as now or may at any later time be in effect, together with any regulations promulgated thereunder.

(q) Event of Default: As described in Article 12 of this Lease.

(r) Gross Revenue: As defined in Section 4.3.

(s) Governmental Authorities: Any applicable federal, State or local governmental or quasi-governmental entities, subdivisions, agencies, authorities or instrumentalities having jurisdiction over the Leased Premises, the Premises, Lessor, or Lessee.

(t) Hazardous Materials: means: (i) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, and (ii) any waste, substance or material defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic materials", "toxic waste", "toxic substances," or words of similar import under any Hazardous Materials Law (1) which poses a hazard to the Leased Premises, to adjacent properties, or to persons on or about the Leased Premises, (2) which causes the Leased Premises to be in violation of any of the aforementioned laws or regulations, or (3) the presence of which on or in the Leased Premises requires investigation, reporting or remediation under any such laws or regulations. Hazardous Materials shall exclude hazardous materials customarily used in construction or operation of a multi-family residential development, provided that such materials and substances are used in accordance with all applicable laws.

(u) Hazardous Materials Law: means any federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto.

(v) HEART: means the Housing Endowment and Regional Trust of San Mateo County.

(w) HEART Loan: means the loan made by HEART to HEART-SV in the amount of $390,250.

(x) Impositions: All taxes, including without limitation, possessory interest taxes, assessments, water and sewer charges, charges for public utilities, excises, levies, license and permit fees and other charges that shall or may be assessed, levied or imposed during the Term by any Governmental Authorities upon the Leased Premises or any part thereof, including the buildings or Premises now or hereafter located thereon, trade fixtures, furnishings, equipment, and all other personal property of Lessee contained in the Leased Premises. "Impositions" shall not include any income tax, capital levy, estate, succession, inheritance, or similar taxes of Lessor. Except for a tax, assessment, or charge resulting from Lessee's use of the Leased Premises pursuant to this Lease, "Impositions" shall not include any franchise tax imposed upon any owner of the fee of the Leased Premises, or any income, profits or revenue tax, assessment or charge imposed upon the rent or other benefit received by Lessor under this Lease by any Governmental Authorities.

(y) Indemnitees: Lessor and its elected and appointed officials, officers, employees, agents, contractors, representatives and volunteers.

(z) Insurance Requirements: The requirements, whether now or hereafter in force, of any insurer or insurance carrier, any board of fire underwriters or any other company, bureau, organization or entity performing the same or similar functions, applicable to the Leased Premises and/or the Premises, or any portion thereof, to the extent so applicable.

(aa) Lease: This Ground Lease between Lessor and Lessee and shall include any and all amendments made to it.

(bb) Lease Term: The fifty-five (55) year period set forth in Section 2.2, during which this Lease shall be in effect unless earlier terminated in accordance with the provisions of this Lease.

(cc) Lease Year: Twelve (12) month periods, with the first Lease Year commencing on the Term Commencement Date, provided if the Term Commencement Date is other than the first day of a month, the first Lease Year shall also include the partial month during which the Term Commencement Date falls, and each subsequent Lease Year shall begin on the first day of the same month that is the first full month of the first Lease Year.

(dd) Leased Premises: The Land, together with the Premises and any other Premises now or hereafter located thereon, together with all and singular rights, easements, licenses, privileges and appurtenances thereunto attaching or in any way belonging thereto.

(ee) Leasehold Mortgage: Any mortgage, deed of trust, security agreement or collateral assignment pursuant to an Approved Loan encumbering Lessee's Estate as a leasehold mortgage lien.

(ff) Legal Requirements: All laws, statutes, codes, ordinances, orders, rules, regulations and requirements of all Governmental Authorities and the appropriate agencies, officers, departments, boards and commissions thereof, whether now or hereafter in force applicable to Lessor, Lessee, the Leased Premises, the Premises, or any portion thereof, to the extent so applicable.

(gg) Lender: The holder, mortgagee, grantee or secured party under any Leasehold Mortgage.

(hh) Lessee's Estate or Leasehold Estate: During the Term of this Lease, Lessee's leasehold interest in the Land and Lessee's leasehold interest in the Premises.

(ii) Lessor's Estate: Lessor's fee interest in the Land and the reversionary interest in the Premises pursuant to this Lease.

(jj) Loan Documents. All documents executed by Lessee evidencing, governing or securing an Approved Loan, including, without limitation, each Leasehold Mortgage.

(kk) Management Agent: The Person designated from time to time as "Management Agent" of all or any portion of the Premises under any management agreement entered into from time to time with Lessee.

(ll) Net Condemnation Award: The net amounts owed or paid to the Parties or to which either of the Parties may be or become entitled by reason of any Taking or pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any costs and expenses incurred by the Parties in collecting such award or payment.

(mm) Party: Lessor or Lessee, as applicable. Lessor and Lessee shall be referred to collectively as the "Parties."

(nn) Person: An individual, partnership, corporation, public benefit corporation, trust, unincorporated association, or other entity or association.

(oo) Premises: The buildings, structures, and other improvements, containing the fourteen (14) rental units providing affordable housing for income-eligible households, previously constructed, related onsite structures, parking garage, office space for property management, community amenities, including a community room, landscaping, and other improvements located on the Land.

(pp) Property: As defined in Recital A.

(qq) Regulatory Agreement: The Regulatory Agreement between the Housing Authority and HEART-SV memorializing the restrictions of the use and occupancy of the Leased Premises.

(rr) Rent: As described in Section 4.1 hereof.

(ss) Resident Sublease(s): Any sublease entered into by Lessee with Tenants.

(tt) Residual Receipts: As defined in Section 4.2.

(uu) Taking: A taking during the Term hereof of all or any part of the Leased Premises and/or the Premises, or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain materially affecting the Leased Premises or any part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right or interest so taken must be surrendered to the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking.

(vv) Tenant(s): Any subtenant, sublessee of Lessee under any Resident Sublease(s).

(ww) Term: The period of time described in Section 2.2 hereof.

(xx) Transfer: Any sale, assignment, transfer, conveyance, lease, sublease, encumbrance, mortgage, or hypothecation, in any manner or form or any agreement to do any of the foregoing.

Section 1.2 Exhibits. The Exhibits referred to in this Lease and attached hereto are:

Exhibit A: Legal Description of the Land
Exhibit B: Memorandum of Ground Lease
Exhibit C: Sublease Agreement (Community Room)

ARTICLE 2.
LEASE OF THE LAND

Section 2.1 Lease of the Land.

Subject to the terms hereof and in consideration of the covenants of payment and performance stipulated herein, Lessor leases the Land to Lessee, and in consideration thereof, Lessee takes, hires and leases the Land from the Lessor, pursuant to the terms of this Lease. This Lease, the interests of Lessor and Lessee hereunder, and the Leased Premises, are in all respects subject to and bound by all of the covenants, conditions, restrictions, reservations, rights, rights-of-way, and easements of record prior to the date of this Lease. Lessee hereby accepts the Leased Premises and acknowledges that the Leased Premises is in the condition required by this Lease.

Section 2.2 Lease Term.

Unless sooner terminated pursuant to the provisions hereof, this Lease shall continue in full force and effect for a term ("**Term**") of 55 years, commencing on the Commencement Date.

Section 2.3 Use.

Subject to the provisions hereof, Lessee shall use the Leased Premises for the operation of the Premises, in accordance with the restrictions and requirements set forth in Article 2 hereof. Further, Lessee agrees:

(a) that all uses conducted on the Leased Premises, including, without limitation, all activities undertaken by Lessee pursuant to this Lease, shall conform to all applicable provisions of the City of Brisbane Municipal Code and the Regulatory Agreement;

(b) not to use the Leased Premises for any disorderly or unlawful purpose;

(c) to use its best efforts to prevent any Tenant from committing or maintaining any nuisance or unlawful conduct on or about the Leased Premises;

(d) to use its best efforts to prevent any action by any Tenant that would cause Lessee to violate any of the covenants and conditions of this Lease with respect to the Premises;

(e) to take reasonable action, if necessary, to abate any action by any Tenant that violates, or that would cause Lessee to violate, this Lease; and

(f) subject to the laws of the State of California and the rights of Tenants, to permit Lessor to inspect the Leased Premises or any part thereof at any reasonable time during the Term.

Section 2.4 Possession.

Upon recordation of the Memorandum of Ground Lease and except as set forth in Section 2.7, Lessor shall provide possession of the Leased Premises to Lessee free and clear of all rights to possession or use by any lessee, tenant, or other individuals or entities other than Lessee (except as disclosed to Lessee, for example the Community Room, or apparent from Lessee's inspection, for example, the 14 subtenant households and the Community Room), and free and clear of any encumbrances except as expressly approved by Lessee in writing.

Section 2.5 Memorandum of Ground Lease.

The Parties shall execute and acknowledge a Memorandum of Ground Lease, substantially in the form attached hereto as Exhibit B, which shall be recorded in the Official Records of the County of San Mateo at Lessee's expense.

Section 2.6 No Right to Encumber Fee.

Lessee acknowledges and agrees that Lessee shall not have the right to encumber or mortgage Lessor's fee interest in the Land.

Section 2.7 Community Room.

Lessee shall, concurrent with the execution of this Lease, sublease a portion of the Leased Premises to the City of Brisbane ("City") for the City's exclusive use as a Community Room, as set forth in the Sublease Agreement, attached hereto as Exhibit C. As set forth in that Exhibit, the rent for the Community Room shall be one dollar annually. The existing Community Room Sublease Agreement dated April 10, 2000 between Bridge Housing, Inc. and the City of Brisbane shall be terminated.

ARTICLE 3.
THE LEASED PREMISES

Section 3.1 Liens.

Lessee shall not have any right, authority or power to bind Lessor, Lessor's Estate, or any interest of Lessor in the Land or the Leased Premises, for any claim for labor or material, or for any other charge or expense, lien or security interest incurred in connection with Lessee's use of the Land, or the operation of the Leased Premises, or any change, alteration of addition thereto. Lessee shall have the right to encumber Lessee's Premises with security instruments required in connection with the Approved Loans. Prior to entering into an Approved Loan, Lessee shall submit a copy of proposed loan documents to Lessor and shall obtain written approval from Lessor of any Approved Loan. Lessee shall have the right to enter into utility easements and other customary easements necessary and incidental to the operation of the Leased Premises,

provided that such easements are subject to the approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed("Permitted Easements").

The Lessee shall not create or permit or suffer to be created or to remain upon the Lessor's Estate or any interest of Lessor in the Land or the Leased Premises, or upon the Leased Premises, or any part thereof, and will discharge, any lien, including, but not limited to, the liens of mechanics, laborers, materialmen, suppliers or vendors for work or materials alleged to be done or furnished in connection with the Leased Premises, or any part thereof. If any claim of lien is filed against the Lessor's Estate or any interest of Lessor in the Land or the Leased Premises, or a stop notice is served on any other lender or other third party in connection with the Leased Premises or the Premises, or upon the Leased Premises, or any part thereof, then the Lessee shall, within twenty (20) days after such filing or service, either pay or contest such claim diligently and in good faith, provided that Lessee fully discharges the lien or stop notice, effects the release of such lien or stop notice by delivering to the Lessor a surety bond in sufficient form and amount, or provides the Lessor with other assurance satisfactory to the Lessor that the claim of lien or stop notice will be paid or discharged. If the Lessee fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Lease, then in addition to any other right or remedy, the Lessor may (but shall be under no obligation to) discharge such lien, encumbrance, charge, or claim at the Lessee's expense. Any expense incurred by Lessor pursuant to this Section shall be immediately due and payable by Lessee to Lessor. The Lessee shall have the right to contest in good faith and by appropriate legal proceedings the validity or amount of any mechanics', laborers', materialmen's, suppliers' or vendors' lien or claimed lien; provided that the Lessee shall utilize all reasonable means (including the posting of adequate security for payment) to protect the Leasehold Estate, the Lessor's Estate and any other interest of Lessor in the Land or the Leased Premises against foreclosure. In addition to any other indemnities provided in this Lease, Lessee shall indemnify, protect, defend (with counsel of Lessor's choosing), and hold harmless the Indemnitees from any and all alleged or actual Claims arising by reason of a mechanic's lien or work, labor, services, or materials supplied or claimed to have been supplied to Lessee or anyone holding the Leased Premises, or any part thereof, through or under Lessee.

Nothing in this Lease shall be construed as constituting the consent of the Lessor, expressed or implied, to the performance of any labor or the furnishing of any materials or any specific Premises, alterations of or repairs to the Leased Premises, or any part thereof, by any contractor, subcontractor, laborer or materialman, nor as giving the Lessee or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any services or the furnishing of any materials in such manner as would give rise to the filing of mechanics' liens or other claims against the Lessor's Estate or any other interest of Lessor in the Land or the Leased Premises. The Lessor shall have the right at all reasonable times to post and keep posted on the Leased Premises any notices which the Lessor may deem necessary for the protection of the Lessor and of Lessor's Estate or any other interest of Lessor in the Land or the Leased Premises from mechanics' liens or other claims. In addition, but subject to the paragraph above, the Lessee shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons doing any work or furnishing any materials or supplies to the Lessee, or any of its respective contractors or subcontractors in connection with the Leased Premises. The provisions of this Section shall survive the expiration or termination of this Lease.

Lessor's fee interest in the Leased Premises shall be senior to, and not be subordinated to, any financing obtained by Lessee in connection with the Leased Premises.

Section 3.2 Permits, Licenses and Easements.

Lessor agrees to use Lessor's best reasonable efforts to assist Lessee in obtaining any and all permits, licenses, easements and other authorizations required by any Governmental Authority with respect to any construction or other work to be performed on the Leased Premises and to grant, or to assist Lessee in obtaining, as applicable, all permits, licenses, easements and other governmental authorizations that are necessary or helpful for electric, telephone, gas, cable television, water, sewer, drainage, access and such other public or private utilities or facilities as may be reasonably necessary or desirable in connection with the construction or operation of the Premises. Payment of all fees, costs and expenses associated with any of the foregoing shall be the responsibility of Lessee, and Lessor shall have no responsibility to pay any such fees, costs or expenses.

Section 3.3 Title to Premises.

(a) During the Term. Upon the recordation of the termination of Lessor's existing ground lease with Bridge Housing, Inc, and thereafter during the Term, Lessor hereby grants to Lessee, without warranty express or implied, any right, title, or interest that Lessor may have in the Premises now or hereafter located on the Leased Premises. Notwithstanding any provision in this Lease to the contrary, the Premises and all alterations, additions, equipment, and fixtures built, made or installed by Lessee in, on, under or to the Leased Premises shall be the sole property of Lessee until the expiration of the Term or other termination of this Lease; provided, however, that Lessee shall have no right to destroy, demolish or remove the Premises except as specifically provided for in this Lease or as approved in writing by Lessor.

(b) After the Term. Upon the expiration of the Term or other termination of the Lease, the Premises and all alterations, additions, equipment and fixtures shall be deemed to be and shall automatically become the property of Lessor, without cost or charge to Lessor. At such time, Lessee shall peaceably and quietly leave and surrender the Leased Premises and the Premises to Lessor in good order, condition, and repair, reasonable wear and tear and obsolescence excepted. Lessee shall leave in place and in good order, condition, and repair, all fixtures and machinery; except Lessee shall have the right to remove only Lessee-owned appliances, other unattached equipment, furniture and merchandise that Lessee shall have installed, which removal must be done without damage to the Leased Premises or Premises. Lessor agrees that Lessee, at any time prior to the expiration or other termination of this Lease, may remove from the Leased Premises any and all equipment which Lessee has furnished for maintenance purposes or for the use of the Management Agent, provided that Lessee shall repair any physical damage to the Leased Premises caused by the removal of such equipment and property. Lessee agrees to execute, at the request of Lessor at the end of the Term, a confirmatory quitclaim deed of the Premises and/or Leased Premises to Lessor to be recorded at Lessor's option and expense and any other documents that may be reasonably required by Lessor or Lessor's title company to provide Lessor title to the Leased Premises and the Premises free and clear of all monetary liens, and, monetary encumbrances or other encumbrances not caused or agreed to by Lessor. Without limiting the foregoing, upon the expiration or sooner

termination of this Lease, Lessee shall deliver the Leased Premises and the Premises to Lessor free of all monetary liens and encumbrances unless otherwise consented to in writing by Lessor. Any equipment or other personal property not removed from the Leased Premises by the expiration of the Term shall become the property of Lessor, and Lessor shall have the right to dispose of such equipment and property in the manner of Lessor's choosing.

Section 3.4 Benefits of Improvement During Term.

Lessor acknowledges and agrees that any and all depreciation, amortization and tax credits for federal or state tax purposes relating to the Premises located on the Leased Premises and any and all additions thereto, substitutions therefor, fixtures therein and other property relating thereto shall be deducted or credited exclusively by Lessee during the Term.

Section 3.5 No Abandonment.

Lessee shall not abandon or vacate the Leased Premises or the Premises at any time during the Term. If Lessee shall abandon, vacate, or otherwise surrender the Leased Premises or the Premises, or be dispossessed thereof by process of law or otherwise, the same shall constitute a default under this Lease on the part of Lessee and, in addition to any other remedy available on the part of Lessor, any of Lessee's property left in, upon or about the Leased Premises or the Premises shall, at Lessor's option, be deemed to be abandoned and shall become the property of Lessor. The appointment of a receiver pursuant to a Lender's exercise of its rights under a Leasehold Mortgage, or the foreclosure of a Leasehold Mortgage, shall not be a default under this Section.

ARTICLE 4.
RENTS

Section 4.1 Ground Rent.

For each Lease Year during the Term, Lessee shall pay to Lessor on the Commencement Date of this Lease and on each succeeding anniversary thereof rent in advance for the next succeeding Lease Year ("**Rent**") in the amount of One Dollar ($1.00) per Lease Year or partial Lease Year.

Section 4.2 Residual Receipts

"Residual Receipts" shall mean, with respect to Lessee's fiscal year, the amount by which Project's "Gross Revenue" exceeds "Annual Operating Expenses".

(a) "Gross Revenue" means all rental and incidental income from the Leased Premises, but excluding tenant security deposits, loan proceeds and capital contributions and any interest earned on said deposits, amounts released from operating reserves or replacement reserves.

(b) "Annual Operating Expenses" means reasonable costs actually incurred for operations and maintenance of the Leased Premises and the administration of the Leased

Premises to the extent that they are consistent with an annual budget submitted by Lessee to Lessor and approved by Lessor. Costs associated with the Leased Premises operations and maintenance and the administration of the Leased Premises include the following:

(1) property taxes and assessments imposed on the Leased Premises;

(2) premiums for property damage and liability insurance;

(3) utility services not paid for directly by Tenants, including, but not limited to water, sewer, trash collection, gas, and electricity; maintenance and repairs, including but not limited to, pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial supplies and services;

(4) any license or certificates of occupancy fees required for operation of the Leased Premises; general administrative expenses, including but not limited to advertising, marketing, security services and systems,

(5) professional fees for legal, audit, accounting and tax returns, and other such services;

(6) property management fees and reimbursements, including on-site manager expenses, if any, not to exceed fees and reimbursements which are customary in affordable housing developments with income and rent restrictions similar to those imposed on the Leased Premises;

(7) tenant services;

(8) annual cash deposited into a reserve for capital replacements of the Premises, in an amount of at least ten percent (10%), but not greater than twenty percent (20%), of Gross Revenue or such higher amount if in any particular fiscal year Lessee substantiates the need for a higher amount to the reasonable satisfaction of Lessor, and Lessor, in its sole discretion, approves the higher percentage;

(9) cash deposited into an operating reserve for the Leased Premises and such other reserves as may be required by Lessee's senior lender if approved by Lessor;

(10) payments of any Deferred Developer Fee. For avoidance of doubt, any Deferred Developer Fee remaining after the recording of the Memorandum of Ground Lease may be paid only from Residual Receipts.

Section 4.3 Distribution of Residual Receipts

The distribution of the Residual Receipts between the approved lenders shall be as follows:

(a) 47.3% of total Residual Receipts shall be allocated to pay the Deferred Developer Fee, which amount is estimated to be $60,000;

(b) 47.7% of total Residual Receipts shall be allocated to pay the HEART Loan; provided, however, that immediately after the Deferred Developer Fee is paid in full, 68.8% of the total Residual Receipts shall be allocated to pay the HEART Loan;

(c) 5% of total Residual Receipts shall be allocated to pay the County Loan and the Authority Loan in accordance with the proportional ratio of their respective outstanding principal loan amounts (County Loan principal loan amount estimated to be $227,436, and Authority Loan principal loan amount estimated to be $3,452,814); provided, however, that immediately after the Deferred Developer Fee is paid in full, 31.2% of the Total Residual Receipts shall be allocated to pay the County Loan and the Authority Loan in accordance with the proportional ratio of their outstanding principal loan amounts; and further provided that immediately after the Housing and Endowment Regional Trust Loan is paid in full, 100% of the total Residual Receipts shall be allocated to the County Loan and the Authority Loan in accordance with the proportional ratio of their outstanding principal loan amounts.

Section 4.4 Payments and Fiscal Reporting.

Payments of Residual Receipts shall be due no later than one hundred twenty (120) days after the end of each Fiscal Year. With the payment, or no later than 120 days after the end of the Fiscal Year if there is no payment of Residual Receipts in any particular Fiscal Year, Lessee shall deliver to Lessor a budget versus actual expense report based on the approved budget submitted annually as described in Section 4.2(b). At the request of Lessor, but at least once every three (3) years, a certified public accountant, using generally accepted accounting principles, shall perform an independent audit and deliver it to Lessor. The audit shall delineate the annual Residual Receipts and provide financial and cash flow statements for the past three fiscal years.

All Rent, and other sums, if any, due Lessor hereunder shall be paid by Lessee to Lessor at the address of Lessor set forth hereinafter for notices, or to such other person and/or at such other address as Lessor may direct by written notice to Lessee, without notice or demand, and without abatement, deduction or set off. Lessee may pay all Rent due at the rate set forth in Section 4.1 for the entire Term of this Lease in advance.

ARTICLE 5.
TAXES AND OTHER IMPOSITIONS; UTILITIES

Section 5.1 Payment of Impositions.

As and when the same shall become due, Lessee will pay all of the Impositions, except that if any Imposition that Lessee is obligated to pay in whole or in part is permitted by law to be paid in installments, Lessee may pay or cause to be paid such Imposition (or its proportionate part thereof) in installments as and when such installments become due. Upon the written request of Lessor, Lessee shall provide to Lessor evidence satisfactory to Lessor of payment of all Impositions. During the first and last years of the Term, all Impositions that become payable during each calendar, fiscal, tax or Lease Year, as applicable, shall be ratably adjusted on a per diem basis between Lessor and Lessee in accordance with the respective portions of such

calendar, fiscal, tax, assessment or Lease Year during the Term. If any special assessments are payable in installments, Lessee shall pay only those installments that are due and payable during the Term.

Section 5.2 Possessory Interest Taxes.

In accordance with California Revenue and Taxation Code Section 107.6(a), Lessor notices Lessee that by entering into this Lease, a possessory interest subject to assessment and collection of property taxes may be created. Lessee or any other party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest. If possessory interest taxes are assessed, Lessee agrees it is responsible for payment thereof and Lessor has no obligation or liability of any kind or nature relating to payment of property taxes. Lessee shall, at its sole cost and expense, seek exemption from, or contest the payment of, assessments and the collection of property taxes pursuant to Revenue and Taxation Code Section 214, or a successor statute. During the pendency of such contest or request, Lessee's non-payment of assessments or taxes when due shall not constitute a default hereunder if (i) the validity of such assessments and taxes is actively contested in good faith and by appropriate proceedings, (ii) Lessee has demonstrated to Lessor's reasonable satisfaction that leaving such assessments or taxes unpaid pending the outcome of such proceedings could not result in conveyance of the Leased Premises in satisfaction of such assessments or taxes or otherwise impair Lessor's estate in the Leased Premises, and (iii) upon the final disposition of such proceedings, Lessee shall promptly pay all taxes and assessments then due, inclusive of any unpaid accrued penalties and interest. Lessor is a public agency and no property taxes will be or are legally assessable against its fee interest.

Section 5.3 Contested Taxes and Other Impositions.

(a) Lessee, in its own name or in the name of Lessor if prior written consent of Lessor is obtained by Lessee, may contest the validity or amount of any Imposition relating to all or any portion of the Leased Premises, in which event the payment thereof, if authorized by applicable law, may be deferred during the pendency of such contest and for which adequate reserves have been provided in accordance with generally accepted accounting principles, if diligently prosecuted. If applicable law is silent on or expressly disallows deferring payment pending the contest of validity, Lessee shall timely pay any Imposition that is subject to dispute under protest, reserving any and all rights for repayment from the applicable taxing entity if resolution of such contest results in a decision or judgment in Lessee's favor.

(b) As may be necessary or desirable, Lessor or Lessee, as applicable, upon the request of the other Party, shall use its best reasonable efforts to assist in any such proceeding to contest the validity or amount of any Imposition.

Section 5.4 Valuation Assessment/Property Tax Exemption.

If applicable, Lessee may attempt to obtain a lowering of the assessed valuation of the Leased Premises for any year or obtain a property tax exemption for the purpose of reducing taxes thereon.

Section 5.5 Failure to Pay Impositions.

If Lessee shall fail to pay any Impositions before the same become delinquent, except if Lessee is in good faith contesting such Impositions pursuant to Section 5.5 hereof, Lessor, at its election, may pay such Impositions (but shall not be obligated to pay same), together with any interest and penalties due thereon, and the amount so paid by Lessor shall be repayable to Lessor by Lessee, within thirty (30) days.

Section 5.6 Utilities.

Lessee shall pay all charges for all utilities used, rendered or supplied upon or in connection with the Leased Premises and the operation or construction thereof including, but not limited to, all charges for gas, electricity, light, heat or power, all telephone and other communications services, all water rents and sewer service charges, and all sanitation fees or charges (all of the foregoing, collectively "Utility Charges") levied or charged against the Leased Premises during the Term; provided, however, that Lessee shall have no responsibility hereunder for the payment of Utility Charges for utilities supplied by the respective providers directly to Tenants for such Tenants' use in connection with the occupancy of their respective residential units unless otherwise provided in the applicable Resident Sublease. Notwithstanding any contrary provision of this Lease, Lessor shall have no responsibility for payment of any Utility Charges.

ARTICLE 6.
INSURANCE

Section 6.1 Required Insurance Coverage.

Standard "All Risk" Casualty and Fire and Extended Coverage Endorsement. Lessee shall during the Lease Term keep the Leased Premises insured against loss or damage by a standard all risk policy in amounts such that the proceeds of such insurance shall not be less than the full replacement value of the Leased Premises unless otherwise consented to in writing by Lessor and the other Lenders.

(a) Liability and Property Damage Insurance. During the Lease Term, Lessee shall keep in full force and effect a policy or policies of comprehensive general liability and property damage insurance against liability for bodily injury to or death of any person or property damage arising out of an occurrence on or about the Leased Premises. The limits of such insurance shall be not less than One Million Dollars ($1,000,000) combined single limit each occurrence, Two Million Dollars ($2,000,000) annual aggregate, together with One Million Dollars ($1,000,000) excess liability coverage, or such other policy limits as Lessor may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Workers' Compensation Insurance. Lessee shall carry or cause to be carried workers' compensation insurance covering all persons employed in connection with the Leased Premises and with respect to whom death, bodily injury, or sickness insurance claims could be asserted against Lessor and/or Lessee. Lessee shall furnish or cause to be furnished to

Lessor evidence satisfactory to Lessor that Lessee and any contractor that has contracted for the performance of work on the Land or otherwise pursuant to this Lease carries statutory Workers' Compensation insurance and Employer's Liability insurance in a minimum amount of One Million Dollars ($1,000,000) per accident.

(c) Property Insurance. During the Lease Term, Lessee shall keep in full force and effect a policy or policies of insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in the County of San Mateo, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquakes to the extent generally and commercially available at commercially reasonable rates, if such insurance is generally obtained for affordable multifamily housing projects in the County of San Mateo. Lessor shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement.

Section 6.2 Insurance Policies and Premiums.

(a) All liability policies required by this Lease or any of the Lenders shall be written on an occurrence basis, and shall name the Indemnitees as additional insureds. Duplicate copies of such policies or certificates of such insurance shall be promptly furnished to Lessor.

(b) All policies of insurance shall include an endorsement that provides that notice of any change or cancellation of said policy must be made in writing and sent to Lessee and Lessor at their respective principal offices at least thirty (30) days before the effective date of change or cancellation. However in the case of non-payment of premiums, it shall be at least ten (10) days written notice.

(c) The rights of Lessor to receipt of any insurance proceeds will be subject and subordinate to the rights of any Lender pursuant to and in accordance with applicable Loan Documents.

(d) Companies writing the insurance required hereunder shall be approved to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII or industry standard approved by Lessor. The Commercial General Liability policies required hereunder shall name the Indemnitees as additional insureds. Builder's Risk and property insurance shall name Lessor as loss payee.

(e) If any insurance policy or coverage required hereunder is canceled or reduced, Lessee shall, within thirty (30) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Lessor a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Lessor may, with notice and at its option, procure such insurance coverage at Lessee's expense, and Lessee shall promptly reimburse Lessor for such expense upon receipt of billing from Lessor.

(f) Coverage provided by Lessee shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by Lessor, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the Lessor. Lessee shall furnish the required certificates and endorsements to Lessor prior to the commencement of rehabilitation or construction work on the Leased Premises, and shall provide Lessor with certified copies of the required insurance policies upon request of Lessor.

(g) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, Lessor's Risk Manager. At the option of and upon request by Lessor's Risk Manager if the Risk Manager determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Indemnitees or Lessee shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

(h) Adjustments. The limits of the liability coverage and, if necessary, the terms and conditions of insurance, shall be reasonably adjusted from time to time (not less than every five (5) years after the Commencement Date nor more than once in every three (3) year period) to address changes in circumstances, including, but not limited to, changes in the purchasing power of the dollar and the litigation climate in California. Within thirty (30) days following Lessor's delivery of written notice of any such adjustments, Lessee shall provide Lessor with amended or new insurance certificates and endorsements evidencing compliance with such adjustments.

Section 6.3 Proceeds of Insurance.

(a) For so long as any Leasehold Mortgage on the Leased Premises is outstanding: All fire and standard risk or extended coverage (casualty) insurance proceeds shall be applied to the payment of the costs of repairing or rebuilding that part of the Leased Premises damaged or destroyed if (i) Lessee agrees in writing within ninety (90) days after payment of the proceeds of insurance that such repair or rebuilding is economically feasible, and (ii) each Lender permits such repair or rebuilding, provided that the extent of the Lessee's obligation to restore the Leased Premises shall be limited to the amount of the insurance proceeds.

(b) If the Leased Premises are not repaired or rebuilt, all such proceeds shall be applied in a manner consistent with the terms of the Leasehold Mortgages.

(c) In the event that no Leasehold Mortgage is outstanding, all insurance proceeds received under the policies set forth in this Article 6 shall be paid to Lessee, provided that Lessee agrees that it shall apply such proceeds for reconstruction or repair of the Leased Premises unless such repair or reconstruction is not economically feasible.

(d) To the extent any of the above provisions are inconsistent with the provisions of any of the Loan Documents, the Loan Documents shall be controlling.

Section 6.4 Limitation of Liability.

(a) In addition to any other indemnities provided in this Lease, Lessee shall indemnify, protect, defend (with counsel reasonably acceptable to Lessor), and hold harmless the

Indemnitees from and against all Claims arising out of, attributable to or otherwise occasioned, in whole or in part, by any act or omission of Lessee, its agents, contractors, servants, employees, or invitees, arising from or relating to breach of Lessee's representations and warranties or the operation of the Leased Premises, except to the extent any such Claim arises from the active negligence or willful misconduct of Lessor or the Indemnitees.

(b) The provisions of this Section 6.4 shall survive the expiration or termination of this Lease for liability arising from events prior to the expiration or termination of this Ground Lease.

ARTICLE 7.
MAINTENANCE, ALTERATIONS, REPAIRS AND REPLACEMENTS

Section 7.1 Maintenance of Leased Premises; Landscaping.

During the Term, at Lessee's sole cost and expense, Lessee shall keep and maintain the Leased Premises, all Premises hereafter developed, and all appurtenances thereunto belonging, in good and safe order, condition and repair, free of debris, waste, and graffiti, in compliance with the terms of all applicable provisions of the City of Brisbane's Municipal Code, and in accordance with the standard of maintenance of high quality apartment projects within the San Mateo County region. To accomplish the maintenance, Lessee shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Lease. All such maintenance and repair shall conform to and comply with all Legal Requirements affecting the Leased Premises. Subject to maintenance provisions of any leaseback agreement or lease for the community room by the Lessor, Lessee agrees that Lessor shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Premises and the Leased Premises. Lessee hereby waives all rights to make repairs or to cause any work to be performed at the expense of Lessor as may be provided for in Section 1941 and 1942 of the California Civil Code, if applicable.

Section 7.2 Landscaping Maintenance.

(a) Lessee, at no expense to the Lessor, shall maintain in healthful, attractive and reasonably weed-free manner all the landscaped areas related to the Leased Premises. "Landscaped areas" as used in this Lease shall mean plantings and irrigation systems which have been installed, or are proposed to be installed, pursuant to the Lessor-approved landscaped plan for the Premises including those in public rights-of-way. All plantings shall be maintained using generally accepted methods of cultivation to ensure reasonably normal, healthy plant growth. Maintenance shall include replacement of plantings, when necessary, and all ordinary and usual care, including, but not limited to, irrigation, fertilization, pest and disease control, weeding, rotation of plantings and the removal of trimmings, rubbish, debris, and other solid waste. Lessee shall, at no expense to the Lessor, install, maintain, repair, and replace, where necessary, such irrigation systems as are required to provide adequate irrigation in compliance with water conservation practices.

(b) If, in the reasonable judgment of the Lessor, Lessee has failed to maintain properly any landscaping as required by this Lease, the Lessor may perform such maintenance, at its option, after thirty (30) days' prior written notice to Lessee of such failure to maintain. In such event, the Lessor's performance of such maintenance shall be at the Lessee's sole expense and Lessee, upon demand by the Lessor, shall pay to the Lessor all reasonable expenses incurred by the Lessor in the performance of such maintenance.

(c) If any maintenance, repair, or replacement of landscaping needs immediate correction as a result of a public safety or health hazard, as reasonably determined by the Lessor, and such maintenance is not performed, or cannot be performed, by Lessee within twenty-four (24) hours of receipt of such notice thereof, the Lessor may perform or cause to be performed such maintenance at Lessee's expense, and Lessee, upon demand by the Lessor, shall pay to the Lessor all reasonable expenses incurred by the Lessor in the performance of such maintenance.

Section 7.3 Alterations to Leased Premises.

Lessee may make any additions, alterations or changes (sometimes collectively referred to herein as "Alterations") in or to the Leased Premises without the prior written approval of Lessor subject to the following conditions:

(a) No Alterations shall be made that would tend to impair the structural soundness of the Leased Premises;

(b) No Alterations shall be undertaken that are prohibited by, or would cause the Leased Premises, the Premises, Lessee, or Lessor to be in breach or violation of any Legal Requirements;

(c) No Alterations shall be undertaken until Lessee shall have procured, to the extent the same may be required from time to time, all permits and authorizations of all applicable Governmental Authorities, all required consents of any Lender, and the written consent of Lessor;

(d) Any Alterations shall be performed in good, skillful and professional manner and in compliance with all applicable Legal Requirements and all applicable Insurance Requirements;

(e) Any and all Alterations shall be consistent with the use of the Leased Premises as authorized under this Lease; and

(f) Any Alteration that (i) will exceed the sum of Fifty Thousand Dollars ($50,000) in cost, with said cost subject to CPI inflationary increases, and either was not included in the annual budget approved by the Lessor or exceeds the cost allocated in the approved annual budget by twenty percent (20%) or more shall require Lessor's advance written consent. In the event the Lessor fails to approve or disapprove any such Alteration within thirty (30) days of receipt of written request from Lessee, such Alteration shall be deemed approved. Any Alteration made pursuant to an emergency shall not require the Lessor's prior consent, but

Lessee shall inform Lessor of such work and costs in writing within thirty (30) days of commencing such work.

Section 7.4 Indemnifications.

Notwithstanding any other provision of this Lease to the contrary, and in addition to any other indemnities provided in this Lease, to the fullest extent permitted by law, Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Lessor) the Indemnitees from and against any and all Claims, arising from or relating to Lessee's obligations under this Lease or the construction or operation of the Leased Premises or any Alterations except to the extent any such Claim arises from the active negligence or willful misconduct of the Indemnitees. In addition, if any contractor or subcontractor which performed any construction work for Lessee or Lessee's affiliates on the Leased Premises or Alterations shall assert any claim against Lessor on account of any damage alleged to have been caused by reason of acts of negligence of Lessee or Lessee's affiliates, members, partners, officers, directors, affiliates, agents, employees or construction contractors, Lessee shall defend at its own expense any suit based upon such Claim; and if any judgment or Claim against Lessor shall be allowed, Lessee shall pay or cause to be paid or satisfied such judgment of claim and pay all costs and expenses in connection therewith. The provisions of this Section shall survive the expiration or termination of this Lease.

Section 7.5 Capital Replacement Reserve Account.

Lessee shall establish and maintain a capital reserve account at all times during the Term ("Capital Reserve Account"). The funds to be placed and maintained in the Capital Reserve Account shall be not less than Twenty Thousand Dollars ($20,000) in any individual fiscal year, nor less than Fifty Thousand Dollars ($50,000) when averaged over three fiscal years. The funds in the Capital Reserve Account shall be expended only for capital repairs and replacements to the fixtures and equipment with a long useful life and which are normally capitalized under generally accepted accounting principles. Capital repairs to and replacement shall include, without limitation, the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing and gutter repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. The non-availability of funds in the Capital Reserve Account does not in any manner relieve or lessen Lessee's obligation to undertake any and all necessary capital repairs or replacements and to continue to maintain the Leased Premises in the manner prescribed herein. Not less than once per year, Lessee shall submit to Lessor an accounting for the Capital Reserve Account.

Section 7.6 Operating Reserve Account.

Lessee shall establish an operating reserve account (the "Operating Reserve Account"). The funds to be placed and maintained in the Operating Reserve Account shall be not less than

three (3) months of operating costs, as shown in the most recent accounting budget. The Operating Reserve Account shall be used to cover shortfalls between annual revenue and actual operating expenses, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Reserve Account. As per Section 4.4, and not less than once per year, Lessee shall submit to Lessor an accounting for the Operating Reserve Account.

Section 7.7 Reserve Accounts Upon Termination

Upon termination of this Lease, the Lessee shall pay to Lessor all funds remaining in any reserve accounts relating to the Leased Premises; all outstanding security deposits; and all advance payments of rent for periods beyond the end of the Term.

ARTICLE 8.
MORTGAGE LOANS

Section 8.1 Liens and Encumbrances Against the Leasehold Estate.

The Lessee shall have the right to encumber the Leasehold Estate and the Premises with leasehold deeds of trust, mortgages, and regulatory and affordability agreements related to the Approved Loans and all amendments, modifications and/or supplements thereof entered into from time to time, in each instance only with Lessor's consent (collectively, "Liens") provided that all documents evidencing such Liens are consistent with the terms and conditions of this Lease.

(a) For as long as there is any Lien securing any Approved Loan:

(1) Lessor shall not agree to any mutual termination or accept any surrender of this Lease, nor shall Lessor consent to any material amendment or modification of this Lease without the prior written consent of the Lenders that have outstanding Approved Loans, if and to the extent required by any such Lenders. In the event that Lessor receives competing or conflicting offers to cure any default under this Lease, Lessor shall accept the offers to cure in the following order: first, Lessee then each Lender in the same relative priority as their respective Liens.

(2) Notwithstanding any default by Lessee under this Lease, Lessor shall have no right to terminate this Lease unless Lessor shall have given the Lenders that have outstanding Approved Loans written notice of such default and such Lenders shall have failed to remedy such default or acquire the Leasehold Estate or commence foreclosure or other appropriate proceedings as set forth in, and within the time specified by, this Section 8.1.

(3) Any Lender that has an outstanding Approved Loan shall have the right, but not the obligation, at any time to pay any or all of the Rent due pursuant to the terms of this Lease, and do any other act or thing required of Lessee by the terms of this Lease, to prevent termination of this Lease. Each Lender shall have sixty (60) days after receipt of notice from Lessor describing such default to cure the default, which notice shall include, with respect to any monetary default, a detailed statement identifying the amounts due and the obligations to which amounts relate and with respect to any non-monetary default, a detailed statement identifying the

obligations breached and the cure expected by Lessor; provided, however, that if the default is not susceptible to cure within such period, the Lender shall have such longer period, not to exceed an additional ninety (90) days, as may be necessary to cure the default, so long as such Lender is diligently prosecuting such cure to completion (the "Initial Cure Period"). All payments so made and all things so done shall be as effective to prevent a termination of this Lease as the same would have been if made and performed by Lessee instead of by the Lender(s).

(4) Lessor shall provide estoppel certificates reasonably requested by Lenders which estoppel certificates shall be approved as to form by Lessor.

(5) If the Lenders are prohibited, stayed or enjoined by any bankruptcy or insolvency proceeding of any court, including without limitation a court having jurisdiction over Lessee in such proceeding, from commencing or prosecuting foreclosure proceedings or otherwise effecting any remedy of a Lessee default in accordance with the terms of Section 8.1(a)(3) above, the times specified for commencing or prosecuting such foreclosure or other proceedings or effecting any such remedy shall be extended for the period of such prohibition; provided that any Lender shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease, including without limitation any monetary obligations to third parties which have become, or threaten to become, liens against the Leased Premises or any portion thereof, and shall continue to pay currently such monetary obligations when the same fall due; provided, further, that, subject to subsection (1) of this Section 8.1(a), such Lender shall not interfere with Lessor's efforts to seek compliance by Lessee with any non-monetary obligation under this Lease.

(6) Lessor shall mail or deliver to any Lenders that have any outstanding Approved Loans a duplicate copy of any notice of default which Lessor may deliver to Lessee pursuant to this Lease, provided, the Lessor shall have no liability to such Lenders for its failure to do so. Lessee shall deliver to Lessor the name and contact information for all Lenders that have outstanding Approved Loans, including successors in interest to Approved Loans.

(7) The foreclosure of an Approved Loan, any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the leasehold mortgage securing the Approved Loan, or any conveyance of the Leasehold Estate created hereby from Lessee to a Lender through or in lieu of foreclosure (a "Foreclosure Event"), shall not require the consent of Lessor or constitute a breach of any provision of this Lease. In the event any Lender or its Nominee (as defined herein) becomes Lessee under this Lease by such means or pursuant to any new lease obtained under paragraph (9) of this Section 8.1(a) below, Lessor shall recognize the Lender or its Nominee as Lessee hereunder or under such new lease and the Lender shall be liable under this Lease or such new lease only for the period of time that the Lender or its Nominee remains Lessee thereunder, provided that the Lender or its Nominee attorns to Lessor and agrees to be subject to the restrictions of this Lease, and provided further, that the liability of any Lender in connection therewith shall be limited to such Lender’s interest in the Leased Premises. If a Lender or its Nominee becomes the lessee under this Lease or any such new lease, any assignment or sublease of this Lease or such new lease, shall require the prior written consent of the Lessor. Nothing in this Section shall be construed to obligate any

Lender to remedy any default of Lessee, and any failure of any Lender to complete any such cure after commencing the same shall not give rise to any liability of any Lender to Lessor or Lessee.

(8) In the event (A) a Lender becomes the legal owner of the Leasehold Estate, (B) Lessor terminates this Lease by reason of any Event of Default (as defined herein) or if (C) this Lease shall otherwise terminate, then, upon written request by Lender given within sixty (60) days after such transfer or receipt of notice of such termination of the Leasehold Estate, Lessor shall execute and deliver a new lease of the Leased Premises to such Lender (the "Nominee"), provided that, if such Nominee is not wholly owned by one or more Lenders, such Nominee is approved by Lessor in its reasonable discretion. Such new lease shall be substantially in the same form as this Lease, shall have a term equal to the remainder of the Term with the same agreements, covenants, reversionary interests and conditions (except for any requirements which have been fulfilled by Lessee prior to termination) as are contained in this Lease and with priority equal to this Lease with respect to encumbrances of Lessor's interest in the Land or the Leased Premises or encumbrances of Lessee's interest in the Leased Premises permitted or caused by Lessor, together with any provisions legally required in the event the Nominee is a governmental entity; provided, however, that any defaults by Lessee susceptible to cure by the Lender have been cured or reasonable assurance has been provided to Lessor that such defaults shall be cured. Upon execution and delivery of such new lease by Lessor and the Nominee, the Nominee shall have acquired all the right, title and interest of Lessee under this Lease prior to its termination. Lessor shall cooperate in taking such action as shall be necessary to cancel and discharge this Lease and to remove Lessee from the Leased Premises.

(9) If a Lender subsequently transfers its interest under this Lease after acquiring such interest by foreclosure or deed in lieu of foreclosure which transfer has been approved by Lessor in writing and, in connection with any such transfer, the Lender takes a mortgage or deed of trust encumbering such leasehold interest to secure all or any portion of the purchase price given to the Lender for such transfer, then such mortgage or deed of trust shall be considered an Approved Loan hereunder so long as such mortgage or deed of trust is substantially in the form previously executed for the benefit of such Lender in connection with its Approved Loan or if Lessor has otherwise been provided an opportunity to review and approve the documents evidencing and securing such mortgage or deed of trust and the obligations secured thereby, and the Lender shall be entitled to receive the benefit of and to enforce the provisions of this Lease or the new lease approved pursuant to paragraph (9) of this Section 8.1(a).

(10) Unless the Lenders otherwise consent in writing, Lessor and Lessee each hereby waives, and agrees not to assert or otherwise take the benefit of, that portion of Section 365(d)4, or any other applicable provisions, of the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), which provides for the deemed rejection of a lease in certain circumstances, so long as the trustee is paying the rent due under the Lease and performs, or causes the performance of, the uses of the Leased Premises pursuant to this Lease.

(11) Lessor may not encumber or consent to the recordation of any liens against Lessor’s Estate, without in each instance obtaining the prior written consent of the Lenders.

(b) Any Leasehold Mortgage shall be subject to the provisions of this Lease and all rights of Lessor under this Lease. Notwithstanding any contrary provision of this Lease, in no event may any mortgage or other security instrument, including without limitation any Leasehold Mortgage, be recorded against Lessor's fee interest in the Land or reversionary interest in the Leased Premises without Lessor's prior written consent, which Lessor may grant or withhold in the exercise of Lessor's sole discretion.

Section 8.2 Cost of Approved Loans to be Paid by Lessee.

Lessee affirms that it shall bear all of the costs and expenses in connection with (a) the preparation and securing of the Approved Loans, (b) the delivery of any instruments and documents and their filing and recording, if required, and (c) all taxes and charges payable in connection with the Approved Loans.

Section 8.3 Proceeds of Approved Loans.

It is expressly understood and agreed that all Approved Loan proceeds shall be paid to and become the property of Lessee, and that Lessor shall have no right to receive any such Approved Loan proceeds.

Section 8.4 Notice and Right to Cure Defaults Under Approved Loans.

Upon the recording of a memorandum of this Lease, Lessor may record in the Official Records of the County of San Mateo a request for notice of any default under each Approved Loan. In the event of default by Lessee under an Approved Loan, Lessee or Lessor shall have the right, but not the obligation, to cure the default in accordance with the Loan Documents. Any payments made by Lessor to cure a default shall be paid by Lessee within thirty (30) days of the date on which the payment was made by Lessor.

ARTICLE 9.
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Representations, Warranties and Covenants of Lessor.

As an inducement to Lessee to enter into and proceed under this Lease, Lessor warrants and represents to Lessee as follows, which warranties, representations and covenants are true and correct as of the date of this Lease, to the actual knowledge of Lessor:

(a) Lessor has the right, power and authority to enter into this Lease and to lease the Leased Premises to Lessee in accordance with the terms, provisions and conditions contained in this Lease, and, following the recordation of the termination of the ground lease with Bridge Housing, Inc., no other party has any right or option to lease the Leased Premises;

(b) Lessor has received no written notice and has no actual knowledge of any litigation or action, pending or threatened, materially and adversely affecting the Leased Premises;

(c) Lessor has received no written notice and has no actual knowledge of any pending or threatened Taking relating to all or any part of the Leased Premises;

(d) the entry by Lessor into this Lease with Lessee and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreement relating to the Leased Premises to which Lessor is a party or by which it is bound;

(e) except as disclosed to Lessee or as is apparent from Lessee's inspection, there is no tenant, lessee or other occupant of the Leased Premises having any right or claim to possession or use of the Leased Premises;

(f) there are no unpaid special assessments of which Lessor has received notice for sewer, sidewalk, water, paving, gas, electrical or utility Premises or other capital expenditures affecting the Leased Premises;

(g) Lessor has received no written notice and has no actual knowledge of any violations of any Legal Requirements affecting any portion of the Leased Premises that materially affect the development of the Premises;

(h) there is no lien encumbering Lessor's Estate that is senior in priority to the Lessee's Estate in the Leased Premises conveyed to Lessee pursuant to the terms of this Lease; and

(i) Lessor makes no representation or warranty with respect to the condition of the Leased Premises or its fitness or availability for any particular use, and Lessor shall not be liable for any latent or patent defect therein.

Section 9.2 Representations, Warranties and Covenants of Lessee.

As an inducement to Lessor to enter into and to proceed under this Lease, Lessee warrants and represents to Lessor as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

(a) Authority. Lessee has the right, power and authority to enter into this Lease and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Lease;

(b) No Breach of Obligations. The entry by Lessee into this Lease and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which Lessee is a party or by which it is bound;

(c) Litigation. Lessee has received no written notice and has no actual knowledge of any litigation or action, pending or threatened, materially and adversely affecting Lessee's ability to carry out its obligations hereunder; and

(d) Bankruptcy. Lessee is not the subject of a pending or to its knowledge, threatened bankruptcy proceeding.

Section 9.3 Hazardous Materials.

Lessee (i) shall not cause or permit any Hazardous Materials to be placed, held, located or disposed of on, under or at the Leased Premises or any part thereof, except in commercially reasonable amounts used in the construction and operation of the Leased Premises and in accordance with Legal Requirements, or as may be authorized by an environmental agency of applicable jurisdiction (e.g., San Francisco Regional Water Quality Control Board), and (ii) shall not cause or permit any Hazardous Materials contamination of the Leased Premises or any part thereof, except as may be authorized by an environmental agency of applicable jurisdiction (e.g., San Francisco Regional Water Quality Control Board.)

Lessee shall take commercially reasonable action to prevent the release of any Hazardous Materials into the environment from the Leased Premises. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Lessee shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the standards generally applied by apartment complexes in the County of San Mateo, California, as respects the disclosure, storage, use, removal, and disposal of Hazardous Materials.

Notwithstanding the obligation of Lessee to indemnify Lessor, and its respective officers, officials, members, employees, agents, and representatives pursuant to this section, and provided no Hazardous Materials came to be located on the Leased Premises during Lessor's ownership prior to the Effective Date or as a result of Lessor's action, Lessee shall, at its sole cost and expense, promptly take (i) all actions required by any federal, state, regional, or local governmental agency or political subdivision or any Governmental Requirements and (ii) all actions necessary to make full economic use of the Leased Premises for the purposes contemplated by the Regulatory Agreement and this Lease, which requirements or necessity arise from the presence upon, about, or beneath the Leased Premises, of any Hazardous Materials. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Leased Premises, the preparation of any feasibility studies or reports, and the performance of any cleanup, remedial, removal, or restoration work.

In the event of a release of any Hazardous Materials into the environment other than those authorized by an environmental agency of applicable jurisdiction, Lessee shall, as soon as possible after it becomes aware of the release, furnish to the Lessor a copy of any and all final reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of the Lessor, Lessee shall furnish to the Lessor a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Leased Premises including, but not limited to, all permit applications, permits, and reports, including, without limitation, those final reports and other matters which may be characterized as confidential, excepting those which are characterized as attorney work product or privileged.

Section 9.4 Hazardous Materials Indemnification.

From and after the Commencement Date, Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Lessor) the Indemnitees from and against any and all Claims arising directly or indirectly, in whole or in part, out of (i) any activity by Lessee, its affiliates or its agents or contractors carried on or undertaken on or off the Leased Premises in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present in, on, under or about the Leased Premises; or (ii) the failure of Lessee to comply with any Environmental Laws relating to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation, or disposal of Hazardous Materials into, on, under or from the Leased Premises, except to the extent any such Claim arises from the active negligence or willful misconduct of the Indemnitees. Provided, under no condition shall Lessee have any obligation under this Section 9.4 for Claims arising from or related to negligent or intentional actions of the Lessor or the presences of Hazardous Materials first arising at the Leased Premises during Lessor's ownership and prior to the Effective Date. The provisions of this Section shall survive the expiration or termination of this Lease.

Section 9.5 Prevailing Wage Requirements.

(a) To the extent applicable, the Lessee shall and shall cause its contractors and subcontractors to pay prevailing wages in the construction of the Premises as those wages are determined pursuant to Labor Code Sections 1720 et seq., and the implementing regulations of the Department of Industrial Relations (the "DIR"), to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the DIR and comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., 1810-1815 and implementing regulations of the DIR.

(b) All calls for bids, bidding materials and the construction contract documents for the construction of the Premises must specify that:

(1) No contractor or subcontractor may be listed on a bid proposal nor be awarded a contract for the construction of the Premises unless registered with the DIR pursuant to Labor Code Section 1725.5.

(2) The Leased Premises are subject to compliance monitoring and enforcement by the DIR.

(c) The Lessee, as the "awarding body", shall register the Leased Premises as required by Labor Code Section 1773.3 as set forth in the DIR's online form PWC-100 within two (2) days after entering into any construction contract and provide evidence of such registration to the Lessor within two (2) days of such registration and any additional registration reporting to the DIR.

(d) In accordance with Labor Code Sections 1725.5 and 1771.1, Lessee shall require that its contractors and subcontractors be registered with the DIR, and maintain such registration as required by the DIR.

(e) Pursuant to Labor Code Section 1771.4, any construction on the Leased Premises is subject to compliance monitoring and enforcement by the DIR. The Lessee shall and shall require its contractors and subcontractors to submit payroll and other records electronically to the DIR pursuant to Labor Code Sections 1771.4 and 1776 et seq., or in such other format as required by the DIR.

(f) The Lessee shall, and shall cause its contractors and subcontractors to, keep and retain such records as are necessary to determine if prevailing wages have been paid as required pursuant to Labor Code Sections 1720 et seq., and that apprentices have been employed as required by Labor Code Section 1777.5 et seq., and shall, from time to time upon the request of the Lessor provide to the Lessor such records and other documentation reasonably requested by the Lessor.

(g) The Lessee shall, and shall cause its respective contractors and subcontractors to, comply with all other applicable provisions of Labor Code, including without limitation, Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., 1810-1815 and implementing regulations of the DIR in connection with any construction on the Leased Premises or any other work undertaken or in connection with the Land or the Leased Premises.

(h) Copies of the currently applicable current per diem prevailing wages are available from the DIR website, www.dir.ca.gov. The Lessee shall cause its respective contractors to post the applicable prevailing rates of per diem wages at the Leased Premises and to post job site notices, in compliance with Title 8 California Code of Regulations 16451(d) or as otherwise as required by the DIR.

Section 9.6 Compliance with Laws.

Lessee shall operate the Leased Premises in conformity with all applicable federal, state and local laws, rules, ordinances and regulations (**"Applicable Laws"**), including without limitation, all applicable federal and state labor laws and standards, the City of Brisbane's zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City of Brisbane's Municipal Code, and all applicable disabled and handicapped access requirements. To the greatest extent allowed by law, Lessee shall indemnify, defend (with counsel approved by Lessor) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Lessee's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. This Section shall survive the expiration or termination of this Lease.

Section 9.7 Affordability and Use Restrictions.

Lessee hereby covenants and agrees that the Leased Premises shall be used solely for the operation of a senior multifamily rental housing development in compliance with the requirements set forth in that certain Regulatory Agreement recorded against the Property.

Section 9.8 Non-Discrimination; Compliance with Fair Housing Laws.

Lessee shall not restrict the rental, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Leased Premises, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Lessee covenants for itself and all persons claiming under or through it, and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Leased Premises or part thereof, nor shall Lessee or any person claiming under or through Lessee 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, of, or for the Leased Premises or part thereof. Lessee shall include such provision in all leases and rental agreements affecting the Leased Premises or part thereof, and shall enforce the same diligently and in good faith.

Section 9.9 Fair Housing.

Lessee shall comply with state and federal fair housing laws in the marketing and rental of the units in the Leased Premises. Lessee shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing Section 8 program or any successor thereto.

Section 9.10 Management Entity.

In recognition of Lessor's significant financial contribution to the Leased Premises, Lessor shall have the right to review and approve any placement and replacement of the management entity proposed by Lessee for the Leased Premises, and shall have the right to review and approve any agreement executed between Lessee and the management entity, which approval of agreement shall not be unreasonably withheld. The contracting of management services to a management entity shall not relieve Lessee of its primary responsibility for proper performance of management duties. Upon Lessor’s determination and delivery of written notice to Lessee that Lessee has failed to operate the Leased Premises in accordance with this Lease, Lessor may, subject to any applicable cure period, require Lessee to contract with a qualified management agent selected by Lessor subject to approval of the Lenders, if required, to operate the Leased Premises, or to make such other arrangements as Lessor deems necessary to ensure performance of the required functions.

Section 9.11 Subleases.

All subleases made by Lessee to residents of the individual residential units in the Leased Premises (“Resident Subleases”) shall be subject to the following provisions and restrictions: Each Resident Sublease shall contain a provision, satisfactory to Lessor, requiring the Subtenant to attorn to Lessor upon (a) an Event of Default by Lessee under this Lease, and (b) receipt by such Subtenant of written notice of such Event of Default and instructions to make such

Subtenant's rental payments to Lessor. On any termination of this Lease prior to the expiration of the Term, all of Lessee's interest as sublessor under any and all existing valid and enforceable Resident Subleases for which Lessor has issued a non-disturbance agreement shall be deemed automatically assigned, transferred, and conveyed to Lessor and subtenants under such Resident Subleases shall be deemed to have attorned to Lessor. Lessor shall thereafter be bound on such Resident Subleases to the same extent Lessee, as sublessor, was bound thereunder and Lessor shall have all the rights under such Resident Subleases that Lessee, as sublessor, had under such Resident Subleases; provided, however, that any amendments to any such Resident Sublease made after the issuance of a non-disturbance agreement to a subtenant shall not be binding on Lessor. Each Resident Sublease shall expressly provide that it is subject to each and all of the covenants, conditions, restrictions, and provisions of this Lease.

ARTICLE 10.
EMINENT DOMAIN

Section 10.1 Termination of Lease.

Lessor and Lessee agree that, in the event of a Taking such that Lessee reasonably determines that the Leased Premises cannot continue to be operated, at reasonable cost, for its then-current use, then, subject to the rights of Lenders, this Lease shall, at Lessee's sole option, terminate as of the date of the Taking.

Section 10.2 Continuation of Lease and Presumption of Restoration.

Lessor and Lessee agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to Section 10.1 above, this Lease shall continue in effect as to the remainder of the Leased Premises, and the Net Condemnation Award will be disbursed in accordance with Section 10.4 below to Lessor and Lessee and/or any Lender, if the terms of the applicable Leasehold Mortgage so require, and shall be used so as to make the same a complete, unified and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking, subject to any applicable requirements of the Lender.

Section 10.3 Temporary Taking.

If there shall be a temporary Taking with respect to all or any part of the Leased Premises or of Lessee's interest in this Lease, then the Term shall not be reduced and Lessee shall continue to pay in full all Rents, Impositions and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Lessee shall not be required to perform such obligations that Lessee is prevented from performing by reason of such temporary Taking.

Section 10.4 Apportionment of Award.

If there is a Taking, whether whole or partial, Lessor and Lessee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration Lessor's fee interest in the Land (as encumbered by this Lease) and

reversionary interest in the Leased Premises upon the expiration of the Term or termination of this Lease and, with respect to Lessee's portion, the rights of Lenders under their respective Loan Documents. If the Leased Premises are restored as in contemplated in Section 10.2 above, Lessee shall be entitled to recover the costs and expenses reasonably incurred in such restoration out of any Net Condemnation Award payable to Lessee. Thereafter, if the condemning authority does not make separate awards, the Parties agree that any Net Condemnation Award will be allocated as follows on a proportionate basis reflecting the Parties' respective interests in the Land and the Leased Premises and the remaining duration of the Term as follows:

(a) Award on Total or Substantial Taking. In the event of a total or substantial taking, the award shall be apportioned as follows, in the following order:

(1) To the Lenders in an amount equal to the amounts owing on the Leasehold Mortgages.

(2) To Lessor that portion of the award equal to the fair market value of the Land. Any "bonus value" attributable to this Lease shall be paid to Lessor.

(3) To Lessee, that portion of the award equal to the fair market value of the Leased Premises (subject to Lessor's reversionary interest), less the amount paid to the Lenders pursuant to (a) above.

(4) The balance, if any, shall be allocated between Lessor and Lessee respectively in that proportion in which (i) the fair market value of the Land bears to (ii) the fair market value of the Leased Premises, exclusive of Lessor's reversionary interest.

(b) Award on Partial Taking. In the event of a partial taking, after application of the Award for restoration, any remaining portion of such award shall be apportioned as follows, in the following order:

(1) To the Lenders in an amount equal to the amounts owing on the Leasehold Mortgages.

(2) To Lessor, that portion of the award attributable to the fair market value of the portion of the Land taken.

(3) To Lessee, that portion of the award equal to the fair market value of the portion of the Leased Premises taken (subject to Lessor's reversionary interest), less the amount paid to the Lenders pursuant to (a) above, but only to the extent that the proceeds of the award are not used for restoration of the Leased Premises.

(4) The balance, if any, shall be allocated between Lessor and Lessee respectively in that proportion in which (i) the fair market value of the Land bears to (ii) the fair market value of the Leased Premises exclusive of the reversionary interest of Lessor. Any "bonus value" attributable to this Lease shall be paid to Lessor.

(5) Any severance damages awarded or payable because only a portion of the Land and Leased Premises are taken by eminent domain shall be equally divided

between Lessee and Lessor except to the extent needed to replace any Premises taken by eminent domain with equivalent Premises on the remainder of the Land).

Section 10.5 Joinder.

If a Leasehold Mortgage exists, the Lenders, to the extent permitted by law, shall be made a party to any Taking proceeding.

Section 10.6 Reservation of Rights.

Notwithstanding any provisions in this Lease to the contrary, nothing herein does or shall be construed to limit or require Lessor or the City of Brisbane to exercise its ability to condemn any property, including the Leased Premises, in accordance with applicable law. Nothing in this Lease does or shall be construed as requiring Lessor or the City of Brisbane to pay to Lessee, any Lender, or any other third party with an interest in the Leased Premises, any amount of money, as compensation for alleged condemnation or otherwise, if Lessor or the City Brisbane (or their successors) seeks to enforce any of the rights and obligations under this Lease and any executed attachments thereto. Except when Lessor or the City of Brisbane exercises its ability to condemn the Leased Premises by adoption of a resolution of necessity and pursuant to other provisions of applicable law, Lessor or the City of Brisbane shall not be a construed as pursuing or effectuating a Taking or acting as a "condemning authority" under this Lease.

ARTICLE 11.
DAMAGE OR DESTRUCTION

Section 11.1 Damage or Destruction to Leased Premises.

Lessee shall give prompt written notice to Lessor after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with the Leased Premises, the Premises or any portion thereof (hereinafter sometimes referred to as "Casualty"). Subject to Section 11.2 below, if during the Term the Leased Premises shall be damaged or destroyed by Casualty, Lessee shall repair or restore the Leased Premises, so long as Lessee and Lessor determine, that it is feasible to do so and in such event Lessee provides or causes to be provided sufficient additional funds which, when added to such insurance proceeds, will fully effect such repair or restoration. Upon the occurrence of any such Casualty, Lessee, promptly and with all due diligence, shall apply for and collect all applicable insurance proceeds recoverable with respect to such Casualty, for the benefit of the Lenders. In the event that Lessee and Lessor shall determine, subject to the rights of the Lenders, by notice to Lessor given within thirty (30) days after receipt by Lessee of any such insurance proceeds, that it is not economically practical to restore the Leased Premises to substantially the same condition in which they existed prior to the occurrence of such Casualty, then Lessee may terminate this Lease as of a date that is not fewer than thirty (30) days after the date of such notice. If Lessee terminates this Lease pursuant to this Section 11.1, Lessee shall surrender possession of the Leased Premises to Lessor immediately and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to the proceeds from Lessee's insurance upon the Leased Premises, subject to the prior rights of any Lender therein, as referenced in Section 11.3 below.

Section 11.2 Damage or Destruction Near End of Term.

If, during the last seven (7) years of the Term, the Premises shall be damaged by Casualty, then Lessee shall have the option, to be exercised within one hundred twenty (120) days after such Casualty:

(a) to repair or restore the Leased Premises as hereinabove provided in this Article 11; or

(b) subject to the rights of Lenders, to terminate this Lease by notice to Lessor, which termination shall be deemed to be effective as of the date of Casualty. If Lessee terminates this Lease pursuant to this Section 11.2, Lessee shall surrender possession of the Leased Premises to Lessor immediately and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to the proceeds from Lessee's insurance upon the Leased Premises, subject to the prior rights of any Lender therein, as referenced in Section 11.3 below.

Section 11.3 Distribution of Insurance Proceeds.

In the event that this Lease is terminated pursuant to Sections 11.1 or 11.2 hereof, the insurance proceeds received as the result of such Casualty shall be distributed as follows: (a) first, if Leasehold Mortgage(s) are in place, to the Lenders to the extent of any indebtedness then owed to such Lender in order of the Lien priority of the Leasehold Mortgages; (b) second, the balance, if any, of such insurance proceeds shall be paid to Lessee or, as applicable pursuant to Sections 11.1 and 11.2 above, assigned or paid over to Lessor.

Section 11.4 Insurance Requirements.

Nothing in this Article 11 does or shall be construed as permitting Lessee to maintain less than the minimum insurance requirements set forth in this Lease.

ARTICLE 12.
EVENTS OF DEFAULT

Section 12.1 Events of Default. Each of the following shall be an "Event of Default" by Lessee hereunder:

(a) failure by Lessee to pay any Rent when due if such failure shall continue for a period of thirty (30) days after notice thereof has been given by Lessor to Lessee;

(b) Lessee's default in the performance of any term, provision or covenant under this Lease (other than an obligation enumerated in this Section 12.1), and unless such provision specifies a shorter cure period for such default, the continuation of such default for thirty (30) days in the event of a monetary default or sixty (60) days in the event of a non-monetary default following the date upon which Lessor shall have given written notice of the default to Lessee, or if the non-monetary default cannot be cured within sixty (60) days, Lessee

shall not be in breach so long as Lessee is diligently undertaking to cure such breach and such breach is cured within one hundred twenty (120) days;

(c) Lessee's failure to maintain insurance on the Leased Premises as required hereunder, and the failure of Lessee to cure such default within thirty (30) days;

(d) Subject to Lessee's right to contest the following charges, Lessee's failure to pay taxes or assessments due on the Leased Premises or failure to pay any other charge that may result in a lien on the Leased Premises, and Lessee's failure to cure such default within thirty (30) days of delinquency;

(e) Lessee abandons, vacates, or otherwise surrenders the Leased Premises, or is dispossessed (other than dispossession as the result of a Taking subject to Section 10 hereof by process of law or otherwise);

(f) A Transfer occurs, either voluntarily or involuntarily, in violation of this Lease;

(g) The subjection of any right or interest of Lessee in this Lease to attachment, execution, or other levy, or to seizure under legal process, if not released within sixty (60) days;

(h) Lessee shall have voluntarily or involuntarily suspended its business for a period in excess of thirty (30) days for reasons other than Force Majeure, or Lessee shall have been dissolved or terminated;

(i) The appointment of a receiver, to take possession of Lessee's Estate or of Lessee's operations of the Leased Premises for any reason, if such receivership is not terminated, dismissed or vacated within ninety (90) days after the appointment of the receiver;

(j) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Lessee or any member thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Lessee or any member thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Lessee or any member thereof or for the Leased Premises; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(k) The filing against Lessee of any involuntary proceedings under such Bankruptcy Code or similar law, if such proceedings have not been vacated or stayed within ninety (90) days of filing;

(l) The appointment of a trustee or receiver for Lessee or for all or the major part of Lessee's property or the Leased Premises, in any involuntary proceeding, or the taking of jurisdiction by any court over all or the major part of Lessee's property or the Leased Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Lessee, if such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ninety (90) days; and

(m) Any of Lessee's representations or warranties contained in this Lease or in any financial statement, certificate or report submitted to Lessor in connection with this Lease proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to Lessor.

Section 12.2 Rights and Remedies.

At any time after the occurrence of an Event of Default hereunder, subject in all respects to the provisions of this Lease with respect to Lessor's rights to cure defaults by Lessee and with respect to the rights of any Lenders, Lessor may, in addition to any other rights and remedies available at law or in equity, terminate this Lease by giving Lessee written notice thereof (with a copy of such notice to the Lenders), setting forth in such notice an effective date for termination which is not less than thirty (30) days after the date of such notice, in which event this Lease and Lessee's Estate created hereby and all interest of Lessee and all parties claiming by, through or under Lessee shall automatically terminate upon the effective date for termination as set forth in such notice, with the same force and effect and to the same extent as if the effective date of such notice had been the date originally fixed in Article 2 hereof for the expiration of the Term.

(a) In such event, Lessor, its agents or representatives, shall have the right, without further demand or notice, to re-enter and take possession of the Leased Premises (including all buildings and other Premises comprising any part thereof) at any time from and after the effective termination date without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches of covenants; provided that Lessor shall not be entitled to disturb possession of any Tenants or others in possession pursuant to Resident Subleases with Lessee so long as such Tenant or others are not in default thereunder and attorn to Lessor as their lessor.

(b) Upon the exercise of Lessor's remedies pursuant to this Section 12.2, Lessee shall execute such releases, deeds and other instruments in recordable form as Lessor shall reasonably request in order to accurately set forth of record the then current status of Lessee's Estate and Lessee's rights hereunder.

(c) If Lessee shall have failed to cure a default by Lessee after expiration of the applicable time for cure of a particular default, Lessor, at its election, but without obligation therefor (i) may seek specific performance of any obligation of Lessee, after which Lessor shall retain, and may exercise and enforce, any and all rights that Lessor may have against Lessee as a result of such default, (ii) from time to time without releasing Lessee in whole or in part from the obligations to be performed by Lessee hereunder, may cure the default at Lessee's cost, (iii) may terminate this Lease, (iv) subject to the rights of Lenders, may have a receiver appointed to take possession of Lessee's interest in the Leasehold Estate with power in the receiver (a) to administer Lessee's interest in the Leasehold Estate, (b) to collect all funds available in connection with the operation of the Leased Premises, and (c) to perform all other acts consistent with Lessee's obligations under this Lease, as the court deems proper, and/or (v) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable cost incurred by Lessor in order to cure such a default by Lessee shall be due immediately from Lessee, together with interest, and may be offset against any amounts due from Lessor to Lessee.

(d) Remedies Cumulative. No remedy provided in this Section shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease may be exercised from time to time and as often as occasion may arise or as may be deemed expedient.

(e) No Election of Remedies. The rights given in this Section to receive, collect or sue for any rent or rents, moneys or payments, or to enforce the terms, provisions and conditions of this Lease, or to prevent the breach or nonobservance thereof, or the exercise of any such right or of any other right or remedy hereunder or otherwise granted or arising, shall not in any way affect or impair or toll the right or power of Lessor upon the conditions and subject to the provisions in this Lease to terminate Lessee's right of possession because of any default in or breach of any of the covenants, provisions or conditions of this Lease beyond the applicable cure period.

(f) Survival of Obligations. Nothing herein shall be deemed to affect the right of Lessor to indemnification for liability arising prior to the termination of the Lease for personal injuries or property damage or in connection with any other Claim, nor shall anything herein be deemed to affect the right of Lessor to equitable relief where such relief is appropriate. No expiration or termination of this Lease by operation of law or otherwise, and no repossession of the Leased Premises or any part thereof, shall relieve Lessee of any of its obligations to indemnify and defend the Indemnitees pursuant to the provisions of this Lease, and all such provisions, and all of Lessee's accrued liabilities and obligations hereunder, shall survive such expiration, termination or repossession for liability that arises from events prior to the termination of the Lease .

(g) No Waiver. No waiver by Lessor of any breach by Lessee of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be deemed a waiver by Lessor of its rights or remedies with respect to such breach.

Section 12.3 Default by Lessor.

(a) Events of Default. Lessor shall be in default of this Lease if it fails to perform any provision of this Lease that is obligated to perform or if any Lessor's representations or warranties is untrue or becomes untrue in any material respect, and if the failure to perform or the failure of such representation or warranty is not cured within sixty (60) days after written notice of the default has been given to Lessor. If the default cannot reasonably be cured within sixty (60) days, Lessor shall not be in default of this Lease if Lessor commences to cure the default within one hundred twenty (120) days and diligently and in good faith continues to cure the default until completion.

(b) Right to Cure; Lessee's Remedies. If Lessor shall have failed to cure a default by Lessor after expiration of the applicable time for cure of a particular default, Lessee, at its election, but without obligation therefor (i) may seek specific performance of any obligation of Lessor, after which Lessee shall retain, and may exercise and enforce, any and all rights that

Lessee may have against Lessor as a result of such default, (ii) from time to time without releasing Lessor in whole or in part from the obligation to be performed by Lessor hereunder, may cure the default at Lessor's cost provided that Lessor has been given thirty (30) days advance written notice of Lessee's election to do so and Lessor has not within such time notified Lessee that Lessor will cure the default, and/or (iii) may terminate this Lease.

Section 12.4 Notices.

Notices given by Lessor under Section 12.1 or by Lessee under Section 12.4 shall specify the alleged default and the applicable Lease provisions, and shall demand that Lessee or Lessor, as applicable, perform the appropriate provisions of this Lease within the applicable period of time for cure. No such notice shall be deemed a forfeiture or termination of this Lease unless expressly set forth in such notice.

ARTICLE 13.
GENERAL PROVISIONS

Section 13.1 Quiet Enjoyment.

Lessor covenants and warrants that Lessee, upon payment of all sums herein provided and upon performance and observance of all its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Leased Premises during the Term, subject only to the provisions of this Lease and all applicable Legal Requirements.

Section 13.2 Lessor's Right of Inspection.

Notwithstanding Section 13.1 above, Lessor, in person or through its agents, upon reasonable prior notice to Lessee, shall have the right, subject to the rights of Tenants, to enter upon the Leased Premises for purpose of reasonable inspections performed during reasonable business hours in order to assure compliance by Lessee with its obligations under this Lease, except in the event of an emergency or health and safety related matter, in which case no prior notice is required.

Section 13.3 Vacation Upon Termination.

Lessee covenants that upon any termination of this Lease, whether by lapse of time or because of any of the conditions or provisions contained herein, Lessee will peaceably and quietly yield and surrender possession of the Leased Premises to Lessor. The foregoing, however, will be subject to the rights of Tenants or others in possession pursuant to Resident Subleases with Lessee, provided that such Tenants are not in default thereunder and attorn to Lessor as their lessor. An action of forcible detainer shall lie if Lessee holds over after a demand for possession is made by Lessor.

Section 13.4 Non-Merger.

Except upon expiration of the Term or upon termination of this Lease, there shall be no merger of either this Lease or Lessee's Estate created hereunder with Lessor's fee interest in the Land or Lessee's fee interest in the Leased Premises by reason of the fact that the same person may acquire, own or hold, directly or indirectly, (a) this Lease, Lessee's Estate created hereunder or any interest in this Lease or the Leased Premises, and (b) a fee interest in the Land or the Leased Premises, unless and until Lessor and all persons, including any assignee of Lessor, having an interest in (i) this Lease or Lessee's Estate created hereunder, and (ii) the fee estate in the Leased Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

Section 13.5 Permitted Transfer by Lessee.

(a) Except as provided in this Section 13.5, Lessee shall have no right to Transfer, assign or sublease any legal or beneficial interest in Lessee's Estate hereunder without Lessor's prior written consent which shall not be unreasonably withheld. Notwithstanding the foregoing, by its execution of this Lease, Lessor is deemed to have consented to the following ("**Permitted Transfers**"):

(1) Approved Loans and Leasehold Mortgages; and

(2) a conveyance of the Lessee's Estate resulting from the foreclosure of a Leasehold Mortgage (or an assignment, new lease or deed-in-lieu of such a foreclosure) to a Lender;

(b) Upon the granting of any consent (deemed or otherwise) by Lessor with respect to a Transfer by Lessee, this Lease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective heirs, successors, assigns, legal representatives, Lenders, Tenants and other transferees.

Section 13.6 Consents.

Lessor agrees not to unreasonably withhold or delay its consent to matters requiring Lessor's consent hereunder unless the applicable provision of this Lease permits Lessor to exercise Lessor's sole discretion with respect to a particular matter.

Section 13.7 Enforced Delay; Extension of Times of Performance.

Time is of the essence in the performance of each of the Parties' respective obligations set forth in this Lease. Except as expressly set forth in this Section 13.7, performance by any Party hereunder shall not be deemed to be in default and such Party shall be entitled to an extension of time to perform its obligations hereunder where delays in performance are due to causes beyond the reasonable control and without the fault of such Party, including as applicable: war; acts of terrorism, insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God, acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; governmental restrictions or priority; litigation (including suits filed by third parties concerning or arising out of this Agreement), unusually severe weather; inability to secure necessary labor, materials or

tools; acts of the other Parties; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Lessor shall not excuse performance of the Lessor); or other causes beyond the control or without the fault of the Party claiming an extension of time to perform ("**Force Majeure**"). An extension of time for any cause permitted under this Section 13.7 shall be limited to the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within fifteen (15) days of knowledge of the commencement of the cause. If no written notice is sent within fifteen (15) days, for purposes of measuring the extension period for performance of the obligation in question, the period of the enforced delay shall commence to run from the date written notice is sent to the other Party. Times of performance under this Lease may be extended by mutual written agreement of the Parties.

Section 13.8 Interpretation.

The terms of this Lease shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Lease or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Lease.

Section 13.9 Entire Agreement: Modifications.

This Lease supersedes all prior discussions and agreements between the Parties with respect to the leasing of the Leased Premises. This Lease contains the sole and entire understanding between the parties with respect to the leasing of the Leased Premises. This Lease shall not be modified or amended in any respect, except by written instrument specifically referencing such modification or amendment which is executed by or on behalf of the Parties in the same manner as this Lease is executed and, to which each Lender has consented in writing (if required by the applicable Loan Documents).

Section 13.10 Governing Law.

This Lease, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of California without regard to conflict of law principles. Venue for any dispute hereunder shall be in the County of San Mateo, California.

Section 13.11 Binding Effect.

This Lease shall inure to the benefit of and be binding upon the Parties hereto, their successors, administrators, executors and permitted assigns.

Section 13.12 Severability.

In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part

hereof, except to the extent the rights and obligations of the parties have been materially altered by such unenforceability.

Section 13.13 Further Assurances.

From and after the date of this Lease, Lessor and Lessee, at the request of the other Party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either Party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 13.14 Authority to Execute Agreement.

Each Party represents and warrants to the other Party that by proper action the persons executing this Lease on behalf of such Party have been duly authorized to execute and deliver this Lease.

Section 13.15 Lease Administration and Approvals.

The Executive Director of Lessor, or his or her designee, shall be the person designated by Lessor to administer this Lease on behalf of Lessor. The Executive Director of Lessor shall have the authority to consent to any matter requiring Lessor approval or consent as provided in this Lease, and to perform and carry out any activities concerning this Lease, including but not limited to, the execution of any additional agreements, addenda or amendments so long as such actions do not substantially affect the rights and obligations of Lessor as specified herein.

Section 13.16 Captions.

All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof. All references to particular articles, sections, subsections, paragraphs and subparagraphs by number refer to the text of such items as so numbered in this Lease.

Section 13.17 Gender.

Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice-versa, unless the context requires otherwise.

Section 13.18 Exhibits.

Each and every exhibit referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and otherwise mentioned.

Section 13.19 References.

All references to paragraphs or subparagraphs shall be deemed to refer to the appropriate paragraph or subparagraph of this Lease. Unless otherwise specified in this Lease, the terms "herein," "hereof," "hereinafter," "hereunder" and other terms of like similar import, shall be deemed to refer to this Lease as a whole, and not to any particular paragraph or subparagraph hereof.

Section 13.20 Cumulative.

Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 13.21 Notices.

All notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by certified mail, return receipt requested; by reputable commercial delivery service; or by hand delivery by a reputable courier, to each Party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date shown on the delivery receipt as the date of delivery, the date delivery was refused or the date the item was returned as undeliverable. By giving prior written notice thereof, any Party, from time to time, may change its address for notices under this Lease.

To Lessor: Brisbane Housing Authority
25A Park Place
Brisbane, CA 94005
Attn: Jeremy Dennis, Executive Director

With copies to: City of Brisbane
50 Park Place
Brisbane, CA 94005
Attn: Community Development Director

To HEART-SV: HEART-SV
2905 S. El Camino Real
San Mateo, CA 94403
Attn: Executive Director

With copies to: c/o San Mateo County Counsel
500 County Center, 4th Floor
Redwood City, CA 94063

Section 13.22 Counterparts.

This Lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

Section 13.23 Time of Essence.

Time is and shall be of the essence in this Lease.

Section 13.24 No Third Party Beneficiaries.

Except as expressly set forth herein, nothing contained in this Lease is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

Section 13.25 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship.

Nothing in this Lease is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Lessee and Lessor is and shall remain solely that of a tenant and landlord, and shall not be construed as a joint venture, equity venture, partnership or any other relationship. Lessor neither undertakes nor assumes any responsibility or duty to Lessee (except as expressly provided in this Lease) or to any third party with respect to the Premises.

Section 13.26 No Personal Liability.

Notwithstanding anything contained in this Lease to the contrary, the obligations of Lessor under this Lease (including any actual or alleged breach or default by Lessor) do not constitute personal obligations of the individual officers or employees of Lessor, and Lessee shall not seek recourse against the individual officers or employees of Landlord, or against any of their personal assets for satisfaction of any liability with respect to this Lease.

Section 13.27 Expenditure of Authority Loan

As set forth in a Loan Agreement between Lessor and Lessee, Lessor is loaning to Lessee $390,250 from Lessor's Low and Moderate Income Housing Asset Fund. Lessee shall use these funds for capital repairs as identified in the Capital Reserve Plan, dated January 27, 2026 and prepared by Association Reserves, previously provided by Lessee to Lessor. Lessee shall expend such funds by no later than December 31, 2030.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Lease is made and entered into in multiple original counterparts on the day and year first above written.

LESSOR:

BRISBANE HOUSING AUTHORITY

By: _____
Jeremy Dennis, Executive Director

Attest:

_____
Ingrid Padilla, Authority Secretary

Approved as to Form:

_____
Michael Roush, Legal Counsel

LESSEE:

HEART-SV, a California Joint Powers Authority

By: _____
Armando F. Sanchez, Executive Director

EXHIBIT A

Legal Description of Leased Premises

EXHIBIT B

Form of Memorandum of Ground Lease

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

WHEN RECORDED RETURN TO:

__Brisbane Housing Authority_____
__25 Park Place_____
__Brisbane, CA 94005_____
_____
Attention: _Board Secretary_____

_____
(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

Exempt from filing fees: Government Code Section 6103

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (the "Memorandum") is entered into as of _____, 2026, by and between the Brisbane Housing Authority, a California public agency (the "Lessor") and HEART-SV, a California Joint Powers Authority (the "Lessee"), with respect to that certain Ground Lease dated _____, 2026 (the "Lease"), between the Lessor and the Lessee. All capitalized terms used in this Memorandum and not defined shall have the meaning set forth in the Lease.

1. Pursuant to the Lease, Lessor leases to Lessee and Lessee leases from Lessor that certain real property, more particularly described in Exhibit A, attached hereto and incorporated herein (the "Leased Premises"). The Lease shall commence on as set forth in the Commencement Date defined in the Lease and shall remain in effect for the fifty-five (55) year term of the Lease, unless sooner terminated pursuant to the terms and conditions of the Lease.

2. As more particularly set forth in the Lease and a recorded Regulatory Agreement, certain affordability and occupancy restrictions apply to the use of the Leased Premises.

3. This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

4. This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease, of which this is a Memorandum. In the event of any

inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall control.

5. This Memorandum may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts so executed shall together constitute but one and the same instrument.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be duly executed as of the date first above written.

LESSOR:

BRISBANE HOUSING AUTHORITY,
a California public agency

By: _____
Jeremy Dennis
Its: Executive Director

LESSEE:

HEART-SV,
a California Joint Powers Authority

By: _____

Its: _____

[SIGNATURES MUST BE NOTARIZED]

EXHIBIT C

Sublease Agreement (Community Room)

RECORDING REQUESTED BY AND WHEN RECORDED, MAIL TO:

Brisbane Housing Authority
25 Park Place, Brisbane, CA 94005
Attention: Board Secretary

Exempt from Recording fees pursuant to Section 27383 of the Government Code

(This Space for Recorder's Use Only)

APN: 007-221-180

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS FOR VISITACION GARDEN SENIOR APARTMENTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS FOR Visitacion Garden Senior Apartments ("Regulatory Agreement") is made and entered into as of _____ ___, 202_, by and among the Brisbane Housing Authority, a California public agency ("Authority"), and HEART-SV, a California Joint Powers Authority.

W I T N E S S E T H:

RECITALS

WHEREAS, on _____ ___, 202_, HEART-SV entered into a Ground Lease agreement with the Authority, to lease the property located at 2-8 Visitacion Avenue, in the City of Brisbane, California (the "Property") for the purpose of acquiring, rehabilitating, and operating a fourteen (14) unit residential senior apartment building (the “Project”);

WHEREAS, the Authority is providing a loan to HEART-SV, in the principal amount of Three Million Four Hundred Fifty Two Thousand Eight Hundred Fourteen Dollars ($3,452,814) (the “Loan”), pursuant to the Loan Agreement between Borrower and the Authority dated as of the date herewith (the "Loan Agreement");

WHEREAS, HEART-SV is utilizing the Loan to lease the Property and acquire and operate the Project, including the continued preservation of fourteen (14) housing Units to be made available at affordable rents to households between 30% of the Area Median Income (AMI) and 120% of AMI, including three (3) units at 30% of AMI, one (1) unit at 50% of AMI, six (6) at 60% of AMI, and four (4) at 120% of AMI (the “Authority Units”);

WHEREAS, due to the additional difficulty for those renting or working in the City of Brisbane (the “City”) in finding affordable, accessible, and appropriate senior housing, the Project

will give a preference qualifying households if the City has adopted an ordinance establishing affordable housing preference guidelines ("Guidelines");

WHEREAS, the expenditure of funds for the acquisition, rehabilitation, and operating costs for extremely-low to moderate-income housing is eligible under Authority's Low and Moderate Income Housing Fund ("Housing Fund)"and the Project is consistent with Authority's affordable housing goals;

WHEREAS, in consideration of the Authority making the Loan, as defined in Article 1, HEART-SV has agreed to observe and perform all of the terms and conditions set forth in this Regulatory Agreement, and in order to ensure that the Project will be used and operated in accordance with certain restrictions concerning affordability, operation, and maintenance during such period, the parties wish to enter into this Regulatory Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants and terms, conditions and provisions set forth in this Regulatory Agreement and for other valuable consideration, the parties agree as follows:

ARTICLE 1: DEFINITIONS

The following terms as used in this Regulatory Agreement shall have the respective meanings assigned to them in this Article 1 unless the context clearly indicates otherwise:

"Acquisition Date" means the date that HEART-SV acquires the Project.

"Affordability Restrictions" means the use, occupancy and rent restrictions set forth in Section 2.1 hereof.

"Affordable Rent" means rent that shall not exceed thirty percent (30%) of the Area Median Income, as determined in the California Health and Safety Code section 50053 or HOME rents published annually by San Mateo County Department of Housing.

"AMI" means the Area Median Income.

"Authority" means the Brisbane Housing Authority.

"Authority Unit" means any or all of the fourteen (14) apartment Units that are subject to the use, occupancy and rent restrictions of this Regulatory Agreement, for a household with gross income between 30% of the Area Median Income and 120% of the Area Median Income.

"City" means the City of Brisbane, California.

"County" means the County of San Mateo.

"Extremely Low-Income Household" means a household with gross income that does not exceed 30% of the Area Median Income.

"HEART" means the Housing Endowment and Regional Trust of San Mateo County.

"Loan" means the loan in the principal amount of $3,452,814 to be made by the Authority to HEART-SV pursuant to the Loan Agreement.

"Loan Agreement" means the Loan Agreement by and between the Authority and HEART-SV dated as of even date herewith.

"Low-Income Household" means a household with gross income that does not exceed 80% of the Area Median Income.

“Moderate Income Household” means a household with gross income that does not exceed 120% of the Area Median Income.

"Mortgagee" means a mortgagee of a mortgage, beneficiary of a deed of trust, or the secured party under any other financing device encumbering the Project.

"Party" means any party to this Regulatory Agreement. The "Parties" shall be all parties to this Regulatory Agreement.

“Project” means the acquisition, rehabilitation, and operation of the buildings, structures, and other improvements on the Property for the purpose of providing 14 rental housing units, which shall be offered for rent and occupied as provided in this Regulatory Agreement.

"Property" means the land, buildings, structures, and other improvements comprising the 14-unit rental apartment complex known as Visitacion Garden Apartments.

“Qualifying Household” means a household that intends to reside in an Affordable Unit and upon initial income certification, and each year thereafter (subject to the terms of this Regulatory Agreement) meets the income restrictions as set forth in Section 2.2 of this Regulatory Agreement for the applicable Affordable Unit, based on a household size appropriate for the Affordable Unit.

"Regulatory Agreement" means this "Regulatory Agreement and Declaration of Restrictive Covenants for Visitacion Garden Senior Apartments".

"Rent" means the sum total of all monthly payments to be made by the Tenant of a Unit for the following privileges: use and occupancy of the Unit and associated facilities, including parking; any separately charged fees or service charges assessed by HEART-SV which are required of all Tenants, other than security deposits; and the cost of an adequate level of service for utilities paid by the Tenant, as determined by the applicable utility allowance for the Units as set by the San Mateo County Department of Housing (“DOH”).

"Tenants" (individually, "Tenant") means the occupants of the Units.

"Term" means a term of 55 years from the Acquisition Date.

"Unit or Units" means one of the 14 rental apartment units in the Project.

"Very Low-Income Household" means a household with gross income that does not exceed

50% of the Area Median Income.

"60% AMI" means a household with gross income that does not exceed 60% of the Area Median Income.

ARTICLE 2: AFFORDABILITY COVENANTS

2.1 Use, Occupancy and Rent Restrictions.

The Project shall result in the operation and maintenance of 14 Units of multifamily rental housing, with all 14 Units subject to the affordability covenants of this Regulatory Agreement. At all times during the term of this Regulatory Agreement, unless subsequently revised in a written amendment approved by the Authority, all of the Units shall be made available to Extremely-Low to Moderate-Income Households as described herein.

2.2 Restriction of the Units: At all times during the term of this Regulatory Agreement:

a. As required by the Authority, at least three (3) Units shall be rented and occupied by, or if vacant, made available for rental and occupancy by Extremely-Low Income Households at a rent affordable to a household at 30% Area Median Income (AMI), as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

b. As required by the Authority, at least one (1) Unit shall be rented and occupied by, or if vacant, made available for rental and occupancy by a Very-Low Income Household at a rent affordable to a household at 50% Area Median Income (AMI), as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

c. As required by the Authority, at least six (6) Units shall be rented and occupied by, or if vacant, made available for rental and occupancy by households at a rent affordable to a household at 60% of the Area Median Income (AMI), as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

d. As required by the Authority, at, no more than four (4) Units shall be rented and occupied by, or if vacant, made available for rental and occupancy by Moderate-Income Households at a rent affordable to a household at 120% Area Median Income (AMI), as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

e. The maximum monthly Rent for fourteen (14) of the Units shall not exceed the limits set by the California Health and Safety Code 50053, as published annually, based on the unit type.

f. As required by the County of San Mateo, one (1) Unit shall be rented and occupied by, or if vacant, made available for rental and occupancy by a Very-Low Income

Household at a rent affordable to a household at 50% Area Median Income (AMI), but shall not exceed the Low HOME Rent, based on the unit type, published annually by San Mateo County DOH, and as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

g. As required by the County of San Mateo, four (4) Units shall be rented and occupied by, or if vacant, made available for rental and occupancy by Households at a rent that shall not exceed the High HOME Rent, based on the unit type, published annually by San Mateo County Department of Housing ("DOH"), and as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

h. As required by HEART, two (2) Units shall be rented and occupied by, or if vacant, made available for rental and occupancy by Extremely-Low Income Households at a rent affordable to a household at 30% Area Median Income (AMI) for San Mateo County), as published annually by both the California Department of Housing and Community Development ("HCD") and the Federal Department of Housing and Urban Development ("HUD"), and as certified according to Section 4.1 immediately prior to each Tenant's initial occupancy and annually thereafter.

2.3 Noncompliance

A failure by HEART-SV to maintain the rent affordability and occupancy restrictions required by this Regulatory Agreement will constitute a default of this Regulatory Agreement subject to the notice and cure provisions of Section 5. The Project will be deemed to be in compliance with the affordability covenants, notwithstanding a temporary noncompliance with the provisions of this Article, if the noncompliance arises as a result of an increase in the income of any Tenant and the next vacancy is then filled in accordance with this Regulatory Agreement.

2.4 Lease Provisions

HEART-SV shall include in the leases or rental agreements for all Units occupied by Extremely Low-, Very Low-, Low-, and Moderate-Income Households a provision which authorizes HEART-SV, as Lessor under its Ground Lease with the Authority, to immediately terminate the tenancy of any Tenant, after HEART-SV determines that one or more members of such Tenant's household has misrepresented any fact material to the Tenant's qualification for occupancy. Each lease or rental agreement shall provide that the Tenant is subject to the requirement for the execution of an annual income certification in accordance with Section 4.1 below, and that, if the Tenant's income increases above the applicable income limits, such Tenant's Rent may be increased.

ARTICLE 3: COVENANTS AND CONDITIONS

3.1 General

In consideration for receiving the Loan, HEART-SV will acquire, rehabilitate, and operate the Project with 14 units renting at rents affordable to households between Extremely Low- and

Moderate-Income.

3.2 Non-transient Residential Use

None of the Units shall be operated as transient housing; provided, however, the Units shall not be considered to be used on a transient basis merely because any of the Units are rented on a month-to-month basis or rented under a transitional housing program; provided, however every Tenant of a Restricted Unit shall initially occupy the Unit pursuant to a lease having a term of at least twelve months.

3.3 Insurance

HEART-SV, at its sole cost and expense, shall obtain and maintain during the term of this Regulatory Agreement, insurance with responsible companies authorized to engage in the offering of insurance services in California in such amounts and against such risks as shall be satisfactory to the Authority 's risk manager, including, without limitation, workers' compensation as required by law, employer's liability, commercial general liability, comprehensive automobile liability, personal injury and property damage insurance, as appropriate, as set forth in Exhibit "B", as appropriate, insuring against all liability of HEART-SV and its respective partners, directors, officers, employees, agents, and representatives arising out of or in connection with the Project, or HEART-SV's performance or non-performance under this Regulatory Agreement. Modifications of any insurance requirements set forth in Exhibit "B" shall be submitted, in writing, to the Authority for approval by the Authority's risk manager. Any such modification shall receive the concurrence of the Authority's legal counsel. HEART-SV shall name the Authority as an additional insured on all policies of insurance required under the terms of other financing.

3.4 Taxes and Assessments

HEART-SV shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property or the Project; provided, however, that HEART-SV shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event HEART-SV exercises its right to contest any tax, assessment, or charge against it, HEART-SV, on the final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

3.5 Costs of Operation and Maintenance

HEART-SV will be responsible for all costs of operating and maintaining the Project, including but not limited to taxes, insurance and utilities. HEART-SV shall maintain the Project in good repair and working order, ordinary wear and tear excepted, and in a manner consistent with the housing quality standards set forth in Federal, State, and all applicable City ordinances. HEART-SV shall:

i. Keep the Property and the Project in decent, safe, sanitary, tenantable condition and repair, and to permit no waste thereof, normal wear and tear excepted;

j. Not commit or suffer to be done or exist on or about the Property any condition causing the Property to become materially less valuable (normal depreciation and wear and tear excepted), and except in accordance with this Regulatory Agreement;

k. Not construct any buildings or improvements on the Property, other than the buildings and improvements contemplated; or add to, remove, demolish or structurally alter any buildings or improvements now or hereinafter located on the Property;

l. Comply with all applicable laws affecting the Property and the Project, and not suffer or permit any violations of any such applicable law, nor of any covenant, condition or initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without Authority's and the City's prior written consent; and

m. Not alter the use of all or any part of the Property without Authority's prior written consent.

3.6 Property Inspections

Authority, or its authorized representatives, shall have the right to make periodic on-site inspections of the Property, the Project and the Units during working hours upon reasonable notice to HEART-SV and notice and subject to the rights of Tenants under their respective leases.

3.7 Budgets

HEART-SV shall submit a budget and related financial materials as set forth in Section 4.4 of the Ground Lease between the Authority and HEART-SV.

3.8 Intentionally deleted.

3.9 Nondiscrimination

All of the Units shall be available for occupancy on a continuous basis to members of the general public in accordance with the affordability covenants of Article 2. There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, age, familial status, sex, sexual orientation, marital status, national origin, ancestry, handicap, source of income or any other arbitrary discrimination based on personal characteristics, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Unit, nor shall HEART-SV or any person claiming under or through HEART-SV, 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, sub lessees, subtenants, or vendees of any Unit or in connection with the employment of persons for the construction, operation and management of any Unit.

3.10 Selection Criteria for Applicants for Tenancy

To the extent permitted under all applicable laws, HEART-SV will give a preference in the selection of Tenants for Authority Units to qualified households, if the City has adopted an ordinance establishing affordable housing preferences for qualified households and as set forth in the Guidelines, provided that the preference is subject to and will not be applied prior to the adoption of a valid ordinance establishing the Guidelines, which Guidelines will be applicable City-wide and be based on a study, which study may be reviewed periodically and modified to comply with applicable law, showing that administration of the preferences will not result in a disparate impact on protected classes contrary to applicable law.

HEART-SV will use the definitions and procedures applicable to the Guidelines, as described in (c) below, to administer preferences under this Section 3.10.

HEART-SV shall adopt written tenant selection policies and criteria that:

a. are consistent with the purpose of providing affordable rental housing for Qualifying Households at an Affordable Rent;

b. are reasonably related to tenant eligibility and ability to perform the obligations of the lease for an Authority Unit;

c. subject to applicable fair housing laws, give reasonable preference for Authority-restricted units to eligible households as set forth in the Guidelines, provided that such preferences may be waived for Units receiving Project-Based Section 8 assistance;

d. provide for the selection of tenants from a written waiting list held by previous lessee, or by the Authority at the time of acquisition by HEART-SV, providing similar affordable housing in the chronological order of their application, insofar as is practicable;

e. give prompt written notice to any rejected applicant of the grounds for rejection;

f. provide for all of the Authority Units to be available for occupancy on a continuous basis to Qualifying Households at an Affordable Rent;

g. do not give preference to any particular class or group of persons in leasing or renting the Authority Units, except as provided in this subsection (c) and to the extent that a tenant must be a Qualifying Household;

h. provide that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property, nor shall

HEART-SV 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, sublessees, subtenants, or vendees in the Property. Notwithstanding the immediately preceding sentence, with respect to familial status, this Section 3.10 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 3.10 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens, and Subdivision (d) of Section 51 of the Civil Code. All deeds, leases or contracts made or entered into by HEART-SV as to Authority Units or the Property shall contain covenants prohibiting discrimination, as set forth in Health and Safety Code Section 33436(b).

ARTICLE 4: INCOME CERTIFICATION AND REPORTING

4.1 Income Certification

HEART-SV will obtain, complete and maintain on file, immediately prior to initial occupancy and annually thereafter, an income certification from each Tenant renting any of the Units. HEART-SV shall make a good faith effort to verify that the income provided by an applicant, or occupying household, in an income certification application is accurate in accordance with City below market rental guidelines, if any, and as they may be amended from time to time. Copies of tenant income certifications shall be made available to the Authority, including its designated representatives upon request.

4.2 Reporting and Provision of Information

HEART-SV will submit reports in a format and at a time specified by the Authority. The reports will contain such information as the Authority may then require to document compliance with the use and occupancy restrictions and other requirements of this Regulatory Agreement. The Authority, including its designated representatives, shall have the right to examine and make copies of all books, records or other documents of HEART-SV which pertain to the Property, the Project, or any Unit and HEART-SV shall provide any information reasonably requested.

4.3 Records

HEART-SV shall maintain complete, accurate and current records pertaining to the Property, the Project, and the Units, and shall permit any duly authorized representative of the Authority to inspect records, including records pertaining to incomes and household sizes of Tenants' households, and the rents and other charges for occupancy of the Units during business hours upon reasonable notice. All Tenants lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of HEART-SV and shall be maintained as required by the Authority, in a reasonable condition for proper audit and subject to examination by representatives of the Authority.

4.4 Financial Audits

At the request of Authority, during the term of this Regulatory Agreement but at least once every three (3) years, a certified public accountant, using generally accepted accounting principles, shall perform an independent audit and deliver it to the Authority. The audit shall delineate the annual Residual Receipts and provide financial and cash flow statements for the past three fiscal years. The Authority reserves the right, during the term of this Regulatory Agreement, to audit the records, including the financial records supporting the aforementioned financial statements, and other records and documents pertaining to the operations of the Property.

4.5 Assignment or Transfer or Encumbrance

Except for leases with the Tenants in the ordinary course of business and as otherwise permitted under the terms of the documents evidencing the Loan, HEART-SV shall not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Property or lease or permit a sublease of all or any part of the Property without first obtaining the Authority's written consent. Any transfer, assignment, encumbrance, or lease without the Authority's written consent shall be voidable and, at the Authority's election, shall constitute a breach of this Regulatory Agreement. No consent to any assignment, encumbrance or lease shall constitute a consent to any subsequent assignment, encumbrance or lease, or a waiver of any of the Authority's rights under this Regulatory Agreement.

ARTICLE 5: DEFAULT

The Authority shall be permitted, upon written notice, to (a) immediately terminate its commitment to loan funds under the Loan Agreement, and (b) declare the principal amount of the Loan to be immediately due and payable, whereupon the same shall become immediately due and payable, if any of the following events of default have occurred and have not been remedied:

5.1 HEART-SV makes a representation in this Regulatory Agreement which shall prove to have been false in any material respect when made; or

5.2 HEART-SV shall default in the payment, when due, of any principal or interest under the Loan after the expiration of applicable cure periods or any other sums payable by HEART-SV under this Regulatory Agreement; or

5.3 HEART-SV shall default for a period of thirty (30) days (or if such default cannot be cured within 30 days despite HEART-SV's prompt commencement and diligent prosecution of cure upon receiving notice, then such period shall be extended, but in no event beyond 90 days after notice) in the performance of any non-financial obligation to be performed by HEART-SV under this Regulatory Agreement; or

5.4 HEART-SV shall apply for or consent to the appointment of a receiver, trustee, or liquidator, or is unable, or admits in writing its inability to pay its debts as they fall due, or makes a general assignment for the benefit of its creditors, or is adjudicated a bankrupt or insolvent, or files a voluntary petition in bankruptcy; or

5.5 HEART-SV is subjected to the entry of an order, decree, or judgment approving the reorganization of HEART-SV, and such order, decree, or judgment is unstayed for a period of more than ninety (90) days, or such period as may be permitted by law; or

5.6 HEART-SV fails to comply with the covenants, terms and conditions of this Regulatory Agreement, including, without limitation, the failure of HEART-SV to abide by the use, occupancy and rent restrictions set forth in Section 2.1 and the other provisions of Article 2 of this Regulatory Agreement, for a period of thirty (30) days (or if such default cannot be cured within 30 days despite HEART-SV's prompt commencement and diligent prosecution of cure upon receiving notice, then such period shall be extended, but in no event beyond 90 days after notice); or

5.7 Except as expressly otherwise provided in Section 4.5 and in the documents evidencing the Loan, HEART-SV shall not cause or permit a sale, voluntary transfer, assignment or encumbrance of its ownership interest in the Project, or permit a sublease of all or any part of its interest without first obtaining Authority's written consent. Any such sale, transfer, assignment, encumbrance, or lease without the Authority's written consent shall be voidable and, at the Authority's election, shall constitute a breach of this Regulatory Agreement. No consent to any assignment, encumbrance or lease shall constitute consent to any subsequent assignment, encumbrance or lease, or a waiver of any of the Authority's rights under this Regulatory Agreement.

ARTICLE 6: MISCELLANEOUS PROVISIONS

6.1 The Authority and HEART-SV shall cause this Regulatory Agreement, and all amendments and supplements to it, to be, recorded in the Official Records of the County of San Mateo. This Regulatory Agreement shall continue in effect until the expiration of the Term.

6.2 HEART-SV and any successor in interest shall follow all applicable local, state and federal fair housing laws, including but not limited to the California Fair Employment and Housing Act (FEHA) and the federal Fair Housing Act (FHA). Failure to do so will constitute a default under this Regulatory Agreement.

6.3 Nothing contained in this Regulatory Agreement, nor any act of the Authority, shall be interpreted or construed as creating the relationship of third-party beneficiary, limited or general partnership, joint venture, employer or employee, or principal and agent between the Authority, on the one hand, and HEART-SV, or HEART-SV's agents, employees or contractors. HEART-SV shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its respective agents, or both, observe the covenants and conditions imposed on it by the terms of this Regulatory Agreement. HEART-SV has retained and hereby retains the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance of services recognized hereunder. HEART-SV agrees to be solely responsible for its own acts and those of its respective officers, partners, employees, agents, contractors, subcontractors and representatives.

6.4 Neither the failure nor the delay on the part of the Authority to exercise any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. Any of the requirements of this Regulatory

Agreement may be expressly waived by the Authority in writing, but no waiver by the Authority of any requirement of this Regulatory Agreement shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement.

6.5 HEART-SV shall lack any authority or power to pledge the credit of Authority or incur any obligation in the name of the Authority. This Regulatory Agreement shall not be construed or deemed to be an agreement for the benefit of any third party, except as expressly provided herein, and no third party shall have any claim or right of action hereunder for any cause whatsoever.

6.6 Any amendment to this Regulatory Agreement shall be binding upon the parties, provided such amendment is set forth in a writing signed by the parties, and duly recorded in the real property records of the County of San Mateo, California. The Authority Executive Director is authorized to execute non-substantive amendments to this Regulatory Agreement, and confer any consents or approvals that may be provided by the Authority.

6.7 The covenants, agreements, terms, and conditions of this Regulatory Agreement shall inure to and be binding on the successors and assigns of the parties. Any provision of this Regulatory Agreement which is characterized as a covenant or a condition shall be deemed both a covenant and a condition. If any provision of this Regulatory Agreement shall be determined by a court of competent jurisdiction to be invalid, illegal, void, or unenforceable in any respect, the validity of all other provisions herein shall remain in full force and effect.

6.8 This Regulatory Agreement has been drafted through a cooperative effort of all the parties, and all the parties have had an opportunity to have the Regulatory Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Regulatory Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Regulatory Agreement.

6.9 This Regulatory Agreement shall be deemed a contract made under the laws of the State of California, and for the purposes hereof shall be governed and construed by and in accordance with the laws of the State of California. All exhibits referred to in this Regulatory Agreement and any addenda, appendices, attachments, and schedules which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in this Regulatory Agreement and shall be deemed to be part hereof. This Regulatory Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. The paragraph headings are not a part of this Regulatory Agreement and shall have no effect upon the construction or interpretation of any part of this Regulatory Agreement.

6.10 HEART-SV shall indemnify and save harmless the Authority, it officers, agents, employees and servants from all claims, suits or actions of every name, kind and description, brought for, or on account of, injuries to or death of any person, including HEART-SV, or damage to property of any kind whatsoever and to whomsoever belonging, including but not limited to, the concurrent active or passive negligence of the Authority, officers, agents, or employees and servants, resulting from the performance of any work required by this Regulatory Agreement of HEART-SV, provided that this indemnity shall not apply to injuries or damage for which the Authority has been found in a court of competent jurisdiction to be solely liable by reason of its

own negligence or willful misconduct. The duty of HEART-SV to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code. The provisions of this Section 6.10 shall survive the termination of this Regulatory Agreement.

6.11 In the event that suit is brought by either party, the parties agree that trial of such action shall be vested exclusively in the San Mateo County Superior Court. Each party shall bear its own attorney's fees and costs and no party in any action brought to enforce the terms of this Regulatory Agreement or arising out of this Regulatory Agreement shall recover its reasonable costs and attorneys' fees expended in connection with such an action from the other party, regardless of which party is, or is deemed, a prevailing party.

6.12 The provisions of this Regulatory Agreement shall apply to the Property and the Project for the entire term hereof. This Regulatory Agreement shall bind any successor, heir or assign of HEART-SV, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the Authority by a written amendment, signed by the Authority, and recorded in the Official Records of San Mateo County. HEART-SV acknowledges that the Authority has made the Loan on the condition that the provisions of this Regulatory Agreement shall apply to the Property and the Project for its entire term, and in consideration of this provision, and would not have done so otherwise.

6.13 Each person signing this Regulatory Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Regulatory Agreement. Each party represents and warrants to the other that the execution and delivery of the Regulatory Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Regulatory Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

6.14 The Authority and HEART-SV hereby declare their express intent that the covenants and restrictions set forth in this Regulatory Agreement shall run with the land and shall bind all successors in interest to the Property, provided, however, that on the expiration of the term of this Regulatory Agreement, the covenants and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the Authority expressly releases such conveyed portion of the Property from the requirements of this Regulatory Agreement.

6.15 If HEART-SV fails to perform any obligation under this Regulatory Agreement, and fails to cure the default within 30 days after the Authority has notified HEART-SV in writing of the default or, if the default cannot be cured within 30 days, fails to commence to cure promptly and thereafter diligently pursue such cure, the Authority shall have the right to enforce this Regulatory Agreement by any remedy provided by law or equity, including, but not limited to an action for specific performance to enforce the covenants and restrictions herein.

6.16 The rights of Authority under this Regulatory Agreement may be made subject to one or more subordination agreements between lenders with security interests in the Project.

6.17 The parties agree that they will take such further actions, and execute such further documents, as may be necessary or appropriate in order to carry out the purposes of this Regulatory Agreement.

6.18 Notices

All notices, consents, communications or transmittals required by this Regulatory Agreement shall be made, in writing, and shall be communicated by the United States mail, certified, return receipt requested or by express delivery with a delivery receipt, and shall be deemed given as of the date shown on the delivery receipt as the date of delivery or the date on which delivery was refused, and shall be addressed to the following addresses, or such other address as either party may designate, from time to time, by written notice sent to the other party in like manner:

To Authority:	Brisbane Housing Authority 25A Park Place Brisbane, CA 94005 Attn: Executive Director
Copy to:	City of Brisbane 50 Park Place Brisbane, CA 94005 Attn: Community Development Director
To HEART-SV:	HEART-SV 2905 S. El Camino Real San Mateo, CA 94403 Attn: Executive Director
Copy to:	c/o San Mateo County Counsel 500 County Center, 4th Floor Redwood City, CA 94063

[signature page follows]

IN WITNESS WHEREOF, HEART-SV and the Authority have caused this Regulatory Agreement to be signed, acknowledged and attested on their behalf by their duly authorized representatives, as set forth below, as of the day and year first written above.

AUTHORITY:

BRISBANE HOUSING AUTHORITY

By: _____
Jeremy Dennis, Executive Director

Attest:

_____
Ingrid Padilla, Authority Secretary

Approved as to Form:

_____
Michael Roush, Legal Counsel

HEART-SV:

HEART-SV, a California Joint Powers Authority

By: _____
Armando F. Sanchez, Executive Director

All signatures must be acknowledged.

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)
) ss.
County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name 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.

_____ Place Notary seal above

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)
) ss.
County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name 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.

_____ Place Notary seal above

Exhibit "A"

LEGAL DESCRIPTION

LOAN AGREEMENT

by and between

THE BRISBANE HOUSING AUTHORITY

A California Public Agency

and

HEART-SV

a California Joint Powers Authority

For the Real Property Located at:

2-8 Visitacion Avenue, Brisbane, CA

(APN: 007-221-180)

Dated _____ ___,202_

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LOAN AGREEMENT

(Address)

This Loan Agreement (the "Agreement") is made and entered into on _____ ___, 202 (the "Effective Date"), by and between the BRISBANE HOUSING AUTHORITY, a California public agency (the "AUTHORITY" or "LENDER"), and HEART-SV, a California Joint Powers Authority (the "BORROWER").

RECITALS

A. LENDER and BORROWER wish to promote the continued preservation of affordable rental housing in the City of Brisbane and to provide a greater choice of housing opportunities for extremely-low to moderate income seniors; and

B. AUTHORITY desires to lease certain real property located at 2-8 Visitacion Avenue, Brisbane, California (the "Property"), to BORROWER for a period of fifty-five (55) years pursuant to the terms of a lease executed by AUTHORITY and BORROWER (the "Lease"); a legal description of the Property is attached as Exhibit A; and

C. BORROWER proposes to lease the Property and acquire, rehabilitate, and operate approximately fourteen (14) residential senior rental units existing on the property (the "Project"), to be made available at affordable rents to households between 30% of the Area Median Income (AMI) and 120% of AMI ("Units"), of which three (3) units will be at 30% of AMI, one (1) unit at 50% of AMI, six (6) at 60% of AMI, and four (4) at 120% of AMI.

D. To acquire, rehabilitate, and operate the Project for the use as affordable housing, BORROWER wishes to borrow from the LENDER and the LENDER wishes to extend to the BORROWER a loan of up to Three Million Four Hundred Fifty Two Thousand Eight Hundred Fourteen Dollars ($3,452,814) (the "Authority Loan") to assist in the acquisition and preservation of the Project. The Authority Loan will be evidenced by a Promissory Note (the "Note", attached as Exhibit B) executed by the BORROWER in favor of the LENDER and secured by a Leasehold Deed of Trust recorded against the Property (the "Leasehold Deed of Trust," attached as Exhibit C).

E. Of the $3,452,814, $3,062,564 represents LENDER'S restructuring and reducing a loan balance of $930,115 from previous loans that LENDER provided to Bridge Senior Housing, Inc., and that amount constitutes BORROWER's acquisition of the Project. The balance of LENDER's loan to BORROWER ($390,250) is for the repair and/or replacement of capital improvements to the Project.

F. LENDER has established the Low and Moderate Income Housing Asset Fund ("Fund") for the purpose of providing loans to support the preservation of affordable rental housing. There is a severe shortage of rental housing affordable to senior household of extremely-low to moderate-incomes in the City of Brisbane (the "City") and nearby areas. The expenditure of funds for the preservation of the Units is an eligible activity under the AUTHORITY's Fund.

G. BORROWER and LENDER desire to enter into this Agreement to establish certain terms and conditions relating to the Authority Loan.

NOW, THEREFORE, in consideration of the mutual covenants and agreements specified herein, and subject to its terms and provisions, the parties to this Agreement hereby agree as follows:

AGREEMENT

The foregoing recitals are hereby incorporated by reference and made part of this Agreement.

This Agreement is entered into to assist the BORROWER in the acquisition and the rehabilitation and operation of the Project, which consists of multifamily senior rental housing reserved for occupancy by extremely-low to moderate-income households. This Agreement sets forth the respective duties and responsibilities of LENDER and BORROWER, establishes a schedule of performance by BORROWER, and provides for a termination of this Agreement under certain conditions.

ARTICLE 1: DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided.

(a) "Acquisition Date" means the date that BORROWER acquires the Property.

(b) "Agreement" is defined in the first paragraph of this Agreement.

(c) "Annual Operating Expenses" is defined in Section 2.7 below.

(d) "AUTHORITY" is defined in the first paragraph of this Agreement.

(e) "Authority Executive Director" means the Executive Director of the AUTHORITY or the Executive Director's designee.

(f) "Authority Loan" is defined in Recital D. The Authority Loan is more particularly described in Section 2.1 below.

(g) "BORROWER" is defined in the first paragraph of this Agreement.

(h) "City" is defined in Recital F.

(i) "County" is defined as the County of San Mateo.

(j) "County Loan" means the loan made by the County to BORROWER, in the amount of $227,436, for the Project.

(k) "Default" has the meaning set forth in Section 6.1 below.

(l) "Default Rate" has the meaning set forth in Section 2.2 below.

(m) "Deferred Developer Fee" means that portion of the Developer Fee that is not paid to BORROWER at the time that the Memorandum of Ground Lease for the Property is recorded, and is paid out over time from Residual Receipts as described in Section 2.7.

(n) "Developer Fee" means the compensation paid to BORROWER for managing the Leased Premises' risks, costs, acquisition, financing, and/or rehabilitation.

(o) "Effective Date" is defined in the first paragraph of this Agreement.

(p) "Financing Plan" has the meaning set forth in Section 3.1 below.

(q) "Force Majeure" is defined in Section 7.16 below.

(r) "Gross Revenue" is defined in Section 2.7 below.

(s) "Hazardous Materials" has the meaning set forth in Section 4.6 below.

(t) "Hazardous Materials Claim" has the meaning set forth in Section 4.6 below.

(u) "Hazardous Materials Law" has the meaning set forth in Section 4.6 below.

(v) "HEART" is defined as the Housing Endowment and Regional Trust of San Mateo County.

(w) "HEART Loan" means the loan made by HEART to BORROWER, in the amount of $390,250, for the Project.

(x) "Leasehold Deed of Trust" is defined in Recital D. The form of the Leasehold Deed of Trust is attached hereto as Exhibit C.

(y) "LENDER" is defined in the first paragraph of this Agreement.

(z) "Loan Documents" means this Agreement, the Note, the Leasehold Deed of Trust, and any other document or agreement evidencing the Authority Loan.

(aa) "Note" is defined in Recital D. The form of the Note is attached hereto as Exhibit B.

(bb) "Project" is defined in Recital C.

(cc) "Project Budget" is the pro forma acquisition and rehabilitation budget for the Project, including sources and uses of funds, as approved by the LENDER, and attached as Exhibit D.

(dd) "Property" is defined in Recital B, and is more particularly described in the attached Exhibit A.

(ee) "Regulatory Agreement" means covenants entered into between the LENDER and the BORROWER, to be recorded on the Acquisition Date, which requires that the Project be maintained and operated as housing affordable to extremely-low to moderate-income households.

(ff) "Residual Receipts" are defined in Section 2.7 below.

(gg) "Security" is defined in Section 2.4 below.

(hh) "Senior Lenders" are defined in Section 2.5 below.

(ii) "Senior Loan" is defined in Section 2.5 below.

(jj) "Term" is defined in Section 2.7 below.

(kk) "Transfer" has the meaning set forth in Section 4.13 below.

Section 1.2 Exhibits.

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: Legal Description of the Property
EXHIBIT B: Note
EXHIBIT C: Leasehold Deed of Trust
EXHIBIT D: Financing Plan
EXHIBIT E: Insurance Requirements

ARTICLE 2: LOAN PROVISIONS

Section 2.1 Loan.

Subject to satisfaction of the conditions set forth in Section 2.6, and as explained in Recital E, LENDER shall loan to the BORROWER the Authority Loan in the principal amount of up to Three Million Four Hundred Fifty Two Thousand Eight Hundred Fourteen Dollars ($3,452,814) for the purposes set forth in Section 2.3 of this Agreement. The obligation to repay the Loan shall be evidenced by the Note in the form attached hereto as Exhibit B.

Section 2.2 Interest.

(a) Subject to the provisions of Section 2.2(b) below, the outstanding principal balance of the Authority Loan will bear simple interest at the rate of three percent (3%) per annum commencing with the date of the Acquisition Date.

(b) In the event of a Default, interest on the Authority Loan will begin to accrue, as of the date of Default and continue until such time as the Authority Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of eight percent (8%) per annum, compounded annually (the "Default Rate") and the highest rate permitted by law.

Section 2.3 Use of Funds.

BORROWER shall use the Authority Loan to fund the acquisition, rehabilitation, and operate the Project. BORROWER shall not use the Authority Loan for any other purpose without the prior written consent of the LENDER.

Section 2.4 Security.

The BORROWER shall secure its obligation to repay the Authority Loan, as evidenced by the Note, by executing the Leasehold Deed of Trust, and recording it as a lien against the Property, senior in lien priority to all other deeds of trust recorded against the Property, except as provided in Section 2.5 below.

Section 2.5 Subordination.

The Leasehold Deed of Trust, and/or Note may be subordinated to other loans approved by the LENDER (in each case, a "Senior Loan"), but only on condition that all of the following conditions are satisfied:

(a) Regulatory Agreement. the Regulatory Agreement shall not be subordinated to any senior lender Deeds of Trust, and shall only be subordinate, as approved by the LENDER, to other Regulatory Agreements.

(b) Subordination to Senior Loans. The LENDER shall subordinate the Leasehold Deed of Trust, and/or Note to Senior Loans, if required by Senior Lenders, as applicable, and if the conditions set forth in subsection (c) of this Section have been complied with.

(c) Conditions Applicable to All Subordination Agreements. In addition to compliance with the requirements of subsection (a) or (b) above, all of the following conditions must be satisfied in all agreements subordinating the LENDER's Loan Documents:

(1) All of the proceeds of the proposed Senior Loan, less any transaction costs, must be used to provide acquisition, rehabilitation, and/or operation of the Project;

(2) BORROWER must demonstrate to the LENDER's reasonable satisfaction that subordination of the Leasehold Deed of Trust, and/or Note is necessary to secure adequate

refinancing, rehabilitation and/or preservation financing to ensure the operation of the Project, if approved, as affordable housing, as required by the Loan Documents. To satisfy this requirement, BORROWER must provide to the LENDER, in addition to any other information reasonably required by the LENDER, evidence demonstrating that the proposed amount of the Senior Loan is necessary to provide adequate refinancing, rehabilitation and/or operation financing to ensure the viability of the Project, and that adequate financing for the Project would not be available without the proposed subordination;

(3) The subordination agreement(s) must be structured to minimize the risk that the Leasehold Deed of Trust, and/or Note would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Loan. To satisfy this requirement, the subordination agreement must provide the LENDER with adequate rights to cure any defaults by BORROWER, including: (i) providing the LENDER or its successor with copies of any notices of default at the same time and in the same manner as provided to BORROWER; and (ii) providing the LENDER with a reasonable cure period to cure any default;

(4) No subordination may limit the effect of the Leasehold Deed of Trust, and/or Note before a foreclosure, nor require consent of the holder of the Senior Loan to exercise of any remedies by the LENDER under the Loan Documents;

(5) The subordination(s) described in this Section 2.5 may be effective only during the original term of the Senior Loan and any extension of its term or refinancing approved in writing by the LENDER.

Upon a determination by the Authority Board that the conditions in this Section have been satisfied, the Authority Executive Director or his/her designee will be authorized to execute the approved subordination agreement without the necessity of any further action or approval.

Section 2.6 Disbursement Requirements.

The LENDER is not obligated to make any disbursement of the Authority Loan or take any other action under the Loan Documents unless all of the following conditions precedent are satisfied:

(a) There exists no Default nor any act, failure, omission or condition that would constitute an event of Default under this Agreement, or under any other agreement between the LENDER and the BORROWER;

(b) BORROWER has delivered to the LENDER copies of all of BORROWER's organizational documents, a certificate of status for the BORROWER, and a copy of the

organization's authorizing resolution authorizing BORROWER's execution of the Loan Documents;

(c) BORROWER has furnished the LENDER with evidence of the insurance coverage meeting the requirements of Exhibit E;

(d) BORROWER has executed and delivered to escrow, with copy to the LENDER, the Loan Documents and any other instruments and policies required under the Loan Documents;

(e) BORROWER has executed and delivered to the LENDER all other documents, instruments, and policies required under the Loan Documents;

(f) A title insurer reasonably acceptable to the LENDER is unconditionally and irrevocably committed to issuing an ALTA Lender's Policy of insurance insuring the priority of the Note and Leasehold Deed of Trust in the amount of the Authority Loan, subject only to such exceptions and exclusions as may be reasonably acceptable to the LENDER, and containing such endorsements as the LENDER may reasonably require; and

Section 2.7 Repayment of the Authority Loan

(a) Term. The "Term" of this Agreement and the Authority Loan commences as of the Acquisition Date, and expires, unless sooner terminated in accordance with this Agreement, fifty-five (55) years after the Acquisition Date.

(b) Due in Full. BORROWER shall pay all outstanding principal and accrued interest on the Authority Loan, in full, on the earliest to occur of: (i) any Transfer not authorized by the LENDER, (ii) a Default (following the expiration of all applicable notice and cure periods), or (iii) the expiration of the Term. The LENDER and the BORROWER shall have the right, but not the obligation, to extend the period for repayment of the Authority Loan or to modify the terms of the Authority Loan if desirable to serve the purposes of this Agreement.

(c) Annual Payments. No later than one hundred twenty (120) days after the end of each Fiscal Year, BORROWER shall make repayments of the Authority Loan for that prior fiscal year based on the Payment Schedule, as defined below in Section 2.7(c)(1), under the Lenders' Share of Residual Receipts, as defined below in Section 2.7(c)(4). The Lenders' Share of Residual Receipts shall be divided proportionately between the LENDER and the County of San Mateo in proportion to their respective loan amounts to the Project. The HEART Loan, as defined below, shall have a separate share of Residual Receipts from the Lenders' Share ("HEART's Share"). The LENDER's proportionate share of these payments shall be credited first against accrued interest and then against outstanding principal of the Authority Loan and shall be accompanied by the BORROWER's report of Residual Receipts and independent Project audit delivered to the LENDER as per Section 2.7(d). The BORROWER shall provide the LENDER with any documentation reasonably requested by the LENDER to substantiate the BORROWER's

determination of Residual Receipts. The following definitions shall apply for the purposes of this subsection (c):

(1) The distribution of the Residual Receipts between the approved lenders (the "Payment Schedule") shall be as follows, and follows the proforma and all other documents provided to and approved by LENDER as part of the Financing Plan.

(i) 47.3% of total Residual Receipts shall be allocated to pay BORROWER's Deferred Developer Fee, which amount is estimated to be $60,000;

(ii) 47.7% of total Residual Receipts shall be allocated to pay the HEART Loan ("HEART's Share)" (principal loan amount estimated to be $390,250); provided, however, that immediately after the Deferred Developer Fee is paid in full, 68.8% of the total Residual Receipts shall be allocated to pay the HEART Loan;

(iii) 5% of total Residual Receipts shall be allocated to pay the County Loan and the Authority Loan ("Lenders' Share"), in accordance with the proportional ratio of their respective outstanding principal loan amounts (County Loan principal loan amount estimated to be $227,436, and Authority Loan principal loan amount estimated to be $3,452,814); provided, however, that immediately after the Deferred Developer Fee is paid in full, 31.2% of the Total Residual Receipts shall be allocated to pay the County Loan and the Authority Loan in accordance with the proportional ratio of their outstanding principal loan amounts; and further provided that immediately after the HEART Loan is paid in full, 100% of the total Residual Receipts shall be allocated to the County Loan and the Authority Loan in accordance with the proportional ratio of their outstanding principal loan amounts.

(2) "Net Cash Flow" is defined as Project Gross Receipts less Project Permitted Expenses.

(3) "Residual Receipts" is defined as the amount by which actual Project's Gross Receipts, as defined in Section 2.7(c)(4), exceeds actual Project Permitted Expenses, as defined in Section 2.7(c)(5), for a particular fiscal year, as documented by the expenditure report submitted to Lender, and at the request of Lender, independently audited financial statements.

(4) "Project Gross Receipts" is defined as all revenue, income, receipts, and other consideration actually received from operation and leasing of the Project, but does not include tenant security deposits, loan proceeds, capital contribution or similar advances. "Project Gross Receipts" shall include, but is not limited to:

(i) All rents, fees, and charges paid by tenants (including rent on commercial or common space within the Project). Section 8 payment or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants,

cancellation fees, price index adjustments, and any other rental adjustments to leases or rental agreements resulting in actual income;

(ii) Proceeds from vending and laundry room machines;

(iii) Interest on reserves, unless such interest remains in the applicable reserve account;

(iv) Insurance proceeds or condemnation awards received by BORROWER after casualty to or condemnation of the Project; provided, however, BORROWER shall not be deemed to have "received" (nor shall Project Gross Receipts include) all or any portion of insurance proceeds or condemnation award that is applied by a senior lender, if any, towards payment of costs and expenses or in payment of outstanding principal, interest, and/or charges under the senior lender's loan or deed of trust securing the loan or not utilized to repair or rebuild the Project.

(5) "Project Permitted Expenses" is defined as the following costs reasonably and actually incurred costs and expenses for operation and maintenance of the Project to the extent that they are consistent with an annual budget submitted to Lender and upon request by Lender,

an independent audit performed by a certified public accountant using generally accepted accounting principles:

(i) Property real estate taxes (if a full property tax welfare exemption become ineligible) assessments and impositions that are not exempt under the welfare exemption imposed on the Project;

(ii) Property management fees and reimbursements, excluding incentive management fees, not to exceed fees and reimbursements which are standard in the industry;

(iii) Premiums for property damage, commercial general liability, and other insurance policies required by the lenders of the approved financing.

(iv) Utility services not paid for directly by tenants, including water, sewer, and trash collection;

(v) Maintenance and repair of the Project;

(vi) Any annual license or certificate of occupancy fees required for operation of the Project;

(vii) Security services;

(viii) Reasonable advertising, marketing and promotional expenses or disbursements connected with the rental of the units;

(ix) Annual Cash deposited into reserves for capital replacements for the Project in the amount of at least ten percent (10%), but not greater than twenty percent (20%), of Gross Receipts, or such higher amount as may be required and approved by LENDER, and annual cash deposit into an operating reserve account for the Project such that the operating reserve account has three months of operating expenses as determined by the operating expenses in the prior fiscal year;

(x) Extraordinary operating costs or expenses approved by LENDER;

(xi) Payments of deductibles in connection with casualty insurance claims not normally paid from reserves, and the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves;

(xii) Payments for property management staffing. including without limitation the salary of on-site property managers and supervision of such managers

and any other costs related to any property management function required by any regulatory agreement or similar document or as approved by the LENDER; and

(xiii) Such other ordinary and reasonable operating expenses approved by LENDER not listed above.

Project Permitted Expenses do not include the following items (or, to the extent that such items have been included, the following items shall be subtracted out; for example, if funds are withdrawn from operating reserves and spent on operating expenses, either those expenses would not be included in Project Permitted Expenses or those expenses would be offset by a deduction for the amount withdrawn from reserves): (a) non-cash expenses, including without limitation, depreciation; (b) funds expended from reserves; and (c) any penalties or interest resulting from Borrower's failure to pay when due any sums that Borrower is obligated to pay to third parties (e.g., penalties and interest for late payment of real property taxes).

In the event that there are no Residual Receipts, no annual payment on behalf of the BORROWER shall be due.

(d) Records Regarding Residual Receipts. In connection with the annual payments required by Section 2.9(c), within one hundred twenty (120) days of the end of the BORROWER's fiscal year, BORROWER shall provide to lender a budget versus actual expenditure report, and at the request of the LENDER, and at least once every three (3) years, a certified public accountant, using generally accepted accounting principles, shall perform an independent audit and deliver it to LENDER. The audit shall delineate the annual Residual Receipts and provide financial and cash flow statements for the past three fiscal years.

(1) The BORROWER shall keep and maintain on the Property, or at its principal place of business, or elsewhere with the LENDER's written consent, full, complete and appropriate books, records and accounts relating to the Project, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail the BORROWER's calculation of Residual Receipts. Books, records and accounts relating to the BORROWER's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the LENDER, its auditors or other LENDER authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that the BORROWER may be required to furnish any governmental agency shall at all reasonable times and upon reasonable notice be open for inspection by the LENDER at the place that the books, records and accounts of the BORROWER are kept. The BORROWER shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5)

years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (g) below then pending.

(2) The receipt by the LENDER of any statement pursuant to subsection (b) above or any payment by the BORROWER or acceptance by the LENDER of any Authority Loan repayment for any period shall not bind the LENDER as to the correctness of such statement or such payment. Within three (3) years after the receipt of any such statement, the LENDER or any designated agent or employee of the LENDER at any time shall be entitled to audit the Residual Receipts and all books, records, and accounts pertaining thereto. Such audit shall be conducted during normal business hours at the principal place of business of the BORROWER and other places where records are kept. Immediately after the completion of an audit, the LENDER shall deliver a copy of the results of such audit to the BORROWER. If it shall be determined as a result of such audit that there has been a deficiency in a Authority Loan repayment to the LENDER, then such deficiency shall become immediately due and payable with interest at the non-default rate set forth in the Note (unless BORROWER's failure, refusal, or repeated failure to correctly calculate and/or submit the repayment constitutes an event of default, in which case interest shall be paid at the Default Rate), determined as of and accruing from the date that said payment should have been made.

(e) Right to Prepay. BORROWER may prepay the Authority Loan at any time without premium or penalty. All prepayments shall be credited first applied to accrued interest and then to outstanding principal. The Leasehold Deed of Trust shall remain in effect for the entire Term to secure the Regulatory Agreement, when recorded.

Section 2.8 Non-Recourse.

Except as provided below, neither BORROWER, nor any member of BORROWER, has any personal liability for payment of the principal of, and interest on, the Authority Loan. Following recordation of the Leasehold Deed of Trust, the sole recourse of the LENDER with respect to the principal of, or interest on, the Note will be to the property described in the Leasehold Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability limits or impairs the enforcement of all the rights and remedies of the LENDER against all such security for the Note, or impairs the right of LENDER to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation to repay the principal and interest on the Note. Except as hereafter set forth; nothing contained herein is intended to relieve BORROWER of its obligation to indemnify the LENDER under Sections 4.5, 4.6, 4.7, and 7.6 of this Agreement, or liability for (i) loss or damage of any kind resulting from waste, fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Leasehold Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by BORROWER other than in accordance with the Leasehold Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or

awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

Section 2.9 Budget and Project Cost Savings.

(a) Budget Cost Savings.

(1) Definition of Budget Cost Savings. "Budget Cost Savings" shall mean the positive difference between the amount of a line item in the budget submitted as part of the Financing Plan and the amount expended for work (including materials) under such line item, provided such work was completed without the expenditure of the entire amount allocated in the budget to such line item, and all contractors, subcontractors, material suppliers and other persons have been paid in full for such work.

(2) Budget Reallocation – Cost Savings Contingency. If there is a Budget Cost Savings in a particular line item of the budget, BORROWER may, upon approval by LENDER, which approval shall not be unreasonably withheld, reallocate such savings to the Capital Reserve account, subject to Section 2.7(c)(5)(ix).

(3) Budget Reallocation - Budget Revisions. A copy of the budget updated to reflect any Budget Costs Savings and/or reallocations shall be prepared after each reallocation and promptly delivered to the LENDER.

ARTICLE 3: FINANCING PLAN

Section 3.1 Financing Plan.

(a) The preliminary Project budget is shown in Exhibit D. Prior to the Acquisition Date, BORROWER shall submit for LENDER approval a Final Financing Plan (the "Financing Plan") containing the following:

(1) An updated Project budget showing a "sources and uses" breakdown of the costs of repairing and replacing capital improvements in the Project.

(2) An operating proforma for the first thirty (30) years of operation of the Project.

(3) Copies of all required funding commitments for the Project; or proposed funding, as applicable.

(4) Any other information that is reasonably necessary for the LENDER to determine that BORROWER has the financial capability to pay all costs of operating the Project.

(b) Prior to the Acquisition Date, the LENDER shall review the Financing Plan to determine if, in the LENDER's reasonable judgment, BORROWER has the financial capability (taking into account all committed funds) to pay all realistically established costs of operating the Project. The LENDER shall review the Financing Plan and shall either approve or disapprove the

Financing Plan in writing within thirty (30) days of receipt. If disapproved, the LENDER shall give specific reasons in writing for disapproval and the required revisions to the previously submitted Financing Plan. If the Financing Plan is disapproved. BORROWER shall resubmit, a revised Financing Plan within thirty (30) days of notification of disapproval. The LENDER shall either approve or disapprove the submitted revised Financing Plan within thirty (30) days of the date such revised Financing Plan is received by the LENDER. If LENDER has not provided a response to Borrower within thirty (30) days, the Financing Plan shall be deemed approved.

(c) BORROWER shall submit any material revision to an approved Financing Plan to the LENDER for its review and approval. Any proposed revised Financing Plan shall be considered and approved or disapproved by the LENDER in the same manner and according to the same timeframe set forth in subsection (b) above.

ARTICLE 4: ONGOING OBLIGATIONS

Section 4.1 Information.

BORROWER shall provide any information reasonably requested by the LENDER in connection with the Property and the Project.

Section 4.2 Records.

BORROWER shall maintain, on a current basis, complete records, including books of original entry, source documents supporting accounting transactions, service records, a general ledger, canceled checks, timesheets, and related documents and records to assure proper accounting of funds and performance of the terms of this Agreement. BORROWER shall furnish any and all information and reports which may be reasonably required by LENDER in connection with this Agreement. BORROWER shall further permit access to its books, records and accounts by the representatives and employees of LENDER during regular business hours, for the purpose of investigation or audit to ascertain compliance with all applicable laws, regulations, rules and orders and for the purpose of evaluating and monitoring BORROWER's compliance with the provisions of this Agreement. All such records shall be retained by BORROWER and made available to LENDER upon request for review or audit for a period of at least five (5) years following the expiration or termination of this Agreement.

Section 4.3 Audits.

BORROWER shall provide LENDER, during the term of this Agreement, with copies of audited financial statements of BORROWER, including any management letter comments on the adequacy of internal or operational controls, within one hundred twenty (120) days of the close of each fiscal year of the BORROWER. LENDER reserves the right, during the term of this Loan Agreement, to audit the records, including the financial records supporting the aforementioned financial statements, and other records and documents pertaining to the operations of the Project.

Section 4.4 Compliance with Laws; Prevailing Wages.

(a) BORROWER shall comply with all applicable laws, ordinances, rules, and regulations of federal, state, county, or municipal governments or agencies now in force or that maybe enacted hereafter, including (without limitation and where applicable) the prevailing wage provisions of Sections 1770 et seq., of the California Labor Code and implementing rules and regulations as set forth below, in owning and maintaining the Property.

(b) Nothing in this Agreement constitutes a representation or warranty by the LENDER regarding the applicability of the provisions of Labor Code Section 1720 et seq., and the hiring of apprentices pursuant to Labor Code Sections 1777.5 et seq., to the Authority Loan or approved financing. To the extent applicable, BORROWER shall pay and shall cause contractors and subcontractors to pay prevailing wages in connection with the maintenance and repair of the Property, as those wages are determined pursuant to Labor Code Section 1720 et seq., to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the Department of Industrial relations ("DIR"). BORROWER shall and shall cause the consultants and contractors to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and implementing regulations of the DIR. BORROWER shall cause the contractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to Labor Code Section 1720 et seq., and apprentices have been employed are required by Labor Code Sections 1777.5 et seq. Copies of the currently applicable current per diem prevailing wages are available from DIR.

(c) BORROWER shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the LENDER) the LENDER against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including BORROWER, its contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Section 1720 et seq., to employ apprentices pursuant to Labor Code Sections 1777.5 et seq., and implementing regulations of the DIR or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and the implementing regulations of the DIR in connection with any other work undertaken or in connection with the Property. The requirements in this subsection (c) shall survive the repayment of the Authority Loan and the reconveyance of the Leasehold Deed of Trust.

Section 4.5 Relocation.

If and to the extent that the rehabilitation of the Project will result in the permanent or temporary displacement of persons entitled to relocation benefits, then BORROWER shall comply with all applicable local, state, and federal statutes and regulations, (including without limitation the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, California Government Code Section 7260 et seq., and accompanying regulations) with respect to preparation of a relocation plan, relocation planning, advisory assistance, and payment of monetary benefits. BORROWER shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws. BORROWER shall indemnify, defend and hold harmless, (with counsel

reasonably acceptable to the LENDER), the LENDER and its councilmembers, employees, agents, successors and assigns against any claim for damages, compensation, fines, penalties, relocation payments or other amounts and expenses (including reasonable attorneys' fees) arising out of the failure or alleged failure of any person or entity (including BORROWER, or the LENDER) to satisfy relocation obligations related to the acquisition of the Property. This obligation to indemnify shall survive termination of this Agreement.

Section 4.6 Hazardous Materials.

(a) BORROWER shall keep and maintain the Property in compliance with and shall not cause or permit the Property to be in violation of any Hazardous Materials Law (defined below), including, but not limited to, soil and groundwater conditions. BORROWER shall not, and shall not cause or permit the use, generation, manufacture, storage, or disposal of on, under, or about the Property, or transportation to or from the Property of: (i) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, pesticides, herbicides, or any other agricultural chemical; and (ii) any waste, substance, or material defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic materials," "toxic waste," "toxic substances," or words of similar import under any Hazardous Materials Law (collectively referred to herein as "Hazardous Materials"). BORROWER shall cause any persons who may come onto the Property to comply with the foregoing. Notwithstanding anything to the contrary contained herein, Hazardous Materials shall not include substances typically used in the ordinary course of developing, operating, and maintaining apartment complexes, provided that such substances are used in accordance with all applicable laws.

(b) BORROWER shall immediately notify the LENDER in writing if at any time it receives notice of: (i) any and all enforcement, cleanup, removal, or other governmental or regulatory actions instituted, completed, or threatened against BORROWER or the Property pursuant to any applicable federal, state, or local laws, ordinances, or regulations relating to any Hazardous Materials, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date to be added in the future and any successor statute or rule or regulation promulgated thereto ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against BORROWER or the Property relating to damage, contribution, cost recovery compensation, loss, or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) BORROWER's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under California Health and Safety Code Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on ownership, occupancy, transferability, or use of the Property under any Hazardous Materials Law.

(c) The LENDER shall have the right to join and participate in, as a party if it so elects, and be represented by counsel of its own choice in, any legal proceedings or actions initiated in

connection with any Hazardous Materials Claims, and to have its reasonable attorneys' fees in connection therewith paid by BORROWER.

(d) BORROWER shall indemnify and hold harmless the LENDER and its councilmembers, directors, officers, employees, agents, successors, and assigns from and against any loss, damage, cost, fine, penalty, judgment, award, settlement, expense, or liability, directly or indirectly arising out of or attributable to: (i) any actual past or present violation of any Hazardous Materials Law; (ii) any Hazardous Materials Claim; (iii) any actual past or present use, generation, manufacture, storage, release, threatened release, discharge, disposal, transportation, or presence of Hazardous Materials on, under, or about the Property; (iv) any investigation, cleanup, remediation, removal, or restoration work of site conditions of the Property relating to Hazardous Materials (whether on the Property or any other property); and (v) the breach of any representation of warranty by or covenant of BORROWER in this Section 4.6 and Section 5.1(h), excluding claims resulting exclusively from the gross negligence and/or willful misconduct of the LENDER. Such indemnity shall include, without limitation: (i) all consequential damages; (ii) the costs of any required or necessary investigation, repair, cleanup, or detoxification of the Property, and the preparation and implementation of any closure, remedial, or other required plans; and (iii) all reasonable costs and expenses incurred by the LENDER in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant fees. This obligation to indemnify shall survive termination of this Agreement and shall not be diminished or affected in any respect as a result of any notice, disclosure, knowledge, if any, to or by the LENDER of Hazardous Materials.

(e) Without the LENDER's prior written consent, which shall not be unreasonably withheld, BORROWER shall not take any remedial action in response to the presence of Hazardous Materials on, under, or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims made or threatened by any third party against BORROWER, any tenant, or the Property relating to any damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials, which remedial action, settlement, consent decree or compromise might, in the LENDER's reasonable judgment, impair the value of the LENDER's security hereunder; provided, however, that the LENDER's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety, or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the LENDER's consent before taking such action, provided that in such event BORROWER shall notify the LENDER's as soon as practicable of any action so taken. The LENDER agrees not to withhold its consent, where such consent is required hereunder, if either: (i) a remedial action is ordered by a court of competent jurisdiction; (ii) BORROWER will or may be subject to civil or criminal sanctions or penalties if it fails to take a required action; (iii) BORROWER establishes to the reasonable satisfaction of the LENDER that there is no reasonable alternative to such remedial action which would result in less impairment of the LENDER's security hereunder; or (iv) the action has been agreed to by the LENDER.

(f) BORROWER acknowledges and agrees that: (i) this Section is intended as the LENDER's written request for information (and BORROWER's response) concerning the

environmental condition of the Property as required by California Code of Civil Procedure Section 726.5; and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(g) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without limiting or in any way affecting the LENDER's or the trustee's rights and remedies under the Leasehold Deed of Trust, the LENDER may elect to exercise its rights under California Code of California Code of Civil Procedure Section 726.5(a) to: (i) waive its lien on such environmentally impaired or affected portion of the Property; and (ii) exercise (1) the rights and remedies of an unsecured creditor, including reduction of its claim against BORROWER to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the LENDER's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), BORROWER shall be deemed to have willfully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and BORROWER knew or should have known of the activity by such lessee, occupant, or user which cause or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the LENDER in connection with any action commenced under this paragraph, including any action required by the California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the rate specified in the Note until paid, shall be added to the indebtedness secured by the Leasehold Deed of Trust and shall be due and payable to the LENDER upon demand made any time following the conclusion of such action.

Section 4.7 Maintenance and Damage.

(a) BORROWER shall maintain the Property and the Project in good repair and in a neat, clean and orderly condition, ordinary wear and tear excepted. If there arises a condition in contravention of this requirement, and if BORROWER has not cured such condition within thirty (30) days after receiving a notice from the LENDER of such a condition (or such longer period as may be reasonably necessary provided Borrower has commenced a cure within such 30 day period and is diligently prosecuting such cure to completion), then in addition to any other rights available to the LENDER, the LENDER shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property.

(b) If any improvement constructed on the Property by BORROWER, now or in the future, is damaged or destroyed, then BORROWER shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with any plans and specifications approved by the LENDER. Such work or repair shall be commenced no later than the later of one

hundred twenty (120) days, or such longer period approved by the LENDER in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and shall be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, then BORROWER shall make up the deficiency.

Section 4.8 Mechanics Liens, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property or a stop notice affecting the Authority Loan is served on the LENDER or any other lender or other third party in connection with the Project, then BORROWER shall, within thirty (30) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the LENDER a surety bond in sufficient form and amount, or provide the LENDER with other assurance satisfactory to the LENDER that the claim of lien or stop notice will be paid or discharged.

(b) If BORROWER fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, then in addition to any other right or remedy, the LENDER may (but shall be under no obligation to) discharge such lien, encumbrance, charge, or claim at BORROWERS's expense. Alternately, the LENDER may require BORROWER to immediately deposit with the LENDER the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The LENDER may use such deposit to satisfy any claim or lien that is adversely determined against BORROWER.

(c) BORROWER shall file a valid notice of cessation or notice of completion upon cessation of construction on the Project and take all other reasonable steps to forestall the assertion of claims of lien against the Property. BORROWER authorizes the LENDER, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that the LENDER deems necessary or desirable to protect its interest in the Property.

Section 4.9 Fees and Taxes.

BORROWER shall be solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project to the extent owned by BORROWER, and shall pay such charges prior to delinquency. However, BORROWER shall not be required to pay and discharge any such charge so long as: (a) the legality there of is being contested diligently and in good faith and by appropriate proceedings, and(b) if requested by the LENDER, BORROWER deposits with the LENDER any funds or other forms of assurance that the LENDER in good faith from time to time determines appropriate to protect the LENDER from the consequences of the contest being unsuccessful.

Section 4.10 Notices.

BORROWER shall notify the LENDER promptly in writing of any and all of the following:

(a) Any litigation known to BORROWER materially affecting BORROWER, or the Property or the Project and of any claims or disputes that involve a material risk of litigation;

(b) Any written or oral communication BORROWER receives from any governmental, judicial, or legal authority giving notice of any claim or assertion that the Property or Project fails in any respect to comply with any applicable governmental law;

(c) Any material adverse change in the physical condition of the Property (including any damage suffered as a result of fire, earthquakes, or floods);

(d) Any material adverse change in BORROWER's financial condition, any material adverse change in BORROWER's operations, or any change in the management of BORROWER;

(e) That any of the statements in Section5.1(h) regarding Hazardous Materials are no longer accurate;

(f) Any Default or event which, with the giving of notice or the passage of time or both, would constitute a Default; and

(g) Any other circumstance, event, or occurrence that results in a material adverse change in BORROWER's ability to timely perform any of its obligations under any of the Loan Documents.

Section 4.11 Non-Discrimination.

BORROWER shall not discriminate or segregate concerning the Project, or operation or rehabilitation of the Project on the basis of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, disability, medical condition, familial status, source of income or any other arbitrary basis. BORROWER shall otherwise comply with all applicable local, state, and federal laws concerning discrimination.

Section 4.12 Insurance Requirements.

BORROWER, at its sole cost and expense, shall obtain and maintain during the term of this Agreement, insurance provided by responsible companies authorized to engage in the offering of insurance services in California in such amounts and against such risks as shall be satisfactory to LENDER's risk manager, including, without limitation, worker's compensation. employer's liability, commercial general liability, comprehensive automobile liability, personal injury and property damage insurance, as appropriate, as set forth in Exhibit E, insuring against all liability of BORROWER and its directors, officers, employees, agents, and representatives arising out of or in connection with the acquisition, construction and development of the Project or BORROWER's performance or nonperformance under this Agreement.

Section 4.13 Transfer.

(a) For purposes of this Agreement, "Transfer' is any sale, assignment, or transfer, whether voluntary or involuntary, of: (i) any rights and/or duties under this Agreement, and/or (ii) any interest in the Project, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of the Project is transferred and the BORROWER retains title. "Transfer" shall exclude the leasing of any single unit in the Project to a tenant and the transfer of an easement interest in the Property for utility purposes. The Authority's Executive Director or his/her designee is authorized to execute assignment and assumption agreements on behalf of the LENDER to implement any approved Transfer.

(b) LENDER is entering into this Agreement based on the experience, skill, and ability to perform of BORROWER. The BORROWER recognizes that its qualifications and identity are of particular concern to the LENDER, in view of: (i) the importance of affordable housing to the general welfare of the community; (ii) the reliance by the LENDER upon the unique qualifications and ability of the BORROWER to ensure the quality of the affordability, use, operation, and maintenance of the Project; (iii) the requirement that the Property be used for affordable housing; and (iv) BORROWER's representation that the Property is not to be acquired or used for speculation, but only for use by the BORROWER for affordable housing.

(c) No Transfer not specifically authorized in this Section 4.13 shall be permitted without the prior written consent of the LENDER, which the LENDER may withhold in its sole discretion. The Authority Loan shall automatically accelerate and be due in full upon any Transfer made without the prior written consent of the LENDER.

Section 4.14 Other Indebtedness and Liens.

BORROWER shall not incur any indebtedness of any kind or encumber the Property with any liens without the prior written consent of the LENDER, which shall not be unreasonably withheld.

Section 4.15 Use as Affordable Housing.

In consideration for the Authority Loan to be provided to the BORROWER on below-market terms, the BORROWER hereby agrees to comply with the requirements of Article 3 of this Agreement. The use, occupancy and rent restrictions in the Regulatory Agreement shall be compatible with the restrictions of other approved lenders. BORROWER's compliance with this Section 4.15 is of particular importance to LENDER and the main purpose of the Authority Loan. The BORROWER shall record against the Property, at the time of Acquisition, the Regulatory Agreement, which shall, unless approved in writing by the LENDER, survive any transfer or foreclosure.

ARTICLE 5: REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 5.1 Representations and Warranties.

As a material inducement to the LENDER's entry into this Agreement, BORROWER hereby represents and warrants to the LENDER as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Article 5 are deemed to be continuing during all times when any portion of the Authority Loan remains outstanding:

(a) Organization. BORROWER is duly organized, validly existing, and in good standing under the laws of the State of California and has the power and authority to lease property and carry on its business as now being conducted.

(b) Authority of BORROWER. BORROWER has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of BORROWER, and all actions required under BORROWER's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. This Agreement and the Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of enforceable against it in accordance with the irrespective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on BORROWER, or any provision of the organizational documents of BORROWER, or will conflict with or constitute a breach of or a default under any agreement to which BORROWER is a party, or will result in the creation or

imposition of any lien upon any assets or property of BORROWER, other than liens established pursuant hereto.

(f) Pending Proceedings. BORROWER is not in default under any law or regulation or under any order of any court, board, commission, or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of BORROWER, threatened against or affecting BORROWER, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to BORROWER, materially affect BORROWER's ability to repay the Authority Loan or impair the security to be given to the LENDER pursuant hereto.

(g) Title to Land. At the time of recordation of the Leasehold Deed of Trust, BORROWER will have good and marketable ground lease for the Property and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than liens for current real property taxes and assessments not yet due and payable, and liens in favor of the LENDER or approved in writing by the LENDER.

(h) Hazardous Materials. To the best of BORROWER's knowledge, except as disclosed in writing by BORROWER to the LENDER or in the following reports, prior to the date of this Agreement: (i) no Hazardous Material has been disposed of, stored on, discharged from, or released to or from, or otherwise now exists in, on, under, or around, the Property, (ii) no aboveground or underground storage tanks are now or have ever been located on or under the Property, (iii) neither the Property, nor BORROWER, is in violation of any Hazardous Materials Law; and (iv) neither the Property, nor BORROWER, is subject to any existing, pending or threatened Hazardous Materials Claims.

(i) Financial Statements. The financial statements of BORROWER and other financial data and information furnished by BORROWER to the LENDER fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of BORROWER from that shown by such financial statements and other data and information.

(j) Taxes. BORROWER and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against BORROWER or any of its subsidiaries that could, if made, be reasonably expected to have a material adverse effect upon the Property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of BORROWER and its subsidiaries, taken as a whole, which would be expected to result in a material impairment of the ability of BORROWER to perform

under any Loan Document to which it is a party, or a material adverse effect upon the legality, validity, binding effect or enforceability against BORROWER of any Loan Document.

Section 5.2 Survival of Representations and Warranties.

All representations and warranties of BORROWER shall survive the making of the Authority Loan and have been or will be relied on by the LENDER notwithstanding any investigation made by the LENDER.

ARTICLE 6: TERMINATION, DEFAULT AND REMEDIES

Section 6.1 Events of Default.

Upon the occurrence of Default, as defined in this Section, the LENDER will give written notice to BORROWER and each Lender. If the Default continues uncured for thirty (30) days after receipt of written notice thereof from the LENDER to BORROWER or, if the breach cannot be cured within thirty (30) days, BORROWER diligently undertakes to cure such breach within thirty (30) days but such breach remains uncured within one hundred eighty (180) days, then LENDER may exercise all remedies available at law or equity; provided, however, that if a different period or notice requirement is specified under any other provision of this Article 6, the specific provisions shall control. Each of the following shall constitute a "Default" by BORROWER under this Agreement:

(a) Failure to Make Payment. Failure to repay the principal and any interest on the Loan within fifteen (15) days after receipt of written notice from the LENDER that such payment is due pursuant to the Loan Documents.

(b) Breach of Covenants. Failure of BORROWER to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents, subject to any applicable cure period.

(c) Default Under Other Loans. A default is declared under any other financing for the Project by the lender of such financing, or BORROWER fails to make any payment or perform any of its other covenants, agreements, or obligations under any other agreement with respect to financing for the Project. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the LENDER, the indebtedness evidenced by the Note.

(d) Adverse Financial Condition. A material adverse change in BORROWER's financial condition, or an event or condition materially impairing BORROWER's intended use of the Property, or BORROWER's ability to repay the Authority Loan occurs.

(e) Insolvency. A court having jurisdiction shall have made or entered any decree or order (1) adjudging BORROWER to be bankrupt or insolvent. (2) approving as properly filed a petition seeking reorganization of BORROWER or seeking any arrangement for BORROWER under the bankruptcy law or any other applicable debtor's relief law or statute of the United States

or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of BORROWER in bankruptcy or insolvency or for any of their properties, (4) directing the winding up or liquidation of BORROWER, if any such decree or order described in clauses (1) to (4), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days; or (5) BORROWER shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (5), inclusive. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the LENDER, the indebtedness evidenced by the Note.

(f) Assignment; Attachment. BORROWER shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the LENDER, the indebtedness evidenced by the Note.

(g) Suspension; Dissolution. BORROWER shall have voluntarily suspended its business or the dissolution of BORROWER.

(h) Liens on Property and the Project. There shall be filed any claim of lien (other than liens approved in writing by the LENDER) against the Project, the Property, or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Authority Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the LENDER.

(i) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Project, except that condemnation by the LENDER shall cause the Authority Loan to accelerate but shall not be a Default.

(j) Unauthorized Transfer. Any Transfer other than as permitted by Section 4.13.

(k) Representation or Warranty Incorrect. Any representation or warranty of BORROWER contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the LENDER in connection with any of the Loan Documents, proves to have been incorrect in any material and adverse respect when made.

Section 6.2 Remedies.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the LENDER or automatically where so specified, relieve the LENDER of any obligation to make or continue the Authority Loan and shall give the LENDER the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(a) Acceleration of Note. The LENDER shall have the right to cause all indebtedness of BORROWER to the LENDER under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. BORROWER waives all right to presentment, demand, protest or notice of protest or dishonor. The LENDER may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the LENDER as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Leasehold Deed of Trust. BORROWER shall be liable to pay the LENDER on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the LENDER in connection with the collection of the Authority Loan and the preservation, maintenance, protection. sale, or other disposition of the security given for the Authority Loan.

(b) Assignment of Documents. The LENDER may exercise all rights under the Assignment of Documents.

(c) Specific Performance. The LENDER shall have the right to mandamus or other suit, action or proceeding at law or in equity to require BORROWER to perform its obligations and covenants under the Loan Documents or to enjoin acts or things which may be unlawful or in violation of the provisions of the Loan Documents.

(d) Right to Cure at BORROWER's Expense. The LENDER shall have the right (but not the obligation) to cure any monetary default by BORROWER under a loan other than the Authority Loan. BORROWER agrees to reimburse the LENDER for any funds advanced by the LENDER to cure a monetary default by BORROWER upon demand therefore, together with interest thereon from the date of expenditure until the date of reimbursement at the Default Rate.

Section 6.3 Right of Contest.

BORROWER shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and, in a manner, unprejudicial to the LENDER or the rights of the LENDER hereunder.

Section 6.4 Remedies Cumulative.

No right, power, or remedy given to the LENDER by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the LENDER by the terms of any such instrument, or by any statute or otherwise against BORROWER and any other person or entity. Neither the failure nor any delay on the part of the LENDER to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the LENDER of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 7: GENERAL PROVISIONS

Section 7.1 Agreement Coordination.

(a) Authority's Executive Director shall represent LENDER for all purposes under this Agreement. Authority's _____ is designated by the Executive Director as the project manager, and his or her designee shall supervise the progress and execution of this Agreement.

(b) The Executive Director of BORROWER shall represent BORROWER for all purposes under this Agreement and, as the project director for BORROWER, shall supervise the progress and execution of this Agreement.

(c) Each party may change the party representing it by notice to the other party.

Section 7.2 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the LENDER and BORROWER or BORROWER's agents, employees or contractors, and BORROWER shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. BORROWER has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. BORROWER agrees to be solely responsible for its own acts and those of its agents and employees.

Section 7.3 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the LENDER, by any person BORROWER may have employed or with whom BORROWER may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the development of the Project, and BORROWER shall include similar requirements in any contracts entered into for the development of the Project.

Section 7.4 Amendments.

Any amendment to this Agreement shall be binding upon the parties, provided such amendment is set forth in a writing signed by the parties. The Authority's Executive Director is authorized to execute any amendments to this Agreement after approval by the Authority Board and to confer any consents or approvals that may be provided by the Authority's Board pursuant to this Agreement.

Section 7.5 Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the Authority Loan.

Section 7.6 Indemnification.

Except as directly caused by the LENDER's proven gross negligence or willful misconduct. BORROWER agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the LENDER) the LENDER, and its councilmembers, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens directly or indirectly arising out of or resulting from: (i) the making of the Authority Loan; (ii) BORROWER's performance or non-performance of its obligations under this Agreement; (iii) any act or omission of BORROWER, any of its agents, employees, licensees, tenants, contractors, subcontractors or material suppliers, or other person or entity with respect to the Authority Loan or the Property; (iv) the acquisition, ownership and maintenance of the Property; (v) the development, marketing, rental and operation of the Project; or (vi) any documents executed by BORROWER in connection with the Project. The provisions of this Section 7.6 shall survive the repayment and cancellation of the Note, the release and reconveyance of the Leasehold Deed of Trust, and termination of this Agreement but shall only apply to actions or events that occurred prior to the repayment and cancellation of the Note.

Section 7.7 Non-Liability of LENDER and LENDER Officials, Employees and Agents.

No member, official, employee or agent of the LENDER shall be personally liable to BORROWER, or any successor in interest, in the event of any Default or breach by the LENDER, or for any amount which may become due to BORROWER or its successor or on any obligation under the terms of this Agreement.

Section 7.8 No Third Party Beneficiaries.

BORROWER lacks any authority or power to pledge the credit of LENDER or incur any obligation in the name of LENDER. This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party, and no third party shall have any claim or right of action hereunder for any cause whatsoever.

Section 7.9 Action by the LENDER; Amendments.

Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent, request, extension of time, waiver of condition, or other action by the LENDER is required or permitted under this Agreement, such action may be given, made, or taken by the Authority's Executive Director, at the Executive Director's discretion, without further approval by the Authority Board, and any such action shall be in writing.

Section 7.10 Waivers.

Any waiver by the LENDER of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the LENDER to take action on any breach or Default of BORROWER or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to BORROWER to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the LENDER to any act or omission by BORROWER shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the LENDER's written consent to future waivers.

Section 7.11 Notices, Demands and Communications.

All notices, consents, communications or transmittals required by this Loan Agreement shall be made, in writing, and shall be communicated by the United States mail, certified, return receipt requested or by express delivery or overnight courier service with a delivery receipt, and shall be deemed given as of the date shown on the delivery receipt as the date of delivery or the date on which delivery was refused, and shall be addressed to the following addresses, or such other address as either party may designate, from time to time, by written notice sent to the other party in like manner:

TO LENDER: Brisbane Housing Authority
25A Park Place
Brisbane, CA 94005
Attn: Executive Director

Copy to: City of Brisbane
50 Park Place
Brisbane, CA 94005
Attn: Community Development Director

TO BORROWER: HEART-SV
Attn: Executive Director
2905 S. El Camino Real
San Mateo, CA 94403

with copy to: c/o San Mateo County Counsel
500 County Center, 4th Floor
Redwood City, CA 94063

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt for delivery or refusal of delivery.

Section 7.12 Applicable Law and Venue.

This Agreement shall be deemed a contract made under the laws of the State of California, and for the purposes hereof shall be governed and construed by and in accordance with the laws of the State of California. except for those provisions relating to choice of law or those provisions preempted by federal law. In the event that suit is brought by either party, the parties agree that trial of such action shall be vested exclusively in the County of San Mateo or the United States District Court for the Northern District of California.

Section 7.13 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their heirs, administrators, executors, legal representatives, successors and assigns. Any provision of this Loan Agreement which is characterized as a covenant or a condition shall be deemed both a covenant and a condition. This Agreement is intended to run with the land and shall bind BORROWER and its successors and assigns in the Property and the Project for the entire Term, and the benefit hereof shall inure to the benefit of the LENDER and its successors and assigns.

Section 7.14 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, each party shall bear its own attorney's fees and costs. No party shall be awarded its attorney's fees or costs and no prevailing party will have the right to recover its attorneys' fees and costs of suit from the other party.

Section 7.15 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 7.16 Force Majeure.

In addition to specific provisions of this Agreement, performance by either party shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock outs or other labor disturbances, one or more acts of a public enemy, war, riot, sabotage, blockade, embargo, floods, earthquakes, fires, quarantine restrictions, freight embargoes, lack of transportation, court order, delays or failures of performance by any governmental authority or utility company (other than the acts or failure to act of the LENDER and so long as the party seeking the extension has adequately complied with the applicable processing requirements of such governmental authority or utility company), delays resulting from changes in any applicable laws, rules, regulations, ordinances or codes, or a change in the interpretation thereof by any governing body with jurisdiction, or any other cause (other than lack of funds of BORROWER) beyond the reasonable control or without the fault of the party claiming an extension of time to

perform or an inability of performance. An extension of time for any cause will be deemed granted if notice by the party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and the party granting the extension agrees to the extension in writing. In no event shall the LENDER be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 7.17 Conflict of Interest.

(a) Except for payment of salaries and administrative costs, no person who is an employee, agent, consultant, officer or official of BORROWER who exercises or has exercised any functions or responsibilities concerning the activities under this Agreement, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from any such activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

(b) BORROWER further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. BORROWER also covenants that, in the performance of this Agreement, no person having such interest shall be employed by BORROWER. In addition, BORROWER certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of LENDER.

Section 7.18 Time of Essence.

Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement.

Section 7.19 Title of Parts and Sections; Exhibits.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and shall be deemed to be part hereof.

Section 7.20 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 7.21 Further Actions.

The parties agree that they will take such further actions, and execute such further documents, as may be necessary or appropriate in order to carry out the purposes of this Agreement.

[Signature Page Follows]

WHEREFORE, this Agreement has been entered into by the undersigned as of the date first above written.

BORROWER:

HEART-SV, a California Joint Powers Authority

By: _____
Armando F. Sanchez, Executive Director

LENDER:

BRISBANE HOUSING AUTHORITY

By: _____
Jeremy Dennis, Executive Director

Attest:

_____
Ingrid Padilla, Authority Secretary

Approved as to Form:

_____
Michael Roush, Legal Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

PROMISSORY NOTE

EXHIBIT C

LEASEHOLD DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING

EXHIBIT D

FINANCING PLAN

Item	#	Cost

EXHIBIT E

INSURANCE REQUIREMENTS

RECORDED AT THE REQUEST OF

AND RETURN TO:

BRISBANE HOUSING AUTHORITY

25 PARK PLACE

BRISBANE, CA 94005

EXEMPT FROM RECORDING FEES

GOVERNMENT CODE, SECTIONS 6103/27383

TERMINATION OF GROUND LEASE

THIS TERMINATION OF GROUND LEASE is made _____2026 by the Brisbane Housing Authority, a public agency ("AUTHORITY'), as successor in interest to the Redevelopment Agency of the City of Brisbane ("RDA") and Bridge Senior Housing , Inc., a California non-profit public benefit corporation, ("BRIDGE SENIOR"), as successor in interest to the Bridge Housing Corporation ("BRIDGE HOUSING").

RECITALS

A. AUTHORITY is the owner of real property in the City of Brisbane, County of San Mateo, State of California, located at 2-8 Visitacion Avenue, Brisbane, California, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "LAND").

B. In 1998, the RDA and BRIDGE HOUSING entered into a Ground Lease ("GROUND LEASE") by which RDA would lease the LAND to BRIDGE HOUSING and BRIDGE HOUSING would develop the LAND with a multifamily housing development for low and moderate income seniors consisting of fourteen residential units.

C. The GROUND LEASE defines a number of terms and "Improvements" is defined to mean the buildings, structures, and other improvements, including the building fixtures therein; the GROUND LEASE provides that at the termination of the GROUND LEASE, the Improvements revert to the Lessor.

D. The GROUND LEASE was recorded on February 26, 1998, Instrument Number 98-025157, Official Records of San Mateo County.

E. RDA and BRIDGE HOUSING amended the terms and conditions of the GROUND LEASE and recorded the amendments on November 17, 1998, Instrument Number 98-189580, and on June 6, 2000, Instrument Number 2000-66952, Official Records of San Mateo County.

F. In 2000, BRIDGE HOUSING assigned its interest in the GROUND LEASE to BRIDGE SENIOR; the assignment was recorded on February 18, 2000. Instrument Number 2000-20412, Official Records of San Mateo County.

G. Upon the state wide dissolution of redevelopment agencies, the former RDA assigned its interest in the GROUND LEASE to the AUTHORITY; the assignment was recorded on October 16, 2018, Instrument Number 2018-79966.

H. AUTHORITY and BRIDGE SENIOR now wish to terminate the GROUND LEASE, as amended, and to terminate the GROUND LEASE, as amended, of record.

NOW, THEREFORE, in consideration of the mutual promises herein, AUTHORITY and BRIDGE SENIOR agree as follows:

1. The GROUND LEASE as referenced in Recitals B and D, as amended as referenced in Recital E, is hereby terminated.
2. All of the Improvements on the LAND, as referenced in Recital C, shall revert to the AUTHORITY at no cost to the AUTHORITY.
3. BRIDGE SENIOR shall execute a quit claim deed to AUTHORITY not only to quitclaim any and all of its interest in the LAND but also in and to all and any of its interest in the Improvements on the LAND.
4. BRIDGE SENIOR shall pay to AUTHORITY all funds remaining in any reserve accounts to the extent payments into those reserve accounts were deducted in calculating Surplus Cash, all outstanding security deposits, and all advance payments of rent for periods beyond the termination of the GROUND LEASE.
5. This Termination of GROUND LEASE shall be recorded in the official records of San Mateo County.

BRISBANE HOUSING AUTHORITY

Jeremy Dennis, Executive Director

BRIDGE SENIOR HOUSING, INC.

Attest

Ingrid Padilla, Authority Secretary

Approved as to form:

Michael Roush, Legal Counsel

RECORDED AT THE REQUEST OF

AND RETURN TO:

BRISBANE HOUSING AUTHORITY

25 PARK PLACE

BRISBANE, CA 94005

EXEMPT FROM RECORDING FEES

GOVERNMENT CODE, SECTIONS 6103/27383

TERMINATION OF DECLARATION OF RESTRICTIONS

THIS TERMINATION OF DECLARATION OF RESTRICTIONS is made _____2026 by the Brisbane Housing Authority, a public agency ("AUTHORITY'), as successor in interest to the Redevelopment Agency of the City of Brisbane ("RDA") and Bridge Senior Housing , Inc., a California non-profit public benefit corporation, ("BRIDGE SENIOR"), as successor in interest to the Bridge Housing Corporation ("BRIDGE HOUSING").

RECITALS

A. AUTHORITY is the owner of real property in the City of Brisbane, County of San Mateo, State of California, located at 2-8 Visitacion Avenue, Brisbane, California, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "LAND").

B. In 1998, the RDA and BRIDGE HOUSING entered into a ground lease ("GROUND LEASE) by which BRIDGE HOUSING would develop on the LAND a multifamily housing development for low and moderate income seniors consisting of fourteen residential units.

C. RDA and BRIDGE HOUSING entered into a Declaration of Restrictions concerning the rents to be imposed on the tenants in the fourteen residential units, which Declaration of Restrictions was recorded on December 31, 1998, Instrument Number 98-214507, Official Records of San Mateo County.

D. In 2000, BRIDGE HOUSING assigned its interest in the GROUND LEASE to BRIDGE SENIOR and the assignment was recorded on February 18, 2000, Instrument Number 2000-20412, Official Records of San Mateo County.

E. Upon the dissolution of redevelopment agencies statewide, the former RDA assigned its interest in the GROUND LEASE to the AUTHORITY and the assignment was

recorded on October 16, 2018, Instrument Number 2018-79966, Official Records of San Mateo County.

F. AUTHORITY and BRIDGE SENIOR have now terminated the GROUND LEASE and, by reason of such termination, there is no continued need for the 1998 Declaration of Restrictions to remain of record and the AUTHORITY and BRIDGE SENIOR wish to terminate of record the 1998 Declaration of Restrictions.

NOW, THEREFORE, in consideration of the mutual promises herein, AUTHORITY and BRIDGE SENIOR agree as follows:

1. The 1998 Declaration of Restrictions referenced in Recital C above is hereby terminated.

2. This Termination of Declaration of Restrictions shall be recorded in the official records of San Mateo County.

BRISBANE HOUSING AUTHORITY BRIDGE SENIOR HOUSING, INC.

Jeremy Dennis, Executive Director

Attest:

Ingrid Padilla, Authority Secretary

Approved as to form:

Michael Roush, Legal Counsel

RECORDED AT THE REQUEST OF

AND RETURN TO:

BRISBANE HOUSING AUTHORITY

25 PARK PLACE

BRISBANE, CA 94005

EXEMPT FROM RECORDING FEES

GOVERNMENT CODE, SECTIONS 6103/27383

TERMINATION OF DECLARATION OF RESTRICTIONS

THIS TERMINATION OF DECLARATION OF RESTRICTIONS is made _____2026 by Bridge Senior Housing, Inc., a California non-profit public benefit corporation, ("BRIDGE SENIOR"), as successor in interest to the Bridge Housing Corporation ("BRIDGE HOUSING").

RECITALS

A. The Brisbane Housing Authority ("AUTHORITY") is the owner of real property in the City of Brisbane, County of San Mateo, State of California, located at 2-8 Visitacion Avenue, Brisbane, California, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "LAND").

B. In 1998, the former Redevelopment Agency of the City of Brisbane ("RDA") and BRIDGE HOUSING entered into a ground lease ("GROUND LEASE") by which BRIDGE HOUSING would develop on the LAND a multifamily housing development for low and moderate income seniors consisting of fourteen residential units.

C. In 2000, BRIDGE HOUSING assigned its interest in the GROUND LEASE to BRIDGE SENIOR; such assignment was recorded on February 18, 2000, Instrument Number 2000-20412, Official Records of San Mateo County.

D. In 2000, BRIDGE SENIOR recorded a Declaration of Restrictions against the LAND, recorded February 15, 2000, Instrument Number 2000-18755, Official Records of San Mateo County.

E. Upon the state wide dissolution of redevelopment agencies, the former RDA assigned its interest in the GROUND LEASE to the AUTHORITY; such assignment was

recorded on October 16, 2018, Instrument Number 2018-79966, Official Records of San Mateo County.

F. AUTHORITY and BRIDGE SENIOR have now terminated the GROUND LEASE and by reason of such termination, there is no continued need for the Declaration of Restrictions recorded on February 15, 2000 to remain of record and, with the consent of the AUTHORITY, BRIDGE SENIOR now wishes to terminate of record the 2000 Declaration of Restrictions.

NOW, THEREFORE, BRIDGE SENIOR declares:

1. The 2000 Declaration of Restrictions referenced in Recital D above is hereby terminated.

2. This Termination of Declaration of Restrictions shall be recorded in the official records of San Mateo County.

BRIDGE SENIOR HOUSING, INC.

The Brisbane Housing Authority, as owner of the LAND, hereby consents to the Termination of the 2000 Declaration of Restrictions,

Jeremy Dennis, Executive Director

Approved as to form:

Michael Roush, Legal Counsel

Recording requested by:

Brisbane Housing Authority

When recorded, mail to:

Brisbane Housing Authority
25 Park Place
Brisbane, CA 94005
Attn: Board Secretary

_____Space above this line for Recorder's use only

Exempt from recording fees: Government Code, section 6103
The undersigned Grantor declares:
Documentary Tax: County $ 0; City $0

QUITCLAIM DEED

APN: 007-221-180

FOR A VALUABLE CONSIDERATION, receipt of which is acknowledged, Bridge Senior Housing, a California nonprofit public benefit corporation, ("Grantor") does hereby remise, release, and forever quitclaim to the Brisbane Housing Authority, a public agency ("Grantee") any and all right, title, or interest that Grantor has in the real property described in Exhibit A, attached hereto and incorporated herein by reference, and any and all right, title, or interest that Grantor has in the Improvements on such property.

Dated: BRIDGE SENIOR HOUSING

Brisbane Housing Authority accepts and consents to this Quitclaim Deed.

Dated: BRISBANE HOUSING AUTHORITY

_____
Jeremy Dennis, Executive Director
Brisbane Housing Authority

Approved as to form:

Michael Roush, Legal Counsel
Brisbane Housing Authority

HEART
OF SAN MATEO COUNTY

February 24, 2026

Julia Ayres, Principal Planner
50 Park Place
Brisbane, CA 94005

Re: Visitacion Garden Senior Apartment, 8 Visitacion Avenue/3 Inyo Street, Brisbane, CA (the "Project")

Dear Ms. Ayres,

This letter sets forth our revised proposal to enter into a new ground lease and management agreement for the Project. The purpose of this letter is to summarize the material terms of our mutual understanding regarding the ground lease and management of the Project by the Housing Endowment and Regional Trust of San Mateo County ("HEART" or "Buyer") and its assignee, HEART-SV. The landowner is referred to as the "City." For clarity, references to "acquisition" below refer to Buyer's acquisition of the Project's leasehold interest and improvements pursuant to the ground lease.

1. Debt Assumption

HEART is willing to assume the existing City and County of San Mateo loans ("Debt") via new loan agreements on the condition that an appraisal demonstrates that the leasehold interest and improvements have a value equal to or greater than the Debt. The current total Debt is $4,289,188. HEART engaged Bowery Valuation to appraise the Project and the valuation, $3,290,000, is less than the Debt. As a result, HEART requests a restructuring of the Debt through new loan agreements in the following amounts: $3,062,564 for the City loan and $227,436 for the County of San Mateo loan.

2. Acquisition Price

The restructured Debt totaling $3,290,000 shall constitute the "Acquisition Price" of the Project leasehold interest and improvements.

3. Due Diligence Period

HEART conducted a full due diligence review, including an appraisal, a capital needs assessment, a Phase I environmental report, three reroofing quotes, and two exterior painting quotes.

4. Assignment

The City acknowledges that, immediately prior to closing, Buyer will assign the Project acquisition to HEART-SV, an affiliate of HEART, which will take title.

5. Financing

Based on the information provided in the Request for Proposals and by the current Project operator, HEART believes that existing rental revenue is sufficient to cover general operating expenses. However, outstanding repairs and future capital needs identified in the capital

needs assessment exceed projected revenues. To address this gap, HEART proposes a combination of a new City loan and a HEART loan, each in the amount of $390,250.

6. Rent Restriction

HEART accepts and proposes to maintain the existing rent restrictions, while implementing subsidy "stacking" to ensure long-term project sustainability. HEART proposes one modification: replacing two 40% AMI units with one 30% AMI unit and one 50% AMI unit. This will allow rents to align with the State Department of Housing and Community Development (HCD) published rent levels.

To maintain viability, HEART intends to rent four units to income-qualified households at 80% AMI. However, Health & Safety Code §§50053 and 50052.5 requires that units restricted at 80% AMI be rented at 60% AMI rent levels. To serve 80% AMI households at appropriate rents, these units must instead be deed restricted at 120% AMI. Notwithstanding the 120% deed restriction level, HEART will continue to income-qualify and target tenants for these four units at 80% AMI. A table summarizing the proposed restrictions, target occupancy, and subsidy stacking is shown below.

Proposed Deed Restrictions			
	City Deed Restrictions		County Deed Restrictions Stacked
AMI	Income	Target Rent	
30%	3	3	3
40%	0	0	
50%	1	1	
60%	6	6	1
80%	0	4	1
120%	4	0	
Total	14	14	5

7. Current Tenants

HEART will honor all existing leases and designated AMI rent levels for tenants currently residing at the Project.

8. Affordability

Because the City's original funding for the Project came from the former Redevelopment Agency, HEART understands that H&SC dictates the method for calculating rents for units regulated by the City deed restriction. HEART and the City further acknowledge that if City and County subsidies are stacked, five units will be subject to the lesser of HUD HOME Income Limits or H&SC-based limits.

9. Property Management

HEART believes that the Project's prior financial challenges stemmed in part from reliance on part-time, on-site management and maintenance. HEART proposes utilizing a capable, responsive off-site

property management team to ensure both quality service for tenants and proper maintenance. Should this approach fall short, HEART is willing to adjust its strategy.

10. Repairs and Upgrades HEART proposes a $434,000 construction budget to address identified repairs needed over the next five years. In addition, HEART will capitalize a $100,000 reserve fund and contribute 10% of gross income annually for the first four years, beginning with approximately $21,000 in the first year. To fund the ongoing repair needs, HEART will increase the replacement reserve deposit to 15% of gross income annually in year five and again to 20% of gross income annually in year sixteen. In year twenty-four, HEART will reduce the replacement reserve deposit to 15% of gross income annually. The combination of the construction budget, capitalized reserves, and the annual deposits to the reserve is sufficient to address all repairs identified in the capital needs assessment.

11. Non-Binding Effect This proposal reflects the mutual understanding of the parties with respect to the general terms and conditions of the proposed transaction. Except for provisions expressly intended to be binding (if any), this proposal is non-binding and subject to the negotiation and execution of mutually acceptable definitive agreements.

Thank you for considering this proposal. We look forward to further discussions and to working together to preserve and strengthen affordable housing in the City of Brisbane.

Sincerely,

Armando F. Sanchez
Executive Director.

Statement of Intent

HEART is proposing a new 55-year ground lease to operate and manage the Project.

HEART's Proposed Approach

HEART proposes to assume the existing Debt on the condition that an appraisal demonstrates the leasehold interest and improvements have a value equal to or greater than the Debt. HEART will conduct an appraisal as part of its due diligence review and if the valuation is less than the Debt, HEART requests to restructure the Debt.

The provided 2024 Capital Needs Assessment by Integrated Property Analysis identifies $796,200 in capital needs. Completing the repairs based on the Assessment's schedule, the future cost of these repairs with inflation will be approximately $980,460. However, the existing Project revenue does not support this level of repairs. To address this deficit, HEART proposes to establish a $363,000 construction budget to immediately finance the first 3 years of capital needs, fund a $90,000 capital reserve, and contribute 10% of gross income annually to the capital reserve fund. The immediate repairs, future repair schedule and total cost are subject to change based on the property needs assessment HEART will conduct once the City notifies HEART that the City Subcommittee is recommending HEART for the Project.

To pay for all costs associated with assuming the Project, including pay for the immediate repairs, the capital reserve, and the operating reserve, HEART is proposing a combination of a new $350,000 City loan and a 15-year $262,350 HEART loan.

SUPERSEDED. Please refer to 2/24/2026 Letter of Interest for updated capital improvement and Authority and HEART loan amounts requested.

Table 1: Experience Last 10 Years

HEART MULTIFAMILY LOANS

HEART's role is to provide predeveldopment and/or permanent financing to multifamily projects for new construuction, preservation and predevelopment.

Development	Developer	Borrower	Units	Afford. Units	Type	Status	HEART Loan Amount	Note Date	Repayment Type	Total Devt Costs
Stambaugh	HEART-SV	HEART-SV	8	8	Preservation	Completed	$1,900,000	7/29/24	Residual Receipts	$3,760,327
Stambaugh	HEART-SV	HEART-SV	8	8	Preservation	Completed	$450,000	2/29/24	Repaid	
Ridge at Ralston	CRP	CRP Affordable Communities	65	64	New Construction	Predevelopment	$1,000,000	7/1/24	Balloon, Interest annually	$61,272,000
Ridge at Ralston	CRP	CRP Affordable Communities	65	64	New Construction	Predevelopment	$3,000,000	1/1/24	Balloon, Interest annually	
Colibri	MidPen Housing	MP 965 Weeks Street Ass.	136	135	New Construction	Construnction	$3,230,000	10/1/23	Residual Receipts	$140,737,067
493 Eastmoor Ave	CORE	Eastmoor Multifamily	72	71	New Construction	Predevelopment	$3,000,000	9/18/23	Repaid	$71,774,000
Kiku	MidPen Housing	Donwtown SM Partners	225	223	New Construction	Construnction	$3,800,000	12/17/21	Residual Receipts	$169,000,000
Nugent Square	EDEN/ EPACANDO	Nugent Square Partners	32	31	Rehabilitation	Completed	$850,000	9/13/21	Repaid	$850,000
353 Main Street Family Apartments	ROEM	353 Main Street Apartments	125	124	New Construction	Completed	$3,500,000	7/29/19	Repaid	$87,894,313
PSD Oddstad Blvd.	Pacifica School District	Pacifica School District	70	45	New Construction	Predevelopment	$900,000	7/1/18	Repaid	$24,000,000
2821 El Camino Real Unincorporated (North Fair Oaks)	Palo Alto Housing	2821 ECR LLC	67	66	New Construction	Completed	$3,500,000	10/2/17	Repaid	$33,899,243
Bay Meadows Affordable San Mateo	BRIDGE	Winfield Hill, Inc.	68	67	New Construction	Completed	$500,000	2/21/17	Repaid	$46,958,277
Jefferson Av. Homeownership Redwood City	Habitat for Humanity	Habitat for Humanity Greater San Francisco	20	20	New Construction	Completed	$500,000	2/24/15	Repayment: $12,500 semi-annual	$10,262,000
10 Year Totals:			961	926			$26,130,000			$650,407,227

Table 2: Armando Sanchez Preservation Experience

Project	Units	Affordable	Purchase Price	Year Purchased	Years in Service	Role	Current Status
232 Miller Avenue, SSF	2	2	$700,000	2006	7	Acquisition, property management	Demolished, New Parking Structure
217-219 Grand Avenue, SSF	1	1	$1,500,000	2010	3	Acquisition, rehab, property management	Demolished, New Affordable Housing Development
310-314 Miller Avenue, SSF	12	12	$4,215,672	2001-2008	15	Acquisition, rehab, property management	Demolished, New Affordable Housing Development
714-718 Linden Ave, SSF	3	3	$755,118	2005	20	Acquisition, rehab, property management	Affordable 3-plex
339-341 Commecial Ave, SSF	4	4	$932,705	2007	18	Acquisition, rehab, property management	Affordable 4-plex

HEART Experience

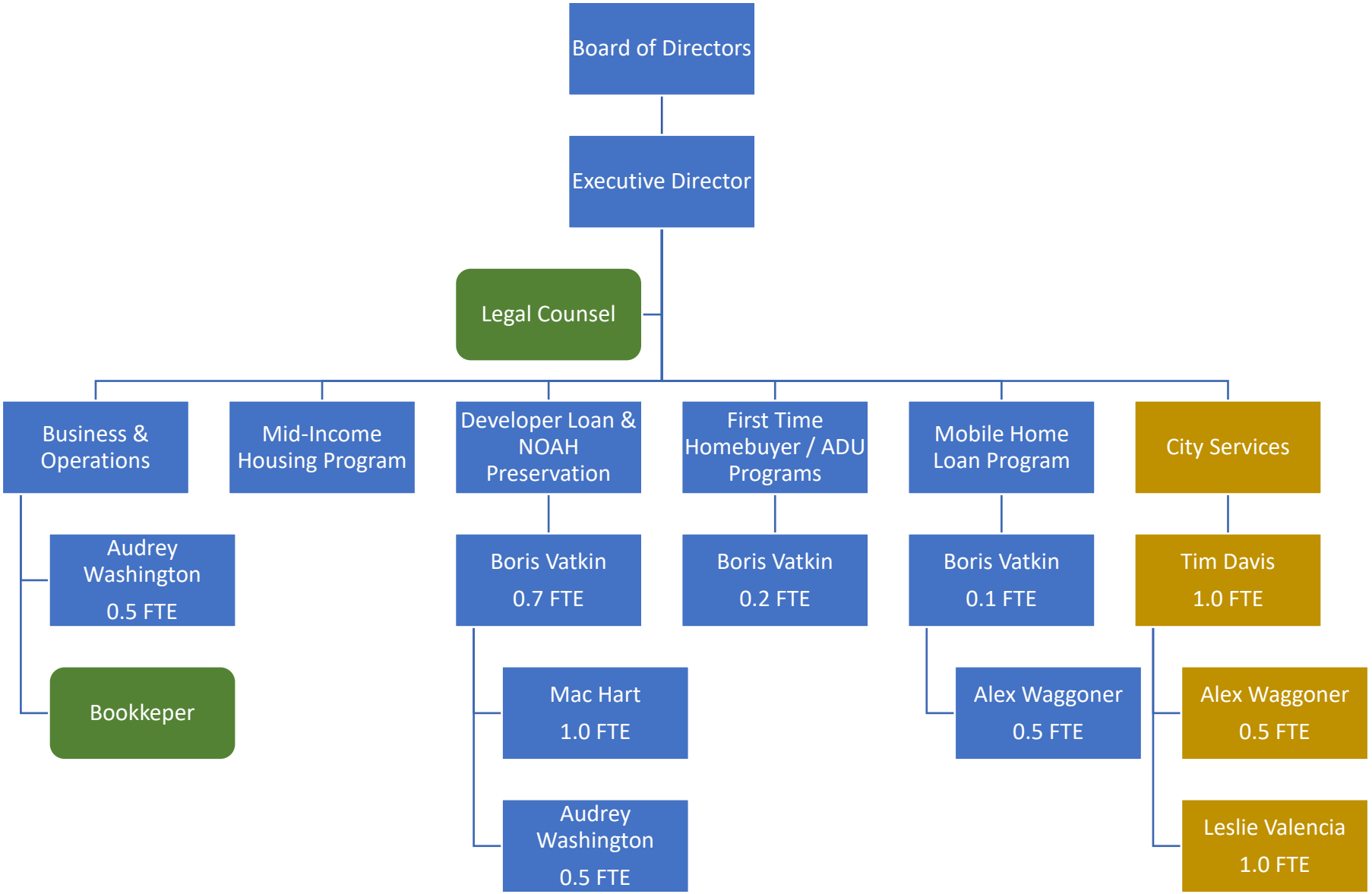
HEART is a Joint Powers Authority founded in 2003 in collaboration with the County of San Mateo and its cities to address the region's need for affordable housing for low- and moderate-income families. HEART operates a capital trust fund to provide short- and medium-term loans for the acquisition, predevelopment, and rehabilitation of affordable multifamily projects. Table 1 provides an overview of HEART's loan portfolio over the last 10 years.

In 2024, HEART launched its Preservation Program and established an affiliate organization, HEART-SV, to acquire Naturally Occurring Affordable Housing (NOAH) properties and provide rent stability for existing tenants. In July 2024, HEART completed its first acquisition of an 8-unit property in Redwood City, propelling HEART into property acquisition and operations. Armando Sanchez, Executive Director of HEART brings over 15 years of experience as a consultant with South San Francisco where he led the purchase and operations of 5 properties detailed in Table 2.

Key Principle
Armando Sanchez
asanchez@heartofsmc.org
(650) 204-5641

HEART

Organization Chart



First Amended
Joint Exercise of Powers Agreement
Housing Endowment and Regional Trust of San Mateo County

This Agreement which supersedes in its entirety the Joint Exercise of Powers Agreement entered into the 13th day of May 2003, which established the Housing Endowment and Trust of San Mateo County, pursuant to the provisions of the Joint Exercise of Powers Act (Title 1, Division 7, Article 1, §6500 et seq. of the California Government Code), is by and between the County of San Mateo ("County") and those cities and towns within the County of San Mateo who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto, hereafter individually referred to as "Member Agency" and collectively referred to "Member Agencies".

RECITALS

A. The Member Agencies are responsible for the health and safety of the residents within their geographic boundaries.

B. Each Member Agency has the individual power to plan, acquire, construct, manage, regulate, operate, and control the development, construction and operation of workforce and affordable housing programs generated within its jurisdictional boundaries, as well as to create and issue development agreements for such activities.

C. The Member Agencies find it in their mutual economic interest to address work force and affordable housing issues on a regional level.

D. A county-wide adequate supply of housing will provide social and economic benefits to residents and taxpayers of the Member Agencies.

E. The Member Agencies desire to act in the public interest to lessen the burden of government by reducing the need for each Member Agency to act individually, and to provide charitable support for workforce and affordable housing in San Mateo County.

F. California Government Code §6500 et seq. ("Joint Exercise of Powers Act" or "Act") permits two or more public agencies to create joint powers authorities for the purposes cited herein, and permits the agencies to exercise jointly any power that the public agencies could exercise separately, and further grants certain additional powers to such joint powers authorities.

G. Local land-use decisions remain solely with the Member Agencies. Nothing in this Agreement deprives member agencies of their sovereign powers or transfers those powers to the joint powers authority.

NOW, THEREFORE BE IT RESOLVED that the Member Agencies do hereby establish the entity to be known as the Housing Endowment and Regional Trust of San Mateo County (hereinafter referred to herein as "HEART"), to generate and disburse funding that will result in permanent additions to the workforce and affordable housing stock within San Mateo County, and do hereby agree as follows:

1. **Purpose.**

1.1 The purpose of this Agreement is to establish an organization that shall be responsible for the joint fundraising, planning, adoption, financing, administration, review, monitoring and reporting of certain workforce and affordable housing program activities in San Mateo County. By entering this joint powers authority, the Member Agencies earn economic benefits not realized when operating individually. Further, the establishment of this joint powers authority provides for the economic viability and coordination of workforce and affordable housing program financing and facilities throughout San Mateo County.

1.2. HEART shall be an entity which is legally independent from the parties to this Agreement and shall be responsible for the administration of this Agreement.

1.3 The assets, rights, debts, liabilities, and obligations of HEART shall not constitute assets, rights, debts, liabilities, or obligations of any of the Member Agencies. However, nothing in this Agreement shall prevent any of the Member Agencies from separately contracting for, or assuming responsibility for, specific debts, liabilities, or obligations of HEART, provided that both the Board and the Member Agency approve such contract or assumption.

2. Powers.

2.1 HEART is authorized, but is in no way required, to act in its own name on any or all of the following matters, as each Member Agency could act separately, and as it deems in the best interest of its Members, to the extent permitted by any and all applicable laws, codes, ordinances, resolutions and regulations:

a. Facilitate and assist the Member Agencies and others in the housing sector to acquire, construct, finance, refinance, operate, regulate and maintain housing programs, projects and facilities.

b. Facilitate the planning, study, and recommendation of proper and appropriate housing programs, projects and facilities, and management practices. Research and study issues related to housing, including without limitation workforce, affordable and special needs housing.

c. Educate the public, its Member Agencies, and other agencies and entities as to housing programs, projects and facilities, including without limitation workforce, affordable and special needs housing.

d. Provide for or enter into agreements to provide for financial, engineering, legal, audit, and any other professional services supporting any of the HEART's programs or activities.

e. Solicit, apply for, accept, and receive grants, gifts, donations, advances, and contributions.

f. Hire agents and employees, including consultants and legal counsel.

g. Sue and be sued in its own name.

h. Incur and discharge debts, liabilities, and obligations provided that such debt shall be in the form of secured bonds, revenue bonds or other similar forms of secured debt.

i. Issue bonds or notes and associated covenants, for designated purposes, subject to the provisions and limitations of the California Government Code.

j. Acquire or protect any necessary security or leasehold interests involved in loans, bonds, notes, or other financing methods implemented to carry out the purposes of this Agreement.

k. Acquire, hold, lease and dispose of real and personal property as may be necessary and appropriate in connection with the programmatic needs of HEART.

l. Issue and receive loans.

m. Acquire such insurance protection as it deems necessary.

n. Adopt, as authorized by California law, resolutions necessary to carry out the purposes of this Agreement

o. Utilize and establish advisory committees or subcommittees whenever necessary.

p. Adopt bylaws and such other rules and procedures as may be deemed necessary.

2.2 HEART shall facilitate and encourage the creation, construction, development, and maintenance of certain workforce and affordable housing throughout San Mateo County.

3. **Term and Termination**

3.1 This Agreement shall be effective upon its execution by the County and at least three (3) cities, at least two (2) of which have an adopted housing element that the Department of Housing and Community Development has determined to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code ("certified housing element").

3.2 This Agreement shall continue at least until March 30, 2013, and thereafter shall continue until terminated or dissolved pursuant to Section 3.3 of this Agreement. However, in no event shall the Member Agencies vote to terminate or dissolve HEART if its termination or dissolution would conflict with or violate the terms or conditions of any bonds, financial instruments, or related documentation by or on behalf of HEART, including, without limitation, indentures, resolutions, and letter of credit agreements.

3.3. This Agreement may be terminated by consent of all Member Agencies, and upon full and complete liquidation of all liabilities, including, but not limited to any bonds. Upon the date

of termination (hereinafter "Termination Date"), payment of any and all obligations and division of any and all assets of HEART shall be conducted subject to the then-applicable requirements of the law, pursuant to the following:

a. In the event of termination of HEART where there is a successor public agency that will conduct all of the activities of HEART and will assume all of its obligations, any and all HEART assets and liabilities remaining upon termination of HEART shall be transferred to the successor public agency.

b. If there is no successor public agency that would conduct HEART's activities, all assets and liabilities shall be apportioned to each Member Agency in proportion to the contribution of each Member Agency's total contribution during the term of this Agreement.

c. If there is a successor public agency that would conduct some of HEART's activities, then the Board shall allocate HEART's assets and liabilities between the successor public agency and the Member Agencies each in proportion to its total contribution during the term of this Agreement..

d. In the event HEART is terminated under circumstances falling within (b) or (c) above, all decisions of the Board with regard to determinations of amounts to be transferred to the Member Agencies or any successor shall be final.

e. The obligations of HEART terminate on the Termination Date, and each Member Agency shall pay all amounts owed to HEART prior to that date. In the event of default by a Member Agency with regard to payment of amounts due, the obligation to pay all sums due to HEART shall survive and remain in full force after the Termination Date.

f. By unanimous agreement of all then current Member Agencies, said current Member Agencies may dispose of, divide, distribute, or return assets on a basis different from that established in this Section 3.

g. The assets distributed pursuant to this Section 3 to Member Agencies will be used for public purposes.

4. Governance

4.1 HEART is governed and administered by a Board of Directors ("Board") that shall exercise all powers and authority on behalf of HEART. The Board shall consist of no more than 21 voting members (hereinafter "Directors"), as follows:

2 No more than two (2) members of the San Mateo County Board of Supervisors

9 No more than nine (9) City representatives appointed by the City Selection Committee of the Council of Cities from among city council members, provided only those cities that are Member Agencies may have a representative Director and no city may have more than one (1) representative Director.

These foregoing Directors shall be referred to as the "Public Directors". Subject to any restriction that may be in the bylaws, the body selecting a Public Director may decide whether to select or allow alternates who may participate when the regular Public Director is absent.

10 Not more than 10 individuals who are not publicly elected officials, and who as broadly as may be reasonable, represent the following interests or constituencies: housing advocate groups; labor groups; non-profit developers; real estate development or sales; the population seeking below market housing; the faith community; local school districts or the County Office of Education; the business community; private foundations interested in housing; and finance or financial institutions. These Directors shall be referred to as the "At Large Directors".

Initially, the Public Directors shall, by majority vote of those present at the meeting, select the At Large Directors. Thereafter, successor At Large Directors shall be selected by a majority vote of the voting Directors (Public Directors and At Large Directors) present at the meeting.

The number of Public Directors shall at all times be at least one more than the number of At Large Directors. Vacancies among the Public Directors shall be filled as soon as practical by the City Selection Committee of the Council of Cities to assure that this condition is met.

Additional ex-officio, non-voting, Affiliate Directors may be established by unanimous Board action, and such Affiliate Directors shall be referred to as "Affiliates". Regular attendance by each Director and Affiliate shall be encouraged by the HEART Board and the Member Agencies.

4.2. Directors shall hold office as follows:

a. The Public Directors' terms shall be three (3) calendar years from March of the first year through February of the third year; provided, however the initial Public Sector Directors selected by the City Selection Committee of the Council of Cities shall each be deemed

to have started in March 2003, and shall have staggered terms such that three (3) have a one (1) year term, three (3) have a two (2) year term, and three (3) have a three (3) year term.

b. The At Large Directors' terms shall be three (3) calendar years from March of the first year through February of the third year; provided, however the initial At Large Directors shall each be deemed to have started in March 2003, and shall have staggered terms such that four (4) have a one (1) year term, three (3) have a two (2) year term, and three (3) have a three (3) year term.

c. There shall be no limit to the number of terms that a Director may serve.

4.3. Directors shall receive no compensation from HEART for serving on the Board. HEART may reimburse Directors for reasonable expenses necessarily incurred on the Board's behalf, with prior approval of the Board.

4.4 The Board may establish an Executive Committee to carry out any and all functions of the Board that the Board may delegate to said Executive Committee. Executive Committee members shall be Board members, but the exact composition of the Executive Committee shall be as determined by the Board.

4.5 The Board may establish Advisory Committees to advise the Board or the Executive Committee. Advisory Committee members need not be Board members. The composition and role of an Advisory Committee shall be as determined by the Board.

4.6 There is established a Member Agency Committee, at any given time composed of all the current Public Directors, plus one (1) City Council member from each Member Agency (as may be selected by that Member Agency) that does not have a council member on the Board at the time. The Board shall receive advice and input from the Member Agency Committee in all matters involving budgets, assessments to Member Agencies and decisions as to the jurisdictions in which Program funds are to be spent. The Member Agency Committee is intended to provide an opportunity for every Member Agency, whether or not it has a council member on the Board, to participate in the fiscal and programmatic deliberations of HEART. The Member Agency Committee may provide advice and input to the Board on additional topics or matters as may be set forth in the bylaws, or as may otherwise be determined by the Board from time to time.

5. **Budgets and Financing.**

5.1 The Board annually shall adopt, by a date HEART designates by resolution, an operating budget for HEART setting forth anticipated expenses, financing sources and proposed service levels necessary to carry out the purposes of this Agreement. The budget for HEART shall distinguish between Administrative costs (i.e., the cost of operating HEART) and Program costs (i.e., the financing of the programs funded or sponsored by HEART). HEART shall establish its fiscal year by resolution. Immediately after approving the annual budget, the Board shall recommend the budget to the governing bodies of the Member Agencies. The Board shall secure from each Member Agency contributions, appropriations and/or commitments to contribute services or other consideration in accordance with each Member Agency's obligations as determined by the Board as set forth in this Agreement. It is expressly agreed and understood that the Board has no authority to bind any governing board of any Member Agency to make the recommended contribution, appropriation and/or commitment and that this decision rests solely with each governing body. Each Member Agency shall deposit its monetary contribution to the budget with the HEART Treasurer on or before the date HEART designates by resolution. Contributions from private persons or entities and not-for-profit entities, whether or not their interests are represented by any At Large Directors, are acceptable so long as they do not cause a violation of any applicable conflict of interest statutes, rules or regulations.

5.2. In consideration of the mutual promises contained herein, the parties agree that they shall make the following annual contributions towards the Administrative budget of HEART: Initially, the County of San Mateo has or will, make available up to Seventy-Five Thousand Dollars ($75,000) for the Administrative budget during the start up and initial work of HEART. Thereafter, funds required for the Administrative budget shall be provided by the contribution of each Member Agency and each Member Agency's contribution shall be its pro-rata share of the revenue needed for the Administrative budget as adopted by the Board of Directors. The pro-rata share of each Member Agency shall be based upon its population as then currently in use by City/County Association of Governments of San Mateo County (C/CAG). By unanimous vote, under special circumstances, the Board of Directors may waive one or more Member Agency's contribution. If a Member Agency fails to pay its annual contribution to the Administrative budget, during the period of such non-payment it shall forfeit any right it may have to have a Public Director from its jurisdiction on the Board. A Member Agency's contribution to the

Administrative budget shall be in the form of money, unless the Board approves another form of contribution such as services, personal property or use of real or personal property, or other in-kind contributions. The acceptance and valuation of any such non-monetary contributions shall be as determined by the Board.

5.3 The particular Programs and Program budget, funded, sponsored or operated by HEART, as well as the level of, and mechanisms for, the involvement of HEART and each Member Agency, in such Programs and Program budget, shall be determined and approved by the Board. A Member Agency's individual contribution, involvement and role in any particular Program or the Program budget shall be as may be mutually agreed between the Member Agency and HEART. By way of example only, said contributions, involvement or role may include: cash contributions, provision of services or staffing, use or transfer of title to real or personal property, participation or funding from the Redevelopment Agency under the control of or under contract with the Member Agency, pledges, guarantees or whatever other instruments or involvement the Member Agency and HEART may agree to. Contributions of all kinds to the Program budget from private persons or entities and not-for-profit entities, whether or not their interests are represented by any At Large Directors, are encouraged, so long as they do not cause a violation of any applicable conflict of interest statutes, rules or regulations.

6. Financial Management

6.1. HEART may appoint a financial manager to manage, hold, invest and distribute the funds of HEART ("Financial Manager"). The duties of the Financial Manager shall include those responsibilities as deemed necessary or appropriate by the Board. There shall be a strict accountability of all funds and report of all receipts and disbursements.

6.2. The public office or officers or person or persons who may be designated to have charge of, handle, or have access to any property of HEART, shall file an official bond in an amount to be fixed by the Board.

7. Staffing.

7.1. It is understood that HEART may require the support of its own administrative staff. When deemed necessary, the Board may employ or use a managing agent ("Managing Agent"), to implement the objectives of HEART. The Managing Agent may consist of a separate entity or an executive director. The Board shall have responsibility for all employment decisions regarding said Managing Agent, who shall serve at the pleasure of the Board.

7.2. The Managing Agent may be delegated authority as deemed necessary or appropriate by the Board.

7.3. The Managing Agent shall be responsible for the day-to-day administration of HEART under the direction of the Board. The Managing Agent shall have the authority to employ or use administrative staff consistent with the goals, needs and approved budget of HEART.

7.4 If there is a Managing Agent that is a separate entity, that Managing Agent shall designate who on its staff shall be the Executive Director of HEART, but the acceptance of such choice shall be subject to the approval of the Board.

8. **Meetings**

8.1 The Board shall schedule by Resolution at least two (2) regular meetings each Fiscal Year.

8.2. Special meetings of the Board may be called by the Chairperson and otherwise as in accordance with provisions of the California Government Code §54956.

8.3. All meetings of the Board shall be held subject to the provisions of California Government Code §54950 et seq. and other applicable laws of the State of California.

8.4 All meetings of the Board must be held within the County of San Mateo at a location determined by the Chairperson, except that the Board may hold a special meeting outside the County of San Mateo upon an affirmative vote in accordance with Section 8.8 of this Agreement.

8.5 The Secretary shall cause the taking and keeping of minutes of all Board meetings. Promptly after each meeting, the Secretary shall cause a copy of the minutes to be forwarded to each Director, either electronically or in paper form.

8.6 A majority of the Directors shall constitute a quorum for the transaction of business of the Board, except that Directors constituting less than a quorum may adjourn any meeting.

8.7 Each Director is entitled to cast one vote on any matter presented to the Board for a vote.

8.8 All decisions and actions shall be by a majority of the total number of Directors, regardless of the number of Directors present, unless otherwise provided in this Agreement. For example, with 21 total Directors, 11 votes are required for a decision or action by the Board; and with 13 total Directors, 7 votes would be required.

8.9 Meetings of the Board shall be conducted by a Chairperson, or in the Chairperson's absence by the Vice Chairperson. In the absence of both the Chairperson and the Vice Chairperson, meetings shall be conducted by the Public Director in attendance who represents the largest Member Agency with Board representation, by population.

9. **Bylaws.** The Board from time to time may adopt and amend bylaws for the conduct of its affairs, provided that they are consistent with this Agreement and are necessary and appropriate in order to carry out HEART's purpose.

10. **Officers and Employees**.

10.1 Every two (2) years, the Board shall elect a Chairperson and a Vice Chairperson from among its members.

10.2 The Board shall appoint a Secretary who may, but need not be, a member of the Board.

10.3 The Board shall select a Treasurer, from one of the Member Agencies or a certified public accountant, who shall be the depository and have custody of all the money and property of HEART from whatever source. The duties of HEART Treasurer shall include those set forth in the Act, including those set forth in Government Code §6505.5. If the Board designates a certified public accountant as the Treasurer, then the auditor of one of the Member Agencies

shall be designated as the auditor of HEART. The Treasurer may, if the Board so elects, also serve as the Financial Manager.

10.4 HEART shall designate its legal counsel.

11. **Withdrawal.** Any Member Agency may withdraw from this Agreement effective as of the end of any fiscal year, provided ninety (90) days prior written notice is provided to the other Member Agencies.. The rights and obligations of such withdrawing Member Agency shall terminate as of the last day of the fiscal year. The withdrawal of any Member Agency from this Agreement shall in no way affect the rights and obligations of the remaining parties. If a Member Agency withdraws from this Agreement, such Member Agency shall not be entitled to the return of any funds contributed to HEART nor to the return in cash or in kind of any materials or supplies until termination of this Agreement. If a withdrawing Member Agency has obligations under contracts or commitments, including bonds, that are independent from its obligations to HEART, such withdrawal from HEART shall have no impact on such independent obligations.

12. **Amendments.** Subject to all legal obligations of HEART, this Agreement may be amended by one or more supplemental agreements executed by all of the Member Agencies of HEART.

13. **Filings.** The Secretary shall cause to be filed all required notices with the California Secretary of State, in accordance with California Government Codes §6503.5 and §53051.

14. **Notices**.

14.1. All notices to the Member Agencies shall be deemed to have been given to the Member Agencies when mailed, postage prepaid by United States mail, or when hand delivered to the governing body of each Member Agency during usual business hours at the principal office, or to the person apparently in charge of that office.

14.2 All notices to HEART shall be deemed to have been given to HEART when mailed, postage prepaid by United States mail, or when hand delivered to each of the Chairperson, Vice

IN WITNESS WHEREOF, the parties hereto by their duly authorized representative, have affixed their signatures on this Agreement, effective as of the date first stated above.

COUNTY OF SAN MATEO

By: _____

President, Board of Supervisors

Date: 9/9/08

Certificate of Delivery
(Government Code Section 25103)
I certify that a copy of the original document filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.
Marie L. Peterson
Deputy Clerk of the Board of Supervisors

ATTEST:

By: _____

Clerk of Said Board

11-07-08P04:46 RCVD

_____
Clerk of the Board

TOWN OF ATHERTON

By_____
Mayor

ATTEST:

_____
Clerk of Town Council

CITY OF BELMONT

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BRISBANE

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BURLINGAME

By_____
Mayor

ATTEST:

_____
Clerk of City Council

TOWN OF COLMA

By_____
Mayor

ATTEST:

_____
Clerk of the Board

TOWN OF ATHERTON

By_____
Mayor

ATTEST:

_____
Clerk of Town Council

CITY OF BELMONT

By Warren Lieberman
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BRISBANE

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BURLINGAME

By_____
Mayor

ATTEST:

_____
Clerk of City Council

TOWN OF COLMA

By_____
Mayor

ATTEST:

_____
Clerk of the Board

TOWN OF ATHERTON

By_____
Mayor

ATTEST:

_____
Clerk of Town Council

CITY OF BELMONT

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BRISBANE

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BURLINGAME

By_____
Mayor

ATTEST:

_____
Clerk of City Council

TOWN OF COLMA

By_____
Mayor

ATTEST:

CITY OF BELMONT

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BRISBANE

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF BURLINGAME

By Rosalie M. O'Mahony
Mayor

ATTEST:

Doris J. Mortensen
Clerk of City Council

TOWN OF COLMA

By_____
Mayor

ATTEST:

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Clerk of Town Council

CITY OF DALY CITY

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF EAST PALO ALTO

_____
Clerk of the Board

TOWN OF ATHERTON

By_____
Mayor

ATTEST:

_____
Clerk of Town Council

CITY OF BELMONT

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF BRISBANE

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF BURLINGAME

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF COLMA

By Helen Fisicaro
Mayor

ATTEST:

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Clerk of Town Council

CITY OF DALY CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF EAST PALO ALTO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF FOSTER CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF HALF MOON BAY

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF HILLSBOROUGH

By_____
Mayor

ATTEST:

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Clerk of Town Council

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Clerk of Town Council

CITY OF DALY CITY

By Carol L Klatt
Mayor

ATTEST:

Maria E. Cortes
Clerk of City Council

CITY OF EAST PALO ALTO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF FOSTER CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF HALF MOON BAY

By_____
Mayor

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Clerk of City Council

TOWN OF HILLSBOROUGH

By_____
Mayor

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Clerk of Town Council

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Clerk of City Council

CITY OF BRISBANE

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF BURLINGAME

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF COLMA

By_____
Mayor

ATTEST:

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Clerk of Town Council

CITY OF DALY CITY

By_____
Mayor

ATTEST:

_____
Clerk of City Council

CITY OF EAST PALO ALTO

By Patricia Foster
Mayor, Patricia Foster

ATTEST:

Clerk of City Council, Minnette Warren

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Clerk of Town Council

CITY OF DALY CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF EAST PALO ALTO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF FOSTER CITY

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Clerk of City Council

CITY OF HALF MOON BAY

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF HILLSBOROUGH

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Clerk of Town Council

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Clerk of Town Council

CITY OF DALY CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF EAST PALO ALTO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF FOSTER CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF HALF MOON BAY

By Bonnie M-Clung
Mayor

ATTEST:

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Clerk of City Council

TOWN OF HILLSBOROUGH

By_____
Mayor

ATTEST:

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Clerk of Town Council

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Clerk of Town Council

CITY OF DALY CITY

By_____
Mayor

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Clerk of City Council

CITY OF EAST PALO ALTO

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Clerk of City Council

CITY OF FOSTER CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF HALF MOON BAY

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF HILLSBOROUGH

By Cathe O'Malley
Mayor

ATTEST:

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Clerk of Town Council

CITY OF MENLO PARK

By_____
Mayor

ATTEST:

Clerk of City Council

CITY OF MILLBRAE

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF PACIFICA

By_____
Mayor

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Clerk of City Council

TOWN OF PORTOLA VALLEY

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CITY OF REDWOOD CITY

By_____
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Clerk of City Council

CITY OF MENLO PARK

By_____
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CITY OF MILLBRAE

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Clerk of City Council

CITY OF PACIFICA

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Clerk of City Council

TOWN OF PORTOLA VALLEY

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Clerk of Town Council

CITY OF REDWOOD CITY

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Clerk of City Council

CITY OF MENLO PARK

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ATTEST:

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Clerk of City Council

CITY OF MILLBRAE

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF PACIFICA

By_____
Mayor

ATTEST:

Kathy O'Connell
Clerk of City Council

TOWN OF PORTOLA VALLEY

By_____
Mayor

ATTEST:

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Clerk of Town Council

CITY OF REDWOOD CITY

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF MENLO PARK

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF MILLBRAE

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ATTEST:

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Clerk of City Council

CITY OF PACIFICA

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Clerk of City Council

TOWN OF PORTOLA VALLEY

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Clerk of Town Council

CITY OF REDWOOD CITY

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Mayor

ATTEST:

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Clerk of City Council

CITY OF MENLO PARK

By_____
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ATTEST:

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Clerk of City Council

CITY OF MILLBRAE

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Clerk of City Council

CITY OF PACIFICA

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Clerk of City Council

TOWN OF PORTOLA VALLEY

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CITY OF REDWOOD CITY

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CITY OF PACIFICA

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Clerk of City Council

TOWN OF PORTOLA VALLEY

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Clerk of Town Council

CITY OF REDWOOD CITY

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Clerk of City Council

CITY OF SAN BRUNO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF SAN CARLOS

CITY OF SAN BRUNO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF SAN CARLOS

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF SAN MATEO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF SOUTH SAN FRANCISCO

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF WOODSIDE

By_____
Mayor

ATTEST:

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Clerk of Town Council

CITY OF SAN BRUNO

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF SAN CARLOS

By_____
Mayor

ATTEST:

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Clerk of City Council

CITY OF SAN MATEO

By carole groom
Mayor, Carole Groom

ATTEST:

Norma Gomez
Clerk of City Council, Norma Gomez

CITY OF SOUTH SAN FRANCISCO

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF WOODSIDE

By_____
Mayor

ATTEST:

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Clerk of Town Council

CITY OF SAN BRUNO

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ATTEST:

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CITY OF SAN CARLOS

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CITY OF SAN MATEO

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Clerk of City Council

CITY OF SOUTH SAN FRANCISCO

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Clerk of City Council

TOWN OF WOODSIDE

By_____
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CITY OF SAN BRUNO

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Clerk of City Council

CITY OF SOUTH SAN FRANCISCO

By_____
Mayor

ATTEST:

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Clerk of City Council

TOWN OF WOODSIDE

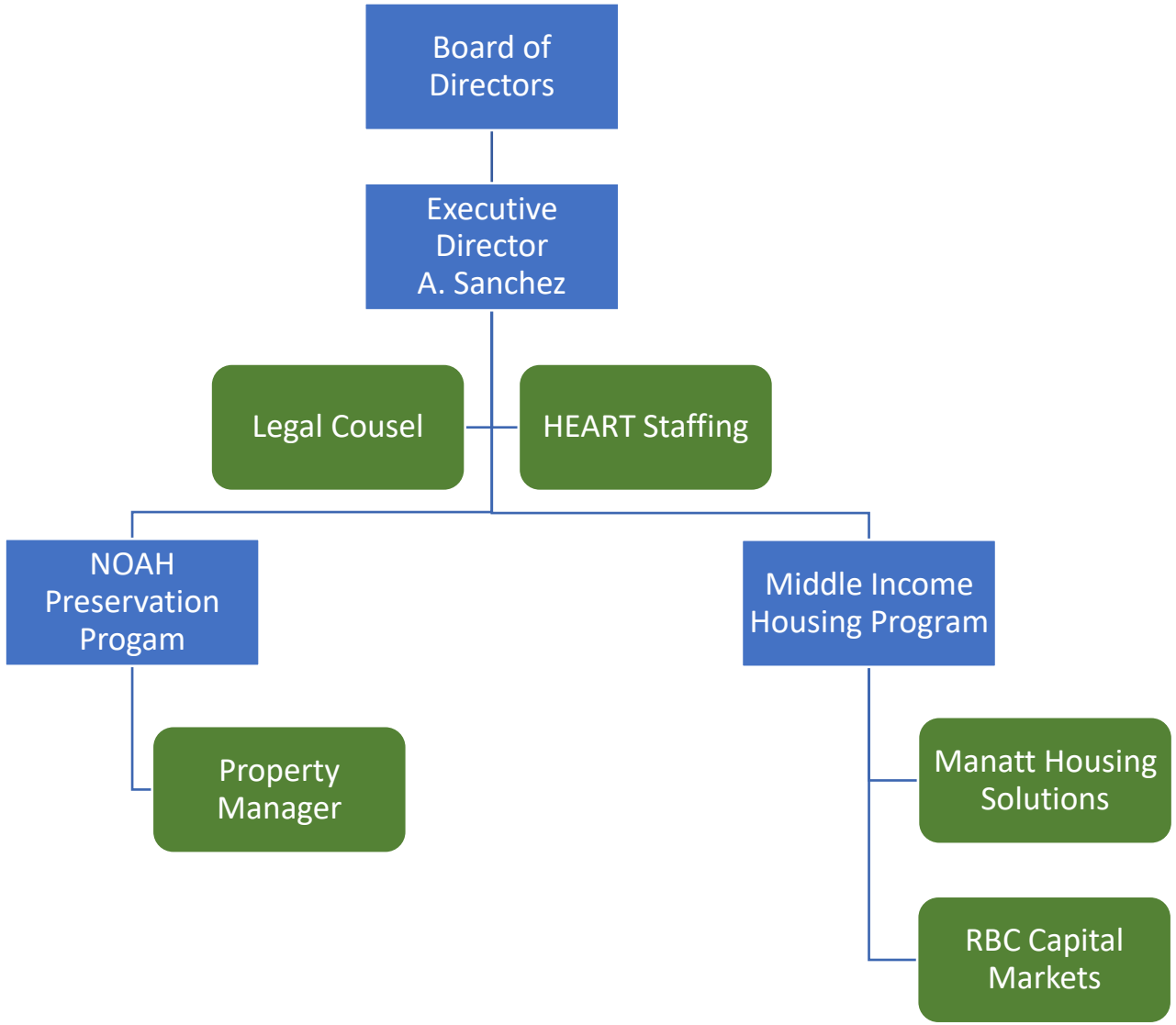
By_____
Mayor

ATTEST:

Janet D. Kulsack
_____
Clerk of Town Council

HEART-SV

Organization Chart



Joint Exercise of Powers Agreement
HEART-SV

This Agreement is entered into the 23 day of May 2023, pursuant to the provisions of the Joint Exercise of Powers Act (Title 1, Division 7, Article 1, §6500 et seq. of the California Government Code), is by and between the Housing Endowment and Trust of San Mateo County ("HEART") and those Counties, Cities and Towns, School Districts, College Districts and any other Public Agency who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto, each of which, including HEART, is hereafter individually referred to as "Member Agency" and collectively referred to "Member Agencies".

RECITALS

A. The Member Agencies have determined that there is an undersupply of affordable housing for "low income," "median income" and "moderate income" residents of the State of California and wish to provide for the public good and promote the health, safety, education, and/or welfare of the citizens of the State by making dwelling units available to such residents within their geographic boundaries.

B. Each Member Agency has the individual power to plan, acquire, construct, manage, regulate, operate, finance and control the development, construction and operation of housing programs generated within its jurisdictional boundaries, as well as to create and issue development agreements for such activities.

C. The Member Agencies find it in their mutual economic interest to address housing needs of their residents on a regional level.

D. An adequate supply of housing will provide social and economic benefits to residents and taxpayers of the Member Agencies.

E. The Member Agencies desire to act in the public interest to lessen the burden on government by reducing the need for each Member Agency to act individually, and to provide charitable support for housing within their geographic boundaries.

F. California Government Code §6500 et seq. ("Joint Exercise of Powers Act" or "Act") permits two or more public agencies to create joint powers authorities for the purposes cited herein, and permits the agencies to exercise jointly any power that the public agencies could exercise separately, and further grants certain additional powers to such joint powers authorities.

G. Local land-use decisions remain solely with the Member Agencies. Nothing in this Agreement deprives member agencies of their sovereign powers or transfers those powers to the joint powers authority.

NOW, THEREFORE BE IT RESOLVED that the Member Agencies do hereby establish the entity to be known as HEART-SV, to generate and/or maintain housing, disburse funding, and take other actions that will result in permanent additions to the housing stock within HEART-SV's jurisdictional boundaries, and do hereby agree as follows:

1. **Purpose.**

1.1 The purpose of this Agreement is to establish an organization that shall be responsible for the joint acquisition, management, operation, fundraising, planning, adoption, financing, administration, review, monitoring and reporting of certain housing program activities in the region for the benefit of low, median and moderate income residents. By entering this joint powers authority, the Member Agencies earn economic benefits not realized when operating individually. Further, the establishment of this joint powers authority provides for the economic viability and coordination of housing program financing and facilities throughout HEART-SV's jurisdictional boundaries.

1.2. HEART-SV shall be an entity which is legally independent from the parties to this Agreement, and shall be responsible for the administration of this Agreement.

1.3 The assets, rights, debts, liabilities, and obligations of HEART-SV shall not constitute assets, rights, debts, liabilities, or obligations of any of the Member Agencies. However, nothing in this Agreement shall prevent any of the Member Agencies from separately contracting for, or assuming responsibility for, specific debts, liabilities, or obligations of HEART-SV, provided that both the Board and the Member Agency approve such contract or assumption.

2. **Powers.**

2.1 HEART-SV is authorized, but is in no way required, to act in its own name on any or all of the following matters, as each Member Agency could act separately, and as it deems in the best interest of its Members, to the extent permitted by any and all applicable laws, codes, ordinances, resolutions and regulations:

a. Facilitate and assist the Member Agencies and others in the housing sector to acquire, construct, rehabilitate, finance, refinance, operate, regulate and maintain low, median and moderate income and/or affordable housing programs, projects and facilities ("HEART-SV Housing Programs").

b. Facilitate the planning, study, and recommendation of proper and appropriate HEART-SV Housing Programs, and management practices. Research and study issues related to housing, including without limitation workforce, affordable and special needs housing.

c. Educate the public, its Member Agencies, and other agencies and entities as to HEART-SV Housing Programs.

d. Provide for or enter into agreements to provide for financial, construction, engineering, legal, audit, and any other professional services supporting any of the HEART-SV Housing Programs or related activities.

e. Solicit, apply for, accept, and receive grants, gifts, donations, advances, and contributions.

f. Hire agents and employees, including consultants and legal counsel.

g. Sue and be sued in its own name.

h. Incur and discharge debts, liabilities, and obligations which may include but shall not be limited to being in the form of secured bonds, revenue bonds or other forms of secured or unsecured debt.

i. Issue bonds or notes and associated covenants, for designated purposes, subject to the provisions and limitations of the California Government Code.

j. Acquire or protect any necessary security or leasehold interests involved in loans, bonds, notes, or other financing methods implemented to carry out the purposes of this Agreement.

k. Acquire, hold, lease, improve, construct, rehabilitate, maintain, pledge, assign, mortgage, operate and dispose of real and personal property as may be necessary and appropriate in connection with the creation, construction, financing, development, and maintenance of certain workforce and affordable housing, and the programmatic needs of HEART-SV.

l. Issue and receive loans.

m. Acquire such insurance protection as it deems necessary.

n. Adopt, as authorized by California law, resolutions necessary to carry out the purposes of this Agreement

o. Utilize and establish advisory committees or subcommittees whenever necessary.

p. Form wholly owned and controlled affiliate entities to accomplish any of its purposes.

p. Adopt bylaws and such other rules and procedures as may be deemed necessary.

q. Convey real and/or personal property interests, and/or funds.

r. Other acts necessary to carry out the actions identified above.

2.2 HEART-SV shall undertake, facilitate and encourage the acquisition, creation, construction, development, and maintenance of certain workforce, affordable and other public benefit housing, programs, projects and facilities.

3. **Term and Termination**

3.1 This Agreement shall be effective upon its execution by HEART and at least one Member Agency.

3.2 This Agreement shall continue at least until May 22, 2033, and thereafter shall continue until terminated or dissolved pursuant to Section 3.3 of this Agreement. However, in no event shall the Member Agencies vote to terminate or dissolve HEART-SV if its termination or dissolution would conflict with or violate the terms or conditions of any bonds, financial instruments, or related documentation by or on behalf of HEART-SV, including, without limitation, indentures, resolutions, and letter of credit agreements.

3.3. This Agreement may be terminated by consent of all Member Agencies, and upon full and complete liquidation of all liabilities, including, but not limited to any bonds. Upon the date of termination (hereinafter "Termination Date"), payment of any and all obligations and division of any and all assets of HEART-SV shall be conducted subject to the then-applicable requirements of the law, pursuant to the following:

a. In the event of termination of HEART-SV, where there is a successor public agency that will conduct all of the activities of HEART-SV and will assume all of its obligations, any and all HEART-SV assets and liabilities remaining upon termination of HEART-SV shall be transferred to the successor public agency.

b. If there is no successor public agency that would conduct HEART-SV's activities, all assets and liabilities shall be apportioned to each Member Agency in proportion to the contribution of each Member Agency's total contribution during the term of this Agreement. Notwithstanding the above, any real property assets shall be distributed to the Member Agency in which such real asset is located.

c. If there is a successor public agency that would conduct some of HEART-SV's activities, then the Board shall allocate HEART-SV's assets and liabilities between the successor public agency and the Member Agencies each in proportion to its total contribution during the term of this Agreement. Notwithstanding the above, any real property assets shall be distributed to the Member Agency in which such real asset was located.

d. In the event HEART-SV is terminated under circumstances falling within (b) or (c) above, all decisions of the Board with regard to determinations of amounts to be transferred under the requirements of this Agreement to the Member Agencies or any successor shall be final.

f. By unanimous agreement of all then current Member Agencies, said current Member Agencies may dispose of, divide, distribute, or return assets on a basis different from that established in this Section 3, but only in accordance with the terms of any financing related to such assets and if such financing was exempt from state and federal income taxation, only with an opinion of bond counsel that such disposition will not adversely affect such tax exemption.

g. The assets distributed pursuant to this Section 3 to Member Agencies will be used for public purposes and will not inure to the benefit of any private person.

4. **Governance**

4.1 HEART-SV is governed and administered by a Board of Directors ("Board") that shall exercise all powers and authority on behalf of HEART-SV. The Board shall consist of no more than 31 voting members (hereinafter "Directors"), as follows:

21 No more than twenty-one (21) voting Public Directors and At Large Directors of the HEART Board of Directors ("HEART Directors").

10 No more than ten (10) Member Agency representatives or individuals who are not representatives of a Member Agency, appointed by a majority vote of the Directors present at the meeting. These Directors shall be referred to as the "Regional Directors".

15 The sum of all Directors representing a Public Agency, whether a HEART Director or a Regional Director, shall at all times be at least one more than the number of Directors from a non-public agency.

The number of HEART-SV Directors shall at all times be at least one more than the number of Regional Directors.

Additional ex-officio, non-voting, Affiliate Directors may be established by majority Board action, and such Affiliate Directors shall be referred to as "Affiliates". Regular attendance by each Director and Affiliate shall be encouraged by the HEART-SV Board and the Member Agencies.

4.2. Directors shall hold office as follows:

a. The HEART Directors' terms shall be the same as their HEART Board terms, and shall be served concurrently with their HEART Board term. If a HEART Director is no longer serving on the HEART Board, they shall immediately be removed from the Board.

b. The Regional Directors' terms shall be three (3) calendar years, running from March of the first year through February of the third year.

c. There shall be no limit to the number of terms that a Director may serve.

4.3. Directors shall receive no compensation from HEART-SV for serving on the Board. HEART-SV may reimburse Directors for reasonable expenses necessarily incurred on the Board's behalf, with prior approval of the Board.

4.4 The Board shall establish an Executive Committee to carry out any and all functions of the Board that the Board may delegate to said Executive Committee. Executive Committee members shall be Board members, but the exact composition of the Executive Committee shall be as determined by the Board.

4.5 The Board may establish an Advisory Committees to advise the Board or the Executive Committee. Advisory Committee members need not be Board members. The composition and role of an Advisory Committee shall be as determined by the Board.

5. **Budgets and Financing.**

5.1 The Board annually shall adopt, by a date HEART-SV designates by resolution, an operating budget for HEART-SV setting forth anticipated expenses, financing sources and proposed service levels necessary to carry out the purposes of this Agreement. The budget for HEART-SV shall distinguish between Administrative costs (i.e., the cost of operating HEART-SV) and Program costs (i.e., the financing of the programs funded or sponsored by HEART-SV). HEART-SV shall establish its fiscal year by resolution. Contributions from private persons or entities and not-for-profit entities, whether or not their interests are represented by any Directors, are acceptable so long as they do not cause a violation of any applicable conflict of interest statutes, rules or regulations.

5.2 The particular Programs and Program budget, funded, sponsored or operated by HEART-SV, as well as the level of, and mechanisms for, the involvement of HEART-SV and each Member Agency, in such Programs and Program budget, shall be determined and approved by the Board. A Member Agency's individual contribution, involvement and role in any particular Program or the Program budget shall be as may be mutually agreed between the Member Agency and HEART-SV. By way of example only, said contributions, involvement or role may include: cash contributions, provision of services or staffing, use or transfer of title to real or personal property, pledges, guarantees or whatever other instruments or involvement the Member Agency and HEART-SV may agree to. Contributions of all kinds to the Program budget from private persons or entities and not-for-profit entities, whether or not their interests are represented by any Directors, are encouraged, so long as they do not cause a violation of any applicable conflict of interest statutes, rules or regulations.

6. **Financial Management**

6.1. HEART-SV may appoint a financial manager to manage, hold, invest and distribute the funds of HEART-SV ("Financial Manager"). The duties of the Financial Manager shall include those responsibilities as deemed necessary or appropriate by the Board. There shall be a strict accountability of all funds and report of all receipts and disbursements.

6.2. The public office or officers or person or persons who may be designated to have charge of, handle, or have access to any property of HEART-SV, shall file an official bond in an amount to be fixed by the Board.

7. **Staffing**.

7.1. It is understood that HEART-SV will require the support of administrative staff. When deemed necessary, the Board may employ or use a managing agent ("Managing Agent"), to implement the objectives of HEART-SV. The Managing Agent may consist of a separate entity or an executive director. The Board shall have responsibility for all employment decisions regarding said Managing Agent, who shall serve at the pleasure of the Board.

7.2. The Managing Agent may be delegated authority as deemed necessary or appropriate by the Board.

7.3. The Managing Agent shall be responsible for the day-to-day administration of HEART-SV under the direction of the Board. The Managing Agent shall have the authority to employ or use administrative staff consistent with the goals, needs and approved budget of HEART-SV.

7.4 If there is a Managing Agent that is a separate entity, that Managing Agent shall designate who on its staff shall be the Executive Director of HEART-SV, but the acceptance of such choice shall be subject to the approval of the Board.

8. **Meetings**

8.1. The Board shall schedule by Resolution at least two (2) regular meetings each Fiscal Year.

8.2. Special meetings of the Board may be called by the Chairperson and otherwise as in accordance with provisions of California Government Code §54956 and/or HEART-SV's bylaws.

8.3. All meetings of the Board shall be held subject to the provisions of California Government Code §54950 et seq. (the "Brown Act") and other applicable laws of the State of California.

8.4 All meetings of the Board must be held within the County of San Mateo at a location determined by the Chairperson, except that the Board may hold a special meeting outside the County of San Mateo upon an affirmative vote in accordance with Section 8.8 of this Agreement.

8.5 The Secretary shall cause the taking and keeping of minutes of all Board meetings. Promptly after each meeting, the Secretary shall cause a copy of the minutes to be forwarded to each Director, either electronically or in paper form.

8.6 A majority of the current and appointed Directors shall constitute a quorum for the transaction of business of the Board, except that Directors constituting less than a quorum may adjourn any meeting.

8.7 Each Director is entitled to cast one vote on any matter presented to the Board for a vote.

8.8 All decisions and actions shall be by a majority of the total number of Directors, regardless of the number of Directors and/or Affiliate Directors present, unless otherwise provided in this Agreement. For example, with 21 total current Directors, 11 votes are required for a decision or action by the Board; and with 13 total current Directors, 7 votes would be required.

8.9 Meetings of the Board shall be conducted by a Chairperson, or in the Chairperson's absence by the Vice Chairperson. In the absence of both the Chairperson and the Vice Chairperson, meetings shall be conducted by the HEART Director in attendance who represents the largest HEART Member Agency with Board representation, by population.

9. **Bylaws.** The Board from time to time may adopt and amend bylaws for the conduct of its affairs, provided that they are consistent with this Agreement and are necessary and appropriate in order to carry out HEART-SV's purpose.

10. **Officers and Employees**.

10.1 Every two (2) years, the Board shall elect a Chairperson and a Vice Chairperson from among its members.

10.2 The Board shall appoint a Secretary who may, but need not be, a member of the Board.

10.3 The Board shall select a Treasurer, from one of the Member Agencies or a certified public accountant, who shall be the depository and have custody of all the money and property of HEART-SV from whatever source. The duties of HEART-SV Treasurer shall include those set forth in the Act, including those set forth in Government Code §6505.5. The Treasurer may, if the Board so elects, also serve as the Financial Manager.

10.4 HEART-SV shall designate its legal counsel.

11. **New Members.** New Member Agencies may be added to HEART-SV by a majority vote of the Directors present at the meeting. Membership is effective immediately upon execution of this Agreement by the new Member.

12. **Withdrawal.** Any Member Agency may withdraw from this Agreement effective as of the end of any fiscal year, provided ninety (90) days prior written notice is provided to the other Member Agencies. The rights and obligations of such withdrawing Member Agency shall terminate as of the last day of the fiscal year. The withdrawal of any Member Agency from this Agreement shall in no way affect the rights and obligations of the remaining parties. If a Member Agency withdraws from this Agreement, such Member Agency shall not be entitled to the return of any funds contributed to HEART-SV nor to the return in cash or in kind of any materials or supplies until termination of this Agreement. If a withdrawing Member Agency has obligations under contracts or commitments, including bonds, that are independent from its obligations to HEART-SV, such withdrawal from HEART-SV shall have no impact on such independent obligations.

13. **Amendments.** Except as provided in Section 11, as needed to admit a new Member Agency, subject to all legal obligations of HEART-SV, this Agreement may be amended by one or more supplemental agreements executed by all of the Member Agencies of HEART-SV.

14. **Filings.** The Secretary shall cause to be filed all required notices with the California Secretary of State, in accordance with California Government Codes §6503.5 and §53051.

15. **Notices**.

15.1. All notices to the Member Agencies shall be deemed to have been given to the Member Agencies when mailed, postage prepaid by United States mail, or when hand delivered to the governing body of each Member Agency during usual business hours at the principal office, or to the person apparently in charge of that office.

15.2 All notices to HEART-SV shall be deemed to have been given to HEART-SV when mailed, postage prepaid by United States mail, or when hand delivered to each of the

Chairperson, Vice Chairperson, and any Executive Director of HEART-SV during usual business hours at the principal office, or to the person apparently in charge of that office.

16. **Assignments; Other Agreements.** This Agreement shall be binding upon and shall inure to the benefit of the successors of any Member Agency. No Member Agency may assign any right or obligation hereunder without the written consent of all other Member Agencies. Participation in HEART-SV is not intended to preclude Member Agencies from entering into similar agreements with other jurisdictions.

17. **Severability.** If any provision of this Agreement or its application to any person or circumstances is held invalid or illegal by a final judgment of a court of law in the State of California, the remainder of this Agreement and the application of the provision to other persons or circumstances shall not be affected.

18. **Headings.** All section headings contained in this Agreement are for convenience and reference only. They are not intended to define or limit the scope of any provision of this Agreement.

19. **Confirmation of Jurisdictional Authority**. By signing this Agreement, the Member Agencies retain all jurisdictional authority granted to them by the State and/or their respective Charters. The powers and/or authority granted to HEART-SV pursuant to this Agreement shall in no way serve to limit or restrict an individual Member Agency's jurisdictional authority.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representative, have affixed their signatures on this Agreement, effective as of the date first stated above.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

By_____

Executive Director

Armando F. Sanchez

5/4/23

ATTEST:

_____

Secretary of the Board

COUNTY OF SAN MATEO

By_____

President of the Board of Supervisors

ATTEST:

_____

Clerk of the Board

IN WITNESS WHEREOF, the parties hereto by their duly authorized representative, have affixed their signatures on this Agreement, effective as of the date first stated above.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

By _____

Executive Director
Armando F. Sanchez
5/4/23

ATTEST:

_____
Secretary of the Board

COUNTY OF SAN MATEO

By _____ Resolution No. 079645

President of the Board of Supervisors

ATTEST:

_____
Clerk of the Board

Date: May 23, 2023

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

HEART
OF SAN MATEO COUNTY

Financial Statements and
Independent Auditors' Report
June 30, 2023 and 2022

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

JUNE 30, 2023 and 2022

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BADAWI & ASSOCIATES
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Endowment and Regional Trust
of San Mateo County
San Mateo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Housing Endowment and Regional Trust of San Mateo County, California (HEART), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise HEART's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of HEART, as of June 30, 2023 and 2022, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HEART and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

HEART's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HEART's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HEART's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HEART's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-9 and 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise HEART's basic financial statements. The status of funds schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The status of funds schedule is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the status of funds schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024 on our consideration of HEART's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HEART's internal control over financial reporting and compliance.

Badawi & Associates

Badawi and Associates, CPAs
Berkeley, California
March 4, 2024

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

As management of the Housing Endowment and Regional Trust of San Mateo County (HEART), we offer our readers of HEART's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes.

Financial Highlights

- HEART's total net position as of June 30, 2023 amounted to $17,146,533, an increase of $1,716,882 from the prior year. This was the result of receiving $1.7 million in grant to its Trust Fund to assist in the development of affordable housing.

- Consistent with prior years, HEART's net position primarily made up of $11.1 million in outstanding interest and loan receivables from affordable housing developers.

- Cash and cash equivalents are $10,130,466. This amount is largely comprised of $4,620,000 in borrowed funds from the County of San Mateo Measure-K loan, $5,095,506 in HEART Trust Funds, and $414,960 in restricted funds. $9.1 million in cash and cash equivalents can only be used to develop affordable housing.

- During the fiscal year HEART made two preliminary loans commitments totaling $6 million dollars to support the development of affordable housing, but these funds will not be disbursed until the next fiscal year. During the year, HEART received one loan repayment in the amount of $678,726 from Nugent Square Partners.

- Total operating and program revenue for the year amounted to $2,064,968 comprised of $1.7 million in grants restricted for affordable housing, $236,286 in contributions from member agencies and the balance of $119,082 from loan origination fees, interest received, and donor contributions.

Overview of the Financial Statements

HEART's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of HEART's finances, in a manner similar to a private-sector business.

The *statements of net positions* present information on HEART's assets and liabilities, with the difference reported as net positions. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of HEART is improving or deteriorating.

The *statements of activities* report how HEART's net positions changed during the most recent two fiscal years. Changes in net positions are reported as soon as underlying events occur, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement may result in cash flows only in future periods. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

Fund Financial Statements

A fund is a group of related accounts that is used to control resources that have been segregated for specific activities or objectives. HEART uses fund accounting to ensure compliance with various legal requirements, such as the annually adopted budget. Accordingly, a budgetary comparison schedule has been included in the supplementary information section of the financial statements to demonstrate compliance with budget. Fund financial statements report essentially the same information as the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year.

As required by accounting principles, the financial transactions of HEART are accounted for in a Special Revenue Fund, a governmental fund, as monies received by it are legally restricted to specific use. Monies allocated and disbursed to HEART can be expended only for purposes authorized under the Agreement.

The fund financial statements can be found on pages 17 through 18 of this report.

Notes to the Financial Statements

The *notes to the financial statements* on pages 21 through 30 provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Other information

This report also presents certain required supplementary information concerning compliance with HEART's annual budget. This information, as well as associated notes, immediately follows the basic financial statements and the accompanying notes.

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

Financial Analysis – Government-Wide Financial Statements

Assets	**2023**	**2022**
Cash and cash equivalents	$ 10,130,466	$ 8,053,608
Receivables, net:		
Interest	1,311,665	1,118,907
Loans	9,809,489	10,512,573
Accounts	162,343	533
Restricted assets:		
Temporarily restricted:		
Cash and cash equivalents	414,960	411,932
Total Assets	21,828,923	20,097,553
Liabilities		
Accounts payable	62,390	47,902
Long-term liabilities		
San Mateo County Measure-K Loan	4,620,000	4,557,500
Paycheck Protection Program Loan	0	62,500
Total Liabilities	4,620,000	4,667,902
Net Position		
Restricted for:		
Homebuyer Assistance Loan Program – pledge account	411,960	411,932
Unrestricted	16,731,573	15,017,719
Total Net Positions	$ 17,146,533	$ 15,429,651

- HEART's total assets are $21,828,960, an increase of $1,731,370. This is an increase of 9% compared to the prior year. A $1.7 million grant from the City of East Palo Alto is largely responsible for the net $1.7 million asset increase from the previous year.

- Cash and cash equivalents increased from $8 million to approximately $10.1 million. The increase in cash and cash equivalents is largely to the $1.7 million grant from the City of East Palo Alto and the repayment of a $678,726 loan from Nugent Square Partners.

- Loans outstanding decrease $703,084 due to the Nugent Square Partners loan repayment and a few other small loan repayments from other borrowers.

- Total liabilities for the current year are $4,682,390. This represents a small increase of $14,488 from the previous year. HEART's total Measure-K loan from the county stands at $4,620,000. The remaining $62,390 in liabilities includes $57,792 in payroll liabilities and payroll tax payments due and $4,598 in accounts payable to consultants and miscellaneous vendors.

- Net position of governmental activities is $17,146,533, an increase of $1,716,882, or 11% more compared to the previous fiscal year. The increase in net position was due to a $1.7 million grant from the City of East Palo Alto that is slated for a loan to for the development of Colibri Commons, and affordable housing development in the City of East Palo Alto.

Changes in Net Positions

Changes in Net Positions	2023	2022
Revenues:		
Program Revenues:		
Operating grants and contributions		
Member Agencies	$ 236,286	$ 236,280
Donors	1,823,882	4,165,177
Charges for Services	4,800	23,078
Total Program Revenues	2,064,968	4,424,535
Expenses:		
General management and admin support	671,139	524,837
Legal services	9,773	24,816
Interest on long-term debt	44,960	44,960
Miscellaneous	135	-
Total Expenses	764,259	594,613
Net Program Revenue	1,300,709	3,829,922
General Revenues – Investment Earnings	416,173	58,889
Change in Net Positions	1,716,882	3,951,311
Net positions – beginning	15,429,651	11,478,240
Net positions – ending	$ 17,146,533	$ 15,429,651

- Total operating and program revenue during the current period was $2,064,968, lower than the prior year's amount of $4,424,535. This reflects a decrease in grants received to support the development of affordable housing. Grants received decreased from $4 million to $1.7 million.

- Excluding the $1.7 grant from the City of East Palo Alto, operating and program revenue was $364,968. This amount is comprised of $236,286 from Member Agency contributions and $128,682 from other donations and program service fees.

- Total expenses incurred during the current period amounted to $764,259, an increase of $169,682, or 28.5% more, than the previous year. The vast majority (86%) of the increase in expenses is due to the addition of more staff at HEART to meet the increased program work load.

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

Budgetary Analysis

	Budgeted Amount Final	Actual Amount – Budgetary Basis	Variance -Positive (Negative)
Total Revenues and Other Financing Sources	$ 798,848	$ 2,279,140	$ 1,658,882
Total Expenditures and Other Financing Uses	798,848	764,259	(34,589)
Net Change in Fund Balance	$ -	$ 1,514,259	$ 1,514,881

Actual revenues were higher than budgeted by $1,658,882. While HEART's individual revenue sources fluctuated and differed from the budgeted amounts, the $1.7 million grant awarded to HEART for affordable housing development was responsible for generating the large positive variance. Operating expenses were slightly below the amount budgeted by $34,589. Expenses were lower largely due the lower utilization of outside contract and consulting services.

Beyond FY 2023

In 2024 HEART is planning to continue making loans to affordable housing developers with its Trust Fund. Currently, it is planning to make $6 million in loans to two affordable housing developments. Additional funds will be available to make more loans throughout 2024. These loans will help HEART achieve its mission of creating more affordable housing units, while increasing its revenue from developer loan origination fees.

Over the next year HEART will also expend significant resources creating new programs to create and preserve affordable housing by financing the acquisition of privately owned, existing apartment buildings and by providing staffing help to cities to assist them with carrying out their affordable housing programs. HEART will also explore the possibility of developing a loan program to help mobile homeowners replace their units with new ones.

Due to continuing high interest rates, it is likely HEART's first-time homebuyer down payment loan program, "Opening Doors," will continue to see low demand for its loans. HEART will continue to present community workshops for first time homebuyers and work with realtors and cities to help buyers prepare for a time when homebuying becomes feasible again.

Requests for Information

This financial report is designed to provide a general overview of HEART's finances for all those interested. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Housing Endowment and Regional Trust of San Mateo County, Attn: Executive Director, 2905 S. El Camino Real, San Mateo, CA 94403.

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BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

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Housing Endowment and Regional Trust of San Mateo County

Statements of Net Position

June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Assets		
Cash and investments	$ 10,130,466	$ 8,053,608
Receivables, net:		
Interest	1,311,665	1,118,907
Loans	9,809,489	10,512,573
Accounts	162,343	533
Restricted assets:		
Temporarily restricted:		
Cash and cash equivalents	414,960	411,932
Total Assets	21,828,923	20,097,553
Liabilities		
Accounts payable	62,390	47,902
Long-term liabilities:		
San Mateo County Measure K loan	4,620,000	4,620,000
Total Liabilities	4,682,390	4,667,902
Net Position		
Restricted for:		
Home Buyer Assistance Loan Program - pledge account	414,960	411,932
Unrestricted	16,731,573	15,017,719
Total Net Position	$ 17,146,533	$ 15,429,651

The notes to the financial statements are an integral part of this statement.

Housing Endowment and Regional Trust of San Mateo County

Statements of Activities

For the Years Ended June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Expenses		
General management and administrative support	669,638	$ 524,837
Legal services	11,274	24,816
Interest on long-term debt	83,212	44,960
Miscellaneous	135	-
Total Expenses	764,259	594,613
Program Revenues		
Operating grants and contributions:		
Member agencies	236,286	236,280
Donors	1,823,882	4,165,177
Charges for Services	4,800	23,078
Total Program Revenues	2,064,968	4,424,535
Net Program Revenue (Expenses)	1,300,709	3,829,922
General Revenues		
Investment earnings	416,173	58,889
PPP Loan forgiveness	0	62,500
Total General Revenues	416,173	121,389
Change in Net Positions	1,716,882	3,951,311
Net Positions - beginning	15,429,651	11,478,340
Net Positions - ending	$ 17,146,533	$ 15,429,651

The notes to the financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
Fund Financial Statements

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Housing Endowment and Regional Trust of San Mateo County

Balance Sheets - Governmental Fund

June 30, 2023 and 2022

	2023	2022
Assets		
Cash and investments	$ 10,130,466	$ 8,053,608
Receivables, net:		
Interest	1,311,665	1,118,907
Loans	9,809,489	10,512,573
Accounts	162,343	533
Cash - restricted	414,960	411,932
Total Assets	$ 21,828,923	$ 20,097,553
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	$ 62,390	$ 47,902
Total Liabilities	62,390	47,902
Deferred Inflows of Resources		
Unavailable revenues	1,311,665	1,118,907
Total Deferred Inflows of Resources	1,311,665	1,118,907
Fund Balance		
Nonspendable	9,809,489	10,512,573
Restricted	414,960	411,932
Unassigned	10,230,419	8,006,239
Total Fund Balance	20,454,868	18,930,744
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 21,828,923	$ 20,097,553
Reconciliation of Fund Balance Sheets to the Statements of Net Position:		
Total Fund Balance - Governmental Fund	$ 20,454,868	$ 18,930,744
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund		
Interest receivable	1,311,665	1,118,907
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Fund Balance Sheet		
Paycheck Protection Program loan	-	-
County of San Mateo-Measure-K loan	(4,620,000)	(4,620,000)
Net position of governmental activities	$ 17,146,533	$ 15,429,651

The notes to the financial statements are an integral part of this statement.

Housing Endowment and Regional Trust of San Mateo County

Statements of Revenues, Expenditures, and Changes in Fund Balance

For the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Member agency contributions	$ 236,286	$ 236,280
Donor contributions	1,823,882	4,165,177
Charges for services	4,800	23,078
Investment earnings	223,415	87,819
Total Revenues	2,288,383	4,512,354
Expenditures		
General management and administrative support	669,638	524,837
Legal services	11,274	24,816
Miscellaneous	135	-
Debt service:		
Interest and fiscal charges	83,212	44,960
Total Expenditures	764,259	594,613
Excess (Deficit) of Revenues Over Expenditures	1,524,124	3,917,741
Other Financing Sources (Uses)		
Loan proceeds	-	1,120,000
Total Other Financing Sources (Uses)	-	1,120,000
Net Change in Fund Balance	1,524,124	5,037,741
Fund Balance - Beginning	18,930,744	13,893,003
Fund Balance - Ending	$ 20,454,868	$ 18,930,744
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statements of Activities (page 14)		
Net change in fund balance - governmental fund	$ 1,524,124	$ 5,037,741
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	192,758	(28,930)
Gain due to the PPP loan forgiveness recognized as revenue in the government-wide statement of activities, but no long-term debt transactions recorded in the governmental fund statement of revenues, expenditures, and changes in fund balance	-	62,500
Loan proceeds provided current financial resources to governmental funds, but increased long-term liabilities in the government-wide statemem of net position.	-	(1,120,000)
Change in net positions of governmental activities	$ 1,716,882	$ 3,951,311

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

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HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

On February 26, 2002, the County of San Mateo (County) approved establishment of a housing trust fund for the County and set aside $3 Million from reserves to be used as the initial capitalization for the fund. A Joint Powers Agreement (Agreement) between the County and certain cities and towns within the County (Member Agencies) established the Housing Endowment and Regional Trust (HEART) in 2003 under the Joint Exercise of Powers Act per California Government Code Sections 6500 et seq. The Agreement was in effect at least until March 30, 2013 and can be terminated thereafter according to the terms specified in the Agreement. HEART's general purpose is to support and generate funding that will result in permanent additions to workforce housing needs in San Mateo County. HEART obtained a determination from the Internal Revenue Service of its tax-exempt status and classification as a public charity under Section 501(c)(3) of the Internal Revenue Code (Code), effective January 8, 2008. Contributions to HEART are tax deductible under Section 170 of the Code.

HEART is an entity separate from each participating entity and is under the direction of a Board of Directors (Board). The Board is comprised of 11 elected officials from the County and Member Agencies and 10 at-large members who are not publicly elected officials. The Board appoints a managing agent who is responsible for the day-to-day administration of HEART under its direction.

The County also made an initial allocation of $75,000 for administrative costs in addition to the $3 Million initial capitalization. HEART received $2.075 Million in fiscal year 2004 and the remaining $1 Million was paid in equal installments from fiscal years 2005 through 2009. The Member Agencies support HEART by contributing annual dues. The dues were assessed annually through fiscal year 2009 based upon Member Agency's population information used by City/County Association of Governments of San Mateo County (C/CAG). The dues remained fixed from fiscal years 2009 through 2011. The dues were reduced by 10% annually in FY 2012, and remained fixed in FY 2014 through FY 2023 at the lower rate.

Monies allocated and disbursed to HEART can be expended only for purposes authorized under the Agreement.

(b) Measurement Focus, Basis of accounting, and Financial Statement Presentation

Under the new financial reporting model, governments are required to present government-wide and fund financial statements along with reconciliation from the fund financial statements to the government-wide statements. The government-wide financial statements are reported on a basis of accounting similar to a commercial enterprise, which is different from the traditional basis of accounting used for the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Measurement Focus, Basis of accounting, and Financial Statement Presentation (continued)

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from reimbursement type programs are considered to be *available* when they are collectible within two months of the end of the current fiscal period in order to properly match revenues with related expenditures. Expenditures are recognized in the accounting period in which the liability is incurred.

Cash and Cash Equivalents: Cash and cash equivalents include all monies held in banks, highly liquid investments with maturities of less than three months and cash held in the San Mateo County Investment Pool (County Pool). A portion of the cash balance is pooled with other funds of the County to earn a higher rate of return than could be earned by investing the funds individually. HEART considers its equity in the County's investment pool to be cash equivalents.

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Restricted Assets: Amounts maintained in separate bank accounts are classified as restricted assets on the balance sheet because uses of the funds are externally restricted by the lending agencies to maintain a minimum balance in the Pledge Account for financing eligible housing developers and homeowners.

Long-term Obligations: Long-term debts are reported as liabilities in the government-wide financial statements. In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources and interest and principal payments made in the current period are reported as debt service expenditures.

(c) Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results based on subsequent events could differ from those estimates.

(d) Budgetary Information

HEART adopts an annual budget that can be amended throughout the year. The basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures except that unrealized gains and losses are not included in the budget. See Note 1 of the notes to the required supplementary information for detail.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New Pronouncements

In fiscal year 2022-23, HEART adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- *GASB Statement No. 91, Conduit Debt Obligations* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement did not apply to the HEART for the current fiscal year.

- *GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP in an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this statement did not apply to the HEART for the current fiscal year.

- *GASB Statement No. 96, Subscription-based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement did not apply to the HEART for the current fiscal year.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

2. CASH AND INVESTMENTS

(a) Cash and Investments

As of June 30, 2023 and 2022, HEART's cash and investments consisted of:

	FY 22-23	FY 21-22
Cash and investments:		
Cash on hand	$ -	$ 3,090
Wells Fargo Checking and Savings Accounts	1,833,816	47,343
Meriwest Committed Account	88,145	238,867
San Mateo County Investment Pool	8,208,505	7,764,308
Total unrestricted cash and investments	10,130,466	8,053,608
Meriwest Restricted Account	414,960	411,932
Total cash and investments	$ 10,545,426	$ 8,465,540

Cash Deposits

The carrying amount of HEART's cash deposits were a total of $1,921,961. Bank balances before reconciling items were a positive amount of $1,921,961 as of June 30, 2023. The carrying amount of HEART's cash deposits were a total of $286,210. Bank balances before reconciling items were a positive amount of $292,991 as of June 30, 2022.

The California Government Code requires California banks and savings and loan associations to secure HEART's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in HEART's name. The fair value of pledged securities must equal at least 110% of HEART's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the total cash deposits. HEART's cash deposit was fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was not collateralized

San Mateo County Investment Pool

Investment in the County Pool is reported at fair value. The change in fair value for the year is recorded as unrealized gain or loss and reported as part of investment earnings. Fair value is based on information provided by the County Treasurer. The fair value in HEART's investment in the County Pool as of June 30, 2023 and 2022 was $8,208,505 and $7,764,308 respectively. The fair value factor of 0.9715 and 0.9688 was used to calculate the fair value of the investments in the County Pool for fiscal year 2023 and fiscal year 2022.

HEART does not have a formally adopted investment policy.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

2. CASH AND INVESTMENTS (CONTINUED)

(b) Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. It is mitigated by limiting the average maturity of HEART's portfolio.

Investments held in HEART grouped by maturity date as of June 30, 2023 and 2022 are shown below:

FY2023		Investment Maturities (in years)		
Investment Type	**Total**	**1 year or Less**	**1 - 2 years**	**2- 3 years**
San Mateo County Investment Pool	$ 8,208,505	$ 8,208,505	$ -	$ -
Total Investments	$ 8,208,505	$ 8,208,505	$ -	$ -

FY2022		Investment Maturities (in years)		
Investment Type	**Total**	**1 year or Less**	**1 - 2 years**	**2- 3 years**
San Mateo County Investment Pool	$ 7,764,308	$ 7,764,308	$ -	$ -
Total Investments	$ 7,764,308	$ 7,764,308	$ -	$ -

Credit Risk: Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of an issuer to repay its debt. As of June 30, 2023, HEART's deposits and investments were rated as follow:

	FY2023 Credit Quality Ratings			FY2022 Credit Quality Ratings		
	Moody's	**S&P**	**% of Portfolio**	**Moody's**	**S&P**	**% of Portfolio**
San Mateo County Investment Pool	Not Rated	Not Rated	100%	Not Rated	Not Rated	100%
Total			100%			100%

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside.

3. RECEIVABLES

(a) Interest Receivable

The interest receivable balance reported at June 30, 2023 and 2022 of $1,311,665 and $1,118,907 respectively represent uncollected interest on loans receivable and fourth quarter interest due from the County Treasurer on investments made by HEART in the County Pool.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

3. RECEIVABLES (CONTINUED)

(b) Loans Receivable

Loans receivable as of June 30, 2023and 2022 consist of the following:

	2023	2022
In September 2006, HEART loaned $1,730,000 of program funds to The Crossings Phase II, L.P. for the development of the 113-unit The Village at the Crossing project in San Bruno, CA, which will provide housing for very-low and extremely-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy and bears interest at a rate of 3% per annum. The Certificate of Occupancy was issued on January 10, 2008.	$ 1,709,866	$ 1,721,724
In June 2006, HEART signed a loan agreement with Hillcrest Senior Housing Corporation (HSHC) for $510,000 to assist with construction financing of the 39-unit Hillcrest Gardens project in Daly City, CA, which will provide housing for very-low and extremely-low income seniors. The loan has a term of 55 years from the issuance of the Certificate of Occupancy and/or Notice of Completion for the development, whichever is earlier, and bears interest at a rate of 3% per annum. The Notice of Completion was issued on December 11, 2008.	510,000	510,000
In February 2015, HEART signed a loan agreement with Habitat for Humanity for $500,000 to assist in the acquisition of the land and improvements located at 612 Jefferson Avenue, Redwood City ("Property") to build a multifamily development. The loan is secured by a Deed of Trust recorded against the property. The loan has a term of 5 years with an option to extending for a term of one year and bears interest at a rate 0% for the first five years and at a rate of 3% if the borrower fails to achieve the project completion milestone at maturity.	487,500	500,000
In December 2007, HEART signed a loan agreement with Trestle Glen Associates for $1,760,000 to assist with the development of a 119-unit rental housing project in Colma, CA, which will provide housing for very-low and extremely-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy and/or Notice of Completion for the development, whichever is later, and bears interest at a rate of 3% per annum. The Certificate of Occupancy was issued on December 30, 2009.	1,760,000	1,760,000
In October 2015, Bridge Housing Ventures assumed National Church Residences loan including accrued interest for the amount of $542,123, to assist with the one hundred units of rental housing affordable to low-income households, commonly known as Ocean View Senior Apartments, located at 555 Crespi Drive in Pacifica, California. The loan has a term of 57 years from the date of the modification agreement, which bears interest at a rate of 3% per annum commencing on October 16, 2016.	542,123	542,123
Sub-total carried forward	$ 5,009,489	$ 5,033,847

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

3. RECEIVABLES (CONTINUED)

(b) Loans Receivable

	2023	2022
Sub-total carried forward	$ 5,009,489	$ 5,033,847
In March 2011, HEART signed a loan agreement with Mid-Peninsula South City, L.P. for $600,000, which was funded by the Genetech Foundation South Francisco Fund to assist with the development of 62-units of a 109-unit rental housing project in South San Francisco, CA, which will provide housing for low and very-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy, which evidences project completion and bears interest at a rate of 3% per annum commencing upon project completion. The Certificate of Occupancy was issued on October 19, 2012.	600,000	600,000
In March 2011, HEART signed a loan agreement with Mid-Peninsula South City II, L.P. for $400,000, which was funded by the Genetech Foundation South Francisco Fund to assist with the development of 47-units of a 109-unit rental housing project in South San Francisco, CA, which will provide housing for low and very-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy, which evidences project completion and bears interest at a rate of 3% per annum commencing upon project completion. The Certificate of Occupancy was issued on October 19, 2012.	400,000	400,000
In September 2021, HEART signed a loan agreement with Nugent Square Partners, L.P. for $850,000 to rehabilitate an existing affordable housind development in need of emergency repairs. Nugent Square apartments is located in the City of East Palo Alto and consists of 32 units affordable to very low- and extremely low-income households. The loan has a term of two years and bears interest at a rate of 3% commencing on October 19, 2021.	-	678,726
In December 2021, HEART signed a Deveopment Loan Agreement with MP Downtown San Mateo Associates, L.P. to provide $3,800,000 for the development of 225 rental homes for extremely low- very low- and low-income individuals and families. The project is located in the City of San Mateo. The loan has a term of 55 years from and bears an interest rate of 3% commencing in March 2022.	3,800,000	3,800,000
Total Loans Receivable	$ 9,809,489	$ 10,512,573

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

4. ACCOUNTS PAYABLE

Accounts payable comprises of the following:

	2023	2022
Payable for contractor service	$ 4,598	$ 12,039
Accrued payroll	57,792	35,863
Total Accounts payable	$ 62,390	$ 47,902

5. NON-CURRENT LIABILITIES

The following is summary of non-current liability activity of HEART:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
San Mateo County:Measure-K	$ 4,620,000	$ -	$ -	$ 4,620,000
Total	$ 4,620,000	$ -	$ -	$ 4,620,000

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
San Mateo County:Measure-K	$ 3,500,000	$ 1,120,000	$ -	$ 4,620,000
Paycheck Protection Program loan:				
Loan # 9780199-02	62,500	-	(62,500)	-
Total	$ 3,562,500	$ 1,120,000	$ (62,500)	$ 4,620,000

San Mateo County: Measure-K loan

On August 1, 2017 HEART entered into a loan agreement with the County of San Mateo for an amount of $5,000,000 with a maturity date of July 31, 2024. Interest rate will be paid annually based on the amount of interest that the loan would have earned had it been invested in the San Mateo County Pooled Investment rate starting twelve months from the date of the initial disbursement. The proceeds of the loan will to be used to make predevelopment, acquisition, construction and bridge loans that are consistent with the terms of HEART's Quick Start Loan Program. As of June 30, 2023 HEART drawn an amount of $4,620,000 from the total loan agreement of $5,000,000.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

6. REVENUES

(a) Operating Grants and Contributions

Operating grants and contributions consist of the following:

Member Agencies Dues

Member Agencies are billed annually for dues to cover administrative expenses.

Donors

Other operating grants and contributions include contributions from private donors.

(b) Charges for Services

Charges for services are loan processing fees collected from home buyers upon close of escrow on each home loan.

(c) Investment Earnings

Investment earnings reported in the government fund *statements of revenues, expenditures, and changes in fund balance* comprise of quarterly interest received from the County Treasurer on investments made by HEART in the County Pool and interest collected from developers on cumulative interest receivable accrued. Interest is recorded in the year it is earned and is available to pay current liabilities.

Investment earnings reported in the government-wide *statements of activities* includes earnings from the County investments noted above plus interest earned in the current year on loans made to developers.

7. FUND BALANCES / NET POSITION

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which HEART is bound to honor constraints on the specific purpose for which amount in the fund can be spent. As of June 30, 2023 and 2022, fund balance for the governmental fund consists of the following classifications respectively:

(a) *Nonspendable Fund Balance* – includes amounts that cannot be spent because they are not in spendable form, such as prepaid items and loans receivable.

(b) *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

(c) *Unassigned Fund Balance* – is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted and then unassigned.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

7. FUND BALANCES / NET POSITION (CONTINUED)

At fiscal year-end, fund balance reported on the balance sheets on page 17 includes:

	2023	2022
Nonspendable	$ 9,809,489	$ 10,512,573
Restricted:		
Home Buyer Assistance Loan Program - pledge account see Note 2(a)	414,960	411,932
Unassigned	10,230,419	8,006,239
Total Fund Balance	$ 20,454,868	$ 18,930,744

The amount shown as restricted above is also reported as restricted net position on the *statement of net positions* on page 13.

8. RISK MANAGEMENT

HEART is exposed to various risks of losses related to assets having a current or future benefit to HEART. HEART has insurance coverage provided by the Hartford. In addition, HEART has special excess liability insurance coverage provided as part of the County's insurance coverage. The existing insurance policies are current as of the issuance of this report. Under an agreement with the County, the Department of Housing (DOH) of San Mateo County provides fiscal and program services to HEART. Agents of the DOH are covered by the County's insurance provider. The County Counsel provides legal representation for any claims or litigation of HEART under a contract. For the years ended June 30, 2023 and 2022, the annual amount contracted with County Counsel for legal representation was $9,773 and $24,816 respectively.

REQUIRED SUPPLEMENTARY INFORMATION

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Housing Endowment and Regional Trust of San Mateo County
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual Amount Budgetary Basis (Note 1)	Variance with Final Budget Positive (Negative)
Revenues				
Member Agency contributions	$ 236,280	$ 236,280	$ 236,286	$ 6
Other contributions	152,000	165,000	1,823,882	1,658,882
Investment earnings	111,996	111,996	138,219	26,223
Loan proceeds - interest	123,429	103,572	75,953	(27,619)
Charges for services and other administrative support	658,100	182,000	4,800	(177,200)
	1,281,805	798,848	2,279,140	1,480,292
Expenditures				
General management and administrative support	800,705	688,381	669,638	18,743
Legal services	25,000	15,000	11,274	3,726
Debt services				
Interest and fiscal charges	95,467	95,467	83,212	12,255
Contingency	360,633	-	135	(135)
Total Expenditures	1,281,805	798,848	764,259	34,589
Net Change in Fund Balance	$ -	$ -	1,514,881	1,514,881
Fund Balance - beginning			19,180,792	
Fund Balance - ending			$ 20,695,673	

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023 **and 2022**

1. BUDGETS, BUDGETARY PROCESS, AND ENCUMBRANCES

HEART uses two funding sources to manage operations: Administrative Funds and Program Funds. The Board adopts an annual operating budget, which can be amended by the Board throughout the year. Actual revenues and expenditures presented reflect activity in both funds during the year. As discussed in Note 1(d) of the notes to the basic financial statements, the basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures, except for unrealized gains and losses under GASB 31. The financial statements record unrealized gains and losses as required by Generally Accepted Accounting Principles (GAAP). Adjustments were made to certain budgeted accounts to reflect changes made in financial statement presentation.

HEART uses an encumbrance system to assist in controlling expenditures. Purchase orders, contracts, and other commitments for the expenditures of monies are recorded under this system in order to reserve applicable appropriations. Any encumbrances outstanding at year-end are recorded as reservations of fund balance as they do not constitute expenditures or liabilities.

The actual net change in fund balance under the budgetary basis on page 33 is reconciled to the change in fund balance under GAAP on page 18 as follows:

Explanation of difference between budgetary basis and GAAP basis:

		FY 22-23
Net Change in Fund Balance - budgetary basis	$	1,514,881
Net unrealized loss on cash in County Investment Pool under GASB 31		9,243
Change in Fund Balance - GAAP basis	$	1,524,124
Fund Balance - budgetary basis	$	20,695,673
Unrealized loss on cash in County Investment Pool under GASB 31 as of June 30, 2023		(240,805)
Fund Balance - GAAP basis	$	20,454,868

SUPPLEMENTARY INFORMATION

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Housing Endowment and Regional Trust of San Mateo County
Status of Funds
For the Year Ended June 30, 2023

	Program Funds	Administrative Funds	Total
Revenues			
Member agency contributions	$ -	$ 236,286	$ 236,286
Donor contributions	1,714,318	109,564	1,823,882
Investment earnings	59,089	79,130	138,219
Loan proceeds interest	17,130	58,823	75,953
Loan origination fees	4,800	-	4,800
Total Revenues	1,795,337	483,803	2,279,140
Expenditures			
General management and administrative support	490,081	179,557	669,638
Legal services	9,724	1,550	11,274
Debt services			
Interest and fiscal charges	83,212	-	83,212
Total Expenditures	583,017	181,242	764,259
Net Change in Fund Balance	1,212,320	302,561	1,514,881
Fund Balance - beginning	18,141,589	1,039,203	19,180,792
Fund Balance - ending	$ 19,353,909	$ 1,341,764	$ 20,695,673

Notes:

(1) All income received from investment earnings is categorized to Program Funds

(2) The above schedule does not include adjustments made for GASB No. 31 as required by generally accepted accounting principles.

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Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of Directors
of the Housing Endowment and Regional Trust
of San Mateo County
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Housing Endowment and Regional Trust of San Mateo County (HEART) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise HEART's basic financial statements, and have issued our report thereon dated March 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered HEART's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HEART's internal control. Accordingly, we do not express an opinion on the effectiveness of HEART's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HEART's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Badawi & Associates, CPAs
Berkeley, California
March 4, 2024

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

HEART
OF SAN MATEO COUNTY

Financial Statements and
Independent Auditors' Report
June 30, 2024 and 2023

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

JUNE 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Endowment and Regional Trust
of San Mateo County
San Mateo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Housing Endowment and Regional Trust of San Mateo County, California (HEART), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise HEART's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of HEART, as of June 30, 2024 and 2023, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HEART and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

HEART's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HEART's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Address: 5901 Christie Avenue, Suite 307, Emeryville, CA 94608 • Phone: 510.768.8251 • Fax: 510.768.8249

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HEART's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HEART's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-9 and 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise HEART's basic financial statements. The status of funds schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The status of funds schedule is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the status of funds schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2025 on our consideration of HEART's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HEART's internal control over financial reporting and compliance.

Badawi & Associates

Badawi and Associates, CPAs
Emeryville, California
August 31, 2025

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Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

As management of the Housing Endowment and Regional Trust of San Mateo County (HEART), we offer our readers of HEART's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes.

Financial Highlights

- HEART's total net position as of June 30, 2023 amounted to $19,627,530, an increase of $2,480,997 from the prior year. This increase was the result of receiving $1.8 million in grants to assist in the development of affordable housing, an increase of $354,000 in accrued interest, and the balance from operations.

- Consistent with prior years, HEART's net position primarily made up of $14.5 million in outstanding interest and loan receivables from affordable housing developers.

- Cash and cash equivalents are $9.68 million. This amount is largely comprised of $2,000,000 in borrowed funds from the County of San Mateo Measure-K loan, $7,258,787 in HEART Trust Funds, and $421,359 in restricted funds. Of the total $9.68 million in cash and cash equivalents, $8.5 million can only be used to develop or preserve affordable housing.

- During the fiscal year HEART made two loans totaling $6 million dollars to support the development of affordable housing. During the year, HEART received one loan repayment in the amount of $3 million.

- Total operating and program revenue for the year amounted to $2,580,071 comprised of $2 million in grants restricted for affordable housing, $236,363 in contributions from member agencies and the balance of $262,225 from loan origination fees and charges to cities for HEART's City staffing program.

Overview of the Financial Statements

HEART's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of HEART's finances, in a manner similar to a private-sector business.

The *statements of net positions* present information on HEART's assets and liabilities, with the difference reported as net positions. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of HEART is improving or deteriorating.

The *statements of activities* report how HEART's net positions changed during the most recent two fiscal years. Changes in net positions are reported as soon as underlying events occur, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement may result in cash flows only in future periods. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

Fund Financial Statements

A fund is a group of related accounts that is used to control resources that have been segregated for specific activities or objectives. HEART uses fund accounting to ensure compliance with various legal requirements, such as the annually adopted budget. Accordingly, a budgetary comparison schedule has been included in the supplementary information section of the financial statements to demonstrate compliance with budget. Fund financial statements report essentially the same information as the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year.

As required by accounting principles, the financial transactions of HEART are accounted for in a Special Revenue Fund, a governmental fund, as monies received by it are legally restricted to specific use. Monies allocated and disbursed to HEART can be expended only for purposes authorized under the Agreement.

The fund financial statements can be found on pages 17 through 18 of this report.

Notes to the Financial Statements

The *notes to the financial statements* on pages 21 through 30 provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Other information

This report also presents certain required supplementary information concerning compliance with HEART's annual budget. This information, as well as associated notes, immediately follows the basic financial statements and the accompanying notes.

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

Financial Analysis – Government-Wide Financial Statements

Assets	**2024**	**2023**
Cash and cash equivalents	$ 9,680,146	$ 10,130,466
Receivables, net:		
Interest	1,665,692	1,311,665
Loans	12,834,489	9,809,489
Accounts	104,754	162,343
Restricted assets:		
Temporarily restricted:		
Cash and cash equivalents	421,359	414,960
Total Assets	24,706,440	21,828,923
Liabilities		
Accounts payable	78,910	62,390
Long-term liabilities		
San Mateo County Measure-K Loan	5,000,000	4,620,000
Paycheck Protection Program Loan	0	0
Total Liabilities	5,078,910	4,620,000
Net Position		
Restricted for:		
Homebuyer Assistance Loan Program – pledge account	421,359	411,960
Unrestricted	19,206,171	16,731,573
Total Net Positions	$ 19,627,530	$ 17,146,533

- HEART's total assets are $24,706,440, an increase of $2,877,517 from the previous year. This is an increase of 11.6% compared to the prior year. A $1.7 million grant from the California Department of Housing and Community Development and a $1.3 million grant from the City of Daly City are largely responsible for the net $2.9 million asset increase from the previous year.

- Cash and cash equivalents decreased from $10.1 million to approximately $9.7 million. HEART experienced large cash inflow and outflows during the fiscal year. This included receiving $3 million in grants, making $6 million in loans, receiving $3 million in loan repayments and drawing down a $380,000 loan from the County of San Mateo. The net effect of these flows and total operations was a net decrease of $450,300 in cash and cash equivalents.

- Loans outstanding increased by a net amount of approximately $3 million due to a new loan to CRP The Ridge at Ralston for a development project in the City of Belmont.

- Total liabilities for the current year are $5,078,910. This represents an increase of $458,920 from the previous year. The increase is largely due to drawing $380,000 from HEART's Measure-K loan from the County of San Mateo, bringing the total loan from the County to $5 million. The remaining

$78,910 in liabilities includes $65,923 in payroll liabilities for accrued vacation and payroll taxes, and $12,987 in accounts payable to consultants and miscellaneous vendors.

- Net position of governmental activities is $17,146,533, an increase of $1,716,882, or 11% more compared to the previous fiscal year. The increase in net position was due to a $1.7 million grant from the California Department of Housing and Community Development for the development of Colibri Commons, and affordable housing development in the City of East Palo Alto.

Changes in Net Positions

Changes in Net Positions	2024	2023
Revenues:		
Program Revenues:		
Operating grants and contributions		
Member Agencies	$ 236,363	$ 236,286
Donors	2,081,483	1,823,882
Charges for Services	262,225	4,800
Total Program Revenues	2,580,071	2,064,968
Expenses:		
General management and admin support	993,913	669,638
Legal services	1,069	11,274
Interest on long-term debt	92,748	83,212
Miscellaneous	201	135
Total Expenses	1,027,941	764,259
Net Program Revenue	1,552,130	1,300,709
General Revenues – Investment Earnings	928,867	416,173
Change in Net Positions	2,480,997	1,716,882
Net positions – beginning	17,146,533	15,429,651
Net positions – ending	$ 19,627,530	$ 17,146,533

- Total operating and program revenue during the current period was $2,580,071, higher than the prior year's amount of $2,064,968. This is an increase of 25% or $519,1033. The increase is due to an increase of $257,601 in contributions received and an increase of $257,425 in charges for services. Grants of $1.7 million the previous year and a similar amount the current year for the Colibri Commons development in East Palo Alto round out the total program revenue.

- The $257,601 in contribution noted above is the result of two contributions from the County of San Mateo: a contribution of $85,436 to HEART's Trust Fund from the County's impact fees and a contribution of $114,949 from the County to support the HEART's City Staffing Program.

- The increase of $257,425 in charges for services is largely comprised of $171,000 in fees charged to cities for HEART's City Staffing Program, and $90,069 in developer loan fees.

- Total expenses incurred during the current period amounted to $1,027,941, an increase of $263,682, or 24.5% more, than the previous year. Most of the increase in expenses is due to the addition of more staff at HEART to meet the increased program work load of HEART's City Staffing Program.

Budgetary Analysis

	Budgeted Amount Final	Actual Amount – Budgetary Basis	Variance -Positive (Negative)
Total Revenues and Other Financing Sources	$ 1,336,253	$ 2,966,132	$ 1,629,879
Total Expenditures and Other Financing Uses	1,446,392	1,027,941	418,451
Net Change in Fund Balance	$ (110,139)	$ 2,318,191	$ 2,428,330

- Actual revenues were higher than budgeted by $1,629,879. While HEART's individual revenue sources fluctuated and differed from the budgeted amounts, the $1.7 million grant awarded to HEART for affordable housing development was responsible for generating the large positive variance.
- Operating expenses were lower than budgeted by $418,451. Expenses were lower largely due the lower utilization than expected of outside contract and consulting services.

Beyond FY 2024

In 2025 HEART is planning to continue making loans to affordable housing developers with its Trust Fund. Currently, is planning on making $3 million in loans two affordable housing projects. Additional funds will be available to make more loans throughout 2025. These loans will help HEART achieve its mission of creating more affordable housing units, while increasing its revenue from developer loan origination fees.

Over the next year HEART will also expend significant resources creating new programs to create and preserve affordable housing by financing the acquisition of privately owned, existing apartment buildings and by providing staffing help to cities to assist them with carrying out their affordable housing programs. HEART has also developed a loan program to help mobile homeowners replace their units with new ones and anticipates making $1 million in loans to mobile homeowners in 2025.

Due to continuing high interest rates, it is likely HEART's first-time homebuyer down payment loan program, "Opening Doors," will continue to see low demand for its loans. HEART will continue to present community workshops for first time homebuyers and work with realtors and cities to help buyers prepare for a time when homebuying becomes feasible again.

Housing Endowment and Regional Trust of San Mateo County
Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of HEART's finances for all those interested. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Housing Endowment and Regional Trust of San Mateo County, Attn: Executive Director, 2905 S. El Camino Real, San Mateo, CA 94403.

BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

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Housing Endowment and Regional Trust of San Mateo County

Statements of Net Position

June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Assets		
Cash and investments	$ 9,680,146	$ 10,130,466
Receivables, net:		
Interest	1,665,692	1,311,665
Loans	12,834,489	9,809,489
Accounts	104,754	162,343
Restricted assets:		
Temporarily restricted:		
Cash and cash equivalents	421,359	414,960
Total Assets	24,706,440	21,828,923
Liabilities		
Accounts payable	78,910	62,390
Long-term liabilities:		
San Mateo County Measure K loan	5,000,000	4,620,000
Total Liabilities	5,078,910	4,682,390
Net Position		
Restricted for:		
Home Buyer Assistance Loan Program - pledge account	421,359	414,960
Unrestricted	19,206,171	16,731,573
Total Net Position	$ 19,627,530	$ 17,146,533

The notes to the financial statements are an integral part of this statement.

Housing Endowment and Regional Trust of San Mateo County

Statements of Activities

For the Years Ended June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Expenses		
General management and administrative support	933,913	$ 669,638
Legal services	1,069	11,274
Interest on long-term debt	92,758	83,212
Miscellaneous	201	135
Total Expenses	1,027,941	764,259
Program Revenues		
Operating grants and contributions:		
Member agencies	236,363	236,286
Donors	2,081,483	1,823,882
Charges for Services	262,225	4,800
Total Program Revenues	2,580,071	2,064,968
Net Program Revenue (Expenses)	1,552,130	1,300,709
General Revenues		
Investment earnings	928,867	416,173
PPP Loan forgiveness	-	-
Total General Revenues	928,867	416,173
Change in Net Positions	2,480,997	1,716,882
Net Positions - beginning	17,146,533	15,429,651
Net Positions - ending	$ 19,627,530	$ 17,146,533

The notes to the financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
Fund Financial Statements

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Housing Endowment and Regional Trust of San Mateo County

Balance Sheets - Governmental Fund

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and investments	$ 9,680,146	$ 10,130,466
Receivables, net:		
Interest	1,665,692	1,311,665
Loans	12,834,489	9,809,489
Accounts	104,754	162,343
Cash - restricted	421,359	414,960
Total Assets	$ 24,706,440	$ 21,828,923
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	$ 78,910	$ 62,390
Total Liabilities	78,910	62,390
Deferred Inflows of Resources		
Unavailable revenues	1,665,692	1,311,665
Total Deferred Inflows of Resources	1,665,692	1,311,665
Fund Balance		
Nonspendable	12,834,489	9,809,489
Restricted	421,359	414,960
Unassigned	9,705,990	10,230,419
Total Fund Balance	22,961,838	20,454,868
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 24,706,440	$ 21,828,923
Reconciliation of Fund Balance Sheets to the Statements of Net Position:		
Total Fund Balance - Governmental Fund	$ 22,961,838	$ 20,454,868
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund		
Interest receivable	1,665,692	1,311,665
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Fund Balance Sheet		
County of San Mateo-Measure-K loan	(5,000,000)	(4,620,000)
Net position of governmental activities	$ 19,627,530	$ 17,146,533

The notes to the financial statements are an integral part of this statement.

Housing Endowment and Regional Trust of San Mateo County

Statements of Revenues, Expenditures, and Changes in Fund Balance

For the Years Ended June 30, 2024 and 2023

	2024	2023
Revenues		
Member agency contributions	$ 236,363	$ 236,286
Donor contributions	2,081,483	1,823,882
Charges for services	262,225	4,800
Investment earnings	574,840	223,415
Total Revenues	3,154,911	2,288,383
Expenditures		
General management and administrative support	933,913	669,638
Legal services	1,069	11,274
Miscellaneous	201	135
Debt service:		
Interest and fiscal charges	92,758	83,212
Total Expenditures	1,027,941	764,259
Excess (Deficit) of Revenues Over Expenditures	2,126,970	1,524,124
Other Financing Sources (Uses)		
Loan proceeds	380,000	-
Total Other Financing Sources (Uses)	380,000	-
Net Change in Fund Balance	2,506,970	1,524,124
Fund Balance - Beginning	20,454,868	18,930,744
Fund Balance - Ending	$ 22,961,838	$ 20,454,868

Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statements of Activities (page 14)		
Net change in fund balance - governmental fund	$ 2,506,970	$ 1,524,124
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	354,027	192,758
Loan proceeds provided current financial resources to governmental funds, but increased long-term liabilities in the government-wide statemem of net position.	(380,000)	-
Change in net positions of governmental activities	$ 2,480,997	$ 1,716,882

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

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HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Reporting Entity

On February 26, 2002, the County of San Mateo (County) approved establishment of a housing trust fund for the County and set aside $3 Million from reserves to be used as the initial capitalization for the fund. A Joint Powers Agreement (Agreement) between the County and certain cities and towns within the County (Member Agencies) established the Housing Endowment and Regional Trust (HEART) in 2003 under the Joint Exercise of Powers Act per California Government Code Sections 6500 et seq. The Agreement was in effect at least until March 30, 2013 and can be terminated thereafter according to the terms specified in the Agreement. HEART's general purpose is to support and generate funding that will result in permanent additions to workforce housing needs in San Mateo County. HEART obtained a determination from the Internal Revenue Service of its tax-exempt status and classification as a public charity under Section 501(c)(3) of the Internal Revenue Code (Code), effective January 8, 2008. Contributions to HEART are tax deductible under Section 170 of the Code.

HEART is an entity separate from each participating entity and is under the direction of a Board of Directors (Board). The Board is comprised of 11 elected officials from the County and Member Agencies and 10 at-large members who are not publicly elected officials. The Board appoints a managing agent who is responsible for the day-to-day administration of HEART under its direction.

The County also made an initial allocation of $75,000 for administrative costs in addition to the $3 Million initial capitalization. HEART received $2.075 Million in fiscal year 2004 and the remaining $1 Million was paid in equal installments from fiscal years 2005 through 2009. The Member Agencies support HEART by contributing annual dues. The dues were assessed annually through fiscal year 2009 based upon Member Agency's population information used by City/County Association of Governments of San Mateo County (C/CAG). The dues remained fixed from fiscal years 2009 through 2011. The dues were reduced by 10% annually in FY 2012, and remained fixed in FY 2014 through FY 2024 at the lower rate.

Monies allocated and disbursed to HEART can be expended only for purposes authorized under the Agreement.

(c) Measurement Focus, Basis of accounting, and Financial Statement Presentation

Under the new financial reporting model, governments are required to present government-wide and fund financial statements along with reconciliation from the fund financial statements to the government-wide statements. The government-wide financial statements are reported on a basis of accounting similar to a commercial enterprise, which is different from the traditional basis of accounting used for the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Measurement Focus, Basis of accounting, and Financial Statement Presentation (continued)

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from reimbursement type programs are considered to be *available* when they are collectible within two months of the end of the current fiscal period in order to properly match revenues with related expenditures. Expenditures are recognized in the accounting period in which the liability is incurred.

Cash and Cash Equivalents: Cash and cash equivalents include all monies held in banks, highly liquid investments with maturities of less than three months and cash held in the San Mateo County Investment Pool (County Pool). A portion of the cash balance is pooled with other funds of the County to earn a higher rate of return than could be earned by investing the funds individually. HEART considers its equity in the County's investment pool to be cash equivalents.

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Restricted Assets: Amounts maintained in separate bank accounts are classified as restricted assets on the balance sheet because uses of the funds are externally restricted by the lending agencies to maintain a minimum balance in the Pledge Account for financing eligible housing developers and homeowners.

Long-term Obligations: Long-term debts are reported as liabilities in the government-wide financial statements. In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources and interest and principal payments made in the current period are reported as debt service expenditures.

(d) Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results based on subsequent events could differ from those estimates.

(e) Budgetary Information

HEART adopts an annual budget that can be amended throughout the year. The basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures except that unrealized gains and losses are not included in the budget. See Note 1 of the notes to the required supplementary information for detail.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) New Pronouncements

In fiscal year 2022-23, HEART adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- *GASB Statement No. 100, Accounting Changes and Error Corrections* – an Amendment of GASB Statement No. 62 – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

2. CASH AND INVESTMENTS

(a) Cash and Investments

As of June 30, 2024 and 2023, HEART's cash and investments consisted of:

	FY 23-24	FY 22-23
Cash and investments:		
Cash on hand	$ -	$ -
Wells Fargo Checking and Savings Accounts	3,501,846	1,833,816
Meriwest Committed Account	250,283	88,145
San Mateo County Investment Pool	5,928,017	8,208,505
Total unrestricted cash and investments	9,680,146	10,130,466
Meriwest Restricted Account	421,359	414,960
Total cash and investments	$ 10,101,505	$ 10,545,426

Cash Deposits

The carrying amount of HEART's cash deposits were a total of $3,752,129. Bank balances before reconciling items were a positive amount of $3,752,129 as of June 30, 2024. The carrying amount of HEART's cash deposits were a total of $3,752,129. Bank balances before reconciling items were a positive amount of $3,752,129 as of June 30, 2023.

The California Government Code requires California banks and savings and loan associations to secure HEART's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in HEART's name. The fair value of pledged securities must equal at least 110% of HEART's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the total cash deposits. HEART's cash deposit was fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was not collateralized

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. CASH AND INVESTMENTS (CONTINUED)

(a) Cash and Investments, Continued

San Mateo County Investment Pool

Investment in the County Pool is reported at fair value. The change in fair value for the year is recorded as unrealized gain or loss and reported as part of investment earnings. Fair value is based on information provided by the County Treasurer. The fair value in HEART's investment in the County Pool as of June 30, 2024 and 2023 was $5,928,017 and $8,208,505 respectively. The fair value factor of 0.9913 and 0.9715 was used to calculate the fair value of the investments in the County Pool for fiscal year 2024 and fiscal year June 30, 2023.

HEART does not have a formally adopted investment policy.

(b) Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. It is mitigated by limiting the average maturity of HEART's portfolio. Investments held in HEART grouped by maturity date as of June 30, 2024 and 2023 are shown below:

FY2024		Investment Maturities (in years)		
Investment Type	**Total**	**1 year or Less**	**1 - 2 years**	**2- 3 years**
San Mateo County Investment Pool	$ 5,928,017	$ 5,928,017	$ -	$ -
Total Investments	$ 5,928,017	$ 5,928,017	$ -	$ -

FY2023		Investment Maturities (in years)		
Investment Type	**Total**	**1 year or Less**	**1 - 2 years**	**2- 3 years**
San Mateo County Investment Pool	$ 8,208,505	$ 8,208,505	$ -	$ -
Total Investments	$ 8,208,505	$ 8,208,505	$ -	$ -

Credit Risk: Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of an issuer to repay its debt. As of June 30, 2024, HEART's deposits and investments were rated as follow:

	FY2024Credit Quality Ratings			FY2023 Credit Quality Ratings		
	Moody's	**S&P**	**% of Portfolio**	**Moody's**	**S&P**	**% of Portfolio**
San Mateo County Investment Pool	Not Rated	Not Rated	100%	Not Rated	Not Rated	100%
Total			100%			100%

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

3. RECEIVABLES

(a) Interest Receivable

The interest receivable balance reported at June 30, 2024 and 2023 of $1,665,692 and $1,311,665 respectively represent uncollected interest on loans receivable and fourth quarter interest due from the County Treasurer on investments made by HEART in the County Pool.

(b) Loans Receivable

Loans receivable as of June 30, 2024and 2023 consist of the following:

	2024	2023
In September 2006, HEART loaned $1,730,000 of program funds to The Crossings Phase II, L.P. for the development of the 113-unit The Village at the Crossing project in San Bruno, CA, which will provide housing for very-low and extremely-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy and bears interest at a rate of 3% per annum. The Certificate of Occupancy was issued on January 10, 2008.	$ 1,709,866	$ 1,709,866
In June 2006, HEART signed a loan agreement with Hillcrest Senior Housing Corporation (HSHC) for $510,000 to assist with construction financing of the 39-unit Hillcrest Gardens project in Daly City, CA, which will provide housing for very-low and extremely-low income seniors. The loan has a term of 55 years from the issuance of the Certificate of Occupancy and/or Notice of Completion for the development, whichever is earlier, and bears interest at a rate of 3% per annum. The Notice of Completion was issued on December 11, 2008.	510,000	510,000
In February 2015, HEART signed a loan agreement with Habitat for Humanity for $500,000 to assist in the acquisition of the land and improvements located at 612 Jefferson Avenue, Redwood City ("Property") to build a multifamily development. The loan is secured by a Deed of Trust recorded against the property. The loan has a term of 5 years with an option to extending for a term of one year and bears interest at a rate 0% for the first five years and at a rate of 3% if the borrower fails to achieve the project completion milestone at maturity.	462,500	487,500
In December 2007, HEART signed a loan agreement with Trestle Glen Associates for $1,760,000 to assist with the development of a 119-unit rental housing project in Colma, CA, which will provide housing for very-low and extremely-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy and/or Notice of Completion for the development, whichever is later, and bears interest at a rate of 3% per annum. The Certificate of Occupancy was issued on December 30, 2009.	1,760,000	1,760,000
Sub-total carried forward	$ 4,442,366	$ 4,467,366

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

3. RECEIVABLES (CONTINUED)

(b) Loans Receivable

	2024	2023
Sub-total carried forward	$ 4,442,366	$ 4,467,366
In October 2015, Bridge Housing Ventures assumed National Church Residences loan including accrued interest for the amount of $542,123, to assist with the one hundred units of rental housing affordable to low-income households, commonly known as Ocean View Senior Apartments, located at 555 Crespi Drive in Pacifica, California. The loan has a term of 57 years from the date of the modification agreement, which bears interest at a rate of 3% per annum commencing on October 16, 2016.	542,123	542,123
In March 2011, HEART signed a loan agreement with Mid-Peninsula South City, L.P. for $600,000, which was funded by the Genetech Foundation South Francisco Fund to assist with the development of 62-units of a 109-unit rental housing project in South San Francisco, CA, which will provide housing for low and very-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy, which evidences project completion and bears interest at a rate of 3% per annum commencing upon project completion. The Certificate of Occupancy was issued on October 19, 2012.	600,000	600,000
In March 2011, HEART signed a loan agreement with Mid-Peninsula South City II, L.P. for $400,000, which was funded by the Genetech Foundation South Francisco Fund to assist with the development of 47-units of a 109-unit rental housing project in South San Francisco, CA, which will provide housing for low and very-low income households. The loan has a term of 55 years from the issuance of the Certificate of Occupancy, which evidences project completion and bears interest at a rate of 3% per annum commencing upon project completion. The Certificate of Occupancy was issued on October 19, 2012.	400,000	400,000
In December 2021, HEART signed a Deveopment Loan Agreement with MP Downtown San Mateo Associates, L.P. to provide $3,800,000 for the development of 225 rental homes for extremely low- very low- and low-income individuals and families. The project is located in the City of San Mateo. The loan has a term of 55 years from and bears an interest rate of 3% commencing in March 2022.	3,800,000	3,800,000
In February 2024, HEART signed a Deveopment Loan Agreement with CRP Affordable Housing and Community Development CA LLC. to provide $3,000,000 for the development of 65 rental homes for low-income persons and households. The project is located in the City of San Mateo. The loan has a term of 55 years from and bears an interest rate of 5%.	3,000,000	-
In July 2024, HEART signed a Deveopment Loan Agreement with HEART-SV, a California Joint Powers Authority. to provide $450,000 for the development of 8 rental homes for low-income persons and households. The project is located in the City of San Mateo. The loan has a term of 55 years from and bears an interest rate of 3%.	50,000	-
Total Loans Receivable	$ 12,834,489	$ 9,809,489

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

4. ACCOUNTS PAYABLE

Accounts payable comprises of the following:

	2024	2023
Payable for contractor service	$ 12,986	$ 4,598
Accrued payroll	65,924	57,792
Total Accounts payable	$ 78,910	$ 62,390

5. NON-CURRENT LIABILITIES

The following is summary of non-current liability activity of HEART:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
San Mateo County:Measure-K	$ 4,620,000	$ 380,000	$ -	$ 5,000,000
Total	$ 4,620,000	$ 380,000	$ -	$ 5,000,000

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
San Mateo County:Measure-K	$ 4,620,000	$ -	$ -	$ 4,620,000
Total	$ 4,620,000	$ -	$ -	$ 4,620,000

San Mateo County: Measure-K loan

On August 1, 2017 HEART entered into a loan agreement with the County of San Mateo for an amount of $5,000,000 with a maturity date of July 31, 2024. Interest rate will be paid annually based on the amount of interest that the loan would have earned had it been invested in the San Mateo County Pooled Investment rate starting twelve months from the date of the initial disbursement. The proceeds of the loan will to be used to make predevelopment, acquisition, construction and bridge loans that are consistent with the terms of HEART's Quick Start Loan Program. As of June 30, 2024 HEART drawn an amount of $5,000,000 from the total loan agreement of $5,000,000.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

6. REVENUES

(a) Operating Grants and Contributions

Operating grants and contributions consist of the following:

Member Agencies Dues

Member Agencies are billed annually for dues to cover administrative expenses.

Donors

Other operating grants and contributions include contributions from private donors.

(b) Charges for Services

Charges for services are loan processing fees collected from home buyers upon close of escrow on each home loan.

(c) Investment Earnings

Investment earnings reported in the government fund *statements of revenues, expenditures, and changes in fund balance* comprise of quarterly interest received from the County Treasurer on investments made by HEART in the County Pool and interest collected from developers on cumulative interest receivable accrued. Interest is recorded in the year it is earned and is available to pay current liabilities.

Investment earnings reported in the government-wide *statements of activities* includes earnings from the County investments noted above plus interest earned in the current year on loans made to developers.

7. FUND BALANCES / NET POSITION

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which HEART is bound to honor constraints on the specific purpose for which amount in the fund can be spent. As of June 30, 2024 and 2023, fund balance for the governmental fund consists of the following classifications respectively:

(a) *Nonspendable Fund Balance* – includes amounts that cannot be spent because they are not in spendable form, such as prepaid items and loans receivable.

(b) *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

(c) *Unassigned Fund Balance* – is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted and then unassigned.

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

7. FUND BALANCES / NET POSITION (CONTINUED)

At fiscal year-end, fund balance reported on the balance sheets on page 17 includes:

	2024	2023
Nonspendable	$ 12,834,489	$ 9,809,489
Restricted:		
Home Buyer Assistance Loan Program - pledge account see Note 2(a)	421,359	414,960
Unassigned	9,705,990	10,230,419
Total Fund Balance	$ 22,961,838	$ 20,454,868

The amount shown as restricted above is also reported as restricted net position on the *statement of net positions* on page 13.

8. RISK MANAGEMENT

HEART is exposed to various risks of losses related to assets having a current or future benefit to HEART. HEART has insurance coverage provided by the Hartford. In addition, HEART has special excess liability insurance coverage provided as part of the County's insurance coverage. The existing insurance policies are current as of the issuance of this report. Under an agreement with the County, the Department of Housing (DOH) of San Mateo County provides fiscal and program services to HEART. Agents of the DOH are covered by the County's insurance provider. The County Counsel provides legal representation for any claims or litigation of HEART under a contract. For the years ended June 30, 2024 and 2023, the annual amount contracted with County Counsel for legal representation was $1,069 and $9,773 respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

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Housing Endowment and Regional Trust of San Mateo County
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budgeted Amount Original	Budgeted Amount Final	Actual Amount Budgetary Basis (Note 1)	Variance with Final Budget Positive (Negative)
Revenues				
Member Agency contributions	$ 236,286	$ 236,286	$ 236,363	$ 77
Other contributions	355,000	355,000	2,081,483	1,726,483
Investment earnings	157,166	157,166	386,061	228,895
Charges for services and other administrative support	587,801	587,801	262,225	(325,576)
	1,336,253	1,336,253	2,966,132	1,629,879
Expenditures				
General management and administrative support	1,274,392	1,274,392	933,913	340,479
Legal services	72,000	72,000	1,069	70,931
Debt services				
Interest and fiscal charges	100,000	100,000	92,758	7,242
Contingency	-	-	201	(201)
Total Expenditures	1,446,392	1,446,392	1,027,941	418,451
Net Change in Fund Balance	$ (110,139)	$ (110,139)	2,318,191	2,428,330
Fund Balance - beginning			20,695,673	
Fund Balance - ending			$ 23,013,864	

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 **and 2023**

1. BUDGETS, BUDGETARY PROCESS, AND ENCUMBRANCES

HEART uses two funding sources to manage operations: Administrative Funds and Program Funds. The Board adopts an annual operating budget, which can be amended by the Board throughout the year. Actual revenues and expenditures presented reflect activity in both funds during the year. As discussed in Note 1(d) of the notes to the basic financial statements, the basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures, except for unrealized gains and losses under GASB 31. The financial statements record unrealized gains and losses as required by Generally Accepted Accounting Principles (GAAP). Adjustments were made to certain budgeted accounts to reflect changes made in financial statement presentation.

HEART uses an encumbrance system to assist in controlling expenditures. Purchase orders, contracts, and other commitments for the expenditures of monies are recorded under this system in order to reserve applicable appropriations. Any encumbrances outstanding at year-end are recorded as reservations of fund balance as they do not constitute expenditures or liabilities.

The actual net change in fund balance under the budgetary basis on page 33 is reconciled to the change in fund balance under GAAP on page 18 as follows:

Explanation of difference between budgetary basis and GAAP basis:

		FY 23-24
Net Change in Fund Balance - budgetary basis	$	2,318,191
Net unrealized loss on cash in County Investment Pool under GASB 31		188,779
Change in Fund Balance - GAAP basis	$	2,506,970
Fund Balance - budgetary basis	$	23,013,864
Unrealized loss on cash in County Investment Pool under GASB 31 as of June 30, 2024		(52,026)
Fund Balance - GAAP basis	$	22,961,838

SUPPLEMENTARY INFORMATION

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Housing Endowment and Regional Trust of San Mateo County
Status of Funds
For the Year Ended June 30, 2024

	Program Funds	Administrative Funds	Total
Revenues			
Member agency contributions	$ -	$ 236,363	$ 236,363
Donor contributions	1,938,375	143,108	2,081,483
Investment earnings	-	386,061	386,061
Loan origination fees	217,156	45,069	262,225
Total Revenues	2,155,531	810,601	2,966,132
Expenditures			
General management and administrative support	768,541	165,372	933,913
Legal services	553	516	1,069
Debt services			
Interest and fiscal charges	92,758	-	92,758
Total Expenditures	861,852	166,089	1,027,941
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,293,679	644,512	1,938,191
Other Financing Sources (Uses)			
Loan proceeds:			
- San Mateo County Measure K Loan	380,000	-	380,000
Total Other Financing Sources (Uses)	380,000	-	380,000
Net Change in Fund Balance	1,673,679	644,512	2,318,191
Fund Balance - beginning	19,353,909	1,341,764	20,695,673
Fund Balance - ending	$ 21,027,588	$ 1,986,276	$ 23,013,864

Notes:

(1) All income received from investment earnings is categorized to Program Funds

(2) The above schedule does not include adjustments made for GASB No. 31 as required by generally accepted accounting principles.

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BADAWI & ASSOCIATES
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of Directors
of the Housing Endowment and Regional Trust
of San Mateo County
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Housing Endowment and Regional Trust of San Mateo County (HEART) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise HEART's basic financial statements, and have issued our report thereon dated August 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered HEART's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HEART's internal control. Accordingly, we do not express an opinion on the effectiveness of HEART's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Address: 5901 Christie Avenue, Suite 307, Emeryville, CA 94608 • Phone: 510.768.8251 • Fax: 510.768.8249

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HEART's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Badawi & Associates

Badawi & Associates, CPAs
Emeryville, California
August 31, 2025

Property Management Company

HEART-SV has interviewed four (4) qualified property management companies and is still in the process of negotiating a property management agreement for the Project. Although we have not signed an agreement with the following company, we have included their qualifications to ensure Brisbane City Staff of the availability of qualified managers. The property management company is subject to change to a company other than the company listed below.

Prodesse Property Group has been in business for 29 years and currently manages over 200 properties. Prodesse Property Group's most public affordable management portfolio is in the North Fair Oaks neighborhood, near Redwood City. There they oversee the St. Francis Center's residential portfolio of smaller 2-20 unit affordable buildings as well as the 64-unit Renalto Court, which was purchased as a community benefit associated with the Malibu Grand Prix redevelopment application.

Prodesse Property Group has experience managing market rate, naturally occurring affordable, and deed restricted housing throughout the peninsula. Their experience with property management and the tenant income verification process is what attracted us to hire them for a property HEART-SV acquired in 2024 in Redwood City.

Housing Endowment and Regional Trust of San Mateo County
Visitacion Gardens
Proposed Schedule

Date	Activity	Notes
By October 2025	Subcommittee Review and Recommendation	
November 1 - December 15, 2025	Due Diligence Period	HEART will expend funds on due diligence consultants once recommend by City Subcommittee
December 1, 2025	HEART Draft Loan Documents completed	Available for City review
December 1, 2025	Receive Draft Ground Lease and Loan Documents from City	
December 10, 2025	HEART Board loan approval & Project acquisition by HEART-SV	
January 2026	Authority Action	
January 28, 2026	City and HEART deposit loan funds into escrow	
January 30, 2026	Closing	
February, 01, 2026	Rehabilitation commences	Per property needs assessment direction and weather permitting

Property Inspections

HEART has not completed any due diligence as of this proposal date. HEART will only begin conducting a full due diligence review upon notification from the City that the City Subcommittee is recommending HEART for the Project.

SUPERSEDED. Please see capital needs report provided in separate attachment.

8 Visitacion Avenue, Brisbane

PROPERTY SUMMARY	
Residential Unit Count	14
Building Size (SF)	19,998
Parcel Size (SF)	17,138
Occupancy at Purchase	100%

RDA of the City of Brisbane/Authority Loans	$ 3,452,814
County of San Mateo Loan	$ 227,436
HEART Funds	$ 454,983
Total Cost	$ 4,135,233
Total Cost (not PP) per SF of buildling	$ 207
Total Cost per Unit	$ 295,374

AFFORDABILITY	
Average BRIDGE AMI level	41%
Average HEART AMI level	59%

LOAN DETAILS	
Bank:	
Loan Term (yrs.)	
Amortization (yrs.)	
Interest-Only Period (yrs.)	
Min. Debt Cov. Ratio	
Max. Loan-to-Value	
Proforma Loan-to-Value	
Est. Interest Rate	
Est. Interest-Only Period	

8 Visitacion Avenue, Brisbane

Income Limits YR: 2025
CA Annual Rent Cap: 5% + CPI or 10%, whichever is less
Assumptions: 30% of household income is the maximum monthly housing payment, including utilities, insurance, taxes, and home

2025 Utility Allowance Schedule/mo. - San Mateo County

		Studio 1P	1BR 1.5P	2BR 3P	3BR 4.5P
Heating	Natural Gas	$ 26	$ 32	$ 37	$ 41
	Electric	$ -	$ -	$ -	$ -
Cooking	Natural Gas	$ -	$ -	$ -	$ -
	Electric	$ 11	$ 13	$ 18	$ 24
Other Electric	(incl. climate credit)	$ 34	$ 42	$ 62	$ 85
Air Conditioning		$ -	$ -	$ -	$ -
Water Heating	Natural Gas	$ -	$ -	$ -	$ -
	Electric	$ -	$ -	$ -	$ -
Water		$ -	$ -	$ -	$ -
Trash		$ -	$ -	$ -	$ -
Range/Microwave		$ 11	$ 11	$ 11	$ 11
Refrigerator		$ 12	$ 12	$ 12	$ 12
Total		**$ 94**	**$ 110**	**$ 140**	**$ 173**

2025 HCD Income Limits

Extremely Low-Income (30%)

Household Size	Annual Income	30% of Annual Income	Max. Monthly Rent
1	$ 41,150	$ 12,345	$ 1,029
2	$ 47,000	$ 14,100	$ 1,175
3	$ 52,900	$ 15,870	$ 1,323
4	$ 58,750	$ 17,625	$ 1,469
5	$ 63,450	$ 19,035	$ 1,586
6	$ 68,150	$ 20,445	$ 1,704
7	$ 72,850	$ 21,855	$ 1,821
8+	$ 77,550	$ 23,265	$ 1,939

Very Low-Income (50%)

Household Size	Annual Income	30% of Annual Income	Max. Monthly Rent
1	$ 68,550	$ 20,565	$ 1,714
2	$ 78,350	$ 23,505	$ 1,959
3	$ 88,150	$ 26,445	$ 2,204
4	$ 97,900	$ 29,370	$ 2,448
5	$ 105,750	$ 31,725	$ 2,644
6	$ 113,600	$ 34,080	$ 2,840
7	$ 121,400	$ 36,420	$ 3,035
8+	$ 129,250	$ 38,775	$ 3,231

Low-Income (60%)

Household Size	Annual Income	30% of Annual Income	Max. Monthly Rent
1	$ 82,260	$ 24,678	$ 2,057
2	$ 94,020	$ 28,206	$ 2,351
3	$ 105,780	$ 31,734	$ 2,645
4	$ 117,480	$ 35,244	$ 2,937
5	$ 126,900	$ 38,070	$ 3,173
6	$ 136,320	$ 40,896	$ 3,408
7	$ 145,680	$ 43,704	$ 3,642
8+	$ 155,100	$ 46,530	$ 3,878

Low-Income (80%)

Household Size	Annual Income	30% of Annual Income	Max. Monthly Rent
1	$ 109,700	$ 32,910	$ 2,743
2	$ 125,350	$ 37,605	$ 3,134
3	$ 141,000	$ 42,300	$ 3,525
4	$ 156,650	$ 46,995	$ 3,916
5	$ 169,200	$ 50,760	$ 4,230
6	$ 181,750	$ 54,525	$ 4,544
7	$ 194,250	$ 58,275	$ 4,856
8+	$ 206,800	$ 62,040	$ 5,170

Median-Income (100%)

Household Size	Annual Income	30% of Annual Income	Max. Monthly Rent
1	$ 130,600	$ 39,180	$ 3,265
2	$ 149,300	$ 44,790	$ 3,733
3	$ 167,950	$ 50,385	$ 4,199
4	$ 186,600	$ 55,980	$ 4,665
5	$ 201,550	$ 60,465	$ 5,039
6	$ 216,450	$ 64,935	$ 5,411
7	$ 231,400	$ 69,420	$ 5,785
8+	$ 246,300	$ 73,890	$ 6,158

Moderate-Income (120%)

Household Size	Annual Income	30% of Annual Income	Max. Monthly Rent
1	$ 156,750	$ 47,025	$ 3,919
2	$ 179,100	$ 53,730	$ 4,478
3	$ 201,500	$ 60,450	$ 5,038
4	$ 223,900	$ 67,170	$ 5,598
5	$ 241,800	$ 72,540	$ 6,045
6	$ 259,700	$ 77,910	$ 6,493
7	$ 277,650	$ 83,295	$ 6,941
8+	$ 295,550	$ 88,665	$ 7,389

8 Visitacion Avenue, Brisbane

HCD

Max Monthly Rent

Moderate-Income 120%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 156,750	$ 47,025	$ 3,919
2	$ 179,100	$ 53,730.00	$ 4,478
3	$ 201,500	$ 60,450.00	$ 5,038

Median-Income 100%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 130,600	$ 39,180	$ 3,265
2	$ 149,300	$ 44,790	$ 3,733
3	$ 167,950	$ 50,385	$ 4,199

Low-Income 80%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 109,700	$ 32,910	$ 2,743
2	$ 125,350	$ 37,605	$ 3,134
3	$ 141,000	$ 42,300	$ 3,525

Low-Income 60%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 82,260	$ 24,678	$ 2,057
2	$ 94,020	$ 28,206	$ 2,351
3	$ 105,780	$ 31,734	$ 2,645

Very Low-Income 50%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 68,550	$ 20,565	$ 1,714
2	$ 78,350	$ 23,505	$ 1,959
3	$ 88,150	$ 26,445	$ 2,204

Extremely Low-Income 30%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 41,150	$ 12,345	$ 1,029
2	$ 47,000	$ 14,100	$ 1,175
3	$ 52,900	$ 15,870	$ 1,323

Max Monthly Rent based on Household Size

Area Median Income		0BR 1 Person	1BR 1.5 Persons	2BR 3 Persons
Moderate	120%	$ 3,919	$ 4,198	$ 5,038
Median	100%	$ 3,265	$ 3,499	$ 4,199
Low	80%	$ 2,743	$ 2,938	$ 3,525
Low	60%	$ 2,057	$ 2,204	$ 2,645
VLI	50%	$ 1,714	$ 1,959	$ 2,204
ELI	30%	$ 1,029	$ 1,102	$ 1,323

Net Max Monthly Rent based on Household Size & Utility Allowance

0BR Utility Allowance	$ 94
1BR Utility Allowance	$ 110
2BR Utility Allowance	$ 140

Area Median Income		0BR 1 Person	1BR 1.5 Persons	2BR 3 Persons
Moderate	120%	$ 3,825	$ 4,088	$ 4,898
Median	100%	$ 3,171	$ 3,389	$ 4,059
Low	80%	$ 2,649	$ 2,828	$ 3,385
Low	60%	$ 1,963	$ 2,094	$ 2,505
VLI	50%	$ 1,620	$ 1,849	$ 2,064
ELI	30%	$ 935	$ 992	$ 1,183

TCAC

Max Rent Calculations

Median-Income 100%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 135,400	$ 40,620	$ 3,385
2	$ 154,800	$ 46,440	$ 3,870
3	$ 174,100	$ 52,230	$ 4,353

Low-Income 80%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 108,320	$ 32,496	$ 2,708
2	$ 123,840	$ 37,152	$ 3,096
3	$ 139,280	$ 41,784	$ 3,482

Low-Income 60%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 81,240	$ 24,372	$ 2,031
2	$ 92,880	$ 27,864	$ 2,322
3	$ 104,460	$ 31,338	$ 2,612

Very Low-Income 50%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 67,700	$ 20,310	$ 1,693
2	$ 77,400	$ 23,220	$ 1,935
3	$ 87,050	$ 26,115	$ 2,176

Extremely Low-Income 30%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 40,620	$ 12,186	$ 1,016
2	$ 46,440	$ 13,932	$ 1,161
3	$ 52,230	$ 15,669	$ 1,306

Max Monthly Rent based on Household Size

Area Median Income		0BR 1 Person	1BR 1.5 Persons	2BR 3 Persons
Median	100%	$ 3,385	$ 3,628	$ 4,353
Low	80%	$ 2,708	$ 2,902	$ 3,482
Low	60%	$ 2,031	$ 2,177	$ 2,612
VLI	50%	$ 1,693	$ 1,814	$ 2,176
ELI	30%	$ 1,016	$ 1,088	$ 1,306

Net Max Monthly Rent based on Household Size

0BR Utility Allowance	$ 94
1BR Utility Allowance	$ 110
2BR Utility Allowance	$ 140

Area Median Income		0BR 1 Person	1BR 1.5 Persons	2BR 3 Persons
Median	100%	$ 3,291	$ 3,518	$ 4,213
Low	80%	$ 2,614	$ 2,792	$ 3,342
Low	60%	$ 1,937	$ 2,067	$ 2,472
VLI	50%	$ 1,599	$ 1,704	$ 2,036
ELI	30%	$ 922	$ 978	$ 1,166

52
26

52000
44200

H&SC

Max Rent Calculations

Moderate-Income 120%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 143,660	$ 43,098	$ 3,592
2	$ 164,230	$ 49,269	$ 4,106
3	$ 184,745	$ 55,424	$ 4,619

Median-Income 100%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 130,600	$ 39,180	$ 3,265
2	$ 149,300	$ 44,790	$ 3,733
3	$ 167,950	$ 50,385	$ 4,199

Low-Income 80%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 78,360	$ 23,508	$ 1,959
2	$ 89,580	$ 26,874	$ 2,240
3	$ 100,770	$ 30,231	$ 2,519

Low-Income 60%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 78,360	$ 23,508	$ 1,959
2	$ 89,580	$ 26,874	$ 2,240
3	$ 100,770	$ 30,231	$ 2,519

Very Low-Income 50%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 65,300	$ 19,590	$ 1,633
2	$ 74,650	$ 22,395	$ 1,866
3	$ 83,975	$ 25,193	$ 2,099

Extremely Low-Income 30%

Household size	Annual Income	30% of Annual Income	Max Monthly Rent
1	$ 39,180	$ 11,754	$ 980
2	$ 44,790	$ 13,437	$ 1,120
3	$ 50,385	$ 15,116	$ 1,260

Max Monthly Rent based on Household Size

Area Median Income		0BR 1 Person	1BR 2 persons	2BR 3 Persons
Moderate	120%	$ 3,592	$ 4,106	$ 4,619
Low	80%	$ 1,959	$ 2,240	$ 2,519
Low	60%	$ 1,959	$ 2,240	$ 2,519
VLI	50%	$ 1,633	$ 1,866	$ 2,099
ELI	30%	$ 980	$ 1,120	$ 1,260

Net Max Monthly Rent based on Household Size

0BR Utility Allowance	$ 94
1BR Utility Allowance	$ 110
2BR Utility Allowance	$ 140

Area Median Income		0 BR 1 Person	1BR 2 persons	2BR 3 Persons
Moderate	120%	$ 3,498	$ 3,996	$ 4,479
Low	80%	$ 1,865	$ 2,130	$ 2,379
Low	60%	$ 1,865	$ 2,130	$ 2,379
VLI	50%	$ 1,539	$ 1,756	$ 1,959
ELI	30%	$ 886	$ 1,010	$ 1,120

HUD HOME

Max Rent Calculations

Max Monthly Rent based on Household Size

Area Median Income	0BR	1BR	2BR
High HOME Limit	$ 2,208	$ 2,366	$ 2,842
Low HOME Limit	$ 1,713	$ 1,836	$ 2,203

Net Max Monthly Rent based on Household Size

0BR Utility Allowance	$ 94
1BR Utility Allowance	$ 110
2BR Utility Allowance	$ 140

Area Median Income	0 BR	1BR	2BR
High HOME Limit	$ 2,114	$ 2,256	$ 2,702
Low HOME Limit	$ 1,619	$ 1,726	$ 2,063

8 Visitacion Avenue, Brisbane

$ 4,075,233

Sources and Uses

Acquisition/Rehab Sources	Acquisition	Perm	Per Unit	Term (yr.)	Rate	LTV	Lien Pos.	Notes
City of Brisbane/Housing Authority Loan		$ 3,452,814	$ 246,630	55	3%	104.9%	1	
Existing City of Brisbane/Housing Authority Loan		$ 3,062,564	$ 218,755	n/a	n/a	93.1%	n/a	
New City Loan		$ 390,250	$ 27,875	n/a	n/a	11.9%	n/a	
County of San Mateo Loan		$ 227,436	$ 16,245	55	3%	6.9%	2	
HEART Loan		$ 394,983	$ 28,213	55	3%	12.0%	3	
Deferred developer's fee - HEART SV		$ 60,000	$ 4,286	n/a	3%	1.8%	n/a	
TOTAL		$ 4,135,233	$ 295,374					

DSCR: #DIV/0!

Uses	Total Cost	Per Unit	Rate	Notes
Acquisition				
Property Acquisition (PURCHASE PRICE)	$ 3,290,000	$ 235,000		
Closing Costs - Escrow	$ 14,275	$ 1,020	0.3%	Old Title Republic
Relocation/Temp. Relocation	$ -	$ -		
Total Acquisition	$ 3,304,275	$ 236,020		
Construction				
Rehabilitation Costs	$ 434,063	$ 31,005		Year 1 - S CNA Jan 2026
Rehab overhead & profit	$ -	$ -	15.0%	
Rehabilitation Contingency	$ 86,813	$ 6,201	20.0%	20% hard cost contigency Brisbane requirement
Total Construction	$ 520,876	$ 37,205		
SOFT COSTS				
Architecture & Design				
Architect	$ -	$ -		
Third-party Design Consultants	$ -	$ -		
Total Architect & Design	$ -	$ -		
Eng. & Env. Studies				
Engineering	$ -	$ -		
Survey	$ -	$ -		
Property Needs Assessment & Walkways Inspection	$ 4,100	$ 293		Association Reserves
Seismic Study	$ -	$ -		Jaime Nielsen Structural Eng.
Other Environmental Consultants	$ 2,050	$ 146		CRETelligent Phase I Report
Total Eng. & Env. Studies	$ 6,150	$ 439		
Other Soft Development Costs				
Appraisal	$ 4,500	$ 321		Bowery
Construction Management Fee	$ -	$ -	5.0%	% of hard cost
Permits	$ 10,418	$ 744	2.0%	% of hard cost
Relocation Consultant	$ -	$ -		
Utilities Fees	$ -	$ -		
Insurance	$ -	$ -		
Marketing	$ -	$ -		
Property Taxes	$ -	$ -		
Total Other Soft Development Costs	$ 14,918	$ 1,066		
Legal Costs				
Borrower/Project Legal Costs	$ 10,000	$ 714		
Other Legal Costs	$ -	$ -		
Total Legal Costs	$ 10,000	$ 714		
Soft Cost Contingency	$ 3,107	$ 222	10%	10% soft cost contigency Brisbane requirement
TOTAL SOFT COSTS	$ 34,174	$ 2,441		
FINANCING COSTS				
Conv. Loan Fee	$ -	$ -		
Prepaid Interest Bank Loan	$ -	$ -		
LIHTF Loan Fee	$ -	$ -	1.5%	
HEART - Trust Funds Loan Fee	$ 5,925	$ 423	1.5%	
County Loan Fee	$ 2,274	$ 162	1.0%	
Local City Loan Fee	$ -	$ -		
Total Financing Costs	$ 8,199	$ 586		
DEVELOPER COSTS				
Developer Fee	$ 120,000	$ 8,571	2.50%	Greater of 2.5% or $120,000
TOTAL DEVELOPER FEE	$ 120,000	$ 8,571		
RESERVES				
Vacancy Reserve	$ -	$ -	0.0%	Only fund if there is a vacancy at time of purchase. If vacancy, use 3.5% of Eff. Gross Income
Operating Reserve	$ 47,709	$ 3,408		3 mo. expenses + reserves + debt obligation
Replacement Reserve	$ 100,000	$ 7,143		
Debt Service Coverage Reserve	$ -	$ -		
TOTAL RESERVES	$ 147,709	$ 10,551		
TOTAL DEVELOPMENT COST	$ 4,135,233	$ 295,374		

Sources - Uses $0

Year 30 reserve balance $ 220,958

Loan Int. Rate 3%

Daily Int. Rate 0.008219178%

RDA of the City of Brisbane/Authority Loan 1

Outstanding Debt as of	Principal	Remaining Loan Amt	Accrued Interest	Date of Calc.	Days	Accrued Interest	Outstanding Debt
7/1/2025	$ 1,000,000	$ 899,873	$ 600,700	4/16/2026	289	$ 21,375.07	$ 1,521,048

RDA of the City of Brisbane/Authority Loan 2

Outstanding Debt as of	Principal	Remaining Loan Amt	Accrued Interest	Date of Calc.	Days	Accrued Interest	Outstanding Debt
7/1/2025	$ 1,500,000	$ 1,456,214	$ 1,000,402	4/16/2026	289	$ 34,115.00	$ 2,470,731

County of San Mateo (HOME funds)

Outstanding Debt as of	Principal	Remaining Loan Amt	Accrued Interest	Date of Calc.	Days	Accrued Interest	Outstanding Debt
7/1/2025	$ 175,000	$ 175,000	$ 117,352	4/16/2026	289	$ 4,157	$ 296,509

Total Debt $ 4,289,188

COST SUMMARY	Total Costs	$/unit
Total Acquisition	$ 3,304,275	$ 236,020
TOTAL *REHABILITATION*	$ 521,293	$ 37,950
TOTAL *OTHER SOFT COSTS*	$ 23,757	$ 1,697
TOTAL *FINANCING*	$ 8,199	$ 586
TOTAL *DEVELOPER FEE*	$ 120,000	$ 8,571
TOTAL *RESERVES*	$ 147,709	$ 10,551
	$ 4,125,233	$ 294,374

Est. Closing Costs Based on Stambaugh

$ 3,000	County
$ 3,000	City
$ 1,800	HEART
$ 3,800	Owner
$ 2,375	Escrow Fee
$ 300	Mobile Signing
$ 14,275	

Appraised Value $ 3,290,000

	% of Outstanding Debt to Total Debt	Proposed Loan Value	Diff. btwn Outstanding Debt & Proposed Loan Value
RDA of the City of Brisbane/ Authority	93%	$ 3,062,564	$ 930,115
County of San Mateo	7%	$ 227,436	$ 69,073

8 Visitacion Avenue, Brisbane

BRIDGE Rent Roll: AS-IS Rent Restrictions / **BRIDGE Rent Roll: AS-IS Rents & Tenancy**

Unit #	Bed	Bath	BHC	County Low HOME	County High HOME	City	Current Designated AMI%	Gross Rent	Utility Allowance	Current Paid Rent $/mo.	Current Paid Rent AMI% HCD	Current Tenant Rent $/mo.	Section 8 Voucher	Income	Current Tenant HH Size	AMI% HCD
V1	1	1	80%			120%	80%	$ 1,371	87	$ 1,284	42%	$ 1,284		$ 33,044	1	25%
V10	1	1	80%			30%	30%	$ 665	87	$ 578	20%	$ 578		$ 17,697	1	14%
V2	1	1	80%			80%	50%	$ 1,187	87	$ 1,100	36%	$ 1,100		$ 25,094	1	19%
V4	1	1	80%		60%	80%	50%	$ 1,187	87	$ 1,100	36%	$ 1,100		$ 27,355	1	21%
V5	1	1	80%			120%	80%	$ 1,371	87	$ 1,284	42%	$ 1,284		$ 30,301	1	23%
V6	1	1	80%	50%		30%	30%	$ 1,103	87	$ 1,016	34%	$ 1,016		$ -		
V8	1	1	80%		60%	40%	40%	$ 926	87	$ 839	28%	$ 839		$ 45,793	1	35%
V9	1	1	80%			120%	60%	$ 1,283	87	$ 1,196	39%	$ 1,196		$ 16,754	1	13%
I1	2	1	80%			120%	60%	$ 2,645	117	$ 2,528	71%	$ 509	Voucher	$ 24,946	2	17%
I2	2	1	80%		60%	120%	60%	$ 1,713	117	$ 1,596	46%	$ 1,596		$ 59,206	2	40%
I3	1	1	80%			40%	40%	$ 926	87	$ 839	28%	$ 839		$ 25,651	1	20%
I4	1	1	80%		60%	120%	50%	$ 1,187	87	$ 1,100	36%	$ 1,100		$ 22,844	1	17%
I5	1	1	80%			120%	60%	$ 2,352	87	$ 2,265	72%	$ 621	Voucher	$ 42,292	1	32%
I6	1	1	80%			120%	50%	$ 1,187	87	$ 1,100	36%	$ 1,100		$ 74,155	1	57%
	16	14					53%			$ 1,373	41%	$ 1,012		Awaiting updated income verifications		26%
							Average AMI			Average Rent	Average AMI	Average Tenant Rent				Average AMI

2 BD

10 Years: HEART Program Rents

Unit #	Lease Start	Occupancy since move-in 2026	Current Rent Paid Annually	Year 1 6/1/2026	Year 2 6/1/2027	Year 3 6/1/2028	Year 4 6/1/2029	Year 5 6/1/2030	Year 6 6/1/2031	Year 7 6/1/2032	Year 8 6/1/2033	Year 9 6/1/2034	Year 10 6/1/2035
V1	2017	9	$ 15,408	$ 15,408	$ 15,870	$ 16,346	$ 16,837	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V10	2003	23	$ 6,936	$ 6,936	$ 7,144	$ 12,855	$ 13,241	$ 13,638	$ 14,047	$ 14,468	$ 14,902	$ 15,349	$ 15,810
V2	2019	7	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 25,165	$ 25,920	$ 26,697	$ 27,498
V4	2020	6	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 15,761	$ 16,234	$ 32,371	$ 33,342
V5	2020	6	$ 15,408	$ 15,408	$ 15,870	$ 16,346	$ 16,837	$ 17,342	$ 17,862	$ 18,398	$ 18,950	$ 19,518	$ 33,342
V6			$ 12,192	$ 12,192	$ 12,558	$ 12,934	$ 13,323	$ 13,722	$ 14,134	$ 14,558	$ 14,995	$ 15,444	$ 33,342
V8	2000	26	$ 10,068	$ 10,068	$ 10,370	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V9	2021	5	$ 14,352	$ 14,352	$ 14,783	$ 15,226	$ 15,683	$ 16,153	$ 16,638	$ 17,137	$ 17,651	$ 18,181	$ 33,342
I1	2016	10	$ 30,336	$ 30,336	$ 31,246	$ 32,183	$ 33,198	$ 32,134	$ 33,098	$ 34,091	$ 35,114	$ 36,168	$ 37,253
I2	2023	3	$ 19,152	$ 19,152	$ 19,727	$ 20,318	$ 20,928	$ 21,556	$ 22,202	$ 22,868	$ 23,555	$ 24,261	$ 37,253
I3	2020	6	$ 10,068	$ 10,068	$ 10,370	$ 10,681	$ 11,002	$ 11,332	$ 11,672	$ 12,022	$ 12,382	$ 12,754	$ 15,810
I4	2019	7	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 15,761	$ 14,902	$ 15,349	$ 15,810
I5	2023	3	$ 27,180	$ 27,180	$ 27,995	$ 28,835	$ 29,700	$ 30,591	$ 31,509	$ 32,454	$ 33,428	$ 34,431	$ 33,342
I6	2018	8	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
			$ 213,900	$ 213,900	$ 220,317	$ 248,852	$ 254,367	$ 273,418	$ 295,942	$ 314,223	$ 322,318	$ 347,637	$ 416,170

Deed Restrictions per Existing Agreements

AMI	City	County
30%	2	
40%	2	
50%	0	1
60%	0	4
80%	2	
120%	8	
Total	14	5

Proposed Deed Restrictions

	City Deed Restrictions		County Deed Restrictions
AMI	Income	Target Rent	
30%	3	3	3
40%	0	0	
50%	1	1	
60%	6	6	1
80%	0	4	1
120%	4	0	
Total	14	14	5

Current Rent $/year

Unit #	Rent Growth 0.03	Current Rent Paid Monthly	Current Rent Paid Annually	Year 1 6/1/2026	Year 2 6/1/2027	Year 3 6/1/2028	Year 4 6/1/2029	Year 5 6/1/2030	Year 6 6/1/2031	Year 7 6/1/2032	Year 8 6/1/2033	Year 9 6/1/2034	Year 10 6/1/2035
V1	80%	$ 1,284	$ 15,408	$ 15,408	$ 15,870	$ 16,346	$ 16,837	$ 17,342	$ 17,862	$ 18,398	$ 18,950	$ 19,518	$ 20,104
V10	30%	$ 578	$ 6,936	$ 6,936	$ 7,144	$ 7,358	$ 7,579	$ 7,807	$ 8,041	$ 8,282	$ 8,530	$ 8,786	$ 9,050
V2	50%	$ 1,100	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 15,761	$ 16,234	$ 16,721	$ 17,223
V4	50%	$ 1,100	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 15,761	$ 16,234	$ 16,721	$ 17,223
V5	80%	$ 1,284	$ 15,408	$ 15,408	$ 15,870	$ 16,346	$ 16,837	$ 17,342	$ 17,862	$ 18,398	$ 18,950	$ 19,518	$ 20,104
V6	30%	$ 1,016	$ 12,192	$ 12,192	$ 12,558	$ 12,934	$ 13,323	$ 13,722	$ 14,134	$ 14,558	$ 14,995	$ 15,444	$ 15,908
V8	40%	$ 839	$ 10,068	$ 10,068	$ 10,370	$ 10,681	$ 11,002	$ 11,332	$ 11,672	$ 12,022	$ 12,382	$ 12,754	$ 13,136
V9	60%	$ 1,196	$ 14,352	$ 14,352	$ 14,783	$ 15,226	$ 15,683	$ 16,153	$ 16,638	$ 17,137	$ 17,651	$ 18,181	$ 18,726
I1	60%	$ 2,528	$ 30,336	$ 30,336	$ 31,246	$ 32,183	$ 33,149	$ 34,143	$ 35,168	$ 36,223	$ 37,309	$ 38,429	$ 39,582
I2	60%	$ 1,596	$ 19,152	$ 19,152	$ 19,727	$ 20,318	$ 20,928	$ 21,556	$ 22,202	$ 22,868	$ 23,555	$ 24,261	$ 24,989
I3	40%	$ 839	$ 10,068	$ 10,068	$ 10,370	$ 10,681	$ 11,002	$ 11,332	$ 11,672	$ 12,022	$ 12,382	$ 12,754	$ 13,136
I4	50%	$ 1,100	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 15,761	$ 16,234	$ 16,721	$ 17,223
I5	60%	$ 2,265	$ 27,180	$ 27,180	$ 27,995	$ 28,835	$ 29,700	$ 30,591	$ 31,509	$ 32,454	$ 33,428	$ 34,431	$ 35,464
I6	50%	$ 1,100	$ 13,200	$ 13,200	$ 13,596	$ 14,004	$ 14,424	$ 14,857	$ 15,302	$ 15,761	$ 16,234	$ 16,721	$ 17,223
		$ 17,825	$ 213,900	$ 213,900	$ 220,317	$ 226,927	$ 233,734	$ 240,746	$ 247,969	$ 255,408	$ 263,070	$ 270,962	$ 279,091

Current Occupancy / **Deed Restrictions per Existing Agreements** / **HEART Designations**

Unit #	Current Tenant AMI%	Current Rent AMI%	Section 8 Voucher	BHC H&SC Income	BHC H&SC Rent	County HOME Income	County HOME Rent	City H&SC Income	City H&SC Rent	Unit	Deed Restriction	Target Rent	Income Limit
V1	25%	42%		80%	60%			120%	110%	V1	60%	60%	H&SC
V10	14%	20%		80%	60%	50%	50%	30%	50%	V10	30%	30%	H&SC
V2	19%	36%		80%	60%	60%	60%	40%	50%	V2	**50%**	**50%**	H&SC
V4	21%	36%		80%	60%			120%	110%	V4	60%	60%	H&SC
V5	23%	42%		80%	60%			120%	110%	V5	120%	80%	H&SC
V6	0%	34%		80%	60%			120%	110%	V6	60%	60%	H&SC
V8	35%	28%		80%	60%			120%	110%	V8	120%	80%	H&SC
V9	13%	39%		80%	60%			120%	110%	V9	60%	60%	H&SC
I1	17%	71%	Voucher	80%	60%	60%	60%	80%	60%	I1	60%	60%	H&SC
I2	40%	46%		80%	60%			120%	110%	I2	120%	80%	H&SC
I3	20%	28%		80%	60%	60%	60%	30%	50%	I3	30%	30%	H&SC
I4	17%	36%		80%	60%	60%	60%	40%	50%	I4	**30%**	**30%**	H&SC
I5	32%	72%	Voucher	80%	60%			80%	60%	I5	60%	60%	H&SC
I6	57%	36%		80%	60%			120%	110%	I6	120%	80%	H&SC
												59%	

Definition		Low, or Lower as per H&S 50079.5	80% of 60% AMI Income	4 units at HOME or 120% of Very Low; 1 unit at Very Low	4 units at High HOME or SMC HOME; 1 unit at Low HOME or SMC Very Low	2 at 30%; 2 at 40%; 2 at 80%; and rest (8) at 120%	30% and 40% income units at 50%; and 120% income units at 110%	
Notes	Senior Household means: at least 1 resident is 62 years or older, and all other residents are either: (a) at least 45 years old, or (b) provide primary physical or economic support to a resident who is at least 62	H&S 50079.5 says "lower income" means Lower as per Section 6				If 30% AMI become over 30% AMI, then rent is 40%; If 40% AMI becomes over 40%, then rent is lessor of 50% of gross income or moderate income level If 120% units become over 110% AMI, then rent is 30% of gross income. If tenant over 120% AMI, then market rent		60%: H&SC rent is lower than High HOME rent

HEART Program Rent $/year

Unit #	Rent Growth 0.03 / Target Rent	Current Potential Rent Monthly	Current Potential Rent Annually	Year 1 6/1/2026	Year 2 6/1/2027	Year 3 6/1/2028	Year 4 6/1/2029	Year 5 6/1/2030	Year 6 6/1/2031	Year 7 6/1/2032	Year 8 6/1/2033	Year 9 6/1/2034	Year 10 6/1/2035
V1	60%	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V10	30%	$ 1,010	$ 12,117	$ 12,117	$ 12,481	$ 12,855	$ 13,241	$ 13,638	$ 14,047	$ 14,468	$ 14,902	$ 15,349	$ 15,810
V2	50%	$ 1,756	$ 21,075	$ 21,075	$ 21,707	$ 22,358	$ 23,029	$ 23,720	$ 24,432	$ 25,165	$ 25,920	$ 26,697	$ 27,498
V4	60%	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V5	80%*	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V6	60%	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V8	80%*	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
V9	60%	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
I1	60%	$ 2,379	$ 28,551	$ 28,551	$ 29,408	$ 30,290	$ 31,198	$ 32,134	$ 33,098	$ 34,091	$ 35,114	$ 36,168	$ 37,253
I2	80%*	$ 2,379	$ 28,551	$ 28,551	$ 29,408	$ 30,290	$ 31,198	$ 32,134	$ 33,098	$ 34,091	$ 35,114	$ 36,168	$ 37,253
I3	30%	$ 1,010	$ 12,117	$ 12,117	$ 12,481	$ 12,855	$ 13,241	$ 13,638	$ 14,047	$ 14,468	$ 14,902	$ 15,349	$ 15,810
I4	30%	$ 1,010	$ 12,117	$ 12,117	$ 12,481	$ 12,855	$ 13,241	$ 13,638	$ 14,047	$ 14,468	$ 14,902	$ 15,349	$ 15,810
I5	60%	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
I6	80%*	$ 2,130	$ 25,554	$ 25,554	$ 26,321	$ 27,110	$ 27,924	$ 28,761	$ 29,624	$ 30,513	$ 31,428	$ 32,371	$ 33,342
		$ 26,580	$ 318,960	$ 318,960	$ 328,529	$ 338,385	$ 348,536	$ 358,992	$ 369,762	$ 380,855	$ 392,281	$ 404,049	$ 416,170
	Loss to Affordable Potential			$ 105,060	$ 108,212	$ 89,533	$ 94,169	$ 85,575	$ 73,820	$ 66,632	$ 69,963	$ 56,412	$ -

*For modeling purposes, HEART is running H&SC 80% at 60%

8 Visitacion Avenue, Brisbane

	First Year												
Current Rents	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Unit #	6/1/2026	7/1/2026	8/1/2026	9/1/2026	10/1/2026	11/1/2026	12/1/2026	1/1/2027	2/1/2027	3/1/2027	4/1/2027	5/1/2027	Y1 Total
V1	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 15,408
V10	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 578	$ 6,936
V2	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 13,200
V4	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 13,200
V5	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 1,284	$ 15,408
V6	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 1,016	$ 12,192
V8	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 10,068
V9	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 1,196	$ 14,352
I1	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 2,528	$ 30,336
I2	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 1,596	$ 19,152
I3	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 839	$ 10,068
I4	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 13,200
I5	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 2,265	$ 27,180
I6	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 13,200
Gross Rent	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 213,900
Reserve Interest	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 4,431
Commercial Unit Utilities	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 3,602
Parking	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Laundry	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 33
Vacancy	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (12,834)
	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 17,428	$ 209,132

Other Income		Per Month
Reserve Int.	3%	$ 369
Commercial Unit Utilities	$ 3,602	$ 300
Parking		
Laundry	33	$ 3
Compl. Vac. (%)	-6%	
Current Vac. (%)	0%	
# Vacant Units	0	
# Occupied Units	14	

	Proforma	Sourced from audited financial statements and budget				
	2026	2025 Budget	2024	2023	2022	2021
Laundry	$ 33	$ 32	$ 52	$ 51	$ 44	$ 21
		-38.46%	1.96%	15.91%	109.52%	

Commercial Unit Utilities			Ann. Increase	
	Rate	Proforma	3%	2025 Budget
Gas	20%	$ 1,053	$ 5,265	$ 5,112
Electricity	20%	$ 1,204	$ 6,019	$ 5,844
Water	10%	$ 1,015	$ 10,148	$ 9,852
Sewer	10%	$ 330	$ 3,300	$ 3,204
Total		$ 3,602		

8 Visitacion Avenue, Brisbane

Proforma Date	6/2026
1st Year of Operations	2026
1st Month of Operation	6

INCOME		1 6/1/2026	2 7/1/2026	3 8/1/2026	4 9/1/2026	5 10/1/2026	6 ########	7 12/1/2026	8 1/1/2027	9 2/1/2027	10 3/1/2027	11 4/1/2027	12 5/1/2027	Y1 TOTAL	Comments
Program Income															
Rent Revenue		$ 17,825	$ 17,825	$ 17,825	$ 17,825	$ 17,825	$17,825	$ 17,825	$17,825	$17,825	$ 17,825	$ 17,825	$ 17,825	$ 213,900	
Vacancy (%)		$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (1,070)	$ (12,834)	
Rent Revenue Total		$ 16,756	$ 16,756	$ 16,756	$ 16,756	$ 16,756	$16,756	$ 16,756	$16,756	$16,756	$ 16,756	$ 16,756	$ 16,756	$ 201,066	
Other Rental Property Income															
Storage Rents		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Application Fees		$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 4	$ 50	
Late Fees		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Renters Insurance - Prodesse's 3rd Party Plan		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Laundry	3%	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 33	
Parking		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Commercial Unit Utilities		$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 3,602	
Total Other Rental Property Income		$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 307	$ 3,685	
Total Program Income		$ 17,063	$ 17,063	$ 17,063	$ 17,063	$ 17,063	$17,063	$ 17,063	$17,063	$17,063	$ 17,063	$ 17,063	$ 17,063	$ 204,751	
Investments															
Interest-Savings, Short-term CD		$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 4,431	
Total Investments		$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 369	$ 4,431	
Miscellaneous Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
GROSS EFFECTIVE INCOME		**$ 17,432**	**$ 17,432**	**$ 17,432**	**$ 17,432**	$ 17,432	$17,432	$ 17,432	$17,432	$17,432	$ 17,432	$ 17,432	$ 17,432	**$ 209,182**	
EXPENSES															
Facilities and Equipment															
Property Insurance		$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 11,688	
Total Facilities and Equipment		$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 974	$ 11,688	
Contract Services															
Accounting Fees		$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 592	$ 7,105	BRIDGE Dec 2025 YTD Operating Statement - Audit
Legal Fees		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Consultants		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Services - Other		$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 623	$ 7,476	BRIDGE Dec 2025 YTD Operating Statement - Bookkeeping fees
Total Contract Services		$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 1,215	$ 14,581	
Property Operating Expenses															
Repairs & Maintenance	3%	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 858	$ 10,300	BRIDGE Dec 2025 YTD Operating Statement
Fire Safety/Contracts	3%	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 287	$ 3,441	BRIDGE Dec 2025 YTD Operating Statement
HVAC Repairs	3%	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 28	$ 332	BRIDGE Dec 2025 YTD Operating Statement
Pest Control/Contracts	3%	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 1,806	BRIDGE Dec 2025 YTD Operating Statement
Landscaping/tree/yard servicer	3%	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 984	$ 11,806	BRIDGE Dec 2025 YTD Operating Statement
Roof & Gutter Repairs/Maintenance	3%	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 172	$ 2,060	
Other Contracts	3%	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 271	$ 3,254	BRIDGE Dec 2025 YTD Operating Statement
Miscellaneous Operating & Maintenance	5%	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872	$ 10,459	
Total Repairs & Maintenance Expenses		$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 3,622	$ 43,459	
Unit Turnover Costs															
Bath/Kitchen repairs															
Painting															
Total Unit Turnover Costs		$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 292	$ 3,500	
Utilies Common Area															
Gas	3.50%	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 515	$ 6,183	BRIDGE Dec 2025 YTD Operating Statement
Electricity	3.50%	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460	$ 5,519	BRIDGE Dec 2025 YTD Operating Statement
Water	3.50%	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 725	$ 8,696	BRIDGE Dec 2025 YTD Operating Statement
Sewer	3.50%	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 191	$ 2,298	BRIDGE Dec 2025 YTD Operating Statement
Garbage	3.50%	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 219	$ 2,632	Per Stambaugh 2025
Total Utilities Common Area		$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 2,111	$ 25,327	
Property Management Fees	7.00%	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 1,269	$ 15,227	Prodesse Property Group
Onsite Personnel	$ 7,280	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 607	$ 7,280	
Property Manager Admin Fees		$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 185	Per Stambaugh
Lease-up Fee		$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 83	$ 1,000	Assuming average rent of $2,000 and 1 turnover per yr
Total Property Management Fees		$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 1,974	$ 23,692	
Licenses, Permits & Dues		$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 53	$ 631	Per Stambaugh
Total Property Operating Expenses		$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 8,051	$ 96,610	
Other Types of Expenses															
Insurance - Liability, D and O		$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 2,988	Nonprofit Insurace Alliance
Total Other Types of Expenses		$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 249	$ 2,988	
Travel and Meetings															
Mileage, Tolls and Parking		$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 200	
Total Travel and Meetings		$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 17	$ 200	
Business Expenses															
Property Tax		$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 63	$ 750	Placeholder
Project Asset Management Fee	$15,000	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 15,000	
Staffing, Admin & Management (HEART-SV)	12%	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 2,092	$ 25,102	
City Monitoring Fee	$1,750	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 146	$ 1,750	
County Monitoring Fee	$1,250	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 104	$ 1,250	
Total Business Expenses		$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 3,654	$ 43,852	
SUB -TOTAL - EXPENSES		$ 14,160	$ 14,160	$ 14,160	$ 14,160	$ 14,160	$14,160	$ 14,160	$14,160	$14,160	$ 14,160	$ 14,160	$ 14,160	$ 169,919	
RESERVES															
Replacement Reserve Deposit	10.0%	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 20,918	
Operating Reserve Deposit		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
SUB-TOTAL - RESERVES		$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 1,743	$ 20,918	
TOTAL OPERATING EXPENSES		**$ 15,903**	**$ 15,903**	**$ 15,903**	**$ 15,903**	$ 15,903	$15,903	$ 15,903	$15,903	$15,903	$ 15,903	$ 15,903	$ 15,903	**$ 190,837**	
NET OPERATING INCOME (INCOME minus OP EXPENSES)		**$ 1,529**	**$ 1,529**	**$ 1,529**	**$ 1,529**	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	**$ 18,345**	
HARD DEBT SERVICE															
Debt A (1st position)															
Debt B (2nd position)															
Debt C (3rd position)															
TOTAL - HARD DEBT SERVICE		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
NET CASH FLOW (NOI minus DEBT SERVICE)		**$ 1,529**	**$ 1,529**	**$ 1,529**	**$ 1,529**	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	$ 1,529	**$ 18,345**	
Debt Service Coverage Ratio		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

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$ 42,480
$ 5,230
$ 47,709

81%

Insurance	Stambaugh ratio FY25-26	Quote
		$ 14,254
Property premium	82%	$ 11,688
General libaility premium	18%	$ 2,566

Utilities (electricity, gas, water, sewer)	Proforma 2026	Sourced from audited financial statements and budget 2025 Budget	2024	2023	2022	2021
	$ 24,012	$ 24,012	$ 23,549	$ 22,757	$ 25,639	$ 21,587
Rate change		1.97%	3.48%	5.42%		

Dec 2025 YTD Operating Statement		Updated Proforma
Gas	$ 5,974	$ 6,183
Electricity	$ 5,332	$ 5,519
Water	$ 8,402	$ 8,696
Sewer	$ 2,220	$ 2,298
Total	$ 21,928	$ 22,695

8 Visitation Avenue, Brisbane

	Annual Increase	Notes	Calc. Factors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME																																	
Program Income																																	
Rent Revenue	3.00%			$ 213,900	$ 220,317	$ 248,852	$ 254,067	$ 273,418	$ 295,942	$ 314,223	$ 322,318	$ 347,637	$ 416,170	$ 428,656	$ 441,515	$ 454,761	$ 468,404	$ 482,456	$ 496,929	$ 511,837	$ 527,192	$ 543,008	$ 559,298	$ 576,077	$ 593,360	$ 611,160	$ 629,495	$ 648,380	$ 667,831	$ 687,866	$ 708,502	$ 729,757	$ 751,650
Vacancy (%)			-6.00%	$ (12,834)	$ (13,219)	$ (14,931)	$ (15,250)	$ (16,405)	$ (17,757)	$ (18,853)	$ (19,339)	$ (20,858)	$ (24,970)	$ (25,719)	$ (26,491)	$ (27,286)	$ (28,104)	$ (28,947)	$ (29,816)	$ (30,710)	$ (31,632)	$ (32,580)	$ (33,558)	$ (34,565)	$ (35,602)	$ (36,670)	$ (37,770)	$ (38,903)	$ (40,070)	$ (41,272)	$ (42,510)	$ (43,785)	$ (45,099)
Rent Revenue Total				$ 201,066	$ 207,098	$ 233,921	$ 239,105	$ 257,013	$ 278,185	$ 295,370	$ 302,979	$ 326,779	$ 391,200	$ 402,936	$ 415,024	$ 427,476	$ 440,299	$ 453,508	$ 467,114	$ 481,127	$ 495,561	$ 510,428	$ 525,740	$ 541,513	$ 557,758	$ 574,491	$ 591,725	$ 609,477	$ 627,762	$ 646,594	$ 665,992	$ 685,972	$ 706,551
Other Rental Property Income																																	
Storage Rents				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Application Fees				$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50
Late Fees				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Renters Insurance - Prodesure's 3rd Party Plan				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Laundry	1.00%			$ 33	$ 33	$ 34	$ 34	$ 34	$ 35	$ 35	$ 35	$ 36	$ 36	$ 36	$ 37	$ 37	$ 38	$ 38	$ 38	$ 39	$ 39	$ 40	$ 40	$ 41	$ 41	$ 42	$ 42	$ 43	$ 43	$ 44	$ 44	$ 45	$ 46
Parking	3.00%			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial Unit Utilities	3.00%			$ 3,602	$ 3,710	$ 3,821	$ 3,936	$ 4,054	$ 4,175	$ 4,301	$ 4,430	$ 4,563	$ 4,699	$ 4,840	$ 4,986	$ 5,135	$ 5,289	$ 5,448	$ 5,611	$ 5,780	$ 5,953	$ 6,132	$ 6,316	$ 6,505	$ 6,700	$ 6,901	$ 7,108	$ 7,322	$ 7,541	$ 7,767	$ 8,000	$ 8,240	$ 8,488
Total Other Rental Property Income				$ 3,685	$ 3,793	$ 3,905	$ 4,020	$ 4,138	$ 4,260	$ 4,386	$ 4,515	$ 4,648	$ 4,785	$ 4,927	$ 5,073	$ 5,222	$ 5,377	$ 5,536	$ 5,700	$ 5,868	$ 6,042	$ 6,221	$ 6,405	$ 6,595	$ 6,791	$ 6,992	$ 7,200	$ 7,415	$ 7,633	$ 7,860	$ 8,094	$ 8,334	$ 8,582
Total Program Income				$ 204,751	$ 210,891	$ 237,826	$ 243,125	$ 261,151	$ 282,445	$ 299,755	$ 307,494	$ 331,427	$ 395,986	$ 407,863	$ 420,097	$ 432,697	$ 445,676	$ 459,044	$ 472,813	$ 486,995	$ 501,603	$ 516,649	$ 532,146	$ 548,108	$ 564,549	$ 581,483	$ 598,925	$ 616,891	$ 635,395	$ 654,458	$ 674,086	$ 694,306	$ 715,139
Investments																																	
Interest-Savings, Short-term CD	3.00%			$ 4,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431
Total Investments				$ 4,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431	$ 1,431
Miscellaneous Revenue				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GROSS EFFECTIVE INCOME				$ 209,182	$ 212,322	$ 239,257	$ 244,556	$ 262,582	$ 283,877	$ 301,187	$ 308,925	$ 332,858	$ 397,417	$ 409,294	$ 421,528	$ 434,129	$ 447,107	$ 460,475	$ 474,244	$ 488,427	$ 503,034	$ 518,080	$ 533,577	$ 549,539	$ 565,980	$ 582,914	$ 600,356	$ 618,322	$ 636,826	$ 655,886	$ 675,517	$ 695,737	$ 716,564
EXPENSES																																	
Facilities and Equipment																																	
Property Insurance	3.00%			$ 11,688	$ 12,039	$ 12,400	$ 12,772	$ 13,155	$ 13,550	$ 13,956	$ 14,375	$ 14,806	$ 15,251	$ 15,708	$ 16,179	$ 16,665	$ 17,165	$ 17,680	$ 18,210	$ 18,756	$ 19,319	$ 19,899	$ 20,495	$ 21,110	$ 21,744	$ 22,396	$ 23,068	$ 23,760	$ 24,473	$ 25,207	$ 25,963	$ 26,742	$ 27,544
Total Facilities and Equipment				$ 11,688	$ 12,039	$ 12,400	$ 12,772	$ 13,155	$ 13,550	$ 13,956	$ 14,375	$ 14,806	$ 15,251	$ 15,708	$ 16,179	$ 16,665	$ 17,165	$ 17,680	$ 18,210	$ 18,756	$ 19,319	$ 19,899	$ 20,495	$ 21,110	$ 21,744	$ 22,396	$ 23,068	$ 23,760	$ 24,473	$ 25,207	$ 25,963	$ 26,742	$ 27,544
Contract Services																																	
Accounting Fees	3.00%			$ 7,105	$ 7,318	$ 7,538	$ 7,764	$ 7,997	$ 8,237	$ 8,484	$ 8,738	$ 9,000	$ 9,270	$ 9,549	$ 9,835	$ 10,130	$ 10,434	$ 10,747	$ 11,069	$ 11,401	$ 11,743	$ 12,096	$ 12,459	$ 12,832	$ 13,217	$ 13,614	$ 14,023	$ 14,444	$ 14,878	$ 15,325	$ 15,785	$ 16,258	$ 16,746
Legal Fees				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consultants				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Services - Other	3.00%			$ 7,479	$ 7,703	$ 7,934	$ 8,169	$ 8,414	$ 8,667	$ 8,927	$ 9,195	$ 9,470	$ 9,754	$ 10,047	$ 10,349	$ 10,659	$ 10,979	$ 11,308	$ 11,647	$ 11,997	$ 12,357	$ 12,727	$ 13,109	$ 13,502	$ 13,908	$ 14,325	$ 14,755	$ 15,197	$ 15,653	$ 16,123	$ 16,606	$ 17,105	$ 17,618
Total Contract Services				$ 14,583	$ 15,021	$ 15,469	$ 15,933	$ 16,411	$ 16,903	$ 17,410	$ 17,933	$ 18,471	$ 19,025	$ 19,596	$ 20,184	$ 20,789	$ 21,413	$ 22,055	$ 22,717	$ 23,398	$ 24,100	$ 24,823	$ 25,568	$ 26,335	$ 27,125	$ 27,939	$ 28,777	$ 29,640	$ 30,529	$ 31,445	$ 32,389	$ 33,360	$ 34,361
Property Operating Expenses																																	
Repairs & Maintenance	3.00%			$ 10,300	$ 10,609	$ 10,927	$ 11,255	$ 11,593	$ 11,941	$ 12,299	$ 12,668	$ 13,048	$ 13,439	$ 13,842	$ 14,258	$ 14,685	$ 15,126	$ 15,580	$ 16,047	$ 16,528	$ 17,024	$ 17,535	$ 18,061	$ 18,603	$ 19,161	$ 19,736	$ 20,328	$ 20,938	$ 21,566	$ 22,213	$ 22,879	$ 23,566	$ 24,273
Fire Safety/Contracts	3.00%			$ 3,441	$ 3,544	$ 3,651	$ 3,760	$ 3,873	$ 3,989	$ 4,109	$ 4,232	$ 4,359	$ 4,490	$ 4,625	$ 4,763	$ 4,906	$ 5,054	$ 5,205	$ 5,361	$ 5,522	$ 5,688	$ 5,858	$ 6,034	$ 6,215	$ 6,402	$ 6,594	$ 6,792	$ 6,995	$ 7,205	$ 7,421	$ 7,644	$ 7,873	$ 8,109
HVAC Repairs	3.00%			$ 332	$ 342	$ 353	$ 363	$ 374	$ 385	$ 397	$ 409	$ 421	$ 434	$ 447	$ 460	$ 474	$ 488	$ 503	$ 518	$ 533	$ 549	$ 566	$ 583	$ 600	$ 618	$ 637	$ 656	$ 676	$ 696	$ 717	$ 738	$ 760	$ 783
Pest Control/Contracts	3.00%			$ 1,806	$ 1,860	$ 1,916	$ 1,973	$ 2,033	$ 2,093	$ 2,156	$ 2,221	$ 2,288	$ 2,356	$ 2,427	$ 2,500	$ 2,575	$ 2,652	$ 2,732	$ 2,813	$ 2,898	$ 2,985	$ 3,074	$ 3,167	$ 3,262	$ 3,359	$ 3,460	$ 3,564	$ 3,671	$ 3,781	$ 3,894	$ 4,011	$ 4,132	$ 4,256
Landscaping/Tree/yard servicer	3.00%			$ 11,806	$ 12,160	$ 12,525	$ 12,901	$ 13,288	$ 13,686	$ 14,097	$ 14,520	$ 14,955	$ 15,404	$ 15,866	$ 16,342	$ 16,832	$ 17,337	$ 17,857	$ 18,393	$ 18,945	$ 19,513	$ 20,099	$ 20,702	$ 21,323	$ 21,962	$ 22,621	$ 23,300	$ 23,999	$ 24,719	$ 25,460	$ 26,224	$ 27,011	$ 27,821
Roof & Gutter Repairs/Maintenance	3.00%			$ 2,060	$ 2,122	$ 2,185	$ 2,251	$ 2,319	$ 2,388	$ 2,460	$ 2,534	$ 2,610	$ 2,688	$ 2,768	$ 2,852	$ 2,937	$ 3,025	$ 3,116	$ 3,209	$ 3,306	$ 3,405	$ 3,507	$ 3,612	$ 3,721	$ 3,832	$ 3,947	$ 4,066	$ 4,188	$ 4,313	$ 4,443	$ 4,576	$ 4,713	$ 4,855
Other Contracts	3.00%			$ 3,254	$ 3,352	$ 3,452	$ 3,556	$ 3,663	$ 3,772	$ 3,886	$ 4,002	$ 4,122	$ 4,246	$ 4,373	$ 4,505	$ 4,640	$ 4,779	$ 4,922	$ 5,070	$ 5,222	$ 5,379	$ 5,540	$ 5,706	$ 5,877	$ 6,054	$ 6,235	$ 6,422	$ 6,615	$ 6,814	$ 7,018	$ 7,228	$ 7,445	$ 7,669
Miscellaneous Operating & Maintenance	3.00%		SL	$ 10,458	$ 10,772	$ 11,095	$ 11,428	$ 11,771	$ 12,124	$ 12,488	$ 12,863	$ 13,249	$ 13,646	$ 14,056	$ 14,477	$ 14,912	$ 15,359	$ 15,820	$ 16,295	$ 16,784	$ 17,287	$ 17,806	$ 18,340	$ 18,890	$ 19,457	$ 20,041	$ 20,642	$ 21,261	$ 21,899	$ 22,556	$ 23,233	$ 23,930	$ 24,648
Total Repairs & Maintenance Expenses				$ 43,459	$ 44,606	$ 46,072	$ 48,287	$ 50,270	$ 52,499	$ 54,462	$ 56,031	$ 58,446	$ 62,928	$ 64,813	$ 66,755	$ 68,756	$ 70,814	$ 72,938	$ 75,124	$ 77,376	$ 79,695	$ 82,083	$ 84,544	$ 87,078	$ 89,688	$ 92,376	$ 95,145	$ 97,997	$ 100,935	$ 103,961	$ 107,077	$ 110,287	$ 113,594
Unit Turnover Costs																																	
Bath/Kitchen repairs																																	
Painting																																	
Total Unit Turnover Costs	3.00%			$ 3,500	$ 3,605	$ 3,713	$ 3,825	$ 3,939	$ 4,057	$ 4,179	$ 4,305	$ 4,434	$ 4,567	$ 4,704	$ 4,845	$ 4,990	$ 5,140	$ 5,294	$ 5,453	$ 5,616	$ 5,785	$ 5,959	$ 6,137	$ 6,321	$ 6,511	$ 6,706	$ 6,908	$ 7,115	$ 7,328	$ 7,548	$ 7,775	$ 8,008	$ 8,248
Utilities Common Area																																	
Gas	3.50%			$ 6,183	$ 6,400	$ 6,624	$ 6,856	$ 7,096	$ 7,344	$ 7,601	$ 7,867	$ 8,142	$ 8,427	$ 8,722	$ 9,028	$ 9,344	$ 9,671	$ 10,009	$ 10,359	$ 10,722	$ 11,097	$ 11,486	$ 11,888	$ 12,304	$ 12,734	$ 13,180	$ 13,641	$ 14,119	$ 14,613	$ 15,126	$ 15,654	$ 16,202	$ 16,769
Electricity	3.50%			$ 5,519	$ 5,712	$ 5,912	$ 6,118	$ 6,333	$ 6,554	$ 6,784	$ 7,021	$ 7,267	$ 7,521	$ 7,784	$ 8,057	$ 8,339	$ 8,631	$ 8,933	$ 9,245	$ 9,569	$ 9,904	$ 10,251	$ 10,609	$ 10,981	$ 11,365	$ 11,763	$ 12,175	$ 12,601	$ 13,042	$ 13,498	$ 13,971	$ 14,459	$ 14,966
Water	3.50%			$ 8,696	$ 9,000	$ 9,315	$ 9,641	$ 9,979	$ 10,328	$ 10,689	$ 11,064	$ 11,451	$ 11,852	$ 12,266	$ 12,696	$ 13,140	$ 13,600	$ 14,076	$ 14,569	$ 15,078	$ 15,606	$ 16,152	$ 16,718	$ 17,303	$ 17,908	$ 18,535	$ 19,184	$ 19,855	$ 20,550	$ 21,269	$ 22,013	$ 22,784	$ 23,581
Sewer	3.50%			$ 2,298	$ 2,378	$ 2,461	$ 2,548	$ 2,637	$ 2,729	$ 2,825	$ 2,923	$ 3,026	$ 3,132	$ 3,241	$ 3,355	$ 3,472	$ 3,594	$ 3,719	$ 3,850	$ 3,984	$ 4,124	$ 4,268	$ 4,417	$ 4,572	$ 4,732	$ 4,898	$ 5,069	$ 5,247	$ 5,430	$ 5,620	$ 5,817	$ 6,021	$ 6,231
Garbage	3.50%			$ 2,412	$ 2,728	$ 2,819	$ 2,918	$ 3,020	$ 3,126	$ 3,235	$ 3,348	$ 3,465	$ 3,587	$ 3,712	$ 3,842	$ 3,977	$ 4,116	$ 4,260	$ 4,409	$ 4,563	$ 4,723	$ 4,888	$ 5,059	$ 5,236	$ 5,420	$ 5,609	$ 5,806	$ 6,009	$ 6,219	$ 6,437	$ 6,662	$ 6,895	$ 7,137
Total Utilities Common Area				$ 25,107	$ 26,218	$ 27,131	$ 28,081	$ 29,063	$ 30,081	$ 31,134	$ 32,223	$ 33,351	$ 34,518	$ 35,726	$ 36,977	$ 38,271	$ 39,611	$ 40,997	$ 42,432	$ 43,917	$ 45,454	$ 47,045	$ 48,691	$ 50,396	$ 52,159	$ 53,985	$ 55,875	$ 57,830	$ 59,854	$ 61,949	$ 64,118	$ 66,362	$ 68,684
Property Management Fees	7.00%			$ 15,227	$ 15,684	$ 17,689	$ 18,084	$ 19,425	$ 21,011	$ 22,299	$ 22,875	$ 24,656	$ 29,463	$ 30,347	$ 31,258	$ 32,195	$ 33,161	$ 34,156	$ 35,181	$ 36,236	$ 37,323	$ 38,443	$ 39,596	$ 40,784	$ 42,007	$ 43,267	$ 44,565	$ 45,902	$ 47,279	$ 48,697	$ 50,158	$ 51,663	$ 53,213
Onsite Personnel	3.00%	$ 7,280		$ 7,280	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Manager Admin Fees	3.00%			$ 185	$ 191	$ 196	$ 202	$ 208	$ 214	$ 221	$ 228	$ 236	$ 241	$ 249	$ 256	$ 264	$ 272	$ 280	$ 288	$ 297	$ 306	$ 315	$ 324	$ 334	$ 344	$ 354	$ 365	$ 376	$ 387	$ 399	$ 411	$ 423	$ 436
Lease-up Fee	3.00%			$ 1,000	$ 1,115	$ 1,259	$ 1,297	$ 1,383	$ 1,497	$ 1,590	$ 1,631	$ 1,758	$ 2,106	$ 2,169	$ 2,234	$ 2,301	$ 2,370	$ 2,441	$ 2,514	$ 2,590	$ 2,667	$ 2,747	$ 2,830	$ 2,915	$ 3,002	$ 3,092	$ 3,185	$ 3,280	$ 3,379	$ 3,480	$ 3,585	$ 3,692	$ 3,803
Total Property Management Fees				$ 23,692	$ 16,989	$ 19,145	$ 19,573	$ 21,017	$ 22,722	$ 24,110	$ 24,733	$ 26,650	$ 31,810	$ 32,765	$ 33,748	$ 34,760	$ 35,803	$ 36,877	$ 37,983	$ 39,122	$ 40,296	$ 41,505	$ 42,750	$ 44,032	$ 45,353	$ 46,714	$ 48,115	$ 49,559	$ 51,045	$ 52,577	$ 54,154	$ 55,778	$ 57,452
Licenses, Permits & Dues	3.00%			$ 621	$ 650	$ 670	$ 690	$ 711	$ 732	$ 754	$ 776	$ 800	$ 824	$ 848	$ 874	$ 900	$ 927	$ 955	$ 984	$ 1,013	$ 1,044	$ 1,075	$ 1,107	$ 1,140	$ 1,174	$ 1,210	$ 1,246	$ 1,283	$ 1,322	$ 1,362	$ 1,402	$ 1,444	$ 1,488
Total Property Operating Expenses				$ 96,610	$ 92,064	$ 97,631	$ 100,455	$ 105,001	$ 110,042	$ 114,639	$ 118,068	$ 123,680	$ 134,647	$ 138,857	$ 143,199	$ 147,677	$ 152,297	$ 157,061	$ 161,976	$ 167,045	$ 172,273	$ 177,667	$ 183,229	$ 188,967	$ 194,886	$ 200,991	$ 207,289	$ 213,784	$ 220,485	$ 227,396	$ 234,525	$ 241,879	$ 249,465
Other Types of Expenses																																	
Insurance - Liability, D and O	3.00%			$ 2,988	$ 3,078	$ 3,170	$ 3,265	$ 3,363	$ 3,464	$ 3,568	$ 3,675	$ 3,785	$ 3,899	$ 4,016	$ 4,136	$ 4,260	$ 4,388	$ 4,520	$ 4,656	$ 4,795	$ 4,939	$ 5,087	$ 5,240	$ 5,397	$ 5,559	$ 5,726	$ 5,898	$ 6,074	$ 6,257	$ 6,444	$ 6,638	$ 6,837	$ 7,042
Total Other Types of Expenses				$ 2,988	$ 3,078	$ 3,170	$ 3,265	$ 3,363	$ 3,464	$ 3,568	$ 3,675	$ 3,785	$ 3,899	$ 4,016	$ 4,136	$ 4,260	$ 4,388	$ 4,520	$ 4,656	$ 4,795	$ 4,939	$ 5,087	$ 5,240	$ 5,397	$ 5,559	$ 5,726	$ 5,898	$ 6,074	$ 6,257	$ 6,444	$ 6,638	$ 6,837	$ 7,042
Travel and Meetings																																	
Mileage- Tolls and Parking	3.00%			$ 200	$ 206	$ 212	$ 219	$ 225	$ 232	$ 239	$ 246	$ 253	$ 261	$ 269	$ 277	$ 285	$ 294	$ 303	$ 312	$ 321	$ 331	$ 340	$ 351	$ 361	$ 372	$ 383	$ 395	$ 407	$ 419	$ 431	$ 444	$ 458	$ 471
Total Travel and Meetings				$ 200	$ 206	$ 212	$ 219	$ 225	$ 232	$ 239	$ 246	$ 253	$ 261	$ 269	$ 277	$ 285	$ 294	$ 303	$ 312	$ 321	$ 331	$ 340	$ 351	$ 361	$ 372	$ 383	$ 395	$ 407	$ 419	$ 431	$ 444	$ 458	$ 471
Business Expenses																																	
Property Tax	2.00%			$ 750	$ 765	$ 780	$ 796	$ 812	$ 828	$ 845	$ 862	$ 879	$ 896	$ 914	$ 933	$ 951	$ 970	$ 990	$ 1,009	$ 1,030	$ 1,050	$ 1,071	$ 1,093	$ 1,114	$ 1,137	$ 1,159	$ 1,183	$ 1,206	$ 1,230	$ 1,255	$ 1,280	$ 1,306	$ 1,332
Project Asset Management Fee	3.50%	$ 15,000		$ 15,000	$ 15,525	$ 16,068	$ 16,631	$ 17,213	$ 17,815	$ 18,439	$ 19,084	$ 19,752	$ 20,443	$ 21,159	$ 21,900	$ 22,666	$ 23,459	$ 24,280	$ 25,130	$ 26,010	$ 26,920	$ 27,862	$ 28,838	$ 29,847	$ 30,891	$ 31,973	$ 33,092	$ 34,250	$ 35,449	$ 36,689	$ 37,974	$ 39,303	$ 40,678
Onsite Admin & Management (adjust)	3.00%	1%		$ 15,300	$ 15,476	$ 14,791	$ 20,347	$ 21,510	$ 16,065	$ 16,142	$ 17,071	$ 19,943	$ 47,690	$ 49,115	$ 50,583	$ 52,095	$ 53,653	$ 55,257	$ 56,909	$ 58,611	$ 60,364	$ 62,170	$ 64,029	$ 65,948	$ 67,918	$ 69,952	$ 72,043	$ 74,196	$ 76,416	$ 78,706	$ 81,067	$ 83,499	$ 85,964
City Monitoring Fee	3.00%	$ 1,750		$ 1,750	$ 1,803	$ 1,857	$ 1,912	$ 1,970	$ 2,029	$ 2,090	$ 2,152	$ 2,217	$ 2,283	$ 2,352	$ 2,422	$ 2,495	$ 2,570	$ 2,647	$ 2,726	$ 2,808	$ 2,892	$ 2,979	$ 3,069	$ 3,161	$ 3,256	$ 3,353	$ 3,454	$ 3,557	$ 3,664	$ 3,774	$ 3,887	$ 4,004	$ 4,124
County Monitoring Fee	3.00%	$ 1,250		$ 1,250	$ 1,288	$ 1,326	$ 1,366	$ 1,407	$ 1,449	$ 1,493	$ 1,537	$ 1,583	$ 1,631	$ 1,680	$ 1,730	$ 1,782	$ 1,836	$ 1,891	$ 1,947	$ 2,006	$ 2,066	$ 2,128	$ 2,192	$ 2,258	$ 2,325	$ 2,395	$ 2,467	$ 2,541	$ 2,617	$ 2,696	$ 2,777	$ 2,860	$ 2,946
Total Business Expenses				$ 33,950	$ 34,856	$ 34,823	$ 40,952	$ 42,911	$ 36,386	$ 39,008	$ 40,706	$ 44,374	$ 72,964	$ 75,220	$ 77,668	$ 79,990	$ 82,488	$ 85,065	$ 87,723	$ 90,465	$ 93,293	$ 96,210	$ 99,220	$ 102,326	$ 105,527	$ 108,830	$ 112,238	$ 115,753	$ 119,380	$ 123,121	$ 126,980	$ 130,961	$ 135,067
SUB-TOTAL EXPENSES				$ 169,969	$ 167,264	$ 177,625	$ 183,696	$ 193,566	$ 200,377	$ 208,821	$ 215,004	$ 225,370	$ 246,026	$ 253,665	$ 261,543	$ 269,646	$ 278,064	$ 286,883	$ 295,592	$ 304,780	$ 314,255	$ 324,026	$ 334,103	$ 344,490	$ 355,212	$ 366,265	$ 377,663	$ 389,419	$ 401,542	$ 414,044	$ 426,939	$ 440,237	$ 453,951
RESERVES																																	
				10%	10%	10%	10%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	20%	20%	20%	20%	20%	20%	20%	20%	15%	15%	15%	15%	15%	15%
Replacement Reserve Deposit				$ 20,918	$ 21,232	$ 23,926	$ 24,456	$ 39,387	$ 42,581	$ 45,178	$ 46,239	$ 49,929	$ 59,613	$ 61,394	$ 63,229	$ 65,119	$ 67,066	$ 69,071	$ 71,143	$ 94,849	$ 97,685	$ 100,607	$ 103,616	$ 106,715	$ 109,908	$ 113,196	$ 116,583	$ 90,053	$ 92,748	$ 95,524	$ 98,383	$ 101,328	$ 104,361	$ 107,485
Operating Reserve Deposit				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SUB-TOTAL - RESERVES				$ 20,918	$ 21,232	$ 23,926	$ 24,456	$ 39,387	$ 42,581	$ 45,178	$ 46,239	$ 49,929	$ 59,613	$ 61,394	$ 63,229	$ 65,119	$ 67,066	$ 69,071	$ 71,143	$ 94,849	$ 97,685	$ 100,607	$ 103,616	$ 106,715	$ 109,908	$ 113,196	$ 116,583	$ 90,053	$ 92,748	$ 95,524	$ 98,383	$ 101,328	$ 104,361	$ 107,485
TOTAL OPERATING EXPENSES				$ 190,887	$ 188,496	$ 201,550	$ 207,151	$ 232,954	$ 242,959	$ 253,999	$ 261,243	$ 275,299	$ 305,639	$ 315,059	$ 324,772	$ 334,765	$ 345,130	$ 355,954	$ 366,641	$ 402,466	$ 414,862	$ 427,462	$ 440,818	$ 454,403	$ 468,409	$ 482,848	$ 467,717	$ 482,167	$ 497,066	$ 512,427	$ 528,266	$ 544,597	$ 561,436
NET OPERATING INCOME (INCOME minus OP EXPENSES)				$ 18,295	$ 23,826	$ 37,707	$ 37,405	$ 29,628	$ 40,918	$ 47,188	$ 47,682	$ 57,560	$ 91,778	$ 94,235	$ 96,756	$ 99,363	$ 101,977	$ 104,521	$ 107,603	$ 85,961	$ 88,172	$ 90,638	$ 92,758	$ 95,136	$ 97,572	$ 100,066	$ 132,640	$ 136,155	$ 139,761	$ 143,458	$ 147,251	$ 151,140	$ 155,128
HARD DEBT SERVICE	Amount	Rate	Term																														
NONE																																	
TOTAL HARD DEBT SERVICE				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW (NOI minus DEBT SERVICE)				$ 18,295	$

30-Year Income/Expense Detail — 58592-0
Full

	Fiscal Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Starting Reserve Balance		$ 0	$ 594,373	$ 397,429	$ 314,298	$ 308,209	$ 322,372	$ 222,109	$ 220,546	$ 256,687	$ 265,147	$ 303,683	$ 320,332	$ 375,738	$ 434,513	$ 48,392	$ 98,582	$ 1,031	$ 82,996	$ 130,790	$ 17,337	$ 103,190	$ 119,150	$ 219,748	$ 326,349	$ 333,608	$ 413,598	$ 4,461	$ 26,098	$ 114,140	$ 192,813
	Annual Reserve Funding		$ 620,876	$ 20,918	$ 21,232	$ 23,926	$ 24,456	$ 39,387	$ 42,581	$ 45,178	$ 46,339	$ 49,929	$ 59,613	$ 61,394	$ 63,229	$ 65,119	$ 67,066	$ 69,071	$ 94,849	$ 97,685	$ 100,607	$ 103,616	$ 106,715	$ 109,908	$ 113,196	$ 116,583	$ 90,053	$ 92,748	$ 95,524	$ 98,383	$ 101,328	$ 104,361
	Interest Earnings	2.5%	$ 14,496.89	$ 9,183	$ 7,148	$ 6,934	$ 7,266	$ 4,457	$ 4,341	$ 5,159	$ 5,337	$ 6,189	$ 6,350	$ 7,667	$ 9,056	$ -	$ 769	$ -	$ -	$ 807	$ -	$ -	$ 303	$ 2,679	$ 5,199	$ 5,293	$ 7,891	$ -	$ -	$ 384	$ 2,221	$ 2,844
	Expenses		$ 41,000	$ 227,045	$ 111,511	$ 36,948	$ 17,559	$ 144,108	$ 48,485	$ 14,195	$ 43,216	$ 17,581	$ 49,322	$ 13,655	$ 13,510	$ 451,241	$ 17,644	$ 166,623	$ 12,884	$ 50,699	$ 214,059	$ 17,763	$ 91,059	$ 11,989	$ 11,794	$ 114,617	$ 17,955	$ 501,885	$ 73,887	$ 10,725	$ 24,886	$ 79,059
	Endinc Rrserve Balance		$ 594,373	$ 397,429	$ 314,298	$ 308,209	$ 322,372	$ 222,109	$ 220,546	$ 256,687	$ 265,147	$ 303,683	$ 320,332	$ 375,738	$ 434,513	$ 48,392	$ 98,582	$ 1,031	$ 82,996	$ 130,790	$ 17,337	$ 103,190	$ 119,150	$ 219,748	$ 326,349	$ 333,608	$ 413,598	$ 4,461	$ 26,098	$ 114,140	$ 192,813	$ 220,958
#	Component																															
	Building Exteriors																															
104	Balcony Surfaces - Resurface		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,131	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
117	Walkway Decks - Resurface		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,983	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
117	Walkway Decks - Seal/Reseal		$ -	$ -	$ -	$ 2,025	$ -	$ -	$ -	$ -	$ 2,463	$ -	$ -	$ -	$ -	$ 2,997	$ -	$ -	$ -	$ -	$ 3,646	$ -	$ -	$ -	$ -	$ 4,436	$ -	$ -	$ -	$ 5,398	$ -	$ -
118	Balcony Railing - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,985	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
324	Exterior Lights - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,128	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
508	Exterior Railing - Repair/Replace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,981	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
703	Utility Doors - Replace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,106	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1115	Building Exterior - Repaint		$ -	$ -	$ 98,724	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 143,175	$ -	$ -	$ -	$ -	$ -	$ -	$ 211,934	$ -	$ -	$ -	$ -
1117	Exterior Surfaces - Repair		$ -	$ -	$ -	$ -	$ -	$ 24,181	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,794	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,983	$ -	$ -	$ -	$ -
1137	Windows - Replace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 314,699	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1303	Comp Shingle Roofs - Reolace		$ -	$ -	$ 126,547	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1308	Flat Roof - Reolace		$ -	$ 44,995	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,589	$ -	$ -	$ -	$ -	$ -	$ -
1309	Metal Roof - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1312	Gutters/Downspouts - Partial Reolace		$ -	$ 17,000	$ -	$ -	$ -	$ 20,683	$ -	$ -	$ -	$ -	$ -	$ 25,164	$ -	$ -	$ -	$ 30,616	$ -	$ -	$ -	$ -	$ 37,249	$ -	$ -	$ -	$ 45,319	$ -	$ -	$ -	$ -	$ -
	Building Interiors, Common																															
325	Interior Lights - Replace		$ -	$ -	$ -	$ -	$ -	$ 3,650	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
909	Bathroom - Refurbish		$ -	$ -	$ -	$ -	$ -	$ 6,083	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,329	$ -	$ -	$ -	$ -
911	Kitchen Appliances - Reolace		$ -	$ -	$ -	$ -	$ -	$ 2,920	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,322	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,398	$ -	$ -	$ -	$ -
912	Kitchen - Remodel		$ -	$ -	$ -	$ -	$ -	$ 12,775	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,991	$ -	$ -	$ -	$ -
918	Office - Remodel		$ -	$ -	$ -	$ -	$ -	$ 4,258	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,330	$ -	$ -	$ -	$ -
1110	Community Room - Repaint		$ -	$ -	$ -	$ -	$ -	$ 11,680	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,289	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,592	$ -	$ -	$ -	$ -
	Building Interiors, Units																															
915	Unit - Remodel		$ 15,000	$ 14,895	$ 14,787	$ 14,675	$ 14,561	$ 14,443	$ 14,321	$ 14,195	$ 14,066	$ 13,933	$ 13,796	$ 13,655	$ 13,510	$ 13,360	$ 13,206	$ 13,047	$ 12,884	$ 12,715	$ 12,541	$ 12,363	$ 12,179	$ 11,989	$ 11,794	$ 11,592	$ 11,385	$ 11,172	$ 10,952	$ 10,725	$ 10,492	$ 10,252
	Common Area																															
202	Asphalt - Reseive		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 54,650	$ -	$ -	$ -	$ -
203	Asphalt - Seal/Reoair/Stripe		$ -	$ -	$ -	$ -	$ 2,998	$ -	$ -	$ -	$ -	$ 3,648	$ -	$ -	$ -	$ 4,438	$ -	$ -	$ -	$ -	$ 5,400	$ -	$ -	$ -	$ -	$ 6,570	$ -	$ -	$ -	$ -	$ 7,993	
320	Pole Lights - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,611	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
322	Bollard Lights - Reolace		$ -	$ -	$ -	$ -	$ 8,760	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,194	$ -	$ -	$ -	$ -	$ -
403	Mailboxes - Reolace		$ -	$ 4,368	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,644	$ -	$ -	$ -	$ -	$ -
404	Outdoor Furniture - Reolace		$ -	$ -	$ -	$ -	$ 2,433	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,602	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,332	$ -	$ -	$ -	$ -	$ -
503	Metal Fence/Gate - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,818	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
505	Wood Fence - Repair/Replace		$ -	$ 19,240	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 51,291	$ -	$ -	$ -	$ -	$ -
509	Decorative Arbor - Replace		$ -	$ -	$ -	$ 3,375	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,996	$ -	$ -
514	Wood Retaining Wall - Reolace/Reoair		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,581	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
750	Pedestrian Gates - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,474	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Mechanical & Systems																															
704	Intercom - Reolace		$ -	$ -	$ -	$ -	$ -	$ 23,725	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 37,984	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,814
803	Water Heaters - Reolace		$ -	$ -	$ -	$ -	$ -	$ -	$ 34,164	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 54,697	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1001	Fire Backflow Preventer - Reolace		$ -	$ -	$ -	$ 16,873	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1811	Plumbing - Insoect/Reoair		$ 7,000	$ -	$ -	$ -	$ -	$ 8,517	$ -	$ -	$ -	$ -	$ 10,362	$ -	$ -	$ -	$ -	$ 12,607	$ -	$ -	$ -	$ -	$ 15,338	$ -	$ -	$ -	$ 18,661	$ -	$ -	$ -	$ -	$ -
1819	Fire Alarm System - Replace		$ 12,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,293	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1844	Electrical System - Inspect/Repair		$ 7,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,607	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total Exoenses		$ 41.000	$ 227.045	$ 111.511	$ 36.948	$ 17.559	$ 144.108	$ 48.485	$ 14.195	$ 43.216	$ 17.581	$ 49.322	$ 13.655	$ 13.510	$ 451.241	$ 17.644	$ 166.623	$ 12.884	$ 50.699	$ 214.059	$ 17.763	$ 91.059	$ 11.989	$ 11.794	$ 114.617	$ 17.955	$ 501.885	$ 73.887	$ 10.725	$ 24.886	$ 79.059

Painting Quotes

Quote 1	
Urban Painting	$ 63,500.00
Quote 2	
R.E. Brooker Co.	$ 97,500.00

Roofing Quotes

Quote 1: American Standard Roofing

	Shingle	Flat	Estimated Useful Life
Buildinw 1 (Red)	$ 22,850		
Buildinw 2 (Blue)	$ 10,375		2-3 years w/ maintenance work
Buildinw 3 (Grv Blue)	$ 10,375		
Buildinw 4 (Purole)	$ 18,950		
Buildinw 5 (Green)	$ 21,750		
Buildinw 6 (Oranee)		$ 17,000	Recommend doing reroofing this summer
Buildinw 7 (Yellow)		$ 10,450	
Total	$ 84,300	$ 27,450	$ 111,750

Does not include laundry room includes gutters & DS

Discount for done all roofs: $ 98.750

Any damaged or dry rot fascia board & 1/2" plywood & siding will be replaced to new one with additional cost of material + labor ($120.00/h).

Quote 2: ISV

	Shingle	Flat	Gutters & DS	Estimated Useful Life
Buildinw 1	$ 22,831	$ 38,975	$ 8,376	
Buildinw 2	$ 28,588		$ 4,414	See below
Buildinw 3	$ 24,695		$ 4,536	
Buildinw 4	$ 31,366		$ 4,196	
Total	$ 107,480	$ 38,975	$ 16,521	$ 162,976

Estimated Useful Life

Flat Roofs

These appear to be at or beyond their useful service life. There are multiple areas of concern, especially where the membrane seams meet the walls. Several of these seams are showing signs of failure across both roof sections.

Shingled Roofs

These are in better condition than the flat roofs, but there are still notable issues. I found multiple soft spots on several roof planes, which typically indicates moisture intrusion and deterioration of the underlying wood sheathing.

Conclusion

Given these conditions and perceived age, I' d estimate the shingled roofs may have another 1-3 years of useful life at best. Saying that though there is the risk of the roofs leaking at any moment.

Quote 3: McCurdy Roofing Inc.

	Shingle	Flat - TPO	Flat - Modified	Gutter & DS	Estimated useful life
Buildinw 1	$ 24,200			$ 3,160	
Buildinw 2	$ 24,200			$ 1,860	
Buildinw 3	$ 24,200			$ 1,860	
Buildinw 4	$ 5,670			$ 1,200	1-3 years
Buildinw 5	$ 21,800			$ 2,700	
Buildinw 6	$ 21,800			$ 2,700	
Buildinw 7		$ 27,300	$ 18,900		
Buildinw 8		$ 14,400	$ 9,900		
Total	$ 121,870	$ 41,700	$ 28,800	$ 13,460	$ 164,110

See oreventation for oictures and descriotion of roof condition

Multiple Layer Tear-offs $80 per 100 square feet
Wood Remediation: $15 per linear foot
$20.00 per linear foot for replacement of any 2x6 and 2x8 Fascia Boards







Financing Commitments

~~Based on the information provided in the RFP, and the resulting Project deficit, HEART staff is planning to provide a 15-year $262,350 loan to the Project. Final approval for this commitment is subject to the HEART Board's approval. HEART staff is planning to obtain Board approval on December 10, 2025.~~

SUPERSEDED. Please see updated Letter of Interested dated 2/24/2026 for summary of requested HEART loan. HEART Board took action on the proposed acquisition in April 2026.

Operating Subsidy Commitment

Not applicable.

Relocation Plan and Budget

Not applicable.

Enclosure B

Enclosure B – Proposer Certifications

Proposer hereby certifies:

1. **Truth of Application**
   That the information submitted in the proposal and any supporting materials is true, accurate, and complete to the best of its knowledge. Proposer acknowledges and understands that if facts and/or information herein are found to be misrepresented, it shall constitute grounds for rejecting the proposal or ending negotiations.

2. **Applications are Public Records**
   That Proposer acknowledges that the information submitted as part of this proposal may be made available to the public pursuant to a request under the California Public Records Act.

3. **Legal Authority**
   The signatory has the legal authority to submit this proposal on behalf of the Proposer.

4. **Civil and Legal Questions (include an explanation for any questions answered "Yes")**

   a. Has the Proposer filed bankruptcy or receivership or had a bankruptcy or receivership commenced against it, defaulted on a loan, or been foreclosed against in the past ten years?

   b. Is the Proposer currently a party to, or has it been notified that it may become a party to any civil litigation that may materially and adversely affect the financial condition of the Proposer's business in this proposal?

   c. Have there been any administrative or civil settlements, decisions, or judgements against the Proposer within the past 10 years that materially and adversely affected the financial condition of the Proposer's business in this proposal?

   d. Is the Proposer currently subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state, or federal licensing or accreditation agency, a local, state, federal taxing authority, or a local, state, or federal regulatory or enforcement agency?

   e. In the past 10 years, has the Proposer been subject to any civil or administrative proceeding, examination, or investigation by a local, state, or federal licensing or accreditation agency, a local, state, or federal taxing authority, or a local,

state, or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment?

f. Is the Proposer currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination, or investigation, of any kind, involving, or that could result in felony charges against the Proposer?

g. Is the Proposer currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in misdemeanor charges against the Proposer for matters relating to the conduct of the Proposer's business?

h. Is the Proposer currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in criminal charges against the Proposer for any financial or fraud related crime?

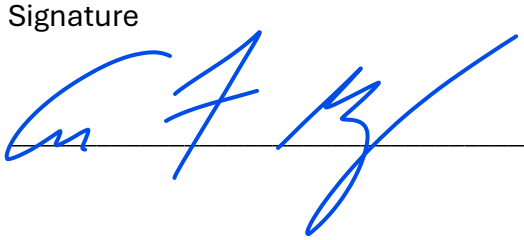
i. Is the Proposer currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in criminal charges against the Proposer that could affect the financial condition of the Proposer's business?

j. Within the past 10 years, has the Proposer been convicted of any felony?

k. Within the past 10 years, has the Proposer been convicted of any misdemeanor related to the conduct of the Proposer's business?

l. Within the past 10 years, has the Proposer been convicted of any misdemeanor for any financial or fraud related crime?

Proposer Name and Title:	Organization:
Armando F. Sanchez, Executive Director	Housing Endowment and Regional Tr

Signature	Date
	9/29/25

Project Requirements

HEART requests the following changes to Table 5 of the RFP and the background tables referenced therein.

Income Limits & Maximum Rents. Consistent with the current owner's practice, HEART intends to stack public subsidies on a limited number of units. Please note that neither HEART's proposal nor the current owner's existing rent table match the Table 1 or Table 2 of the RFP due to the stacking of public subsidies. This practice will allow HEART to operate a mixed-income project renting to tenants between 30% and 80% AMI. This will generate sufficient rental income to sustain the project in the long-run. Please see Item 6 on the Letter of Intent.

In addition, HEART proposes to replace the two 40% AMI units with one 30% AMI unit and one 50% AMI unit. This will enable HEART to implement the State Office of Housing and Community Development (HCD) published rent levels.

Debt Coverage Ratio. All proposed project loans are residual receipt loans with no hard debt payment requirements. Therefore, the project does not have a debt service coverage ratio.

Property Welfare Tax. HEART and its affiliate HEART-SV are public joint powers authorities and are not subject to ad valorem property taxes. Therefore, it is not necessary to include the property welfare tax exemption in the Project budget.

Insurance Requirements. HEART requests the City waive Professional Liability Coverage as this project does not constitute providing professional consulting services to the City. Second, we are requesting the City waive workers' compensation for HEART-SV. As noted in the proposal, HEART intends to assign the acquisition of the property to its affiliate HEART-SV. HEART-SV serves as the legal entity holding title to assets acquired under HEART's programs and as such it does not have any employees. HEART carries workers compensation and names HEART-SV as an additional insured. The City of Brisbane is also an additional insured on HEART's insurance.

bowery

APPRAISAL REPORT

A 14 Unit Affordable Housing Property

8 Visitacion Avenue
Brisbane, CA 94005

Multifamily Building

REQUESTED BY

Audrey Washington

HEART of San Mateo County
2905 South El Camino Real
San Mateo, CA 94403

DATE OF VALUE

Hypothetical : January 20, 2026

PREPARED BY



Bryson Young, MAI



Sam Cimino

425 Page Mill Road, 2nd Floor PMB 2035
Palo Alto, CA 94306

January 28, 2026

Audrey Washington
HEART of San Mateo County
2905 South El Camino Real
San Mateo, CA 94403

Re: Appraisal File No. 2600045589
Multifamily Building
8 Visitacion Avenue
Brisbane, CA 94005

Dear Audrey Washington,

In accordance with your request, we have completed an appraisal of the subject located at 8 Visitacion Avenue, Brisbane, CA 94005 for the purpose of advancing an opinion of the Hypothetical Market Value of the Leasehold Interest in the subject.

The subject is a 2-story, walk-up, multifamily building consisting of 14 residential units with 19,998 square feet of gross building area. The property is currently operating as an affordable senior housing project property and consists of twelve, 1 BR / 1 BA units and two, 2 BR / 1 BA units. All of the units are deed restricted. Upon transfer of the property, HEART will update the rent restriction levels to include three 30% AMI units, one 50% AMI unit, six 60% AMI units, and four 120% AMI units. The property is currently encumbered by a ground lease with The Redevelopment Agency of the City of Brisbane. The existing ground lease expires in 2028. Based on the provided ground lease, the rental payments consist of any surplus cash associated with the operation of the property; however, there have reportedly never been any payments on the ground lease as there has never been surplus cash over the life of the lease. The current owner, BRIDGE, intends to sell the property to HEART of San Mateo County. We note that this is not a traditional sale as HEART will essentially be assuming the remaining debt on the property, which totals $4,285,886. HEART is currently finalizing a new ground lease which will be $1 per year that will commence upon the existing ground lease expiration. The project also features a senior community center that is subleased for $1 per year. We note this sublease expires along with the existing ground lease and will be renewed upon expiration for $1 to match the 55 year term of the new ground lease. This community center provided a small amount of utility reimbursement income and will only be leased to this tenant for 55 years. We have included this reimbursement income within our analysis but the space is largely treated as amenity space. Overall, the property is considered to be in average condition. We note that at the request of the client, we have provided the hypothetical value of the subject property as if the subject is encumbered by the new ground lease and is leased at the proposed max affordable rents.

The subject is situated on a 17,138 square foot parcel in an (NCRO-2) Neighborhood Commercial zone and is identified in the city of Brisbane, San Mateo County tax maps as APN 007-221-180. The subject property is located along Visitacion Avenue in the Brisbane neighborhood of Daly City Brisbane.

Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformance with the Standards of Professional Practice and Code of Professional Ethics of the Appraisal Institute, the Uniform Standard of Professional Appraisal Practice (USPAP), HEART of San Mateo County's appraisal guidelines, and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP.

425 Page Mill Road, 2nd Floor PMB 2035
Palo Alto, CA 94306

After carefully considering all available information and factors affecting value, our opinion is:

Final Value Conclusion

Value Premise	Date of Value	Interest Appraised	Value Conclusion
As Is Market Value	January 20, 2026	Leasehold Interest	$3,290,000

As with any appraisal, the reader is reminded that the opinion of value is only valid as of the effective date(s). Our conclusions are predicated on the attitudes and expectations prevalent in the subject submarket and market on the date(s) of value. Bowery Valuation continuously monitors the markets where we are active and appropriate steps have been taken to ensure our analysis is based on the most recent, relevant data available. Changes in market conditions or associated with other unanticipated future events, could impact value.

425 Page Mill Road, 2nd Floor PMB 2035
Palo Alto, CA 94306

The value conclusions are subject to the following **Extraordinary Assumptions**[1]. We note the use of this/these extraordinary assumption(s) may have affected the assignment results. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions:

- None.

The value conclusions are based on the following **Hypothetical Conditions**[2]. We note the use of this/these hypothetical conditions(s) may have affected the assignment results:

- We note the property is currently encumbered by a ground lease that expires in 2028. HEART intends to renew this ground lease at a rate of $1 per year upon expiration. We have valued the property as if it is already encumbered by the new ground lease.
- We note there is a community center lease that is coterminous with the ground lease that expires in 2028. HEART intends to renew this sublease for $1 per year with expense reimbursements for their share of utilities. We have valued the property as if the new lease is in place.
- HEART intends to apply for a new regulatory agreement with new maximum allowable rents. At the request of the client, we have valued the property as if the tenants are leasing the units at the proposed maximum allowable rents.

The opinion of value expressed herein is subject to the certification, assumptions and limiting conditions, and all other information contained in the following written appraisal report.

Thank you for the opportunity to serve you.

Sincerely,

Bryson Young, MAI
Senior Managing Director
Certified General Real Estate Appraiser
CA License No. AG044713
bryson.young@boweryvaluation.com
(650) 334-5404

Sam Cimino
Vice President
Certified General Real Estate Appraiser
CA License No. AG3007042
sam.cimino@boweryvaluation.com
(408) 592-0697

[1] *The definition of Extraordinary Assumptions can be found in the Glossary of Terms, which is located in the Addenda.*

[2] *The definition of Hypothetical Conditions can be found in the Glossary of Terms, which is located in the Addenda.*

Summary of Salient Facts & Conclusions

8 Visitacion Avenue, Brisbane, CA



Salient Facts

Property

Property Name	A 14 Unit Affordable Housing Property
Address	8 Visitacion Avenue
City	Brisbane
State	California
County	San Mateo

APN	007-221-180
Highest and Best Use – Vacant	Affordable Housing – Deed Restricted
Highest and Best Use – As Improved	Affordable Housing – Deed Restricted
Date of Inspection	January 20, 2026
Report Date	January 28, 2026
Effective Date(s) of Value	
Hypothetical	January 20, 2026

Building Characteristics

Property Type	Multifamily
GBA	19,998 sq. ft.
Year Built	2000
No. of Floors	2
Residential Units	14
Occupancy	100%
Condition	Average
Total Economic Life	50 years
Effective Age	20 years
Remaining Economic Life	30 years

Site Characteristics

Site Area	17,138 sq. ft.
Site Shape	Rectangular
Topography	Generally level at street grade
Zoning	(NCRO-2) Neighborhood Commercial
Flood Zone	Zone X

Financial Indicators

	Total	Per Unit
Potential Gross Income	$324,215	$23,158
Effective Gross Income	$317,731	$22,695
Operating Expense Ratio	28%	-
Net Operating Income	$230,072	$16,434
Capitalization Rate	7.00%	-
Stabilized Residential Occupancy	98%	-
Income Capitalization Approach As Is	$3,290,000	$235,000
Sales Comparison Approach As Is	$3,150,000	$225,000

Value Conclusion

Final Value Conclusion

Value Premise	Date of Value	Interest Appraised	Value Conclusion
As Is Market Value	January 20, 2026	Leasehold Interest	$3,290,000

The value conclusions are subject to the following **Extraordinary Assumptions**[3]. We note the use of this/these extraordinary assumption(s) may have affected the assignment results. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions:

- None.

The value conclusions are based on the following **Hypothetical Conditions**[4]. We note the use of this/these hypothetical conditions(s) may have affected the assignment results:

- We note the property is currently encumbered by a ground lease that expires in 2028. HEART intends to renew this ground lease at a rate of $1 per year upon expiration. We have valued the property as if it is already encumbered by the new ground lease.
- We note there is a community center lease that is coterminous with the ground lease that expires in 2028. HEART intends to renew this sublease for $1 per year with expense reimbursements for their share of utilities. We have valued the property as if the new lease is in place.
- HEART intends to apply for a new regulatory agreement with new maximum allowable rents. At the request of the client, we have valued the property as if the tenants are leasing the units at the proposed maximum allowable rents.

[3] *The definition of Extraordinary Assumptions can be found in the Glossary of Terms, which is located in the Addenda.*

[4] *The definition of Hypothetical Conditions can be found in the Glossary of Terms, which is located in the Addenda.*

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Addenda not included in packet; available upon request.

Introduction

Purpose & Date of Value

Value Premise	Date of Value	Interest Appraised
Hypothetical Market Value	January 20, 2026	Leasehold Interest

Identification of the Client

HEART of San Mateo County has engaged Bowery Valuation and is Bowery Valuation's client for this assignment.

Intended Use & User

The Intended Use is for loan underwriting.

The Intended User is HEART of San Mateo County. This appraisal is not intended for any other use or user. No party or parties other than the intended user may use or rely on the information, opinions and conclusions contained in this report.

Property Rights Appraised[5]

In this appraisal we provide an opinion of Hypothetical Market Value of the leasehold interest.

Property History

According to public record, the owner of 8 Visitacion Avenue is BRIDGE Housing Corporation. The subject property has, to the best of our knowledge, not sold within the past three years.

We are aware of the contract for HEART to purchase this asset from BRIDGE Housing Corporation. This is not a traditional sale and is being treated more as a transfer of the existing remaining debt on the property. According to the buyer, the City of Brisbane sent out a call for offers of the improvements as BRIDGE wanted to offload the property. There were no other offers to purchase the asset. We are not aware of any additional bids, offers, or options to purchase for this asset.

We note the property is currently in the process of transferring ownership; however, this is not a typical sale. The property is ground leased and the current owner of the improvements wished to move on from the property. The City of Brisbane put out a call for offers and the buyer was the only interested party. We note that this is an assumption of existing debt, and not a true purchase. The remaining debt is $4,285,886. We note the buyer, HEART, ordered this appraisal in order to determine the difference between the outstanding debt and the value of the property, if any. This was done in order to try to gain a debt forgiveness of the difference between the two. We note our concluded value is $3,290,000, which is well below the existing debt.

[5] *The definitions of the various interests appraised can be found in the Glossary of Terms, which is located in the Addenda.*

Exposure Time[6]

It is our opinion that given the current economic conditions, an exposure time for the subject property is between 6 months and 9 months. This conclusion is predicated on interviews with local brokers and other real estate industry sources, on information obtained in the verification process of recent sale transactions for similar properties, and our analysis of supply and demand forces in the local market. The value reported herein presumes such an exposure time.

Marketing Time[7]

It is our opinion that given the current economic conditions, a marketing time for the subject property is between 6 months and 9 months. This conclusion considers the property's relative market position, as well as our market value conclusion and it is predicated on interviews with brokers, other real estate industry sources and on information obtained in the verification process.

General Assumptions

Various estimates of gross building area/gross leasable area and net rentable area were provided by the owner/client and/or their agents. This opinion of value reported herein assumes that the data provided are the most recent and accurate.

We note that our appraisers are not experts in the following domains:

- Technical Environmental Inspections: No Environmental Site Assessment report was provided in conjunction with this appraisal. If a report is commissioned and there are any environmental issues uncovered, they could affect our opinion of value reported. We recommend the services of a professional engineer for this purpose.
- Zoning Ordinances: We recommend an appropriately qualified land use attorney if a definitive determination of compliance is required.
- Building Inspections: We recommend an inspection by a building engineer or professional property inspector if a more thorough examination of the subject's improvements is required. Any immediate expenditures that a trained professional may determine are needed, could affect our opinion of value reported.
- Easements, Encroachments, and Restrictions: Within our research and analysis we will examine the tax map, deed, legal description, and survey (if available) to determine the existence of any easements, encroachments or restrictions impacting the subject property. However, further research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can uncover such restrictive covenants. Thus, we recommend a title search to definitively determine if any such restrictions do exist.
- Building Health and Fire Codes: Our valuation assumes there are no known code violations.

[6] *The definition of Exposure Time can be found in the Glossary of Terms, which is located in the Addenda.*

[7] *The definition of Marketing Time can be found in the Glossary of Terms, which is located in the Addenda.*

Definition of Market Value[8]

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Scope of the Appraisal

Within the course of this assignment, we have:

- Inspected the building facade, exterior entrance, common areas and stairs of the subject property.
- Researched and investigated the location in terms of its economic activity, development patterns, and future trends and related their impact in the market.
- Determined the Highest and Best Use of the subject property based on an analysis of all relevant factors.
- Conducted a market survey of rent and vacancy levels of similar buildings.
- Analyzed the subject's operating expense history and projections, as well as expense reports of comparable properties, in order to accurately project the stabilized cash flow.
- Projected the net operating income under stabilized operation and applied a market-derived capitalization rate to develop an opinion of value by the income capitalization approach.
- Researched and analyzed sales of competitive assets and applied the techniques of the sales comparison approach in providing an opinion of value.
- Advanced an opinion of the Hypothetical market value of the identified interest.

Data Sources

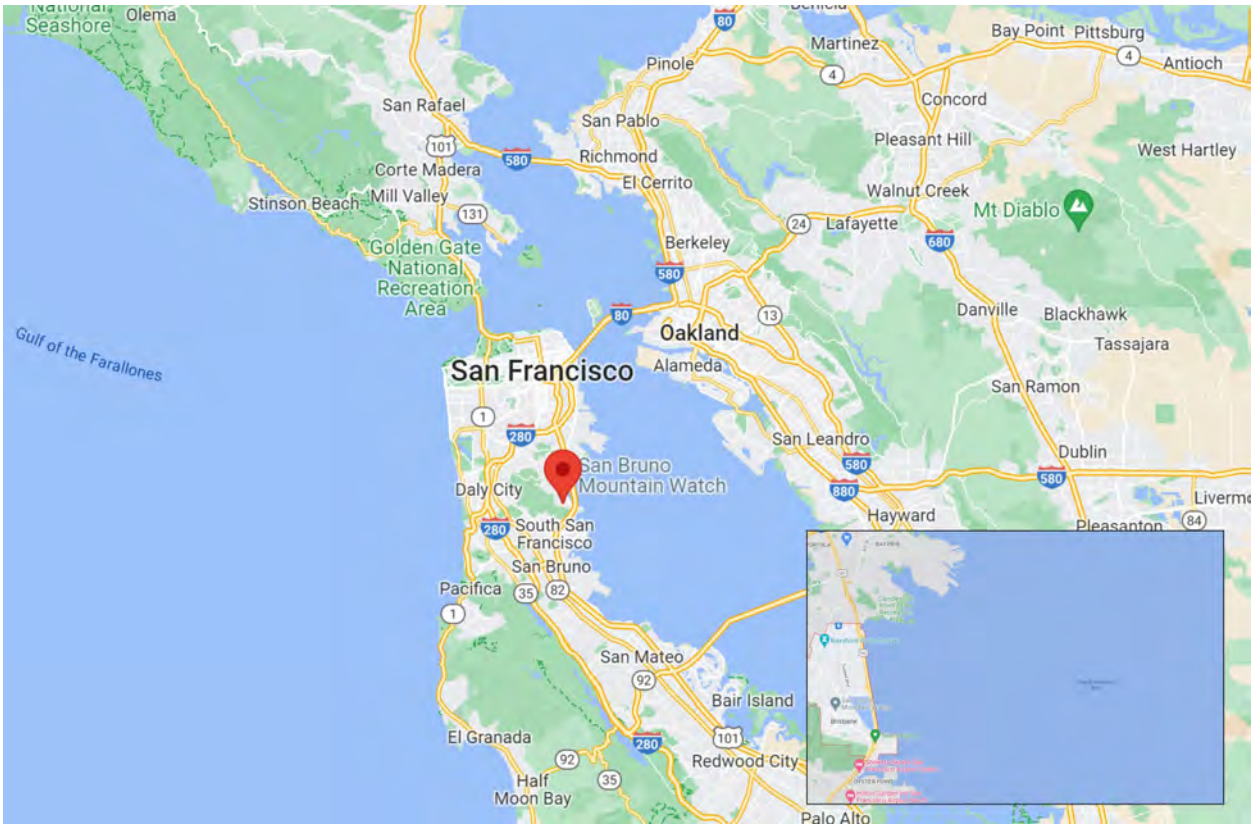
The data contained within this appraisal was compiled from market analysis utilizing the following sources (unless otherwise noted): the City Tax Assessor, state and county tax records, the Zoning Board, Claritas, CoStar, Attom, Federal Reserve, and FEMA. The subject photos were taken by Sam Cimino on 01/20/2026. When possible, we have confirmed the reported data with parties to the transactions or those who are intimately familiar with their critical details.

[8] *Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, April 9, 2018, page 77472*

Resource Verification

Data	Source/Verification
Site Size	Public Record
Excess/Surplus Land	Tax Map
Gross Size/Units	Public Record
Residential SF	Appraiser's Estimate; Inspection
Number of Buildings	Inspection
Amenities	Inspection
Deferred Maintenance	Inspection
Area Analysis	Bureau of Labor Statistics
Income Data	Owner; Market Forecast
Expense Data	Owner; Expense Comparables
Comparable Rental Data	CoStar; Primary Source
Comparable Sales Data	CoStar; Public Record; Primary Source

Neighborhood & Demographic Overview



Source: Google Maps

Brisbane at a Glance

Brisbane is a residential and semi-suburban community located in San Mateo County, California, approximately 10 miles south of Downtown San Francisco. The area features established neighborhoods, light industrial and commercial corridors, and preserved open-space areas, reflecting a mix of suburban development and low-density residential character. Streets are primarily lined with single-family homes, while smaller clusters of duplexes and townhomes are located near local commercial and service areas. Large-lot rural properties are limited, consistent with the community's suburban and semi-urban setting, though significant hillside open space and protected natural areas remain throughout the area.

Retail activity is concentrated along primary corridors such as Visitacion Avenue and Bayshore Boulevard, featuring grocery stores, restaurants, coffee shops, banks, and neighborhood service businesses. Additional retail and dining options are available in nearby communities including South San Francisco and Daly City, while larger regional shopping destinations such as Serramonte Center and downtown San Francisco are accessible within a short drive. Recreational amenities in Brisbane include community parks and extensive open-space preserves, offering walking trails, scenic overlooks, and outdoor recreation opportunities. The area is adjacent to larger regional parks and waterfront areas, providing access to hiking, biking, and outdoor activities. Community facilities support local programs and events, and public open spaces contribute to neighborhood recreation and gatherings.

Brisbane benefits from strong regional and local transportation access. Major corridors include Bayshore Boulevard and U.S. Highway 101, while nearby interstates provide efficient connections throughout the San Francisco Peninsula and the broader Bay Area. Public transportation is available via SamTrans bus service and nearby BART and Caltrain stations, linking the community to major employment centers and transit hubs. Passenger rail service is accessible through Caltrain, offering connections throughout the Peninsula and to San Francisco and San Jose. Air travel is served by San Francisco International Airport (SFO) and Oakland International Airport (OAK), providing extensive domestic and international flight options.

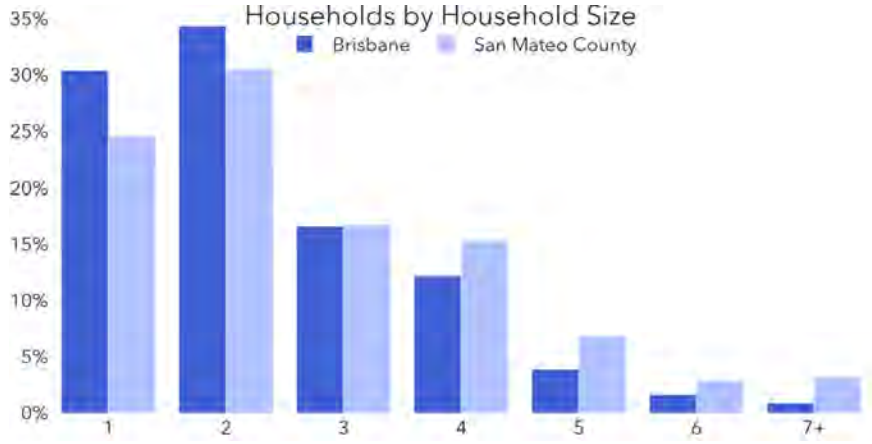
Population

The following demographic profile, including all of the following charts, were created with data from the U.S. Census Bureau, reflecting the subject's municipality and point of comparison. As of the 2010 Census, Brisbane had a population of 4,282 people and 1,821 households. 2020 Census data shows its population has grown by 1.3% per year to 4,851 residents.

Population and Household Growth

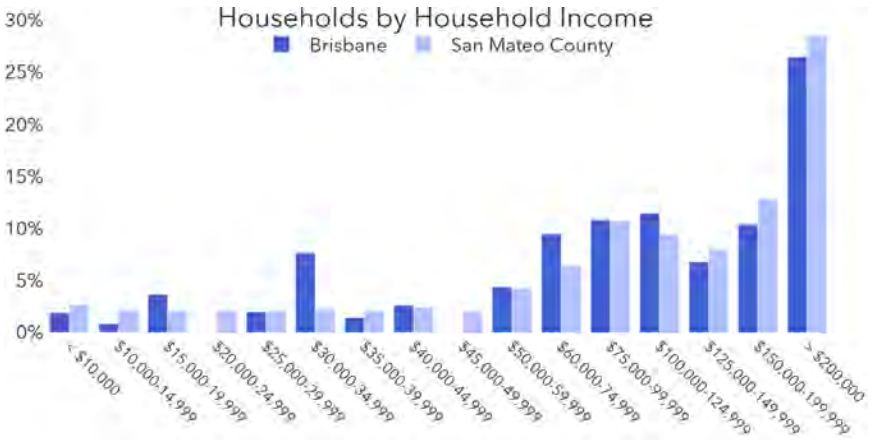
	Area	2010 Census	2020 Census	Annual % Change	2025 Forecast
Population	Brisbane	4,282	4,851	1.3%	5,182
	San Mateo County	718,451	764,442	0.6%	789,225

Households in Brisbane are, on average, smaller than those in San Mateo County. Households in Brisbane have an average size of 2.34 people, compared to 2.75 people in San Mateo County. 2 person households account for the largest share in both Brisbane and San Mateo County.



Source: U.S. Census Bureau

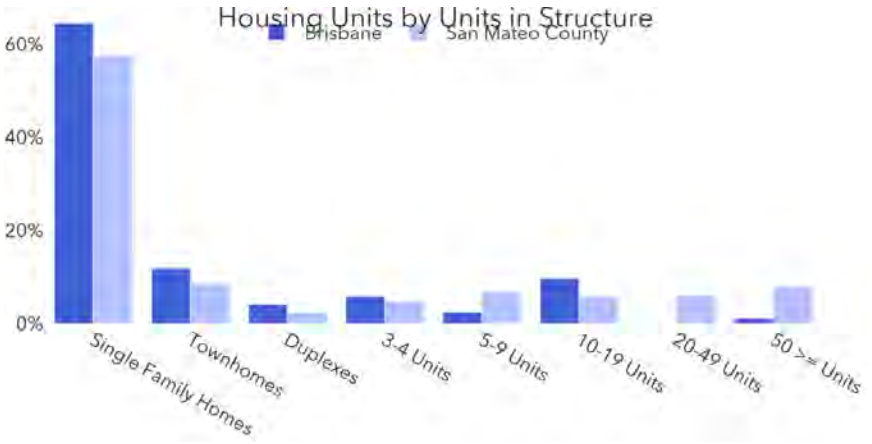
Households in Brisbane have a lower median income than those in San Mateo County. Households in Brisbane have a median income of $112,016, compared to $122,641 for households in San Mateo County. The chart below indicates the share of households by income brackets. In both Brisbane and San Mateo County, the most common household income is $200k or higher.



Source: U.S. Census Bureau

Housing

Single-family homes, followed by townhomes then 10-19-unit properties account for the most common forms of housing in Brisbane. 64% of the housing units in Brisbane are occupied by their owner. This percentage of owner-occupation is higher than the San Mateo County level of 59%.

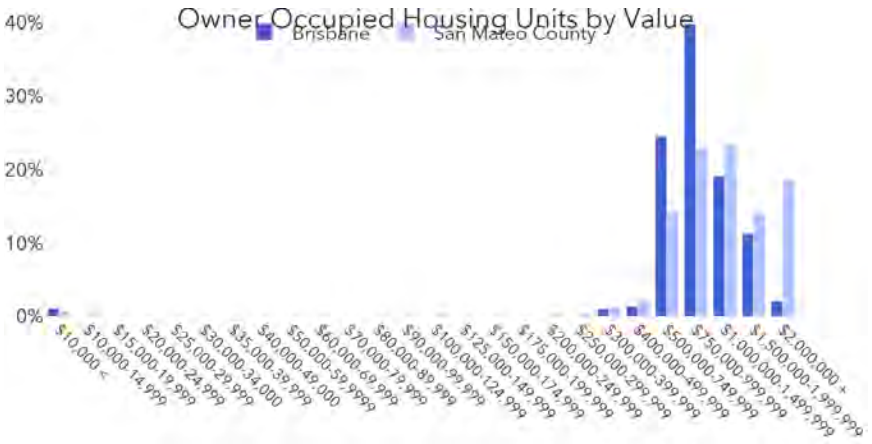


Source: U.S. Census Bureau



Source: U.S. Census Bureau

Homes in Brisbane have a median value of $889,200, compared to $1,089,400 for San Mateo County. In Brisbane, the most common home value is between $750k - $1 million, compared to between $1 million - $1.5m for San Mateo County.



Source: U.S. Census Bureau

Homes in Brisbane have a median year built of 1980, compared to 1965 for San Mateo County. In Brisbane, the largest share of homes were built between 1990-1999, compared to between 1950-1959 for San Mateo County.

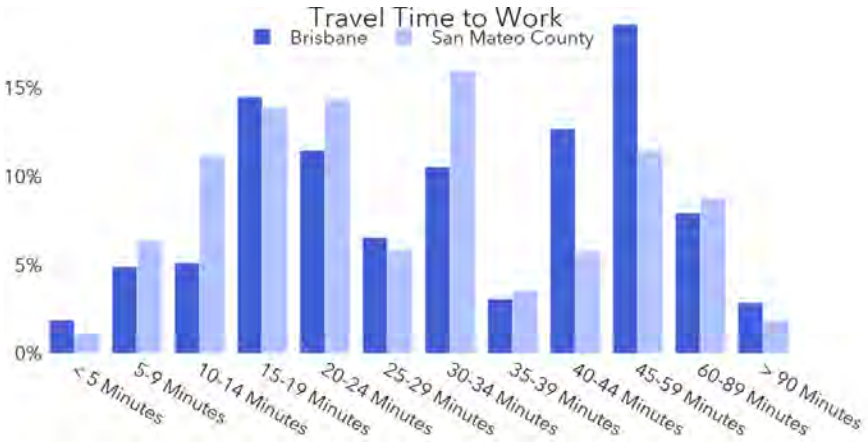


Source: U.S. Census Bureau

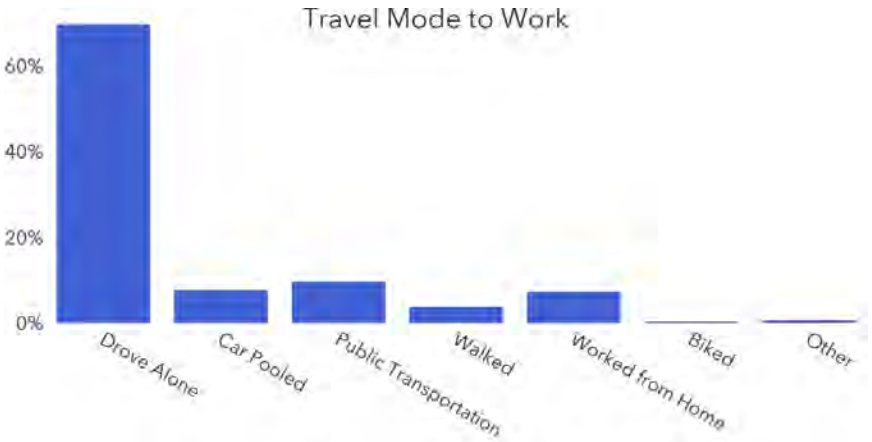
Transportation

In Brisbane, the majority of residents drive alone with 70% choosing to do so. The second most common method is public transit with 10%.

Commuters in Brisbane have a median commute time of about 32 minutes. In Brisbane, the most common commute time is between 45-59 minutes, compared to 30-34 minutes for San Mateo County.



Source: U.S. Census Bureau



Source: U.S. Census Bureau

Transportation Methods

Brisbane benefits from strong regional and local transportation access. Major corridors include Bayshore Boulevard and U.S. Highway 101, while nearby interstates provide efficient connections throughout the San Francisco Peninsula and the broader Bay Area.

Passenger rail service is accessible through Caltrain, offering connections throughout the Peninsula and to San Francisco and San Jose.

Public transportation is available via SamTrans bus service and nearby BART and Caltrain stations, linking the community to major employment centers and transit hubs.

Air travel is served by San Francisco International Airport (SFO) and Oakland International Airport (OAK), providing extensive domestic and international flight options.

Conclusion

Brisbane is a city in San Mateo County, California with access to US highways, public transportation, a range of housing options, recreational amenities, and businesses and retailers for everyday use. Brisbane has experienced moderate population growth over the past decade, a trend that will likely continue in the near term.

Zoning Summary

8 Visitacion Avenue is in a (NCRO-2) Neighborhood Commercial zone. Below is a summary of the subject property's compliance with regard to use and bulk regulations.

Zoning Summary

Authority	Classification
Property Jurisdiction	Brisbane[9]
Existing Zoning Classification	(NCRO-2) Neighborhood Commercial
Special Permitting or Condition(s) (i.e., site plan approval, PUD, or other variance)	None known

Summary of Use and Bulk Regulations

		Permits	Status
Current Use	Accessory dwelling units and junior accessory dwelling units associated with an existing or proposed single family dwelling duplex or multiple family dwelling, financial institutions, home occupations, large family day care homes in a dwelling unit if part of a mixed use development, medical facilities, offices, personal services, restaurants, retail sales and rental, and small family day care homes in a dwelling unit if part of a mixed use development		Conforming
Minimum Lot Size		2500	Complying
Minimum Lot Width / Frontage		25	Complying
Maximum Height Of Structures Ft		28, Authorized by a design permit: 35	Complying
Minimum Front Setback Ft		No requirement (0)	Complying
Minimum Side Setback Ft		No requirement (0), Abutting any residential district: 10	Complying
Rear Setback		10	Complying
Density Of Development	Density of Residential Use: Dwelling unit density in a mixed use shall be established by use permit		Complying
Min. Parking Required		14	Complying

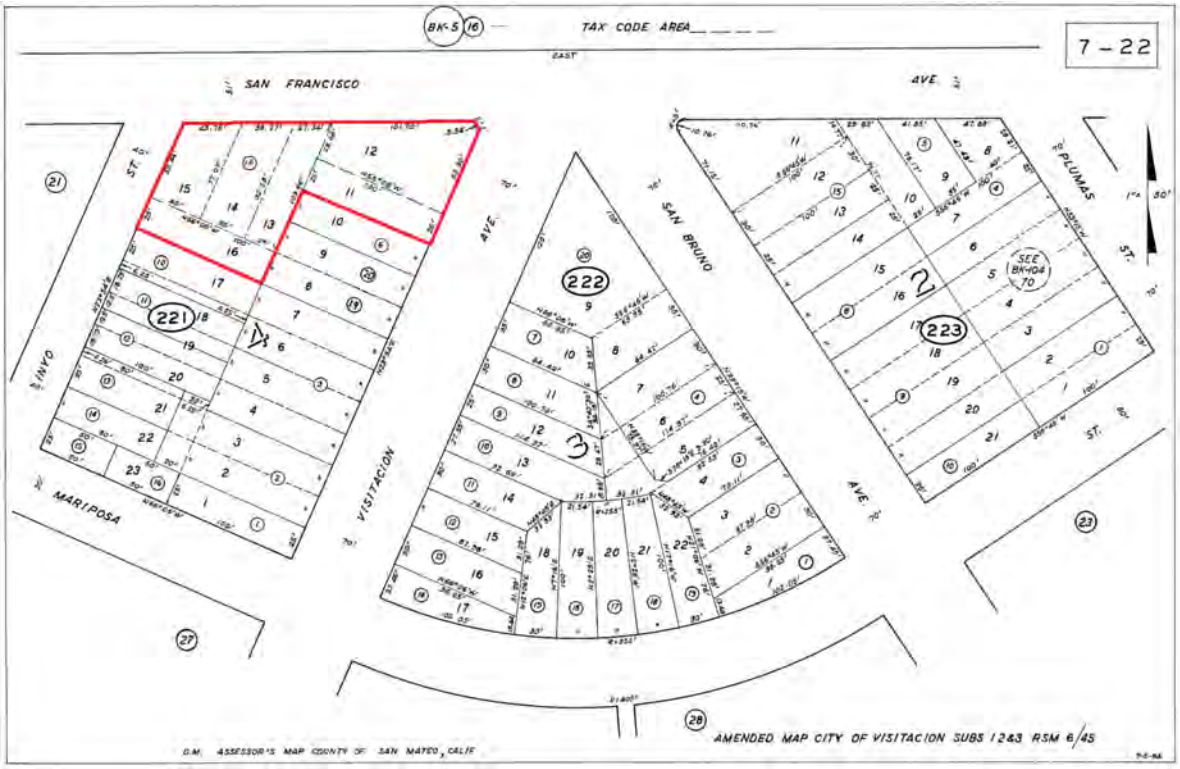
The (NCRO-2) Neighborhood Commercial zone permits accessory dwelling units and junior accessory dwelling units associated with an existing or proposed single family dwelling duplex or multiple family dwelling, financial institutions, home occupations, large family day care homes in a dwelling unit if part of a mixed use development, medical facilities, offices, personal services, restaurants, retail sales and rental, and small family day care homes in a dwelling unit if part of a mixed use development as of right. 8 Visitacion Avenue is a multifamily property, is conforming with regards to the allowable uses.

The subject is complying with regards to bulk regulations.

Based on the subject's current zoning regulations, 14 parking spaces are required on the subject property. The subject has 14 available and is complying with regards to parking regulations.

[9] *The zoning map can be found in the Map Gallery, which is located in the Addenda.*

Assessed Value & Real Estate Taxes



Current Tax Liability

Real property in California is assessed at a county level. With the passing of Proposition 13 in 1978, property taxes are limited in California to 1% of the assessed value plus local voter-approved bonded indebtedness and special assessments. Proposition 13 also provides for a maximum taxable assessment increase of 2.0% per year unless ownership to the respective property has been transferred or significant new construction occurs. When real property is sold, it becomes uncapped and the taxable assessed value is set at the sale price, and the 2.0% yearly cap becomes applicable for future years. The current real estate tax amount has been capped as described by Proposition 13. A sale of the subject would trigger a reassessment and increased real estate taxes if it sold for a price consistent with the value conclusions presented in this report. The table below outlines the current assessed value for the subject property.

Final Tax Assessment

		Actual
Land		$0.00
Building	+	$0.00
Total		**$0.00**

Tax Liability

		Total	PSF
Taxable Assessed Value		$0.00	$0.00
Tax Rate (Brisbane - Brisbane Class, 2019)	×	0%	0%
Special Assessment Row		$20.82	$0.00
Tax Liability		**$20.82**	**$0.00**

We note the property is 100% affordable and deed restricted. Ownership is only responsible for special assessments as the property is fully tax exempt.

Projected Tax Liability

In order to determine the projected tax liability, we have applied a tax rate of 0% to our projection of the assessed value.

We note the property is 100% affordable and is tax exempt. The only taxes ownership pays are the special assessments, which are projected at $20.82 annually.

		Total	PSF
Taxable Assessed Value (Provided)		$2,332,684	$116.65
Tax Rate (Brisbane - Brisbane Class, 2019)	×	0%	0%
Special Assessment Row		$20.82	$0.00
Tax Liability (Projected)		**$21**	**$0.00**

Site Description



Location	The subject property is located along Visitacion Avenue in the Brisbane neighborhood of Daly City Brisbane.
Surrounding Uses	It is located on a primarily residential and commercial block.
Transportation	
Site Area	17,138 square feet
Shape	Rectangular
Frontage	Visitacion: 90 feet
	San Francisco: 210 feet
	Inyo: 84 feet
Access	The primary access is from Visitacion Avenue
Topography	Generally level at street grade
Drainage	Assumed adequate
Paving	All roads are paved with asphalt and are in satisfactory condition.
Street Lighting	Adequate
Hazardous Substances	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Easements, Encroachments, and Restrictions	We did not receive a title report. We know of no deed restrictions, private or public, that further limit the subject property's use. It is noted that any further research required to determine whether or not such restrictions exist, is beyond the scope of this appraisal assignment. Our valuation assumes no adverse impacts from easements, encroachments or restrictions, and further assumes that the subject has clear and marketable title.
Seismic Hazards (Earthquake)	All properties in California are subject to some degree of seismic risk. The Alquist-Priolo special Studies Zone Act of 1972 was enacted by the State of California to regulate development near active earthquake faults. The Act required the State Geologist to delineate "special studies zones" along known active faults in California. Cities and Counties affected by the identified zones must limit certain development projects within the zones unless geologic investigation demonstrates that the sites are not threatened by surface displacement from future faulting. According to "Fault-Rupture Hazard Zones in California" published in 2018 by the California Department of Conservation, Department of Mines and Geology, the subject is not within an area affected by the Alquist-Priolo Special Studies Zone Act. Related development limitations do not apply. The subject is not within 1,000 feet of a Alquist Priolo earthquake zone.
Utilities & Services	Water/Sewer and Refuse – City Police & Fire Protection – City Gas – PG&E Electricity – PG&E
Flood Hazard Status	According to National Flood Insurance Program Rate Map dated April 5, 2019 Community Panel #06081C0042F the subject is located within a Zone X flood zone. Zone X is an area of minimal flooding. These areas are determined to be outside the 500-year floodplain and are determined to be outside the 1% and 0.2% annual chance floodplains.
Conclusion	The site is similar to others in the vicinity, and there are no known negative external factors. Based on its current use, it is functionally adequate.

Ground Lease

The subject property is currently encumbered by a ground lease with The Redevelopment Agency of the City of Brisbane and BRIDGE Housing. The lease is set to expire in 2028. The existing rental agreement states that ground rent payments consists of any surplus cash associated with the operation of the property; however, to the best of our knowledge, no ground rent payments have ever been made.

HEART, the pending buyer of the property, intends to sign a new 55 year ground lease once the property is transferred to them. The lease rate for this ground lease will be $1 per year. At the request of the client, we have provided the hypothetical value of the subject property under the terms of this new ground lease agreement. While there is no official documentation of this lease agreement it is currently in the works and will be finalized before the expiration of the existing lease agreement.

Description of Improvements

Building Description

The subject is a 2-story, walk-up, multifamily building consisting of 14 residential units with 19,998 square feet of gross building area. The property is currently operating as an affordable senior housing project property and consists of twelve, 1 BR / 1 BA units and two, 2 BR / 1 BA units. All of the units are deed restricted. Upon transfer of the property, HEART will update the rent restriction levels to include three 30% AMI units, one 50% AMI unit, six 60% AMI units, and four 120% AMI units.

The property is currently encumbered by a ground lease with The Redevelopment Agency of the City of Brisbane. The existing ground lease expires in 2028. Based on the provided ground lease, the rental payments consist of any surplus cash associated with the operation of the property; however, there have reportedly never been any payments on the ground lease as there has never been surplus cash over the life of the lease. The current owner, BRIDGE, intends to sell the property to HEART of San Mateo County. We note that this is not a traditional sale as HEART will essentially be assuming the remaining debt on the property. HEART is currently finalizing a new ground lease which will be $1 per year that will commence upon the existing ground lease expiration. The project also features a senior community center that is subleased for $1 per year. We note this sublease expires along with the existing ground lease and will be renewed upon expiration for $1 to match the 55 year term of the new ground lease. This community center has been treated as an amenity given the lack of income associated with the space. Overall, the property is considered to be in average condition.

It was built in 2000.

Building Inspection

On January 20, 2026, Sam Cimino of Bowery Valuation conducted an interior and exterior inspection of the subject property. The inspection included a tour of the building facade, exterior entrance, common areas, and stairs. We were able to inspect the stairs and they are in average condition. We were unable to inspect the roof, but assume it is in average condition. Nevertheless, we recommend a roof inspection by a qualified professional. Moreover, we did not observe any hazardous substances on the improvements or adverse environmental or physical conditions.

Unit Inspection

We inspected 3 one-bedroom units and 1 two-bedroom unit.

Structural, Utilities & Mechanicals

Structural

Foundation	Poured concrete
Structural System	We assume the structural system is adequate.
Exterior Walls	Stucco
Windows	Sliding
Roof	Flat built-up roof

Utilities

Electricity	Individual electric meters are located outside.
Hot Water	Central hot water heater system located in the utility room.

Gas	Individual gas meters are located outside.
Heating/Cooling	HVAC system located in the unit for heating and cooling.

Mechanicals

Elevators	None
Plumbing	We assume the plumbing is adequate and meets local building code requirements.
Sprinklers	None

Layout & Finishes

Basement/Cellar	The subject does not contain a basement or a cellar.
Entry & Hallways	We have not inspected the entryway and interior hallways, but we assume they are in satisfactory condition.
Laundry	The subject contains a laundry room as well as in unit washer/dryers.
Stairwell	There ae exterior staircases that runs from the ground floor to the 2nd floor.
Security	Door locks

Amenities

Building Amenities

Laundry Room	There is a laundry room in the building with leased washers and dryers.
Storage Units	There are no storage units in the building.
Parking	There are 14 parking spaces on the property site.
Shared Recreation Room	The building features a shared recreation room.

Unit Amenities

Washer/Dryer	All units have washer/dryer hookups.

Residential Unit Finishes

We note that the finishes vary depending on the tenure of the in-place tenants and how recently the unit was renovated.

Kitchens	The units generally feature average quality kitchen finishes relative to typical units in similar walk up buildings in the area. The units typically contain linoleum flooring, laminate counter tops, natural wood cabinets, standard oven range stovetops, and standard refrigerators.
Bathrooms	The units generally feature average quality bathroom finishes relative to typical units in similar walk up buildings in the area. The units typically contain vinyl tile flooring, bathtub shower combo tubs, laminate top set in cabinet sinks, and ceramic toilets.
Bedrooms	The units generally feature average quality bedroom finishes relative to typical units in similar walk up buildings in the area. The units typically contain vinyl plank and carpet flooring, and sheet rock walls.

Living Area The units generally feature average quality living room finishes relative to typical units in similar walk up buildings in the area. The units typically contain vinyl plank and carpet flooring, and sheet rock walls.

Residential Unit Distribution Summary

Unit Type	No. of Units	Avg. SF/Unit	Total Leasable SF
1 BR 120% AMI	3	696	2,089
1 BR 30% AMI	3	694	2,083
1 BR 50% AMI	1	695	695
1 BR 60% AMI	5	726	3,632
2 BR 120% AMI	1	833	833
2 BR 60% AMI	1	833	833
Totals/Average	**14**	**726**	**10,165**

Condition, Deferred Maintenance & Remaining Economic Life

Condition

Based on our inspection, the subject is in average condition. The subject was constructed in 2000 and adequately maintained over the years.

Deferred Maintenance

No Property Condition Report was given in conjunction with this appraisal.

The subject is in average condition. During our visit to the building, we noticed no significant items of deferred maintenance.

Remaining Economic Life

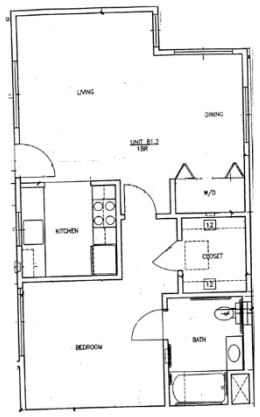
While the improvements were originally constructed in 2000 and adequately maintained over the years, we estimate the effective age to be 20 years; given a useful life of 50 years, the remaining economic life of the building is estimated as 30 years.

Summary

The subject was constructed in 2000 and adequately maintained over the years. Based on our inspection, the subject is in average condition. The building features a functional design with typical site coverage. No significant functional obsolescence was noted during our inspection. The layout, site coverage of the improvements and positioning of the improvements as well as the construction quality of the improvements, interior layout, building mechanicals, building-wide and unit amenities and finishes are functional by market standards.

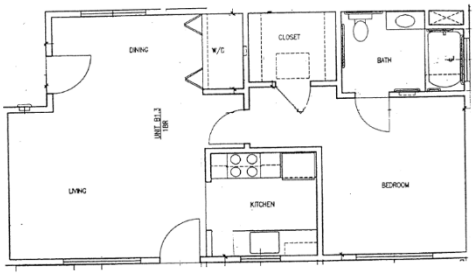
Floor Plans

Floor Plans



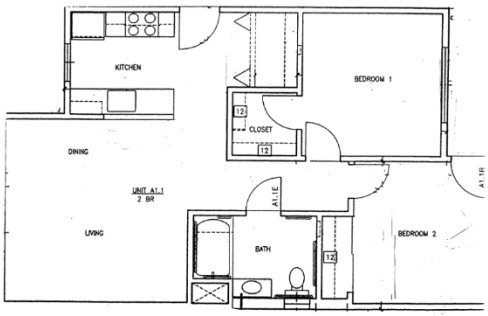
1 Bedroom Type F
718 Square Feet

Floor Plans



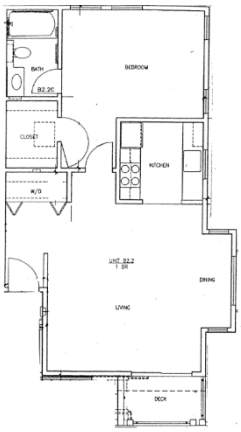
1 Bedroom Type G
699 Square Feet
Unit(s) B1.3

Floor Plans



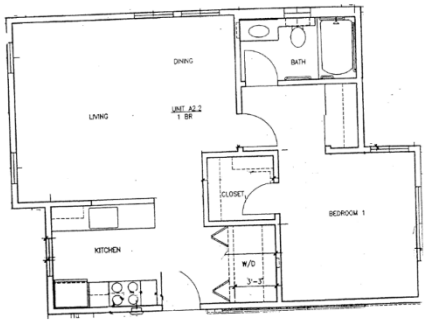
2 Bedroom Type A
833 Square Feet
Unit(s) A1.1, A1.2

Floor Plans



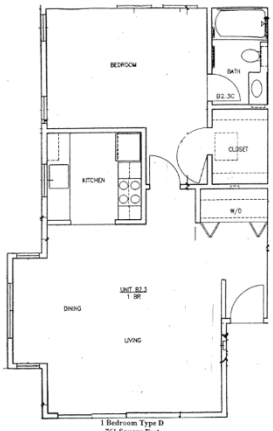
1 Bedroom Type A
763 Square Feet
Unit(s) B2.2

Floor Plans



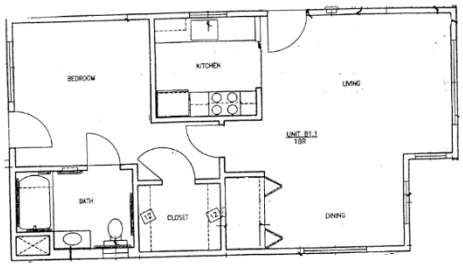
1 Bedroom Type C
694 Square Feet
Unit(s) A2.1, A2.2

Floor Plans



1 Bedroom Type D
761 Square Feet
Unit(s) B2.3

Floor Plans

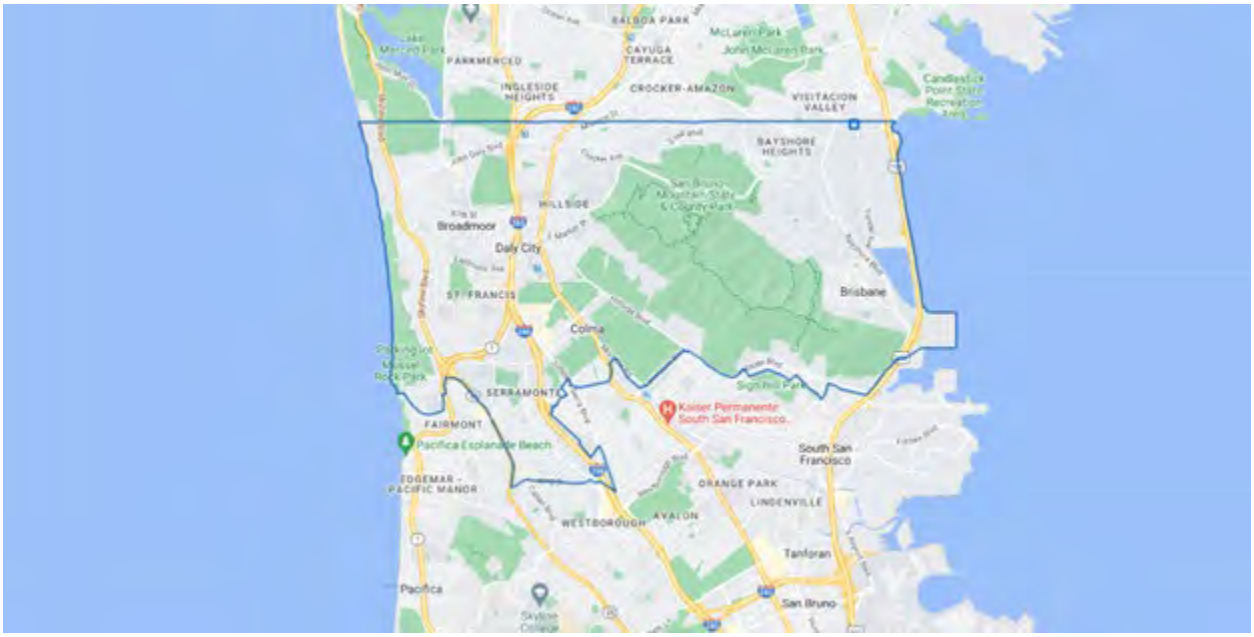


1 Bedroom Type E
695 Square Feet
Unit(s) B1.1 B2.1

Submarket Analyses

Daly City/Brisbane: Multifamily Submarket Analysis

The information contained in this report was provided using 2025 Q3 CoStar data for the Daly City/Brisbane Multifamily Submarket ("Submarket") located in the San Francisco Market ("Market").



Overview

The subject property is in the Daly City/Brisbane Submarket of the San Francisco Market, defined in the map above. This Submarket accounts for 4.1% of the Markets total inventory with 7.8k units. In the Daly City/Brisbane Submarket, demand remains strong with vacancy rates down yoy and over the past quarter, decreasing -163 bps yoy to 1.6%. Despite this, rents are up 4.19% over the past year, increasing 1.44% in the latest quarter. Despite positive fundamentals, values decreased -1.5% over the past year after negative growth in the latest quarter, ultimately decreasing to $426,483/unit.

Sector Fundamentals

	Daly City/Brisbane	YoY	QoQ	San Francisco	YoY	QoQ
Market Rent/Unit	$2,629	4.19%	1.44%	$3,302	6.33%	0.92%
Vacancy Rate	1.64%	-163 bps	-61 bps	4.39%	-164 bps	-44 bps
Net Absorption Units	47	30.6%	571.4%	1,012	20.8%	-11.5%
Asset Value/Unit	$426,483	-1.5%	-0.8%	$527,529	0.1%	0.3%
Market Cap Rate	4.37%	9 bps	1 bps	4.55%	4 bps	-1 bps
Transaction Count	2	100%	100%	65	18%	-54%
Sales Volume	$16,056,000	703%	173%	$621,298,112	33%	-22%

The table below presents historical performance of key indicators for multifamily space in the Submarket including inventory & construction levels, net absorption, vacancy & availability, rental rates, pricing, and cap rates.

Historical Multifamily Performance: Daly City/Brisbane Submarket

Period	Inventory Units	Under Construction Units	Net Delivered Units 12 Mo	Absorption Units 12 Mo	Vacancy Rate	Market Effective Rent/Unit	Asset Value/Unit	Market Cap Rate
2025 Q3	7,776	214	0	126	1.6%	$2,629	$426,483	4.37%
2025 Q2	7,776	0	0	115	2.2%	$2,592	$429,994	4.36%
2024	7,776	0	816	904	3.0%	$2,528	$428,928	4.32%
2023	6,960	816	0	115	4.6%	$2,404	$485,782	4.18%
2022	6,960	816	0	150	6.2%	$2,401	$548,986	3.64%
2021	6,960	0	0	139	8.4%	$2,372	$612,465	3.23%
2020	6,960	0	0	-285	10.4%	$2,219	$537,002	3.49%
2019	6,960	0	0	55	6.3%	$2,418	$550,749	3.51%
2018	6,960	0	0	-11	7.1%	$2,393	$523,738	3.57%
2017	6,960	0	0	-47	6.9%	$2,317	$483,516	3.67%
2016	6,960	0	0	-55	6.2%	$2,278	$460,635	3.71%
2015	6,960	0	0	-35	5.5%	$2,295	$437,080	3.73%

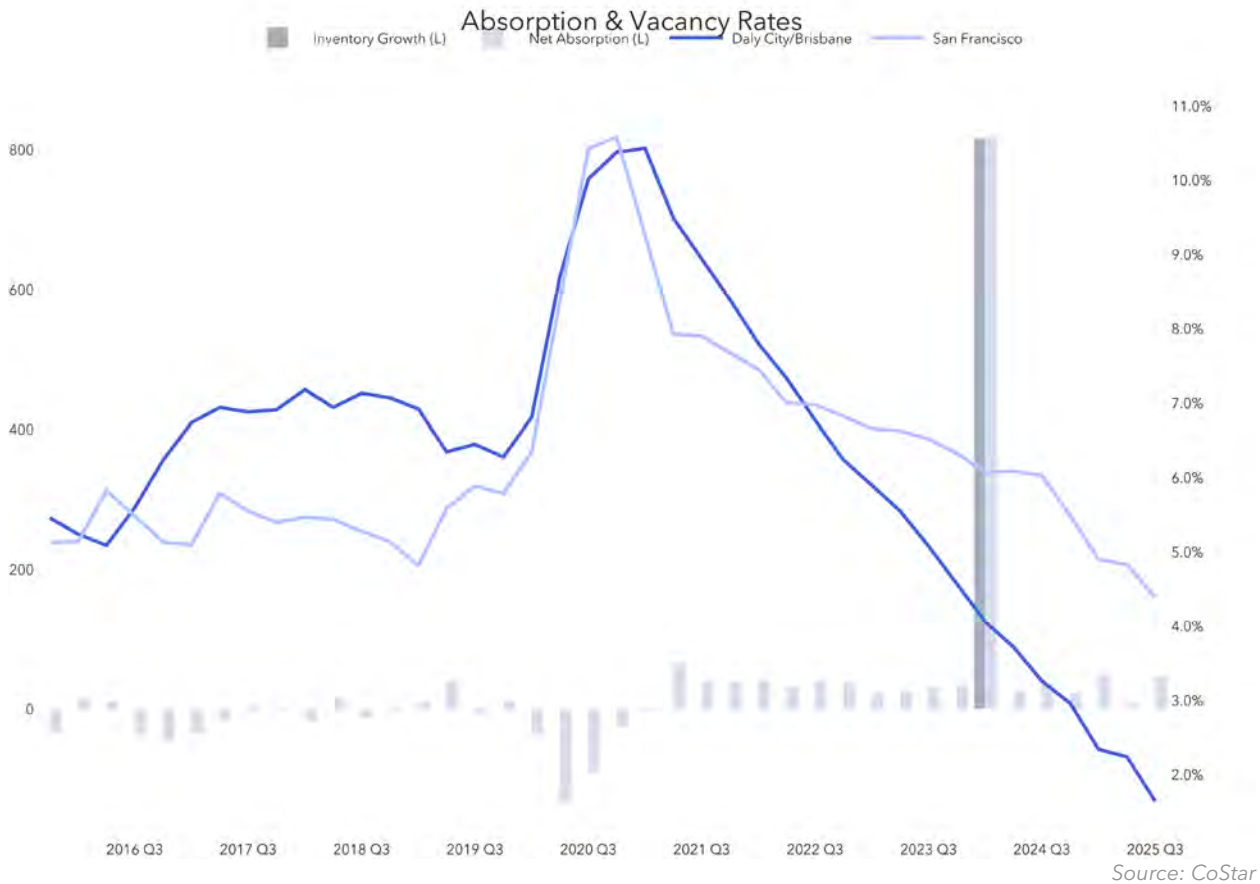
Supply & Demand

The Submarket has 7.8k units of multifamily space, and developers have added, net of demolitions, 816 units over the past ten years, increasing inventory by 11.7% during that time.

Although demand has declined, in the absence of inventory growth, vacancy rates have compressed 163 bps over the past year from 3.3% to 1.6%, remaining below the 10-year average of 6.3%, and below the Market average by 275 bps. With 47 units absorbed in 2025 Q3, vacancy rates have compressed 61 bps over the past quarter. In the third quarter, multifamily tenants in the Submarket absorbed 47 units, an increase from the 7 units absorbed in 2025 Q2, and an improvement from the 36 units absorbed in the same quarter last year.

Vacancy Rates

-	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Q2	2025 Q3
National	6.3%	6.6%	6.8%	6.6%	6.6%	6.8%	5.1%	6.6%	7.8%	8.3%	8.2%	8.2%
Market	5.1%	5.1%	5.4%	5.1%	5.8%	10.6%	7.7%	6.8%	6.3%	5.5%	4.8%	4.4%
Submarket	5.5%	6.2%	6.9%	7.1%	6.3%	10.4%	8.4%	6.2%	4.6%	3.0%	2.2%	1.6%
Class A	12.6%	10.2%	7.9%	6.2%	3.5%	7.8%	4.5%	4.1%	5.3%	6.0%	4.3%	2.2%
Class B	6.8%	8.1%	9.2%	9.2%	7.7%	13.1%	11.0%	8.1%	5.2%	2.4%	1.7%	1.0%
Class C	3.6%	4.1%	4.4%	4.8%	4.9%	7.7%	5.9%	4.4%	3.9%	3.6%	3.1%	2.6%



Source: CoStar

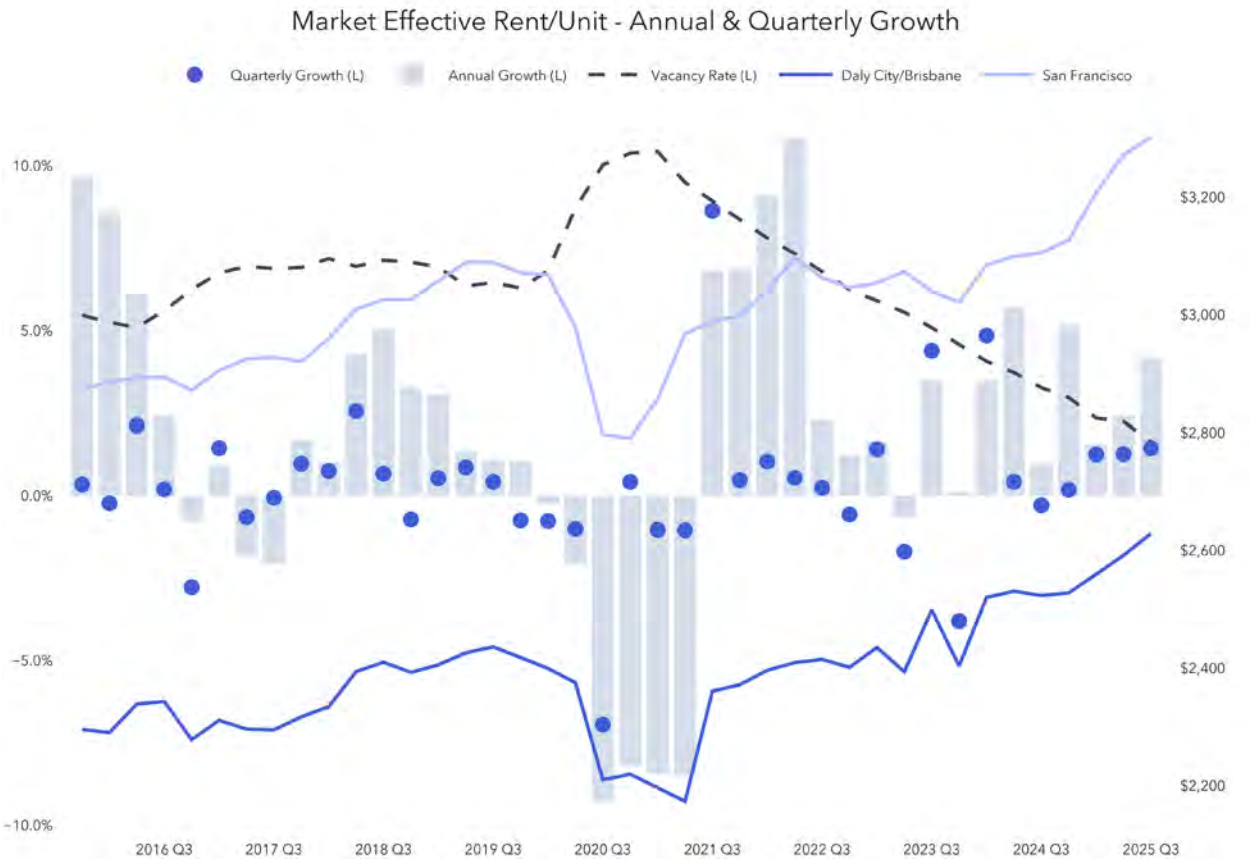
Rents

At $2,629/unit, rents in the Daly City/Brisbane Submarket are roughly 20% lower than the Market average of $3,302/unit. Rents vary throughout the Submarket. Class A apartment units are a premium with an average effective rent rate of $3,237/unit, followed by $2,718/unit for Class B and $2,405/unit for Class C units. Rents in the Submarket have increased 1.45% per annum over the past decade, falling short of the Market average, where rents increased 1.49% per annum during that time.

Market Rents

-	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Q2	2025 Q3
National	$1,309	$1,341	$1,374	$1,419	$1,468	$1,482	$1,630	$1,695	$1,711	$1,729	$1,758	$1,746
Market	$2,873	$2,871	$2,921	$3,026	$3,071	$2,791	$2,998	$3,046	$3,022	$3,127	$3,272	$3,302
Submarket	$2,295	$2,278	$2,317	$2,393	$2,418	$2,219	$2,372	$2,401	$2,404	$2,528	$2,592	$2,629
Class A	$3,192	$3,211	$3,230	$3,228	$3,214	$3,128	$3,163	$3,191	$3,200	$3,204	$3,212	$3,237
Class B	$2,377	$2,315	$2,338	$2,417	$2,432	$2,179	$2,395	$2,433	$2,415	$2,588	$2,673	$2,718
Class C	$2,062	$2,132	$2,203	$2,279	$2,327	$2,229	$2,263	$2,275	$2,318	$2,355	$2,380	$2,405

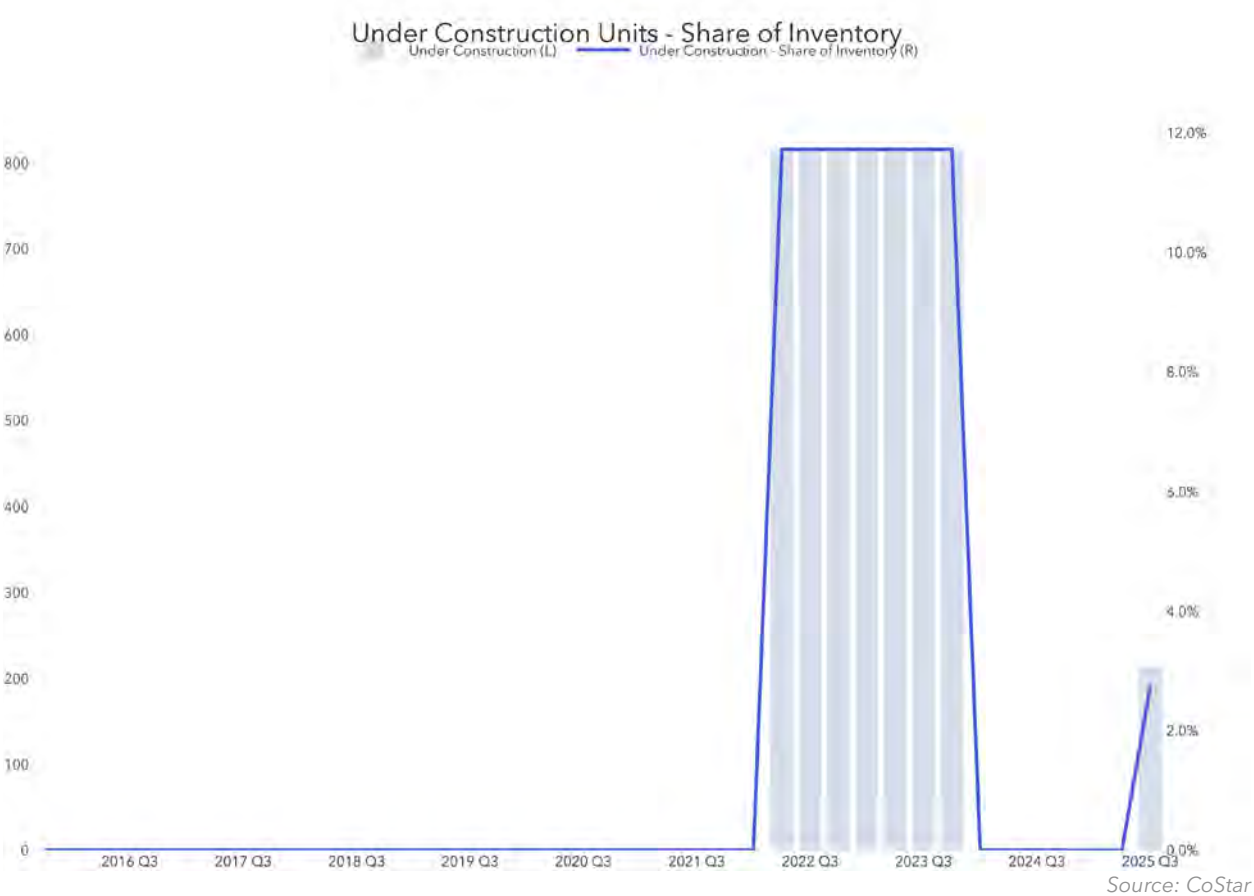
Prior to the pandemic, the Daly City/Brisbane Multifamily Submarket experienced softening rent growth. In 2019 Q4, annual rent growth in the Submarket softened below the previous quarter, and was below the historical average, with annual growth of 1.05%. In 2020 Q2, quarterly rent growth fell to -1.0%. By the end of 2020, rents had fallen 8.21% from the 2019 Q4 rent level of $2,418/unit. From 2019 Q4 to 2021 Q4, rents decreased 1.90%. Quarterly rent growth in 2025 Q3 increased 1.44%, pushing annual growth to 4.19%.



Source: CoStar

Construction & Future Supply

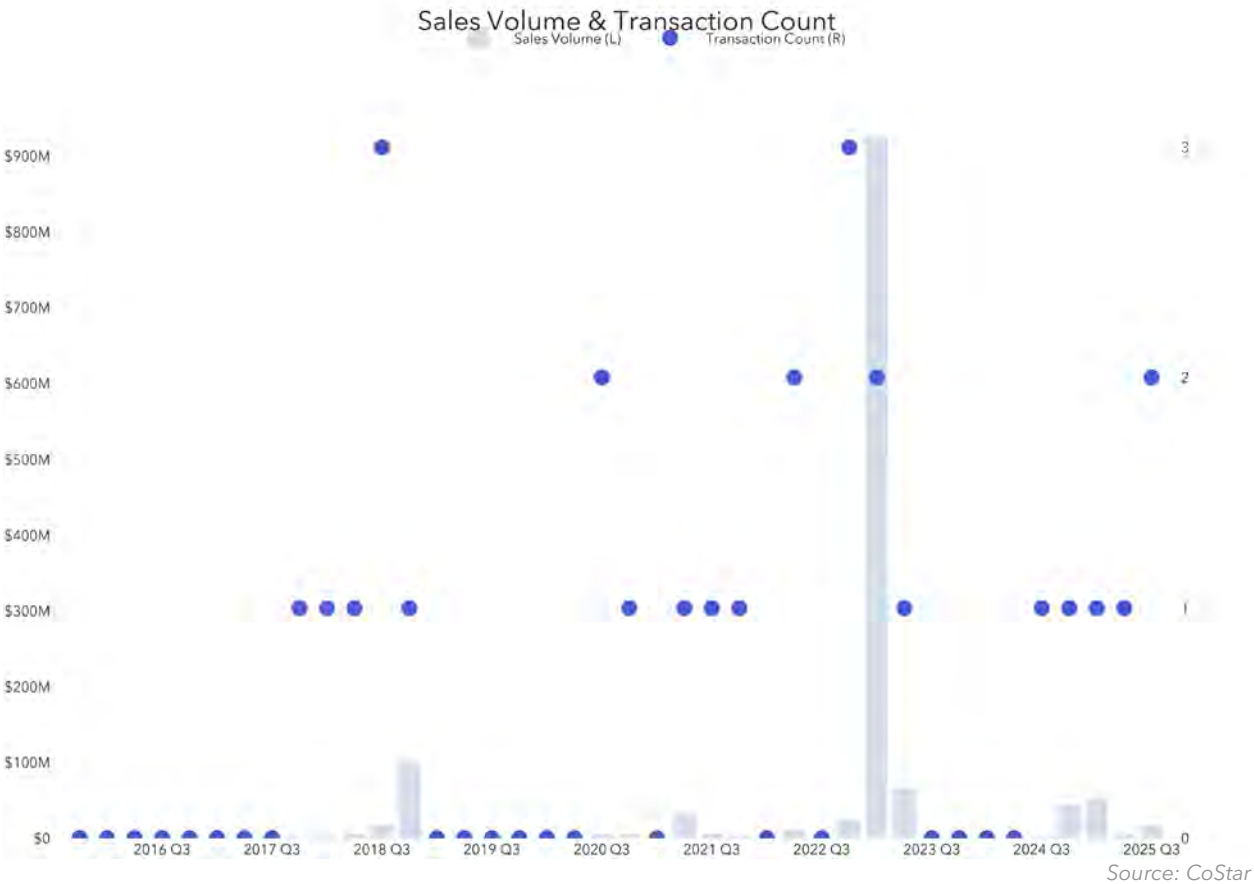
Data from CoStar indicates that developers have been inactive for much of the past ten years. In fact, they have added just 816 units to the Submarket during that time period. Developers remain active in the Submarket despite elevated construction and debt costs. In fact, developers are currently active with 214 units, or the equivalent of 2.8% of existing inventory, underway. Demand in the Daly City/Brisbane Submarket has outpaced new deliveries over the past year but could slow along with softening economic growth.



Source: CoStar

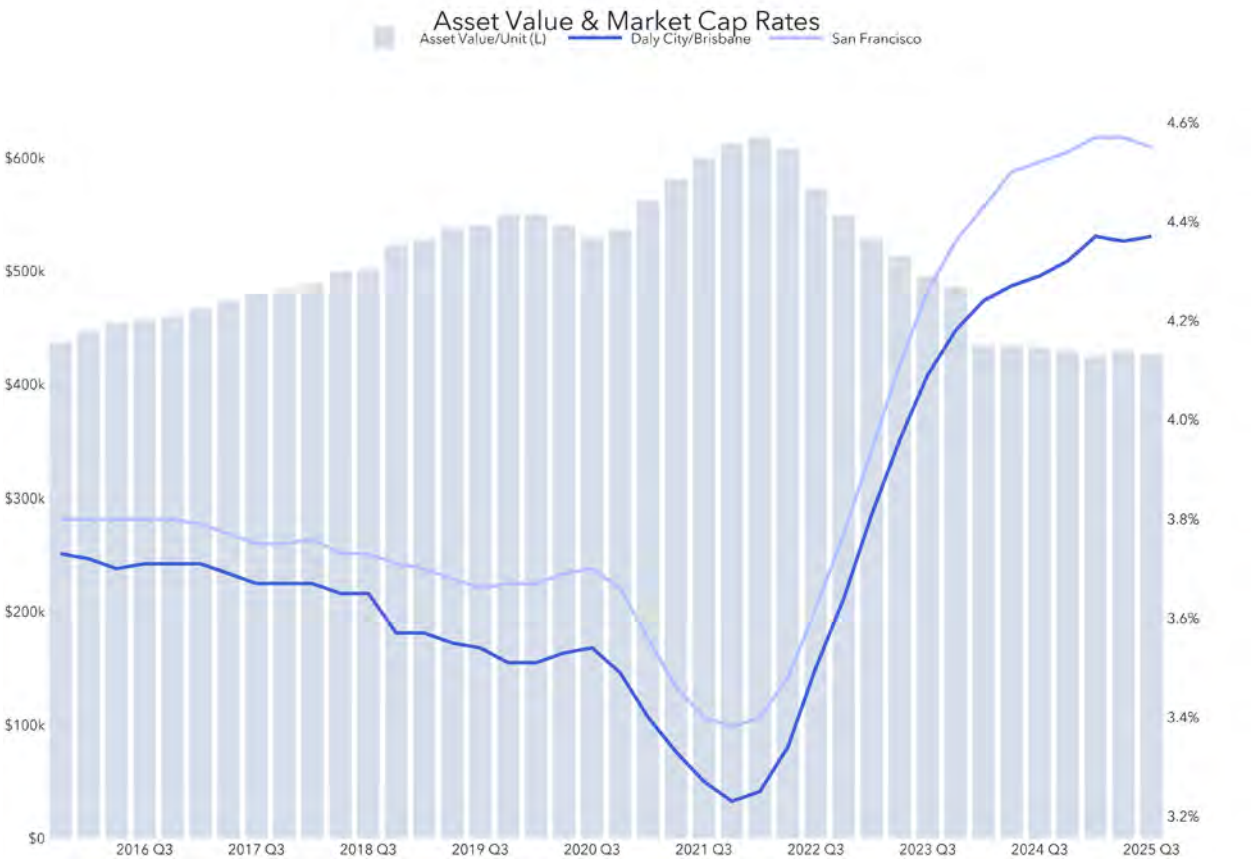
Capital Markets

Investors have not been very active in the Submarket over the past three years, and few transactions have occurred. During that time, investors have closed on average 3 transactions per year with an annual average sales volume of $357.7 million. Over the past year, there were 5 closed transactions across 460 units, for a total sales volume of $118.9 million. As of 2025 Q3, CoStar data indicates there were 2 transactions for a total sales volume of $16.1 million, compared to $5.9 million in the previous quarter.



Source: CoStar

Market pricing, based on the estimated price movement of all properties in the Submarket, is currently $426,483/unit. Values have compressed 1.5% over the past year and continued to fall in the past quarter, decreasing 0.8% in 2025 Q3. Capitalization rates increased 9 bps over the past year to 4.4% and increased 1 bps in 2025 Q3.



Source: CoStar

Outlook

Multifamily market conditions in the Daly City/Brisbane Submarket indicate positive annual absorption, although it has slowed. Vacancy rates have been aided by an absence of inventory growth as well. With vacancy rates compressing, quarterly rent growth increased 1.44%, increasing annual growth 4.19%. Looking ahead to the near term, it is likely that tenant demand remains active, although an active pipeline will likely add upward pressure on vacancy rates, slowing rent growth.

Max Allowable Rents

We note HEART intends to apply for a new regulatory agreement with new max rents. The existing rents are well below the proposed max rents and HEART is anticipating they will be able to bring one unit to the new max rents per year. We note that at the request of the client, we have assumed that all units are rents at the newly proposed max allowable rents. The proposed max allowable rents are illustrated below:

Unit #	Bed	Bath	Deed Restricted AMI Level	Max Allowable Rent
V1	1	1	60%	$ 2,130
V10	1	1	30%	$ 1,010
V2	1	1	50%	$ 1,756
V4	1	1	60%	$ 2,130
V5	1	1	120%	$ 4,088
V6	1	1	60%	$ 2,130
V8	1	1	120%	$ 4,088
V9	1	1	60%	$ 2,130
I1	2	1	60%	$ 2,379
I2	2	1	120%	$ 4,898
I3	1	1	30%	$ 1,010
I4	1	1	30%	$ 1,010
I5	1	1	60%	$ 2,130
I6	1	1	120%	$ 4,088

Highest & Best Use

In determining highest and best use, we have considered the current trends of supply and demand on the market, current zoning regulations and other possible restrictions, and neighboring land uses.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

In estimating highest and best use, alternative uses that meet the four criteria of legally permissible, physically possible, financially feasible, and the maximally productive use, are considered and tested for the subject site as if vacant and as improved.

As Vacant

Legally Permissible	The subject is in zone (NCRO-2) Neighborhood Commercial, which permits Accessory dwelling units and junior accessory dwelling units associated with an existing or proposed single family dwelling duplex or multiple family dwelling, Financial institutions, Home occupations, Large family day care homes in a dwelling unit if part of a mixed use development, Medical facilities, Offices, Personal services, Restaurants, Retail sales and rental, and Small family day care homes in a dwelling unit if part of a mixed use development use as of right. There are no zoning changes anticipated and no easements or encroachments that preclude development. We note the property is deed restricted and any development is restricted to be 100% affordable.
Physically Possible	The site contains 17,138 square feet with 90 feet of frontage along Visitacion, 210 feet of frontage along San Francisco and 84 feet of frontage along Inyo. The size falls within the range of improved sites in the area. All necessary utilities are available and the site appears functional for a variety of permitted uses.
Financially Feasible	The subject property is located within a primarily residential neighborhood. Based on our analysis of the market, there is sufficient demand for multifamily properties. Market conditions are such that new multifamily construction is feasible, as the value would sufficiently exceed the cost plus developer's profit. New construction in the neighborhood is currently underway and newly developed multifamily buildings in the subject's submarket are selling, an indication of feasibility.
Maximally Productive/ Highest and Best Use	There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than to develop for multifamily use. Based on the normal market density level permitted by zoning, this is considered the maximally productive use of the site.
Conclusion	Based on the subject property's zoning, physical characteristics, location, and forecasted economic conditions, it is our opinion that the highest and best use of the site as vacant is to develop a Deed Restricted Affordable Housing building to the highest density permitted by zoning and supported within the market.

As Improved

Legally Permissible

The subject improvements consist of 19,998 square feet of gross building area on a 17,138 square feet site which reflect an FAR of 1.17. Located in the (NCRO-2) Neighborhood Commercial zone, permitted uses include various residential uses. The current multifamily use of the improvements is a permitted use. The improvements also comply to the bulk requirements as specified and discussed in the zoning section of the report.

Physically Possible

The subject is a 2-story, walk-up, multifamily building consisting of 14 residential units with 19,998 square feet of gross building area. The property is currently operating as an affordable senior housing project property and consists of twelve, 1 BR / 1 BA units and two, 2 BR / 1 BA units. All of the units are deed restricted. Upon transfer of the property, HEART will update the rent restriction levels to include three 30% AMI units, one 50% AMI unit, six 60% AMI units, and four 120% AMI units. The layout, site coverage and positioning of the improvements are considered functional for the current use. While it would be physically possible for a wide variety of uses, based on legal restrictions in place and the design of the improvements, continued use of the property as multifamily use is considered the most functional. Additionally, there is no excess or surplus land noted nor excess FAR to consider.

Financially Feasible

The subject property is located within a primarily residential neighborhood exhibiting low vacancy rates and increasing rental rates. As improved, the subject reflects 100% occupancy and will generate a positive net cash flow. Therefore, use as a multifamily property is financially feasible. Also, demolition is not an option.

Maximally Productive/ Highest and Best Use

There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the existing use exceeds the value of the site as vacant. Continued multifamily use is concluded to be maximally productive.

Conclusion

Based on the subject property's zoning, physical characteristics, location, and forecasted economic conditions, continued Deed Restricted Affordable Housing use is concluded to be the highest and best use as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its multifamily occupancy, the likely buyer is a local investor/developer.

Appraisal Valuation Process

The Cost Approach is based on market participants relating value of improvements to associated costs to build. In the Cost Approach, the cost to build a new or substitute property is used as a comparison to the subject. The replacement cost or reproduction cost estimate is then adjusted for all applicable depreciation. This approach reflects a good indicator of value when the improvements are new, nearly new, close to fully depreciated, or when the property has unique or specialized improvements.

The Income Capitalization Approach reflects the analysis of a property's capacity to generate future income and capitalizes the income into an indication of present value. This approach reflects the relationship between a property's potential income and its market value and is a strong indicator of value when there is reliable market data to derive market rents, vacancy rates, stabilized expenses, and capitalization/discount rates. The two most common valuation techniques are direct capitalization and the discounted cash flow (DCF) analysis, with one or both methods applied as appropriate. This approach is widely used in appraising income producing properties.

The Sales Comparison Approach assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with similar utility. This approach is reliable in an active market with sufficient sales data where few differences exist between the comparable sales and the subject, and the sales data collected is credible and accurate. Similar property types in competitive locations tend to sell within a consistent range, and this factor makes valuation on a per square foot and per unit basis a strong predictor of value. The Sales Comparison Approach is often relied upon for owner-user properties and/or in markets where leasing activity is sparse. For leased properties, this approach is more often considered as secondary support for the Income Approach.

Each approach applied is then reconciled to a final value conclusion after weighing the quantity and quality of data analyzed and the applicability of each approach to the subject property type.

Approaches to Value Applied

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	No
Income Capitalization Approach	Applicable	Yes
Sales Comparison Approach	Applicable	Yes

The difficulty in credibly isolating the influence of physical and economic depreciation on value affects the reliability of the Cost Approach. Investors typically give nominal weight to this analysis if the asset is operating on a stabilized basis and its cost bears little relationship to the value, therefore it was not found to be appropriate in our value development.

Income Capitalization Approach

In the Income Capitalization Approach, a property's capacity to generate future benefits is analyzed; the forecasted income is capitalized into an indication of present value. Definitions of commonly used measures of anticipated benefits are defined in the Glossary of Terms within the Addenda.

The Income Capitalization Approach supports two methodologies: direct and yield capitalization. Investors in the local market typically utilize a direct capitalization when making investment decisions for this asset class, therefore we conclude that the direct capitalization method is appropriate to apply to the subject.

Income Analysis

Current Residential Rent Roll

8 Visitacion Avenue currently contains 14 occupied unit

8 Visitacion Avenue

#	Unit #	Unit Type	Bedrooms	Bathrooms	SF	Rent Type	Lease Status	Lease Start Date	Monthly Rent	Rent/SF
1	I1	60% AMI	2	1	833	Affordable	Occupied	04/29/2016	$509.00	$7.33
2	I2	120% AMI	2	1	833	Affordable	Occupied	01/19/2023	$1,535.00	$22.11
3	I3	30% AMI	1	1	694	Affordable	Occupied	03/02/2020	$807.00	$13.95
4	I4	30% AMI	1	1	694	Affordable	Occupied	10/01/2019	$1,058.00	$18.29
5	I5	60% AMI	1	1	718	Affordable	Occupied	06/27/2023	$621.00	$10.38
6	I6	120% AMI	1	1	699	Affordable	Occupied	01/01/2018	$1,058.00	$18.16
7	V1	60% AMI	1	1	761	Affordable	Occupied	03/15/2017	$1,235.00	$19.47
8	V10	30% AMI	1	1	695	Affordable	Occupied	02/01/2003	$556.00	$9.60
9	V2	50% AMI	1	1	695	Affordable	Occupied	03/01/2019	$1,058.00	$18.27
10	V4	60% AMI	1	1	695	Affordable	Occupied	08/28/2020	$1,058.00	$18.27
11	V5	120% AMI	1	1	695	Affordable	Occupied	10/22/2020	$1,235.00	$21.32
12	V6	60% AMI	1	1	695	Affordable	Occupied	08/01/2025	$1,016.00	$17.54
13	V8	120% AMI	1	1	695	Affordable	Occupied	02/16/2000	$807.00	$13.93
14	V9	60% AMI	1	1	763	Affordable	Occupied	07/15/2021	$1,150.00	$18.09
Totals/Avgs			**16**	**14**	**10,165**				**$13,703.00**	**$16.18**
Annual									**$164,436.00**	

We note this represents the existing rental rates at the property, which are well below that of the newly proposed max allowable rents. At the request of the client, we have provided a hypothetical value as if all the units are leased at the max allowable rents.

Comparable Rentals

In order to gauge the reasonableness of the contract rents, we have examined the following rental activity in the submarket:

1 BR 120% AMI Rentals



1 BR 120% AMI Rentals Summary

Comp	Address	Bedrooms	Monthly Rent
1	2 West Cavour Street, Daly City, CA	1	$2,300
2	607 Sylvan Street, Daly City, CA	1	$2,350
3	667 Villa Street, Daly City, CA	1	$2,400
4	340 Railroad Avenue, South San Francisco, CA	1	$1,900
5	681 Linden Street, Daly City, CA	1	$2,300
			Min $1,900
			Avg $2,250
			Max $2,400

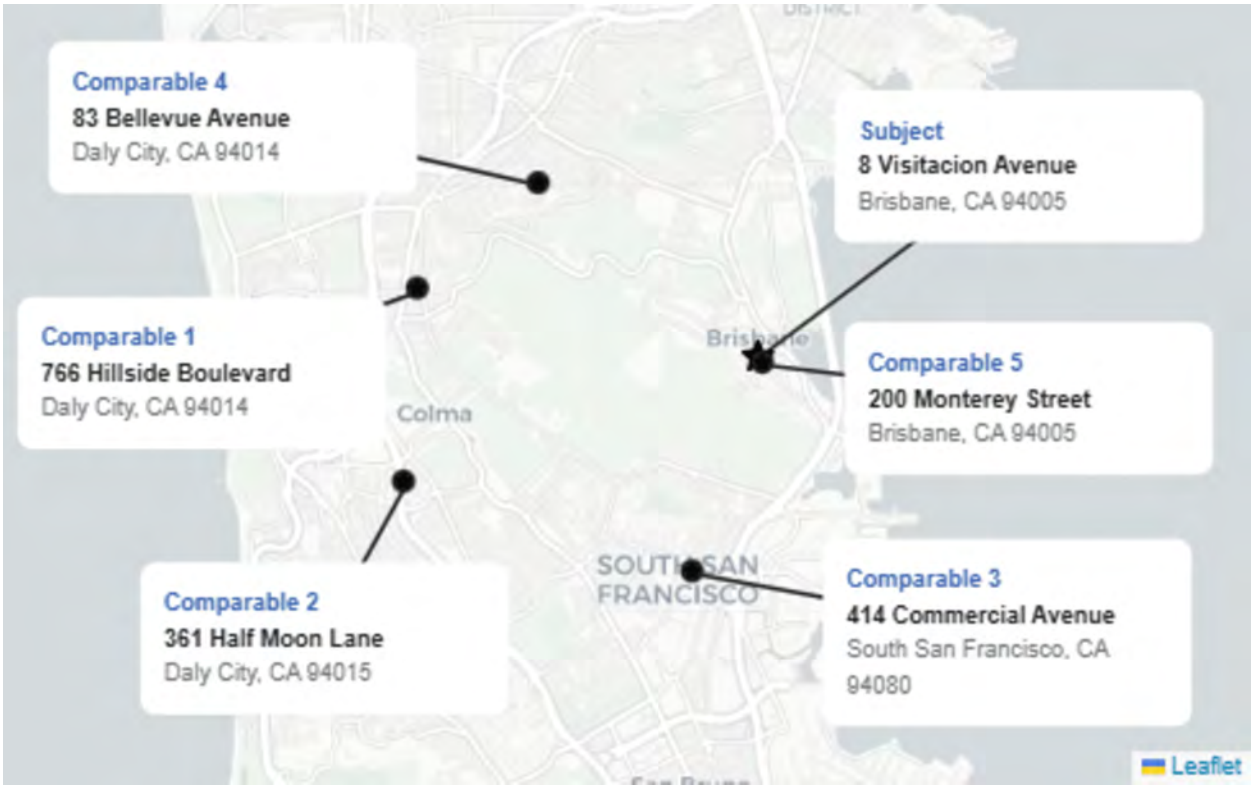
Rent Reconciliation

The subject has no market rate one-bedroom units, as they are all currently affordable. Currently, the in-place rental range is from $807 to $1,235 per month . Comparable one-bedroom units range from $1,900 to $2,400 per monthwith an average of $2,250 per month. Based on the range of the comparables, we forecast a market rent of $2,000 per month. We note the max allowable rents for 120% AMI units is $4,088, which is significantly higher than the market rent for the area. Therefore, we have utilized market rent within our analysis. We conclude towards the bottom end of the range given tenants would need to be incentivized to sign a lease at the property given it is affordable.

The remaining 1 BR units max rents are all below market and we have utilized the provided max allowable rents for these units.

Unit #	Bed	Bath	Deed Restricted AMI Level	Max Allowable Rent
V1	1	1	60%	$ 2,130
V10	1	1	30%	$ 1,010
V2	1	1	50%	$ 1,756
V4	1	1	60%	$ 2,130
V5	1	1	120%	$ 4,088
V6	1	1	60%	$ 2,130
V8	1	1	120%	$ 4,088
V9	1	1	60%	$ 2,130
I1	2	1	60%	$ 2,379
I2	2	1	120%	$ 4,898
I3	1	1	30%	$ 1,010
I4	1	1	30%	$ 1,010
I5	1	1	60%	$ 2,130
I6	1	1	120%	$ 4,088

2 BR 120% AMI Rentals



2 BR 120% AMI Rentals Summary

Comp	Address	Bedrooms	Monthly Rent
1	766 Hillside Boulevard, Daly City, CA	2	$2,895
2	361 Half Moon Lane, Daly City, CA	2	$2,850
3	414 Commercial Avenue, South San Francisco, CA	2	$2,880
4	83 Bellevue Avenue, Daly City, CA	2	$3,200
5	200 Monterey Street, Brisbane, CA	2	$2,900
			Min $2,850
			Avg $2,945
			Max $3,200

Rent Reconciliation

The subject has no market rate two-bedroom units, as they are all currently affordable. Currently, the in-place rental range is from $1,535 to $1,535 per month. Comparable two-bedroom units range from $2,850 to $3,200 per month with an average of $2,945 per month. Based on the range of the comparables, we forecast a market rent of $2,900 per month. We note the max allowable rents for 120% AMI units is $4,898, which is significantly higher than the market rent for the area. Therefore, we have utilized market rent within our analysis. We conclude towards the bottom end of the range given tenants would need to be incentivized to sign a lease at the property given it is affordable.

The remaining 2 BR units max rents are all below market and we have utilized the provided max allowable rents for these units.

Unit #	Bed	Bath	Deed Restricted AMI Level	Max Allowable Rent
V1	1	1	60%	$ 2,130
V10	1	1	30%	$ 1,010
V2	1	1	50%	$ 1,756
V4	1	1	60%	$ 2,130
V5	1	1	120%	$ 4,088
V6	1	1	60%	$ 2,130
V8	1	1	120%	$ 4,088
V9	1	1	60%	$ 2,130
I1	2	1	60%	$ 2,379
I2	2	1	120%	$ 4,898
I3	1	1	30%	$ 1,010
I4	1	1	30%	$ 1,010
I5	1	1	60%	$ 2,130
I6	1	1	120%	$ 4,088

Market Rent Comparison

Bedroom	Market Survey	Market Rent Conclusion
1 BR 120% AMI Minimum	$1,900.00	
1 BR 120% AMI Average	$2,250.00	$2,000.00
1 BR 120% AMI Maximum	$2,400.00	
1 BR 30% AMI Minimum	$1,900.00	
1 BR 30% AMI Average	$2,250.00	$1,010.00
1 BR 30% AMI Maximum	$2,400.00	
1 BR 50% AMI Minimum	$1,900.00	
1 BR 50% AMI Average	$2,250.00	$1,756.00
1 BR 50% AMI Maximum	$2,400.00	
1 BR 60% AMI Minimum	$1,900.00	
1 BR 60% AMI Average	$2,250.00	$2,130.00
1 BR 60% AMI Maximum	$2,400.00	
2 BR 120% AMI Minimum	$2,850.00	
2 BR 120% AMI Average	$2,945.00	$2,900.00
2 BR 120% AMI Maximum	$3,200.00	
2 BR 60% AMI Minimum	$2,850.00	
2 BR 60% AMI Average	$2,945.00	$2,379.00
2 BR 60% AMI Maximum	$3,200.00	

Base Residential Income

8 Visitacion Avenue contains 14 residential units; the residential rent roll is summarized by unit type and rent regulation status.

Rent Roll Summary by Unit Type

Unit Type	No. of Units	Rental Range Per Month	Total Annual Rent	Avg. Rent Per Month
1 BR 120% AMI	3	$2,000 - $2,000	$72,000	$2,000
1 BR 30% AMI	3	$1,010 - $1,010	$36,360	$1,010
1 BR 50% AMI	1	$1,756 - $1,756	$21,072	$1,756
1 BR 60% AMI	5	$2,130 - $2,130	$127,800	$2,130
2 BR 120% AMI	1	$2,900 - $2,900	$34,800	$2,900
2 BR 60% AMI	1	$2,379 - $2,379	$28,548	$2,379
Totals/Average	**14**		**$320,580**	**$1,908**

Rent Roll Summary by Rent Regulation Status

Income Type	No. of Units	Rental Range Per Month	Total Annual Rent	Avg. Rent Per Month
Affordable	14	$1,010 - $2,900	$320,580	$1,908
Totals/Average	**14**		**$320,580**	**$1,908**

The average in place monthly rent is $1,908.

The contract rents are based on the following expense structure:

Landlord's Obligations Common area electricity, refuse removal, water/sewer and common area maintenance.

Tenant Obligations In-unit electricity, cooking gas and heat.

Potential Gross Residential Income

Potential gross residential income is summarized by income type:

Potential Gross Residential Income

Income Type	PGI
Affordable	$320,580
Total	**$320,580**

Miscellaneous Income

Laundry Income

The subject property derives additional income from washers and dryers in the laundry room. The laundry room is currently leased to and operated by Wash with an annual income of $33. This income equates to $2 per unit per annum. Based on comparable assets in the marketplace, this income is reasonable and will be applied in the stabilized pro forma. We note this estimate is very low; however, the income has been consistent over the past 3 years and the pending buyer is projecting the same income. We have placed primary reliance on the buyer projections.

Parking Income

The subject property has 14 parking spaces available. Parking is a free amenity.

Other Income

We note that the community center is providing $3,602 of additional annual income for the subject. The existing lease, which expires in 2028 along with the ground lease includes a utility reimbursement of 20% of the costs of gas & electric and 10% of the costs of water and sewer. HEART has stated the lease terms will remain the same for the new lease for the community center space and has projected this income at $3,602. This forecast has been applied to our analysis.

Residential Vacancy and Collection Loss

The subject is 100% occupied and contains 14 affordable residential units. CoStar reports the submarket rate near 1.64% and metro area rate near 4.39%. We note the submarket vacancy rate has dropped 61 basis points QoQ and 163 basis points YoY. Overall, we have concluded to a vacancy below the middle of the range given the affordable housing aspect of the subject. Based on 8 Visitacion Avenue's current and historical operating results, macro market conditions, and investor expectations, a 2.00% residential vacancy and collection loss has been applied.

Effective Gross Income Summary

Effective Gross Income	
Potential Residential Income	$320,580
Potential Laundry Income	$33
Commercial Unit Utilites	$3,602
Potential Gross Income	**$324,215**
Less Residential V/C Loss @ 2.00%	-$6,412
Less Laundry V/C Loss @ 2.00%	-$1
Less Commercial Unit Utilites V/C Loss @ 2.00%	-$72
Effective Gross Income	**$317,731**

Operating Expense Analysis

We were provided with the following summarized operating expense information for the subject property. In developing our forecast of operating expenses, we considered the provided expense information as well as expense reports of comparable properties. The data, analyzed in terms of residential units and gross building area, is presented below.

Owner's Operating Expense History & Projection

Historical & Projected Expenses

	2023 Actual			2024 Actual		
	Gross	Per SF	Per Unit	Gross	Per SF	Per Unit
Effective Gross Revenue	$173,947	$8.70	$12,425	$189,312	$9.47	$13,522
Operating Expenses						
Real Estate Taxes	$32	$0.00	$2	$37	$0.00	$3
Insurance	$15,802	$0.79	$1,129	$12,689	$0.63	$906
Utilities	$22,757	$1.14	$1,626	$23,549	$1.18	$1,682
Repairs & Maintenance	$40,591	$2.03	$2,899	$54,187	$2.71	$3,871
Payroll & Benefits	-	-	-	-	-	-
General & Administrative	$59,691	$2.98	$4,264	$69,558	$3.48	$4,968
Management Fees	$13,692	$0.68	$978	$14,103	$0.71	$1,007
Replacement Reserves	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Operating Expenses	**$152,565**	**$7.63**	**$10,898**	**$174,123**	**$8.71**	**$12,437**
Total Operating Expenses (Excl. RE Taxes)	**$152,533**	**$7.63**	**$10,895**	**$174,086**	**$8.71**	**$12,435**

	2025 Actual			Owner's Pro Forma		
	Gross	Per SF	Per Unit	Gross	Per SF	Per Unit
Effective Gross Revenue	$182,685	$9.14	$13,049	$198,524	$9.93	$14,180
Operating Expenses						
Real Estate Taxes	-	-	-	-	-	-
Insurance	$14,040	$0.70	$1,003	$13,285	$0.66	$949
Utilities	$24,012	$1.20	$1,715	$24,852	$1.24	$1,775
Repairs & Maintenance	$35,626	$1.78	$2,545	$28,633	$1.43	$2,045
Payroll & Benefits	-	-	-	-	-	-
General & Administrative	$116,603	$5.83	$8,329	$82,626	$4.13	$5,902
Management Fees	$14,592	$0.73	$1,042	$14,868	$0.74	$1,062
Replacement Reserves	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Operating Expenses	**$204,873**	**$10.24**	**$14,634**	**$164,264**	**$8.21**	**$11,733**
Total Operating Expenses (Excl. RE Taxes)	**$204,873**	**$10.24**	**$14,634**	**$164,264**	**$8.21**	**$11,733**

Comparable Operating Expenses

Basis & Totals

	Comp 1	Comp 2	Comp 3	Comp 4	Average
City	San Francisco	San Francisco	South San Francisco	South San Francisco	-
State	CA	CA	CA	CA	-
Expense Period	Annualized Historical	Actual	Actual	Actual	-
Expense Year	2024	2024	2024	2024	-
SF	11,414	8,025	6,016	13,644	9,775
Units	13	8	6	11	10
Insurance	$9,388	$12,425	$5,165	$12,236	$9,804
Utilities	$22,234	$15,211	$9,950	$30,859	$19,563
Repairs & Maintenance	$22,986	$15,740	$5,100	$24,189	$17,004
General & Administrative	$1,300	$10,007	$3,400	$5,099	$4,951
Management Fees	$8,441	$18,199	$3,000	$20,378	$12,504
Replacement Reserves	-	-	-	-	-
Total Operating Expenses	**$64,350**	**$71,582**	**$26,615**	**$92,761**	**$63,827**

Per Unit

	Comp 1	Comp 2	Comp 3	Comp 4	Average
Insurance	$722	$1,553	$861	$1,112	$1,062
Utilities	$1,710	$1,901	$1,658	$2,805	$2,019
Repairs & Maintenance	$1,768	$1,968	$850	$2,199	$1,696
General & Administrative	$100	$1,251	$567	$464	$595
Management Fees	$649	$2,275	$500	$1,853	$1,319
Replacement Reserves	-	-	-	-	-
Total Operating Expenses	**$4,950**	**$8,948**	**$4,436**	**$8,433**	**$6,692**

Estimated Operating Expenses

Our stabilized annual expense forecast is presented:

Real Estate Taxes

As presented earlier, we forecasted the tax payment at $21 annually or $0.00 per square foot.

Insurance

Per Unit Summary	Value	Low	Average	High
2023 Actual	$1,129			
2024 Actual	$906			
2025 Actual	$1,003			
Owner's Projection	$949			
Comparable		$722	$1,062	$1,553
Appraiser's Forecast	**$950**			

Insurance costs vary by the type of coverage. Costs are generally lower (on a per unit basis) for larger buildings and for multi-building policies. Based on the information above, we have projected this expense at $950 per unit, or $13,300 annually.

Utilities

Per Unit Summary	Value	Low	Average	High
2023 Actual	$1,626			
2024 Actual	$1,682			
2025 Actual	$1,715			
Owner's Projection	$1,775			
Comparable		$1,658	$2,019	$2,805
Appraiser's Forecast	**$1,775**			

Based on the information above, we have projected this expense at $1,775 per unit, or $24,850 annually.

Repairs & Maintenance

Per Unit Summary	Value	Low	Average	High
2023 Actual	$2,899			
2024 Actual	$3,871			
2025 Actual	$2,545			
Owner's Projection	$2,045			
Comparable		$850	$1,696	$2,199
Appraiser's Forecast	**$1,500**			

This expense varies depending on building age, management philosophy, services provided, and accounting methodology. Some management companies expense items that are normally included as capital costs. In addition, repair and maintenance costs may change from year to year; in some cases, repairs that require attention may be postponed due to cash flow considerations. Based on the information above, we have projected this expense at $1,500 per unit, or $21,000 annually. We note the projections include a higher than typical landscaping expense and we have concluded more in line with the expense comparabls.

General & Administrative

Per Unit Summary	Value	Low	Average	High
2023 Actual	$4,264			
2024 Actual	$4,968			
2025 Actual	$8,329			
Owner's Projection	$659			
Comparable		$100	$595	$1,251
Appraiser's Forecast	**$650**			

This expense allows for any expenditure not included in the above categories including general administrative costs, accounting/legal, permits and dues, miscellaneous charges, office expense, etc. Based on the information above, we have projected this expense at $650 per unit, or $9,100 annually.

Management Fees

Per Unit Summary	Value	Low	Average	High
2023 Actual	$978			
2024 Actual	$1,007			
2025 Actual	$1,042			
Owner's Projection	$1,062			
Comparable		$500	$1,319	$2,275
Appraiser's Forecast	**$1,135**			

Typically, management fees for similar properties range from 2% to 6% of effective gross income. We have projected this expense at 5% of effective gross income, which equates to $1,135 per unit, or $15,887 annually.

Replacement Reserves

Per Unit Summary	Value	Low	Average	High
Comparable		-	-	-
Appraiser's Forecast	**$250**			

This expense provides for the periodic replacement of building components that wear out more rapidly than the building itself and that must be replaced periodically during the building's economic life. We note the owner did not indicate this expense. We have projected this expense at $250 per unit, or $3,500 annually.

Ground Lease

Annual Summary	Value	Low	Average	High
Comparable		-	-	-
Appraiser's Forecast	**$1**			

The property is encumbered by a ground lease with the City of Brisbane. The existing ground lease runs through 2028; however, HEART will have a new ground lease in place at the expiration for $1 per year. At the request of the client we have utilized the new ground lease within this analysis. It is worth noting the existing ground lease payment is based upon surplus cash. According to our knowledge, there has never been a payment on the ground lease as there has never been surplus cash at the property. We have projected this expense at $1 annually.

Total Operating Expenses

	Per Unit			
Per Unit Summary	**Value**	**Low**	**Average**	**High**
2023 Actual	$10,895			
2024 Actual	$12,435			
2025 Actual	$14,634			
Owner's Projection	$6,490			
Comparable		$4,436	$6,692	$8,948
Appraiser's Forecast	**$6,260**			

Operating expenses, exclusive of real estate taxes, were forecasted at $6,260 per unit. Excluding real estate taxes, the comparables ranged from $4,436 to $8,948 per unit. Our forecast is above the comparables given the higher General & Administrative expense due to the fact the property is an affordable project. Generally speaking, affordable projects have significant G&A expenses due to the large amount of work necessary to audit tenants to ensure they are within the max allowable rents and complying to the regulatory agreement in place.

Stabilized Income & Expenses

	Pro Forma		
Pro Forma	**$**	**PSF**	**Per Unit**
Income			
Potential Residential Income	$320,580	$16.03	$22,899
Laundry Income	$33	$0.00	$2
Commercial Unit Utilites	$3,602	$0.18	$257
Potential Gross Income	**$324,215**	**$16.21**	**$23,158**
Less Residential V/C Loss @ 2.00%	-$6,412	-$0.32	-$458
Less Laundry V/C Loss @ 2.00%	-$1	-$0.00	-$0
Less Commercial Unit Utilites V/C Loss @ 2.00%	-$72	$0.00	-$5
Effective Gross Income	**$317,731**	**$15.89**	**$22,695**
Operating Expenses			
Real Estate Taxes	$21	$0.00	$1
Insurance	$13,300	$0.67	$950
Utilities	$24,850	$1.24	$1,775
Repairs & Maintenance	$21,000	$1.05	$1,500
General & Administrative	$9,100	$0.46	$650
Management Fees	$15,887	$0.79	$1,135
Replacement Reserves	$3,500	$0.18	$250
Ground Lease	$1	$0.00	$0
Total Operating Expenses	**$87,659**	**$4.38**	**$6,261**
Total Expenses Excluding RE Taxes	$87,638	$4.38	$6,260
Net Operating Income	**$230,072**	**$11.50**	**$16,434**
Operating Expense Ratio	28%		

Income Capitalization

In developing an opinion of the overall capitalization rate required by an investor, we will apply several methods of analyses: (1) Comparable Capitalization Rates; (2) National Survey Responses; and (3) Personal Surveys.

Comparable Capitalization Rates

Comparable Cap Rates Table

#	Address	Property Type	No. of Units	Year Built	Sale Date	Capitalization Rate
1	578-586 Guerrero Street, San Francisco, CA	Multifamily	6	1913	10/21/25	7.03%
2	132 Southwood Drive, San Francisco, CA	Multifamily	7	1958	9/5/25	7.36%
3	1116 Douglas Ave., Burlingame, CA	Multifamily	10	1936	7/28/25	3.82%
4	1102 Mason St., San Francisco, CA	Multifamily	5	1909	6/12/25	5.30%
5	116 San Luis Avenue, San Bruno, CA	Multifamily	7	1964	2/14/25	6.35%
6	198 West Moltke Street, Daly City, CA	Multifamily	6	1931	9/12/24	4.70%
					Avg	**5.76%**

We analyzed sales of comparable assets within the subject's periphery and they exhibit overall capitalization rates from 3.82% to 7.36% with an average of 5.76%. We note we could not locate any comparable affordable multifamily properties and have instead utilized traditional market rate properties. Given we have assumed the subject is leased at the maximum allowable rents and there is limited upside associated with the rental rates, we have concluded towards the upper end of the range indicated by the comparables.

National Survey Responses

The PwC Real Estate and Real Estate Research Corporation's investment surveys summarize the expectations of institutional investors. As indicated, the going-in capitalization rates range from 4% to 6.5%, with an average between 5.1% and 5.23%.

Summary

Survey	Low	Avg	High
Personal Survey	6.00%	-	6.50%
PWC 4Q 2025	4.00%	5.23%	6.50%
RERC - Situs 3Q 2025	4.30%	5.10%	5.50%
Comparable Cap Rates	3.82%	4.99%	6.35%

We note the survey responses are indicative of typical market properties and we would expect the subject to achieve an OAR at the upper end of the range.

Capitalization Rate Conclusion

An overall rate of 7.00% is applied in the analysis and in line with investor expectations. The value is calculated below:

Value Opinion Via the Income Capitalization Approach

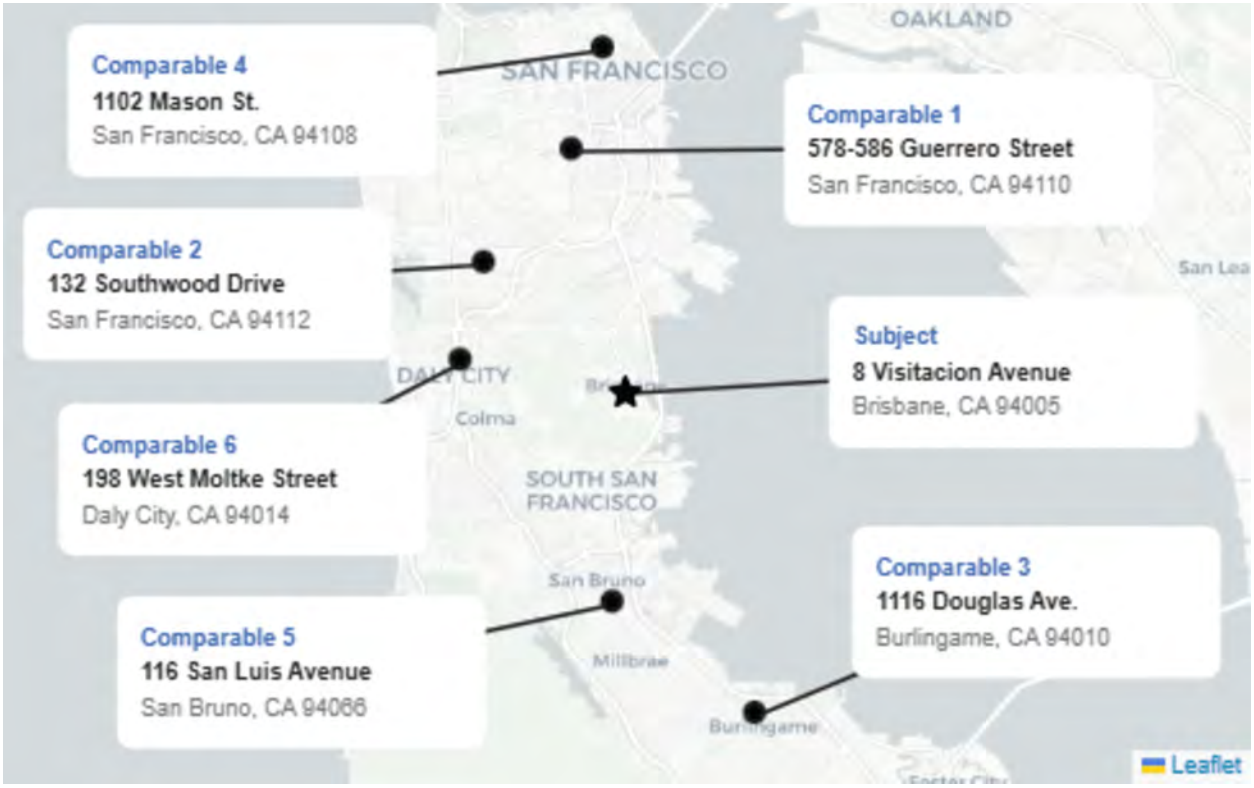
	Date of Value	Value	Final Value (RD)
NOI		$230,072	-
Cap Rate		7.00%	-
As Is Market Value Via the Income Capitalization Approach	**January 20, 2026**	**$3,286,743**	**$3,290,000**

In consideration of the above analysis, the As Is Market Value of $3,290,000 reflects a unit value of $235,000 per unit. The final value is rounded to the nearest $10,000.

Sales Comparison Approach

In the Sales Comparison Approach, an opinion of market value is provided by comparing the subject property to transactions of competitive assets. A major premise is the principle of substitution which holds market value is directly related to the prices of comparable properties as a knowledgeable investor will pay no more for a substitute property.

In order to analyze comparable sales, it is necessary to convert the sale prices to an appropriate unit of comparison, a process which facilitates price comparisons between properties of different sizes, and it also enables adjustment for qualitative differences. Since investors typically purchase similar buildings in the subject's area in terms of value per residential unit, we have applied this unit of comparison.



Comparable Sales Summary[10]

	Address	Sale Date	Residential Unit	Sale Price	Sale Price Per Residential Unit	NOI Per Residential Unit	Cap Rate
1	578-586 Guerrero Street, San Francisco, CA	10/21/2025	6	$1,390,000	$231,667	$16,286	7.03%
2	132 Southwood Drive, San Francisco, CA	09/05/2025	7	$2,000,000	$285,714	$21,029	7.36%
3	1116 Douglas Ave., Burlingame, CA	07/28/2025	10	$2,900,000	$290,000	$11,078	3.82%
4	1102 Mason St., San Francisco, CA	06/12/2025	5	$1,144,000	$228,800	$12,126	5.30%
5	116 San Luis Avenue, San Bruno, CA	02/14/2025	7	$1,450,000	$207,143	$13,154	6.35%
6	198 West Moltke Street, Daly City, CA	09/12/2024	6	$2,000,000	$333,333	$15,667	4.70%

[10] *The outlines of each of the comparable sales can be found in the Addenda.*

We note that despite an extensive search, we were unable to find any comparable affordable projects similar to the subject. We have utilized typical market rate properties and made an adjustment to account for the fact the property is affordable. Further, we were unable to find any leasehold sales similar to the subject. Given the fact the proposed ground lease is only $1 per year, there is no meaningful impact on the value of the subject as a result of the ground lease.

Comparable Sales Adjustment Grid

Comparable #	Subject	1	2	3	4	5	6
Address	8 Visitacion Avenue, Brisbane, CA	578-586 Guerrero Street	132 Southwood Drive	1116 Douglas Ave.	1102 Mason St.	116 San Luis Avenue	198 West Moltke Street
Sale Date		10/21/2025	9/5/2025	7/28/2025	6/12/2025	2/14/2025	9/12/2024
Sale Price		$1,390,000	$2,000,000	$2,900,000	$1,144,000	$1,450,000	$2,000,000
Cap Rate		7.03%	7.36%	3.82%	5.3%	6.35%	4.7%
Property Rights	Leasehold Interest	Leased Fee Interest	Leased Fee Interest	Leased Fee Interest	Leased Fee Interest	Leased Fee Interest	Leased Fee Interest
City	Brisbane	San Francisco	San Francisco	Burlingame	San Francisco	San Bruno	Daly City
# of Residential Units	14	6	7	10	5	7	6
Average Unit Size	726	606	777	525	1,069	914	750
GBA	19,998	3,635	5,440	5,253	5,344	6,660	5,979
Condition	Average	Average	Average	Average	Average	Average	Average
Year Built	2000	1913	1958	1936	1909	1964	1931
Parking Ratio	1.00 per unit			1.00 per unit			
Price Per Residential Unit:		**$231,667**	**$285,714**	**$290,000**	**$228,800**	**$207,143**	**$333,333**
Property Rights		0%	0%	0%	0%	0%	0%
Financing Terms	None	0%	0%	0%	0%	0%	0%
Conditions of Sale	None	0%	0%	0%	0%	0%	0%
Market Conditions (Time):	January 20, 2026	0%	0%	0%	0%	0%	0%
Cumulative Price Per Residential Unit:		**$231,667**	**$285,714**	**$290,000**	**$228,800**	**$207,143**	**$333,333**
Location	Central Brisbane	0%	0%	-5%	0%	15%	0%
Utility		0%	0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%	0%
Rent Stabilization Level		0%	0%	0%	0%	0%	0%
Condition		-5%	0%	-5%	5%	0%	-5%
Average Unit Size		7%	0%	5%	-5%	-5%	0%
Affordable		-15%	-15%	-15%	-15%	-15%	-15%
Net Adjustments		**-13%**	**-15%**	**-20%**	**-15%**	**-5%**	**-20%**
Adjusted Price Per Residential Unit		**$201,550**	**$242,857**	**$232,000**	**$194,480**	**$196,786**	**$266,667**

Unadjusted		Adjusted	
Low	$207,143	Low	$194,480
Average	$262,776	Average	$222,390
High	$333,333	High	$266,667
Median	$258,690	Median	$216,775

Property Rights Appraised	The purpose of this adjustment is to account for differences in the property rights transferred with the sale. We are valuing the leasehold interest in the subject property, as reflected by all of the comparables. Thus, no adjustments were required.
Financing Terms	The purpose of adjusting for financing terms is to determine cash equivalent sale prices for the comparables in accordance with the definition of market value for this report. To the best of our knowledge, all of the comparables used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.
Conditions of Sale	Condition of sale refers to the motivations of the buyer and seller involved in a particular transaction. However, all comparables used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.
Market Conditions (Time)	The purpose of this adjustment is to account for changes in market conditions. All comparables used in this analysis sold under similar market condition; therefore, no adjustments were required.
Location	The subject property is located in Brisbane. Comparable 5 is located in an area with typically lower rental rates, and thus required a 15% upward adjustment. Comparable 3 is located in an area with typically higher rental rates, and thus required a 5% downward adjustment.
Utility	All comparables used in this analysis have similar utility; therefore, no adjustments were required.
Size	This adjustment accounts for the difference in size between each of the comparables and the subject property. We note that there is an inverse relationship between size and value per residential unit such that smaller properties will sell for higher prices per residential unit and vice versa. The subject and all of the comparables are within a reasonable size range, thus no adjustments were necessary.
Rent Stabilization Level	The subject is not rent stabilized. No adjustments were necessary as the comparables have similar rent stabilization levels.
Condition	The subject property was constructed in 2000 and is in average condition. Comparables 1, 3 and 6 are in a superior condition, and thus required downward adjustments. Comparable 4 is in an inferior condition, and thus required an upward adjustment.
Average Unit Size	The comparable properties are analyzed on price per unit basis; however, the average unit size can vary among the comparable properties. Typically there is a direct correlation between the average size of a unit and the price per unit. Comparables 4 and 5 have a larger average unit size as compared to the subject, and thus required downward adjustments. Comparables 1 and 3 have a smaller average unit size as compared to the subject, and thus required upward adjustments.
Affordable	Comparables 1, 2, 3, 4, 5 and 6 required downward adjustments as they are not affordable projects.

After adjustments, the comparable sales exhibited a range between $194,480 per residential unit and $266,667 per residential unit with an average of $222,390 per residential unit and a median of $216,775 per residential unit. Thus, considering the elements of comparison noted above, our opinion of market value is $225,000 per residential unit.

Value Opinion via the Sales Comparison Approach

	Date of Value	Value	Final Value (RD)
Concluded Value Per Residential Unit		$225,000	-
Residential Units		14	-
As Is Market Value Via the Sales Comparison Approach	**January 20, 2026**	**$3,150,000**	**$3,150,000**

The final value is rounded to the nearest $10,000.

Reconciliation & Final Value

The estimated values arrived at by the approaches to value used in this report are as follows:

Estimated Values

Approach	Value	Date	Conclusion
Cost Approach	As Is Market Value	N/A	Not Applied
Income Capitalization Approach	As Is Market Value	January 20, 2026	$3,290,000
Sales Comparison Approach	As Is Market Value	January 20, 2026	$3,150,000

The Cost Approach is traditionally a good indicator of value when properties being appraised are new or close to new. The difficulty in credibly isolating the influence of physical depreciation and obsolescence affects the reliability of the Cost Approach. Investors typically give nominal weight to this analysis once a property is operating on a stabilized basis as its cost bears little relationship to the value; therefore, we exclude this approach from our analysis.

The Income Capitalization Approach is a strong indicator of value when market rents, vacancy rates, stabilized expenses, and/or capitalization/discount rates are based on reliable market data. In this case, given the depth of the market, there are numerous transactions from which to glean points of analysis, lending credibility to the results of the approach. Similar assets are generally acquired for their capacity to generate a return on and of capital, which is why this is the methodology primarily applied by investors. Balancing the previously noted factors, and available points of analysis, most weight is placed on the opinion developed by the Income Capitalization Approach.

The Sales Comparison Approach is reliable when few differences exist between the comparable sales and the subject, and the sales data collected is credible and accurate. Similar property types in competitive locations tend to sell within a consistent range, and this factor makes valuation on a per square foot and per unit basis a strong predictor of value. The Sales Comparison Approach is largely used as a secondary support for our opinion developed in the application of other approaches.

Final Value Conclusion

Value Premise	Date of Value	Interest Appraised	Value Conclusion
As Is Market Value	January 20, 2026	Leasehold Interest	$3,290,000

The value conclusions are subject to the following **Extraordinary Assumptions**[11]. We note the use of this/these extraordinary assumption(s) may have affected the assignment results. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions:

- None.

The value conclusions are based on the following **Hypothetical Conditions**[12]. We note the use of this/these hypothetical conditions(s) may have affected the assignment results:

- We note the property is currently encumbered by a ground lease that expires in 2028. HEART intends to renew this ground lease at a rate of $1 per year upon expiration. We have valued the property as if it is already encumbered by the new ground lease.
- We note there is a community center lease that is coterminous with the ground lease that expires in 2028. HEART intends to renew this sublease for $1 per year with expense reimbursements for their share of utilities. We have valued the property as if the new lease is in place.
- HEART intends to apply for a new regulatory agreement with new maximum allowable rents. At the request of the client, we have valued the property as if the tenants are leasing the units at the proposed maximum allowable rents.

[11] *The definition of Extraordinary Assumptions can be found in the Glossary of Terms, which is located in the Addenda.*

[12] *The definition of Hypothetical Conditions can be found in the Glossary of Terms, which is located in the Addenda.*

Certification

We certify to the best of our knowledge:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standard of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice, and applicable state appraisal regulations.
- Sam Cimino has made a personal inspection of the property that is the subject of this report on 01/20/2026. Bryson Young, MAI has not made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Bryson Young, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.





Bryson Young, MAI
Senior Managing Director
Certified General Real Estate Appraiser
CA License No. AG044713
bryson.young@boweryvaluation.com
(650) 334-5404

Sam Cimino
Vice President
Certified General Real Estate Appraiser
CA License No. AG3007042
sam.cimino@boweryvaluation.com
(408) 592-0697

Serving Northern California
2339 Jones Street, Suite #2
San Francisco, CA 94133

Tel: (415) 694-8931/(877) 618-1955
Fax: (415) 762-3662
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"Full" Capital Reserve Plan



Visitacion Gardens Apartments
Brisbane , CA

Report #: 58592-0
For Period Beginning: January 1, 2027
Expires: December 31, 2027

Date Prepared: January 27, 2026

CHARLES MARTIN
CAI-RS
00476
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Capital Reserve Plan!

This Report is a valuable budget planning tool, for with it you control the future of your property. It contains all the fundamental information needed to understand your current and future obligations, some of the most significant expenses that ownership will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.reservestudy.com or call us at:

415-694-8931

ASSOCIATION RESERVES®

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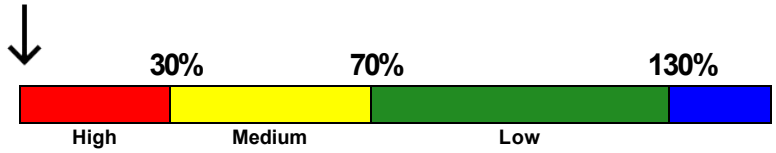
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3- Minute Executive Summary

Property:	**Visitacion Gardens Apartments**	**Property #: 58592-0**
Location:	**Brisbane , CA**	**# of Units: 1**
Report Period:	**January 1, 2027 through December 31, 2027**	

Projected Starting Reserve Balance	$0
Current Fully Funded Reserve Balance	$542,383
Average Reserve Deficit (Surplus) Per Unit	$542,383
Percent Funded	0.0 %
Recommended 2027 "Monthly Fully Funding Contributions"	$6,700
Recommended 2027 Special Assessments for Reserves	$100,000
2026 Monthly Contribution Rate	$0

Reserves % Funded: 0.0%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	2.00 %
Annual Inflation Rate	4.00 %

• This is a "Full" Capital Reserve Plan Reserve Study.

• The information in this Reserve Study is based on our site inspection on 1/12/2026.

• This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

• Because your Reserve Fund is at 0.0 % Funded, this means the association's special assessment & deferred maintenance risk is currently High.

• Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Full Funded".

• Based on this starting point, your anticipated future expenses, and your historical Reserve allocation rate, we recommend setting your Reserve allocations to $6,700 Monthly.

• The Deterioration rate for your Reserve Components is $4,812.50 Monthly.

• No assets appropriate for Reserve designation were excluded.

• We recommend that this Reserve Study be updated annually, with an on-site inspection update every three years.

Executive Summary 58592-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Building Exteriors			
104	Balcony Surfaces - Resurface	40	13	$1,280
117	Walkway Decks - Resurface	40	13	$10,800
117	Walkway Decks - Seal/Repair	5	3	$1,800
118	Balcony Railing - Replace	40	13	$9,600
324	Exterior Lights - Replace	20	15	$8,400
508	Exterior Railing - Repair/Replace	40	13	$12,000
703	Utility Doors - Replace	35	8	$3,000
1115	Building Exterior - Repaint	10	5	$79,500
1117	Exterior Surfaces - Repair	10	5	$19,875
1137	Windows - Replace	40	13	$189,000
1303	Comp Shingle Roofs - Replace	30	3	$112,500
1308	Flat Roof - Replace	20	3	$40,000
1309	Metal Roof - Replace	40	13	$12,500
1312	Gutters/Downspouts - Partial Replace	5	0	$17,000
	Building Interiors, Common			
325	Interior Lights - Replace	25	5	$3,000
909	Bathroom - Refurbish	20	5	$5,000
911	Kitchen Appliances - Replace	10	5	$2,400
912	Kitchen - Remodel	20	5	$10,500
918	Office - Remodel	20	5	$3,500
1110	Community Room - Repaint	10	5	$9,600
	Building Interiors, Units			
915	Unit - Remodel	1	0	$18,500
	Common Area			
202	Asphalt - Repave	30	25	$20,500
203	Asphalt - Seal/Repair/Stripe	5	4	$2,563
320	Pole Lights - Replace	30	15	$12,000
322	Bollard Lights - Replace	20	5	$7,200
403	Mailboxes - Replace	25	1	$4,200
404	Outdoor Furniture - Replace	10	5	$2,000
503	Metal Fence/Gate - Replace	40	13	$9,500
505	Wood Fence - Repair/Replace	25	1	$18,500
509	Decorative Arbor - Replace	25	3	$3,000
514	Wood Retaining Wall - Replace/Repair	35	8	$16,500
750	Pedestrian Gates - Replace	40	13	$16,500
	Mechanical & Systems			
704	Intercom - Replace	12	5	$19,500
803	Water Heaters - Replace	12	6	$27,000
1001	Fire Backflow Preventer - Replace	30	3	$15,000
1811	Plumbing - Inspect/Repair	5	0	$7,000
1819	Fire Alarm System - Replace	20	0	$12,000
1844	Electrical System - Inspect/Repair	15	0	$7,000
38	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Introduction

A Capital Reserve Plan is the art and science of anticipating, and preparing for, a property's major predictable repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Capital Reserve Plan is your Component List (what you are reserving for). This is because the Component List defines the *scope and schedule* of all your anticipated upcoming major, predictable capital projects. Based on that List and your starting balance, we calculate the property Capital Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Funding Plan to provide for the needs of the property. These form the three results of your Capital Reserve Plan.



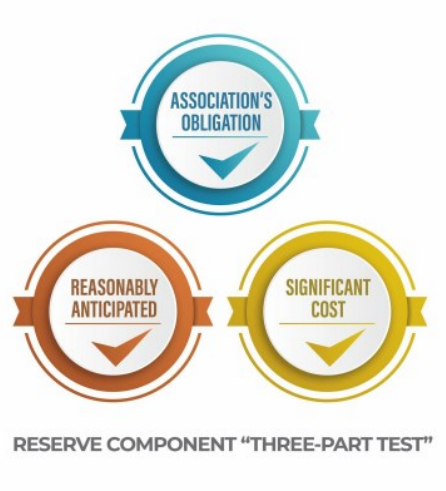
Capital Reserve transfers are not “for the future”. Capital Reserve transfers are designed to offset the ongoing, daily deterioration of your Capital Reserve assets. Done well, a stable, budgeted Capital Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the property is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this Capital Reserve Plan, we started with a review of ownership boundaries, as detailed by property, recent Capital expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Capital), and research into any well-established historical precedents. We performed an on-site inspection to quantify and evaluate your major predictable, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?



There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves Database and Experience
3) Property History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order…

1) Actual property cost history, or current proposals
2) Comparison to Association Reserves Database of Work Completed at Similar Properties
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Capital Reserve Fund adequacy is not measured in cash terms. Capital Reserve Fund adequacy is found when the *amount* of current Capital cash is compared to Capital Reserve asset component deterioration (the *needs of the property*). Having *enough* means the property can execute its projects in a timely manner with existing Capital Reserve funds. Not having *enough* typically creates deferred maintenance or special funding needs.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the property (called Fully Funded Balance, or FFB).
2) Compare that to the Capital Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the property changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special funding needs and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all properties are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special funding needs).

Measuring your Capital Reserve Funds by Percent Funded tells how well prepared your property is for upcoming Reserve expenses. Those charged with maintaining the physical property should be very aware of this important figure!

How much should we transfer to Reserves?



According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers that are evenly distributed over current and future owners enable each owner to pay their fair share of the property's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Board members to recommend to their property. Remember, it is the Board's job to provide for the ongoing care of the real property that supports your entity mission.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that properties in the 70 - 130% range *enjoy a low risk of special funding needs or deferred maintenance.*

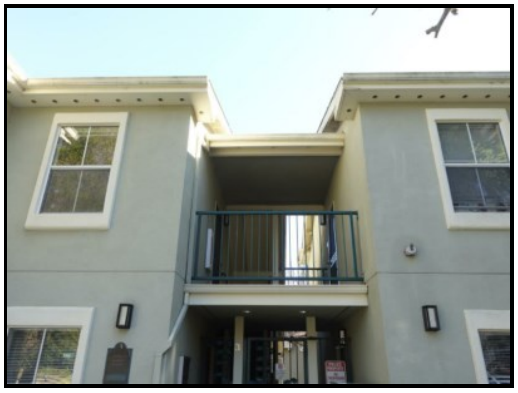


Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special funding needs & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 1/12/2026, we visually inspected the property and were able to see most areas. Please see the Photographic Inventory Appendix at the end of this report for a detailed look at each component.









Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your property as defined by your Reserve Component List. A summary of these components is shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

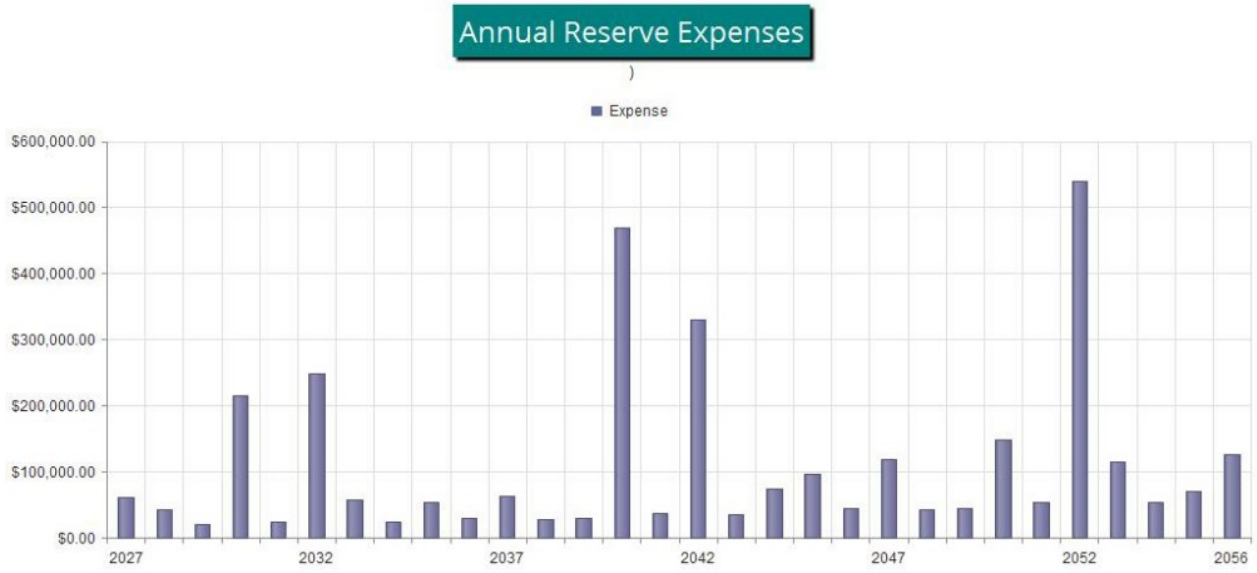


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $0 as-of the start of your fiscal year. This is based on your actual balance on 12/31/2025 of $0 and anticipated Reserve transfers and expenses projected through the end of your Fiscal Year. As of 1/1/2027, your Fully Funded Balance is computed to be $542,383. (see Acct/Tax Summary table). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates you are 0.0 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted transfers of $6,700/Monthly this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

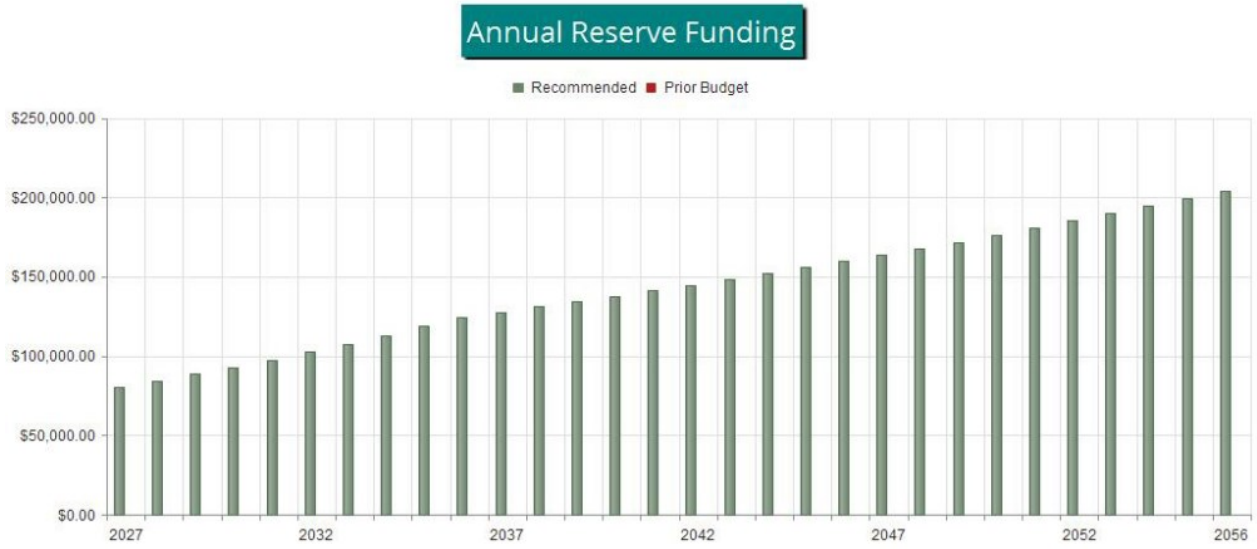


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted transfer rate, compared to your always-changing Fully Funded Balance target.

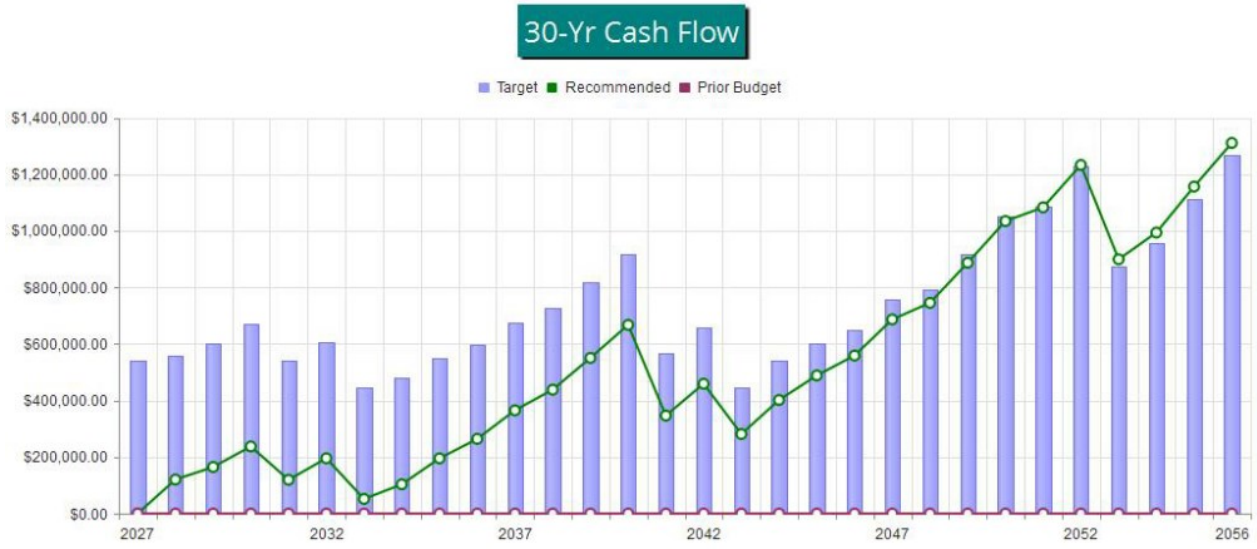


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

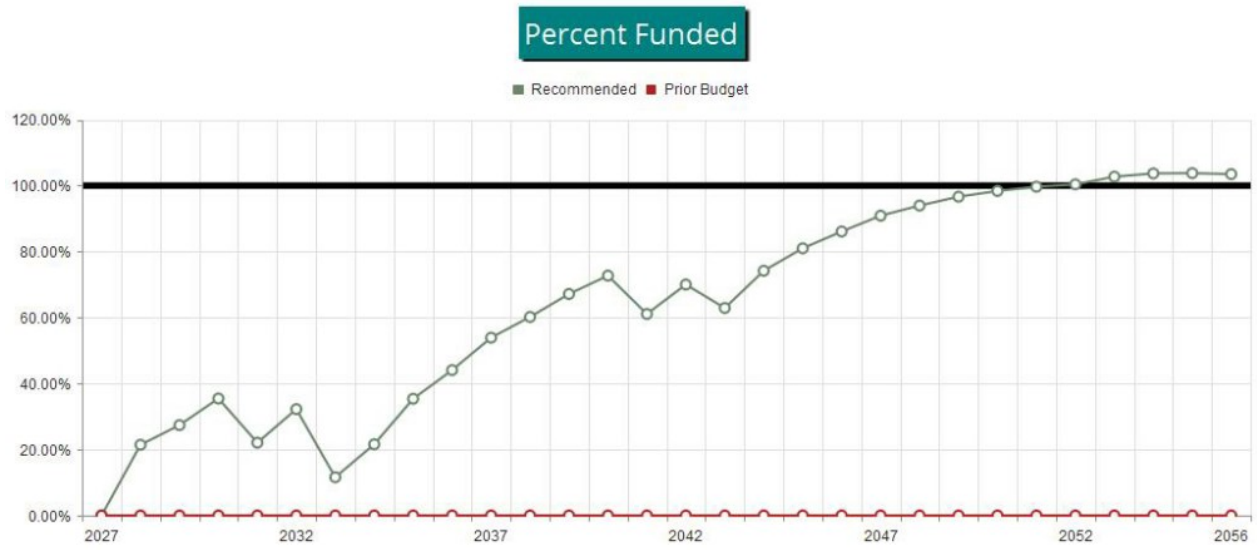


Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting & Tax Summary provides information on each Component's proportion of key totals. If shown, the Current Fund Balance is a re-distribution of the current Reserve total to near-term (low RUL) projects first. Any Reserve transfer shown is a portion of the total current transfer rate, assigned proportionally on the basis of that component's deterioration cost/yr. As this is a Cash Flow analysis in which no funds are assigned or restricted to particular components, all values shown are only representative and have no merit outside of tax preparation purposes. They are not useful for Reserve funding calculations.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

Budget Summary

58592-0
Full

	Useful Life		2027 Rem. Useful Life		Estimated Replacement Cost in 2027	2027 Expenditures	01/01/2027 Current Fund Balance	01/01/2027 Fully Funded Balance	Remaining Bal. to be Funded	2027 Funding
	Min	Max	Min	Max						
Building Exteriors	5	40	0	15	$517,255	$17,000	$0	$365,818	$517,255	$35,965
Building Interiors, Common	10	25	5	5	$34,000	$0	$0	$22,650	$34,000	$3,160
Building Interiors, Units	1	1	0	0	$18,500	$18,500	$0	$18,500	$18,500	$25,756
Common Area	5	40	1	25	$112,463	$0	$0	$71,040	$112,463	$5,994
Mechanical & Systems	5	30	0	6	$87,500	$26,000	$0	$64,375	$87,500	$9,525
					$769,718	$ 61,500	$ 0	$ 542,383	$ 769,718	$ 80,400
	Percent Funded:								0.0%	

Reserve Component List Detail

Report # 58592-0
Full Capital Reserve Plan

#	Component	Approx	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
	Building Exteriors					
104	Balcony Surfaces - Resurface	32	GSF	40	13	$1,280
117	Walkway Decks - Resurface	360	GSF	40	13	$10,800
117	Walkway Decks - Seal/Repair	360	GSF	5	3	$1,800
118	Balcony Railing - Replace	80	LF	40	13	$9,600
324	Exterior Lights - Replace	28	Fixtures	20	15	$8,400
508	Exterior Railing - Repair/Replace	80	LF	40	13	$12,000
703	Utility Doors - Replace	2	Doors	35	8	$3,000
1115	Building Exterior - Repaint	15,900	GSF	10	5	$79,500
1117	Exterior Surfaces - Repair	15,900	GSF	10	5	$19,875
1137	Windows - Replace	126	Windows	40	13	$189,000
1303	Comp Shingle Roofs - Replace	7,500	GSF	30	3	$112,500
1308	Flat Roof - Replace	2,000	GSF	20	3	$40,000
1309	Metal Roof - Replace	500	GSF	40	13	$12,500
1312	Gutters/Downspouts - Partial Replace	850	LF x20%	5	0	$17,000
	Building Interiors, Common					
325	Interior Lights - Replace	10	Fixtures	25	5	$3,000
909	Bathroom - Refurbish	1	Bathroom	20	5	$5,000
911	Kitchen Appliances - Replace	2	Appliances	10	5	$2,400
912	Kitchen - Remodel	1	Kitchen	20	5	$10,500
918	Office - Remodel	1	Office	20	5	$3,500
1110	Community Room - Repaint	3,200	GSF	10	5	$9,600
	Building Interiors, Units					
915	Unit - Remodel	1	Unit	1	0	$18,500
	Common Area					
202	Asphalt - Repave	2,050	GSF	30	25	$20,500
203	Asphalt - Seal/Repair/Stripe	2,050	GSF	5	4	$2,563
320	Pole Lights - Replace	4	Pole Lights	30	15	$12,000
322	Bollard Lights - Replace	6	Bollards	20	5	$7,200
403	Mailboxes - Replace	14	Boxes	25	1	$4,200
404	Outdoor Furniture - Replace	4	Pieces	10	5	$2,000
503	Metal Fence/Gate - Replace	95	LF	40	13	$9,500
505	Wood Fence - Repair/Replace	185	LF	25	1	$18,500
509	Decorative Arbor - Replace	1	Structure	25	3	$3,000
514	Wood Retaining Wall - Replace/Repair	110	LF	35	8	$16,500
750	Pedestrian Gates - Replace	3	Gates	40	13	$16,500
	Mechanical & Systems					
704	Intercom - Replace	3	Intercom	12	5	$19,500
803	Water Heaters - Replace	3	Water Heaters	12	6	$27,000
1001	Fire Backflow Preventer - Replace	1	Device	30	3	$15,000
1811	Plumbing - Inspect/Repair	1	Allowance	5	0	$7,000
1819	Fire Alarm System - Replace	1	System	20	0	$12,000
1844	Electrical System - Inspect/Repair	1	Allowance	15	0	$7,000

38 Total Funded Components

Fully Funded Balance — 58592-0 Full

#	Component	Current Cost Estimate		Effective Age		Useful Life		Fully Funded Balance
	Building Exteriors							
104	Balcony Surfaces - Resurface	$1,280	X	27	/	40	=	$864
117	Walkway Decks - Resurface	$10,800	X	27	/	40	=	$7,290
117	Walkway Decks - Seal/Repair	$1,800	X	2	/	5	=	$720
118	Balcony Railing - Replace	$9,600	X	27	/	40	=	$6,480
324	Exterior Lights - Replace	$8,400	X	5	/	20	=	$2,100
508	Exterior Railing - Repair/Replace	$12,000	X	27	/	40	=	$8,100
703	Utility Doors - Replace	$3,000	X	27	/	35	=	$2,314
1115	Building Exterior - Repaint	$79,500	X	5	/	10	=	$39,750
1117	Exterior Surfaces - Repair	$19,875	X	5	/	10	=	$9,938
1137	Windows - Replace	$189,000	X	27	/	40	=	$127,575
1303	Comp Shingle Roofs - Replace	$112,500	X	27	/	30	=	$101,250
1308	Flat Roof - Replace	$40,000	X	17	/	20	=	$34,000
1309	Metal Roof - Replace	$12,500	X	27	/	40	=	$8,438
1312	Gutters/Downspouts - Partial Replace	$17,000	X	5	/	5	=	$17,000
	Building Interiors, Common							
325	Interior Lights - Replace	$3,000	X	20	/	25	=	$2,400
909	Bathroom - Refurbish	$5,000	X	15	/	20	=	$3,750
911	Kitchen Appliances - Replace	$2,400	X	5	/	10	=	$1,200
912	Kitchen - Remodel	$10,500	X	15	/	20	=	$7,875
918	Office - Remodel	$3,500	X	15	/	20	=	$2,625
1110	Community Room - Repaint	$9,600	X	5	/	10	=	$4,800
	Building Interiors, Units							
915	Unit - Remodel	$18,500	X	1	/	1	=	$18,500
	Common Area							
202	Asphalt - Repave	$20,500	X	5	/	30	=	$3,417
203	Asphalt - Seal/Repair/Stripe	$2,563	X	1	/	5	=	$513
320	Pole Lights - Replace	$12,000	X	15	/	30	=	$6,000
322	Bollard Lights - Replace	$7,200	X	15	/	20	=	$5,400
403	Mailboxes - Replace	$4,200	X	24	/	25	=	$4,032
404	Outdoor Furniture - Replace	$2,000	X	5	/	10	=	$1,000
503	Metal Fence/Gate - Replace	$9,500	X	27	/	40	=	$6,413
505	Wood Fence - Repair/Replace	$18,500	X	24	/	25	=	$17,760
509	Decorative Arbor - Replace	$3,000	X	22	/	25	=	$2,640
514	Wood Retaining Wall - Replace/Repair	$16,500	X	27	/	35	=	$12,729
750	Pedestrian Gates - Replace	$16,500	X	27	/	40	=	$11,138
	Mechanical & Systems							
704	Intercom - Replace	$19,500	X	7	/	12	=	$11,375
803	Water Heaters - Replace	$27,000	X	6	/	12	=	$13,500
1001	Fire Backflow Preventer - Replace	$15,000	X	27	/	30	=	$13,500
1811	Plumbing - Inspect/Repair	$7,000	X	5	/	5	=	$7,000
1819	Fire Alarm System - Replace	$12,000	X	20	/	20	=	$12,000
1844	Electrical System - Inspect/Repair	$7,000	X	15	/	15	=	$7,000

$542,383

Component Significance

58592-0
Full

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Building Exteriors				
104	Balcony Surfaces - Resurface	40	$1,280	$32	0.06 %
117	Walkway Decks - Resurface	40	$10,800	$270	0.47 %
117	Walkway Decks - Seal/Repair	5	$1,800	$360	0.62 %
118	Balcony Railing - Replace	40	$9,600	$240	0.42 %
324	Exterior Lights - Replace	20	$8,400	$420	0.73 %
508	Exterior Railing - Repair/Replace	40	$12,000	$300	0.52 %
703	Utility Doors - Replace	35	$3,000	$86	0.15 %
1115	Building Exterior - Repaint	10	$79,500	$7,950	13.77 %
1117	Exterior Surfaces - Repair	10	$19,875	$1,988	3.44 %
1137	Windows - Replace	40	$189,000	$4,725	8.18 %
1303	Comp Shingle Roofs - Replace	30	$112,500	$3,750	6.49 %
1308	Flat Roof - Replace	20	$40,000	$2,000	3.46 %
1309	Metal Roof - Replace	40	$12,500	$313	0.54 %
1312	Gutters/Downspouts - Partial Replace	5	$17,000	$3,400	5.89 %
	Building Interiors, Common				
325	Interior Lights - Replace	25	$3,000	$120	0.21 %
909	Bathroom - Refurbish	20	$5,000	$250	0.43 %
911	Kitchen Appliances - Replace	10	$2,400	$240	0.42 %
912	Kitchen - Remodel	20	$10,500	$525	0.91 %
918	Office - Remodel	20	$3,500	$175	0.30 %
1110	Community Room - Repaint	10	$9,600	$960	1.66 %
	Building Interiors, Units				
915	Unit - Remodel	1	$18,500	$18,500	32.03 %
	Common Area				
202	Asphalt - Repave	30	$20,500	$683	1.18 %
203	Asphalt - Seal/Repair/Stripe	5	$2,563	$513	0.89 %
320	Pole Lights - Replace	30	$12,000	$400	0.69 %
322	Bollard Lights - Replace	20	$7,200	$360	0.62 %
403	Mailboxes - Replace	25	$4,200	$168	0.29 %
404	Outdoor Furniture - Replace	10	$2,000	$200	0.35 %
503	Metal Fence/Gate - Replace	40	$9,500	$238	0.41 %
505	Wood Fence - Repair/Replace	25	$18,500	$740	1.28 %
509	Decorative Arbor - Replace	25	$3,000	$120	0.21 %
514	Wood Retaining Wall - Replace/Repair	35	$16,500	$471	0.82 %
750	Pedestrian Gates - Replace	40	$16,500	$413	0.71 %
	Mechanical & Systems				
704	Intercom - Replace	12	$19,500	$1,625	2.81 %
803	Water Heaters - Replace	12	$27,000	$2,250	3.90 %
1001	Fire Backflow Preventer - Replace	30	$15,000	$500	0.87 %
1811	Plumbing - Inspect/Repair	5	$7,000	$1,400	2.42 %
1819	Fire Alarm System - Replace	20	$12,000	$600	1.04 %
1844	Electrical System - Inspect/Repair	15	$7,000	$467	0.81 %
38	Total Funded Components			$57,750	100.00 %

Accounting & Tax Summary

58592-0
Full

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Projected Reserve Balance	Proportional Reserve Funding
	Building Exteriors						
104	Balcony Surfaces - Resurface	40	13	$1,280	$864	$0	$4
117	Walkway Decks - Resurface	40	13	$10,800	$7,290	$0	$31
117	Walkway Decks - Seal/Repair	5	3	$1,800	$720	$0	$42
118	Balcony Railing - Replace	40	13	$9,600	$6,480	$0	$28
324	Exterior Lights - Replace	20	15	$8,400	$2,100	$0	$49
508	Exterior Railing - Repair/Replace	40	13	$12,000	$8,100	$0	$35
703	Utility Doors - Replace	35	8	$3,000	$2,314	$0	$10
1115	Building Exterior - Repaint	10	5	$79,500	$39,750	$0	$922
1117	Exterior Surfaces - Repair	10	5	$19,875	$9,938	$0	$231
1137	Windows - Replace	40	13	$189,000	$127,575	$0	$548
1303	Comp Shingle Roofs - Replace	30	3	$112,500	$101,250	$0	$435
1308	Flat Roof - Replace	20	3	$40,000	$34,000	$0	$232
1309	Metal Roof - Replace	40	13	$12,500	$8,438	$0	$36
1312	Gutters/Downspouts - Partial Replace	5	0	$17,000	$17,000	$0	$394
	Building Interiors, Common						
325	Interior Lights - Replace	25	5	$3,000	$2,400	$0	$14
909	Bathroom - Refurbish	20	5	$5,000	$3,750	$0	$29
911	Kitchen Appliances - Replace	10	5	$2,400	$1,200	$0	$28
912	Kitchen - Remodel	20	5	$10,500	$7,875	$0	$61
918	Office - Remodel	20	5	$3,500	$2,625	$0	$20
1110	Community Room - Repaint	10	5	$9,600	$4,800	$0	$111
	Building Interiors, Units						
915	Unit - Remodel	1	0	$18,500	$18,500	$0	$2,146
	Common Area						
202	Asphalt - Repave	30	25	$20,500	$3,417	$0	$79
203	Asphalt - Seal/Repair/Stripe	5	4	$2,563	$513	$0	$59
320	Pole Lights - Replace	30	15	$12,000	$6,000	$0	$46
322	Bollard Lights - Replace	20	5	$7,200	$5,400	$0	$42
403	Mailboxes - Replace	25	1	$4,200	$4,032	$0	$19
404	Outdoor Furniture - Replace	10	5	$2,000	$1,000	$0	$23
503	Metal Fence/Gate - Replace	40	13	$9,500	$6,413	$0	$28
505	Wood Fence - Repair/Replace	25	1	$18,500	$17,760	$0	$86
509	Decorative Arbor - Replace	25	3	$3,000	$2,640	$0	$14
514	Wood Retaining Wall - Replace/Repair	35	8	$16,500	$12,729	$0	$55
750	Pedestrian Gates - Replace	40	13	$16,500	$11,138	$0	$48
	Mechanical & Systems						
704	Intercom - Replace	12	5	$19,500	$11,375	$0	$189

803	Water Heaters - Replace	12	6	$27,000	$13,500	$0	$261
1001	Fire Backflow Preventer - Replace	30	3	$15,000	$13,500	$0	$58
1811	Plumbing - Inspect/Repair	5	0	$7,000	$7,000	$0	$162
1819	Fire Alarm System - Replace	20	0	$12,000	$12,000	$0	$70
1844	Electrical System - Inspect/Repair	15	0	$7,000	$7,000	$0	$54
38	Total Funded Components				$542,383	$0	$6,700

30-Year Reserve Plan Summary

58592-0
Full

Fiscal Year Start: 2027	Net After Tax Interest: 2.00 %	Avg 30-Yr Inflation: 4.00 %

Reserve Fund Strength (as-of Fiscal Year Start)					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Funding Needs Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Funding Needs	Interest Income	Reserve Expenses
2027	$0	$542,383	0.0 %	High	0.00 %	$80,400	$100,000	$1,200	$61,500
2028	$120,100	$560,178	21.4 %	High	5.00 %	$84,420	$0	$2,844	$42,848
2029	$164,516	$600,486	27.4 %	High	5.00 %	$88,641	$0	$4,013	$20,010
2030	$237,160	$668,656	35.5 %	Medium	5.00 %	$93,073	$0	$3,560	$214,624
2031	$119,170	$539,752	22.1 %	High	5.00 %	$97,727	$0	$3,143	$24,641
2032	$195,398	$605,977	32.2 %	Medium	5.00 %	$102,613	$0	$2,468	$248,897
2033	$51,582	$444,435	11.6 %	High	5.00 %	$107,744	$0	$1,547	$57,572
2034	$103,302	$478,332	21.6 %	High	5.00 %	$113,131	$0	$2,981	$24,345
2035	$195,069	$551,182	35.4 %	Medium	5.00 %	$118,787	$0	$4,586	$54,469
2036	$263,974	$598,777	44.1 %	Medium	5.00 %	$124,727	$0	$6,284	$29,979
2037	$365,006	$677,033	53.9 %	Medium	2.50 %	$127,845	$0	$8,023	$62,910
2038	$437,963	$727,591	60.2 %	Medium	2.50 %	$131,041	$0	$9,875	$28,480
2039	$550,399	$819,535	67.2 %	Medium	2.50 %	$134,317	$0	$12,166	$29,619
2040	$667,263	$917,670	72.7 %	Low	2.50 %	$137,675	$0	$10,128	$468,685
2041	$346,381	$566,948	61.1 %	Medium	2.50 %	$141,117	$0	$8,048	$36,474
2042	$459,071	$655,697	70.0 %	Low	2.50 %	$144,645	$0	$7,395	$330,068
2043	$281,043	$446,818	62.9 %	Medium	2.50 %	$148,261	$0	$6,819	$34,650
2044	$401,473	$541,146	74.2 %	Low	2.50 %	$151,967	$0	$8,890	$74,020
2045	$488,310	$602,801	81.0 %	Low	2.50 %	$155,767	$0	$10,461	$95,821
2046	$558,717	$648,929	86.1 %	Low	2.50 %	$159,661	$0	$12,441	$44,377
2047	$686,442	$755,271	90.9 %	Low	2.50 %	$163,652	$0	$14,302	$119,416
2048	$744,980	$792,888	94.0 %	Low	2.50 %	$167,744	$0	$16,304	$42,157
2049	$886,871	$917,622	96.6 %	Low	2.50 %	$171,937	$0	$19,194	$43,843
2050	$1,034,158	$1,051,066	98.4 %	Low	2.50 %	$176,236	$0	$21,152	$148,622
2051	$1,082,924	$1,086,572	99.7 %	Low	2.50 %	$180,642	$0	$23,136	$53,991
2052	$1,232,711	$1,227,835	100.4 %	Low	2.50 %	$185,158	$0	$21,300	$540,032
2053	$899,137	$875,425	102.7 %	Low	2.50 %	$189,787	$0	$18,911	$114,226
2054	$993,609	$958,161	103.7 %	Low	2.50 %	$194,531	$0	$21,480	$53,342
2055	$1,156,278	$1,114,186	103.8 %	Low	2.50 %	$199,395	$0	$24,646	$69,870
2056	$1,310,449	$1,266,190	103.5 %	Low	2.50 %	$204,379	$0	$27,237	$126,502

30-Year Income/Expense Detail (yrs 0 through 4)

58592-0
Full

	Fiscal Year	2027	2028	2029	2030	2031
	Starting Reserve Balance	$0	$120,100	$164,516	$237,160	$119,170
	Annual Reserve Funding	$80,400	$84,420	$88,641	$93,073	$97,727
	Recommended Special Assessments	$100,000	$0	$0	$0	$0
	Interest Earnings	$1,200	$2,844	$4,013	$3,560	$3,143
	Total Income	$181,600	$207,364	$257,170	$333,794	$220,039
#	Component					
	Building Exteriors					
104	Balcony Surfaces - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Seal/Repair	$0	$0	$0	$2,025	$0
118	Balcony Railing - Replace	$0	$0	$0	$0	$0
324	Exterior Lights - Replace	$0	$0	$0	$0	$0
508	Exterior Railing - Repair/Replace	$0	$0	$0	$0	$0
703	Utility Doors - Replace	$0	$0	$0	$0	$0
1115	Building Exterior - Repaint	$0	$0	$0	$0	$0
1117	Exterior Surfaces - Repair	$0	$0	$0	$0	$0
1137	Windows - Replace	$0	$0	$0	$0	$0
1303	Comp Shingle Roofs - Replace	$0	$0	$0	$126,547	$0
1308	Flat Roof - Replace	$0	$0	$0	$44,995	$0
1309	Metal Roof - Replace	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Partial Replace	$17,000	$0	$0	$0	$0
	Building Interiors, Common					
325	Interior Lights - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
911	Kitchen Appliances - Replace	$0	$0	$0	$0	$0
912	Kitchen - Remodel	$0	$0	$0	$0	$0
918	Office - Remodel	$0	$0	$0	$0	$0
1110	Community Room - Repaint	$0	$0	$0	$0	$0
	Building Interiors, Units					
915	Unit - Remodel	$18,500	$19,240	$20,010	$20,810	$21,642
	Common Area					
202	Asphalt - Repave	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair/Stripe	$0	$0	$0	$0	$2,998
320	Pole Lights - Replace	$0	$0	$0	$0	$0
322	Bollard Lights - Replace	$0	$0	$0	$0	$0
403	Mailboxes - Replace	$0	$4,368	$0	$0	$0
404	Outdoor Furniture - Replace	$0	$0	$0	$0	$0
503	Metal Fence/Gate - Replace	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$19,240	$0	$0	$0
509	Decorative Arbor - Replace	$0	$0	$0	$3,375	$0
514	Wood Retaining Wall - Replace/Repair	$0	$0	$0	$0	$0
750	Pedestrian Gates - Replace	$0	$0	$0	$0	$0
	Mechanical & Systems					
704	Intercom - Replace	$0	$0	$0	$0	$0
803	Water Heaters - Replace	$0	$0	$0	$0	$0
1001	Fire Backflow Preventer - Replace	$0	$0	$0	$16,873	$0
1811	Plumbing - Inspect/Repair	$7,000	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$12,000	$0	$0	$0	$0
1844	Electrical System - Inspect/Repair	$7,000	$0	$0	$0	$0
	Total Expenses	$61,500	$42,848	$20,010	$214,624	$24,641
	Ending Reserve Balance	$120,100	$164,516	$237,160	$119,170	$195,398

	Fiscal Year	2032	2033	2034	2035	2036
	Starting Reserve Balance	$195,398	$51,582	$103,302	$195,069	$263,974
	Annual Reserve Funding	$102,613	$107,744	$113,131	$118,787	$124,727
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,468	$1,547	$2,981	$4,586	$6,284
	Total Income	$300,479	$160,874	$219,414	$318,443	$394,985
#	Component					
	Building Exteriors					
104	Balcony Surfaces - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Seal/Repair	$0	$0	$0	$2,463	$0
118	Balcony Railing - Replace	$0	$0	$0	$0	$0
324	Exterior Lights - Replace	$0	$0	$0	$0	$0
508	Exterior Railing - Repair/Replace	$0	$0	$0	$0	$0
703	Utility Doors - Replace	$0	$0	$0	$4,106	$0
1115	Building Exterior - Repaint	$96,724	$0	$0	$0	$0
1117	Exterior Surfaces - Repair	$24,181	$0	$0	$0	$0
1137	Windows - Replace	$0	$0	$0	$0	$0
1303	Comp Shingle Roofs - Replace	$0	$0	$0	$0	$0
1308	Flat Roof - Replace	$0	$0	$0	$0	$0
1309	Metal Roof - Replace	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Partial Replace	$20,683	$0	$0	$0	$0
	Building Interiors, Common					
325	Interior Lights - Replace	$3,650	$0	$0	$0	$0
909	Bathroom - Refurbish	$6,083	$0	$0	$0	$0
911	Kitchen Appliances - Replace	$2,920	$0	$0	$0	$0
912	Kitchen - Remodel	$12,775	$0	$0	$0	$0
918	Office - Remodel	$4,258	$0	$0	$0	$0
1110	Community Room - Repaint	$11,680	$0	$0	$0	$0
	Building Interiors, Units					
915	Unit - Remodel	$22,508	$23,408	$24,345	$25,319	$26,331
	Common Area					
202	Asphalt - Repave	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair/Stripe	$0	$0	$0	$0	$3,648
320	Pole Lights - Replace	$0	$0	$0	$0	$0
322	Bollard Lights - Replace	$8,760	$0	$0	$0	$0
403	Mailboxes - Replace	$0	$0	$0	$0	$0
404	Outdoor Furniture - Replace	$2,433	$0	$0	$0	$0
503	Metal Fence/Gate - Replace	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
509	Decorative Arbor - Replace	$0	$0	$0	$0	$0
514	Wood Retaining Wall - Replace/Repair	$0	$0	$0	$22,581	$0
750	Pedestrian Gates - Replace	$0	$0	$0	$0	$0
	Mechanical & Systems					
704	Intercom - Replace	$23,725	$0	$0	$0	$0
803	Water Heaters - Replace	$0	$34,164	$0	$0	$0
1001	Fire Backflow Preventer - Replace	$0	$0	$0	$0	$0
1811	Plumbing - Inspect/Repair	$8,517	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1844	Electrical System - Inspect/Repair	$0	$0	$0	$0	$0
	Total Expenses	$248,897	$57,572	$24,345	$54,469	$29,979
	Ending Reserve Balance	$51,582	$103,302	$195,069	$263,974	$365,006

	Fiscal Year	2037	2038	2039	2040	2041
	Starting Reserve Balance	$365,006	$437,963	$550,399	$667,263	$346,381
	Annual Reserve Funding	$127,845	$131,041	$134,317	$137,675	$141,117
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$8,023	$9,875	$12,166	$10,128	$8,048
	Total Income	$500,873	$578,879	$696,882	$815,066	$495,546
#	Component					
	Building Exteriors					
104	Balcony Surfaces - Resurface	$0	$0	$0	$2,131	$0
117	Walkway Decks - Resurface	$0	$0	$0	$17,983	$0
117	Walkway Decks - Seal/Repair	$0	$0	$0	$2,997	$0
118	Balcony Railing - Replace	$0	$0	$0	$15,985	$0
324	Exterior Lights - Replace	$0	$0	$0	$0	$0
508	Exterior Railing - Repair/Replace	$0	$0	$0	$19,981	$0
703	Utility Doors - Replace	$0	$0	$0	$0	$0
1115	Building Exterior - Repaint	$0	$0	$0	$0	$0
1117	Exterior Surfaces - Repair	$0	$0	$0	$0	$0
1137	Windows - Replace	$0	$0	$0	$314,699	$0
1303	Comp Shingle Roofs - Replace	$0	$0	$0	$0	$0
1308	Flat Roof - Replace	$0	$0	$0	$0	$0
1309	Metal Roof - Replace	$0	$0	$0	$20,813	$0
1312	Gutters/Downspouts - Partial Replace	$25,164	$0	$0	$0	$0
	Building Interiors, Common					
325	Interior Lights - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
911	Kitchen Appliances - Replace	$0	$0	$0	$0	$0
912	Kitchen - Remodel	$0	$0	$0	$0	$0
918	Office - Remodel	$0	$0	$0	$0	$0
1110	Community Room - Repaint	$0	$0	$0	$0	$0
	Building Interiors, Units					
915	Unit - Remodel	$27,385	$28,480	$29,619	$30,804	$32,036
	Common Area					
202	Asphalt - Repave	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair/Stripe	$0	$0	$0	$0	$4,438
320	Pole Lights - Replace	$0	$0	$0	$0	$0
322	Bollard Lights - Replace	$0	$0	$0	$0	$0
403	Mailboxes - Replace	$0	$0	$0	$0	$0
404	Outdoor Furniture - Replace	$0	$0	$0	$0	$0
503	Metal Fence/Gate - Replace	$0	$0	$0	$15,818	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
509	Decorative Arbor - Replace	$0	$0	$0	$0	$0
514	Wood Retaining Wall - Replace/Repair	$0	$0	$0	$0	$0
750	Pedestrian Gates - Replace	$0	$0	$0	$27,474	$0
	Mechanical & Systems					
704	Intercom - Replace	$0	$0	$0	$0	$0
803	Water Heaters - Replace	$0	$0	$0	$0	$0
1001	Fire Backflow Preventer - Replace	$0	$0	$0	$0	$0
1811	Plumbing - Inspect/Repair	$10,362	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1844	Electrical System - Inspect/Repair	$0	$0	$0	$0	$0
	Total Expenses	$62,910	$28,480	$29,619	$468,685	$36,474
	Ending Reserve Balance	$437,963	$550,399	$667,263	$346,381	$459,071

	Fiscal Year	2042	2043	2044	2045	2046
	Starting Reserve Balance	$459,071	$281,043	$401,473	$488,310	$558,717
	Annual Reserve Funding	$144,645	$148,261	$151,967	$155,767	$159,661
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$7,395	$6,819	$8,890	$10,461	$12,441
	Total Income	$611,111	$436,123	$562,331	$654,538	$730,819
#	Component					
	Building Exteriors					
104	Balcony Surfaces - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Seal/Repair	$0	$0	$0	$3,646	$0
118	Balcony Railing - Replace	$0	$0	$0	$0	$0
324	Exterior Lights - Replace	$15,128	$0	$0	$0	$0
508	Exterior Railing - Repair/Replace	$0	$0	$0	$0	$0
703	Utility Doors - Replace	$0	$0	$0	$0	$0
1115	Building Exterior - Repaint	$143,175	$0	$0	$0	$0
1117	Exterior Surfaces - Repair	$35,794	$0	$0	$0	$0
1137	Windows - Replace	$0	$0	$0	$0	$0
1303	Comp Shingle Roofs - Replace	$0	$0	$0	$0	$0
1308	Flat Roof - Replace	$0	$0	$0	$0	$0
1309	Metal Roof - Replace	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Partial Replace	$30,616	$0	$0	$0	$0
	Building Interiors, Common					
325	Interior Lights - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
911	Kitchen Appliances - Replace	$4,322	$0	$0	$0	$0
912	Kitchen - Remodel	$0	$0	$0	$0	$0
918	Office - Remodel	$0	$0	$0	$0	$0
1110	Community Room - Repaint	$17,289	$0	$0	$0	$0
	Building Interiors, Units					
915	Unit - Remodel	$33,317	$34,650	$36,036	$37,478	$38,977
	Common Area					
202	Asphalt - Repave	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair/Stripe	$0	$0	$0	$0	$5,400
320	Pole Lights - Replace	$21,611	$0	$0	$0	$0
322	Bollard Lights - Replace	$0	$0	$0	$0	$0
403	Mailboxes - Replace	$0	$0	$0	$0	$0
404	Outdoor Furniture - Replace	$3,602	$0	$0	$0	$0
503	Metal Fence/Gate - Replace	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
509	Decorative Arbor - Replace	$0	$0	$0	$0	$0
514	Wood Retaining Wall - Replace/Repair	$0	$0	$0	$0	$0
750	Pedestrian Gates - Replace	$0	$0	$0	$0	$0
	Mechanical & Systems					
704	Intercom - Replace	$0	$0	$37,984	$0	$0
803	Water Heaters - Replace	$0	$0	$0	$54,697	$0
1001	Fire Backflow Preventer - Replace	$0	$0	$0	$0	$0
1811	Plumbing - Inspect/Repair	$12,607	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1844	Electrical System - Inspect/Repair	$12,607	$0	$0	$0	$0
	Total Expenses	$330,068	$34,650	$74,020	$95,821	$44,377
	Ending Reserve Balance	$281,043	$401,473	$488,310	$558,717	$686,442

	Fiscal Year	2047	2048	2049	2050	2051
	Starting Reserve Balance	$686,442	$744,980	$886,871	$1,034,158	$1,082,924
	Annual Reserve Funding	$163,652	$167,744	$171,937	$176,236	$180,642
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$14,302	$16,304	$19,194	$21,152	$23,136
	Total Income	$864,396	$929,028	$1,078,002	$1,231,547	$1,286,702
#	Component					
	Building Exteriors					
104	Balcony Surfaces - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Seal/Repair	$0	$0	$0	$4,436	$0
118	Balcony Railing - Replace	$0	$0	$0	$0	$0
324	Exterior Lights - Replace	$0	$0	$0	$0	$0
508	Exterior Railing - Repair/Replace	$0	$0	$0	$0	$0
703	Utility Doors - Replace	$0	$0	$0	$0	$0
1115	Building Exterior - Repaint	$0	$0	$0	$0	$0
1117	Exterior Surfaces - Repair	$0	$0	$0	$0	$0
1137	Windows - Replace	$0	$0	$0	$0	$0
1303	Comp Shingle Roofs - Replace	$0	$0	$0	$0	$0
1308	Flat Roof - Replace	$0	$0	$0	$98,589	$0
1309	Metal Roof - Replace	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Partial Replace	$37,249	$0	$0	$0	$0
	Building Interiors, Common					
325	Interior Lights - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
911	Kitchen Appliances - Replace	$0	$0	$0	$0	$0
912	Kitchen - Remodel	$0	$0	$0	$0	$0
918	Office - Remodel	$0	$0	$0	$0	$0
1110	Community Room - Repaint	$0	$0	$0	$0	$0
	Building Interiors, Units					
915	Unit - Remodel	$40,536	$42,157	$43,843	$45,597	$47,421
	Common Area					
202	Asphalt - Repave	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair/Stripe	$0	$0	$0	$0	$6,570
320	Pole Lights - Replace	$0	$0	$0	$0	$0
322	Bollard Lights - Replace	$0	$0	$0	$0	$0
403	Mailboxes - Replace	$0	$0	$0	$0	$0
404	Outdoor Furniture - Replace	$0	$0	$0	$0	$0
503	Metal Fence/Gate - Replace	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
509	Decorative Arbor - Replace	$0	$0	$0	$0	$0
514	Wood Retaining Wall - Replace/Repair	$0	$0	$0	$0	$0
750	Pedestrian Gates - Replace	$0	$0	$0	$0	$0
	Mechanical & Systems					
704	Intercom - Replace	$0	$0	$0	$0	$0
803	Water Heaters - Replace	$0	$0	$0	$0	$0
1001	Fire Backflow Preventer - Replace	$0	$0	$0	$0	$0
1811	Plumbing - Inspect/Repair	$15,338	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$26,293	$0	$0	$0	$0
1844	Electrical System - Inspect/Repair	$0	$0	$0	$0	$0
	Total Expenses	$119,416	$42,157	$43,843	$148,622	$53,991
	Ending Reserve Balance	$744,980	$886,871	$1,034,158	$1,082,924	$1,232,711

	Fiscal Year	2052	2053	2054	2055	2056
	Starting Reserve Balance	$1,232,711	$899,137	$993,609	$1,156,278	$1,310,449
	Annual Reserve Funding	$185,158	$189,787	$194,531	$199,395	$204,379
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$21,300	$18,911	$21,480	$24,646	$27,237
	Total Income	$1,439,169	$1,107,835	$1,209,620	$1,380,319	$1,542,065
#	Component					
	Building Exteriors					
104	Balcony Surfaces - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Resurface	$0	$0	$0	$0	$0
117	Walkway Decks - Seal/Repair	$0	$0	$0	$5,398	$0
118	Balcony Railing - Replace	$0	$0	$0	$0	$0
324	Exterior Lights - Replace	$0	$0	$0	$0	$0
508	Exterior Railing - Repair/Replace	$0	$0	$0	$0	$0
703	Utility Doors - Replace	$0	$0	$0	$0	$0
1115	Building Exterior - Repaint	$211,934	$0	$0	$0	$0
1117	Exterior Surfaces - Repair	$52,983	$0	$0	$0	$0
1137	Windows - Replace	$0	$0	$0	$0	$0
1303	Comp Shingle Roofs - Replace	$0	$0	$0	$0	$0
1308	Flat Roof - Replace	$0	$0	$0	$0	$0
1309	Metal Roof - Replace	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Partial Replace	$45,319	$0	$0	$0	$0
	Building Interiors, Common					
325	Interior Lights - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$13,329	$0	$0	$0	$0
911	Kitchen Appliances - Replace	$6,398	$0	$0	$0	$0
912	Kitchen - Remodel	$27,991	$0	$0	$0	$0
918	Office - Remodel	$9,330	$0	$0	$0	$0
1110	Community Room - Repaint	$25,592	$0	$0	$0	$0
	Building Interiors, Units					
915	Unit - Remodel	$49,318	$51,291	$53,342	$55,476	$57,695
	Common Area					
202	Asphalt - Repave	$54,650	$0	$0	$0	$0
203	Asphalt - Seal/Repair/Stripe	$0	$0	$0	$0	$7,993
320	Pole Lights - Replace	$0	$0	$0	$0	$0
322	Bollard Lights - Replace	$19,194	$0	$0	$0	$0
403	Mailboxes - Replace	$0	$11,644	$0	$0	$0
404	Outdoor Furniture - Replace	$5,332	$0	$0	$0	$0
503	Metal Fence/Gate - Replace	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$51,291	$0	$0	$0
509	Decorative Arbor - Replace	$0	$0	$0	$8,996	$0
514	Wood Retaining Wall - Replace/Repair	$0	$0	$0	$0	$0
750	Pedestrian Gates - Replace	$0	$0	$0	$0	$0
	Mechanical & Systems					
704	Intercom - Replace	$0	$0	$0	$0	$60,814
803	Water Heaters - Replace	$0	$0	$0	$0	$0
1001	Fire Backflow Preventer - Replace	$0	$0	$0	$0	$0
1811	Plumbing - Inspect/Repair	$18,661	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1844	Electrical System - Inspect/Repair	$0	$0	$0	$0	$0
	Total Expenses	$540,032	$114,226	$53,342	$69,870	$126,502
	Ending Reserve Balance	$899,137	$993,609	$1,156,278	$1,310,449	$1,415,563

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client beyond this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work performed by Association Reserves adheres to National Reserve Study Standards (NRSS) under his Responsible Charge. To our knowledge, no material issues have been withheld that would distort the client's situation.

This Reserve Study relies on information provided by representatives of the client, vendors, and suppliers regarding financial details, component quantities, maintenance plans, contracts, and historical conditions. This information is deemed reliable but is not audited or independently verified. Our work is for budgeting purposes only and is not intended to be used for the purpose of any type of audit, quality inspections, forensic analysis, background checks of historical records, or the identification of construction defects, hazardous materials, or dangerous conditions.

Estimates for interest and inflation have been included because including such estimates is more accurate than ignoring them completely. Clients who engage us for update reports are considered to have deemed prior component quantities and other prior Reserve Study data accurate unless otherwise noted. During inspections, our company standard is to establish measurements within a 5% margin of error, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our opinions on Useful Life, Remaining Useful Life, and cost estimates are not guarantees of actual costs or timing and assume proper installation, maintenance, and a stable economic environment.

We recommend developing a preventive maintenance plan in conjunction with the Reserve Study to minimize costs and maximize life cycles. We can only adjust the Reserve Study as needed if the client provides such plans. Structural inspections are recommended to identify costs for reserve planning, and we recommend consulting subject matter experts for such evaluations. Corrective maintenance costs and timing can only be incorporated per the results of these engagements if the information is provided by the client. No preventive maintenance plan or structural inspection report has been discussed or provided unless otherwise noted.

Identifying hidden issues, such as but not limited to, plumbing, electrical, and structural problems, is outside our scope of work. We recommend engaging subject matter experts to evaluate all issues outside the scope of the Reserve Study and our expertise.

Components included in this study usually have an anticipated remaining useful life within 30 years from the time of field observations. Information provided by the client about ongoing maintenance or repairs is included in component notes for full or site-visit reserve studies.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly planned. This Reserve Study is a "one-year" document that needs to be updated annually to incorporate more accurate estimates. A long-term perspective improves the accuracy of near-term planning that this report projects expenses for the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement, our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

The re-use of this Reserve Study, figures, or calculations in any other format absolves Association Reserves of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
UOM	Unit of Measure
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for a property total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The Component Details herein represent a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

1) Common area maintenance repair & replacement responsibility

2) The component must have a limited life

3) Life limit must be predictable

4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

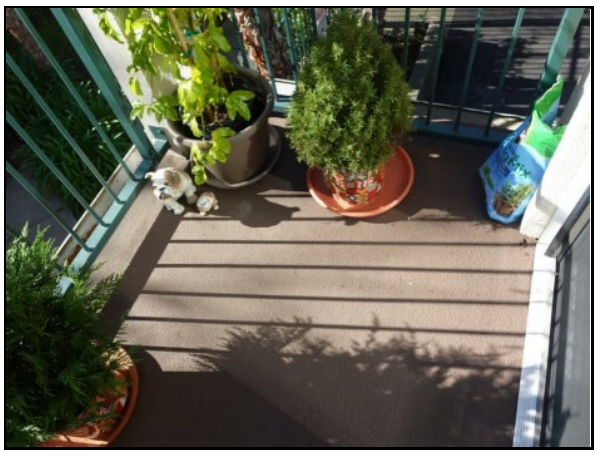
Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair, or replacement cycles (UL = Useful Life of how often the project is expected to occur, RUL = Remaining Useful Life pr how many years from our reporting period) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, we are attempting to represent a market to be a one-time expense. Where no pricing, the component is deemed inappropriate for Reserve Funding.

Building Exteriors

Comp #: 104 Balcony Surfaces - Resurface **Approx Quantity: 32 GSF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: There are (4) 8'x4' Decks. Decking surfaces typically need to be recoated every few years to restore the "wear" layer and protect the waterproofing membrane. Conditions can vary in different areas based on sun and weather exposure, adequacy of drainage, level of foot traffic, etc. Re-coating will restore the deck's aesthetic appeal while bridging small surface cracks. Lack of proper coating can reduce the decking system's life expectancy. Before recoating, the deck should be repaired (cracks and gouges patched, etc.).

Useful Life:
40 years

Remaining Life:
13 years



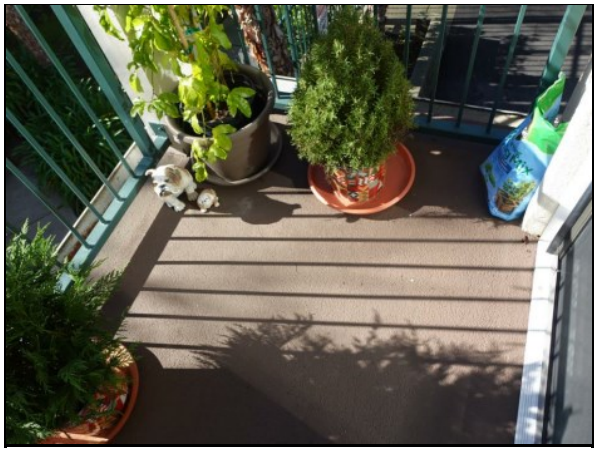
Lower Estimate: $ 1,150 **Higher Estimate:** $ 1,410

Cost Source: ARSF Cost Database

Comp #: 104 Balcony Surfaces - Seal/Repair **Approx Quantity: 32 GSF**
Location:
Funded?: No. The project cost estimate is below a minimum threshold. No Reserve funding allocated.
History:
Comments: There are (4) 8'x4' Decks. Decking surfaces typically need to be recoated every few years to restore the "wear" layer and protect the waterproofing membrane. Conditions can vary in different areas based on sun and weather exposure, adequacy of drainage, level of foot traffic, etc. Re-coating will restore the deck's aesthetic appeal while bridging small surface cracks. Lack of proper coating can reduce the decking system's life expectancy. Before recoating, the deck should be repaired (cracks and gouges patched, etc.).

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 117 Walkway Decks - Resurface **Approx Quantity: 360 GSF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: The client should consult with a decking or waterproofing contractor when evaluating the scope of work to properly define any necessary structural repairs/restoration. The funding recommendations shown here should be updated based on any new analysis/information provided by more comprehensive evaluations.

Useful Life:
40 years

Remaining Life:
13 years



Lower Estimate: $ 9,720 **Higher Estimate:** $ 11,900

Cost Source: ARSF Cost Database

Comp #: 117 Walkway Decks - Seal/Repair **Approx Quantity: 360 GSF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: The client should consult with a decking or waterproofing contractor when evaluating the scope of work to properly define any necessary structural repairs/restoration. The funding recommendations shown here should be updated based on any new analysis/information provided by more comprehensive evaluations.

Useful Life:
5 years

Remaining Life:
3 years



Lower Estimate: $ 1,620 **Higher Estimate:** $ 1,980

Cost Source: ARSF Cost Database

Comp #: 118 Balcony Railing - Replace **Approx Quantity: 80 LF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: Inspect regularly to ensure the stability of the railing. A durable and typically long-lived component with ordinary care and maintenance. However, we recommend setting aside funding for eventual replacement at the interval below. We recommend regular painting to maximize the useful life of the railing.

Useful Life:
40 years

Remaining Life:
13 years



Lower Estimate: $ 8,640 **Higher Estimate:** $ 10,600

Cost Source: ARSF Cost Database

Comp #: 119 Balcony Railing - Repaint **Approx Quantity: 80 LF**
Location: Common area
Funded?: No. The project cost estimate is below a minimum threshold. No Reserve funding allocated.
History:
Comments:

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 324 Exterior Lights - Replace **Approx Quantity: 28 Fixtures**
Location:
Funded?: Yes.
History:
Comments: The wall lights were observed during daylight hours and assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs, and repair as needed. For cost efficiency and consistent quality/appearance throughout the property, it is best to plan for replacement at the interval below.

Useful Life:
20 years

Remaining Life:
15 years



Lower Estimate: $ 7,560 **Higher Estimate:** $ 9,240

Cost Source: ARSF Cost Database

Comp #: 508 Exterior Railing - Repair/Replace **Approx Quantity: 80 LF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: Inspect regularly to ensure the stability of the railing. A durable and typically long-lived component with ordinary care and maintenance. However, we recommend setting aside funding for eventual replacement at the interval indicated below.

Useful Life:
40 years

Remaining Life:
13 years



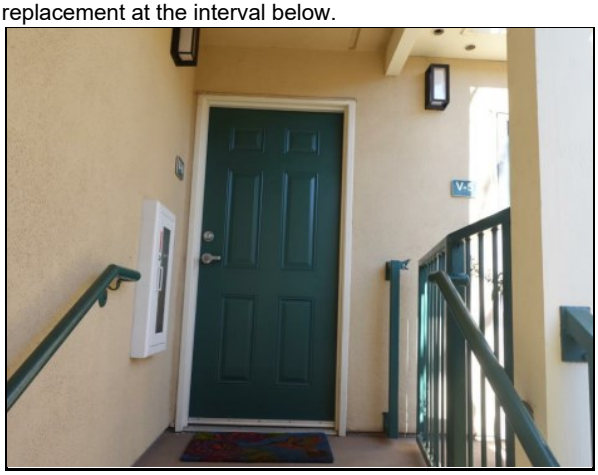
Lower Estimate: $ 10,800 **Higher Estimate:** $ 13,200

Cost Source: ARSF Cost Database

Comp #: 701 Unit Doors - Replace **Approx Quantity: 1 Doors**
Location:
Funded?: No. The useful life of this component extends past the scope of this report. No Reserve funding allocated.
History:
Comments: We were not able to test the doors during the site inspection. However, they appear to be intact and have a satisfactory seal. Doors should be inspected and repaired as needed, as an Operating expense, to ensure good function. This component provides funding for replacement at the interval below.

Useful Life:

Remaining Life:



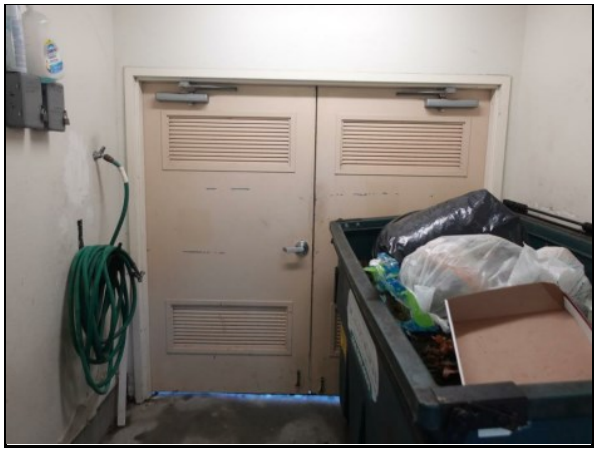
Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 703 Utility Doors - Replace **Approx Quantity: 2 Doors**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: The doors appear to be functional. No indications of advanced deterioration noted. Doors should be inspected and repaired as needed, as an Operating expense, to ensure good function. We recommend setting aside funding for replacement at the interval below.

Useful Life:
35 years

Remaining Life:
8 years



Lower Estimate: $ 2,700 **Higher Estimate:** $ 3,300

Cost Source: ARSF Cost Database

Comp #: 1115 Building Exterior - Repaint **Approx Quantity: 15,900 GSF**
Location: Building exterior surfaces
Funded?: Yes.
History:
Comments: Painting is recommended at the intervals below to preserve the exterior building surfaces and maintain appearance.

Useful Life:
10 years

Remaining Life:
5 years



Lower Estimate: $ 71,600 **Higher Estimate:** $ 87,500

Cost Source: ARSF Cost Database

Comp #: 1117 Exterior Surfaces - Repair **Approx Quantity: 15,900 GSF**
Location: Building exterior surfaces
Funded?: Yes.
History:
Comments: Funding is recommended for partial wood replacement due to the potential for termite damage, wood rot, and natural deterioration. Coordinate with painting for cost efficiency. We recommend an inspection by a licensed professional before painting to determine the scope of needed repairs. Adjust funding as future conditions dictate.

Useful Life:
10 years

Remaining Life:
5 years



Lower Estimate: $ 17,900 **Higher Estimate:** $ 21,900

Cost Source: ARSF Cost Database

Comp #: 1137 Windows - Replace **Approx Quantity: 126 Windows**
Location: Building exterior
Funded?: Yes.
History: Installed in ~2000
Comments: Inspect regularly and handle minor repairs as an operating expense. This component provides funding for replacement at the interval outlined below.

Useful Life:
40 years

Remaining Life:
13 years



Lower Estimate: $ 170,000 **Higher Estimate:** $ 208,000

Cost Source: ARSF Cost Database

Comp #: 1303 Comp Shingle Roofs - Replace **Approx Quantity: 7,500 GSF**
Location: Building roof
Funded?: Yes.
History: Installed in ~2000
Comments: We recommend regular inspections by a licensed professional to ensure the roof is fully functional and aging correctly. Avoid debris buildup to maximize the useful life of the surface.

Useful Life:
30 years

Remaining Life:
3 years



Lower Estimate: $ 101,000 **Higher Estimate:** $ 124,000

Cost Source: ARSF Cost Database

Comp #: 1308 Flat Roof - Replace **Approx Quantity: 2,000 GSF**
Location: Building roof
Funded?: Yes.
History: Repaired in 2025
Comments: Minor repairs in 2025. We recommend regular inspections by a licensed professional to ensure the roof is fully functional and aging correctly. Avoid debris buildup to maximize the useful life of the surface.

Useful Life:
20 years

Remaining Life:
3 years

No Photo Available

Lower Estimate: $ 36,000 **Higher Estimate:** $ 44,000

Cost Source: ARSF Cost Database

Comp #: 1309 Metal Roof - Replace **Approx Quantity: 500 GSF**
Location: Building roof
Funded?: Yes.
History: Installed in ~2000
Comments: We recommend regular inspections by a licensed professional to ensure the roof is fully functional and aging correctly. Avoid debris buildup to maximize the useful life of the surface.

Useful Life:
40 years

Remaining Life:
13 years



Lower Estimate: $ 11,300 **Higher Estimate:** $ 13,800

Cost Source: ARSF Cost Database

Comp #: 1312 Gutters/Downspouts - Partial Replace **Approx Quantity: 850 LF x20%**
Location: Perimeter of building
Funded?: Yes.
History: Installed in ~2000
Comments: Most fair, some in poor condition. Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuates from rooftops as designed, and repair as needed from general operating funds. Planning for replacement at the same intervals as roof replacement, cost efficiency is best.

Useful Life:
5 years

Remaining Life:
0 years



Lower Estimate: $ 15,300 **Higher Estimate:** $ 18,700

Cost Source: ARSF Cost Database

Comp #: 1405 Building Signs - Replace **Approx Quantity: 2 Misc. Signs**
Location: Throughout building
Funded?: No. Replace as an Operating Expense. No funding provided.
History:
Comments: We recommend replacing all signs at one time to maintain a uniform appearance. This component provides an allowance for replacement at the interval outlined below.

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Building Interiors, Common

Comp #: 325 Interior Lights - Replace **Approx Quantity: 10 Fixtures**
Location: Community room
Funded?: Yes.
History: Installed in ~2000
Comments: As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs, and repair as needed. For cost efficiency and consistent quality/appearance throughout the property, it is best to plan for replacement at the interval below. The best practice is to coordinate replacement at the same time as other interior projects, such as painting, whenever possible, to minimize downtime and maintain consistent quality standards.

Useful Life:
25 years

Remaining Life:
5 years



Lower Estimate: $ 2,700 **Higher Estimate:** $ 3,300

Cost Source: ARSF Cost Database

Comp #: 909 Bathroom - Refurbish **Approx Quantity: 1 Bathroom**
Location: Community room
Funded?: Yes.
History:
Comments: As routine maintenance, inspect regularly and perform any needed repairs promptly, utilizing general Operating funds. A typical remodeling project can include some or all of the following: replacement of plumbing fixtures, partitions, countertops, lighting, flooring, ventilation fans, accessories, décor, etc. The timing of the bathroom refurbishment highly depends on the client's desired aesthetics. This component provides an allowance for general refurbishment at the interval indicated below.

Useful Life:
20 years

Remaining Life:
5 years



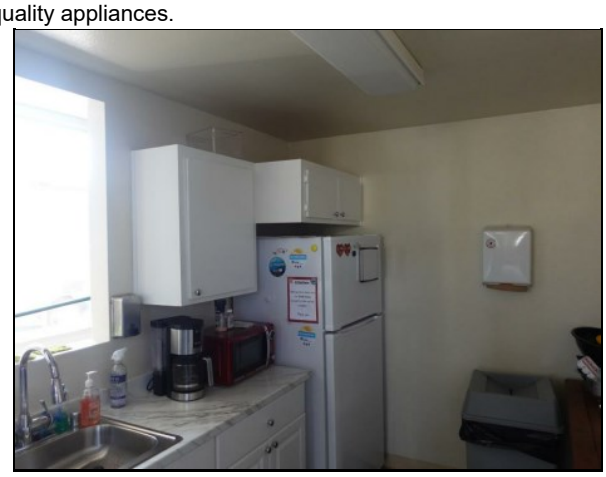
Lower Estimate: $ 4,500 **Higher Estimate:** $ 5,500

Cost Source: ARSF Cost Database

Comp #: 911 Kitchen Appliances - Replace **Approx Quantity: 2 Appliances**
Location: Community room
Funded?: Yes.
History:
Comments: Replacement should ideally be coordinated with kitchen refurbishing. The funding recommendation shown here is for replacing with comparable quality appliances.

Useful Life:
10 years

Remaining Life:
5 years



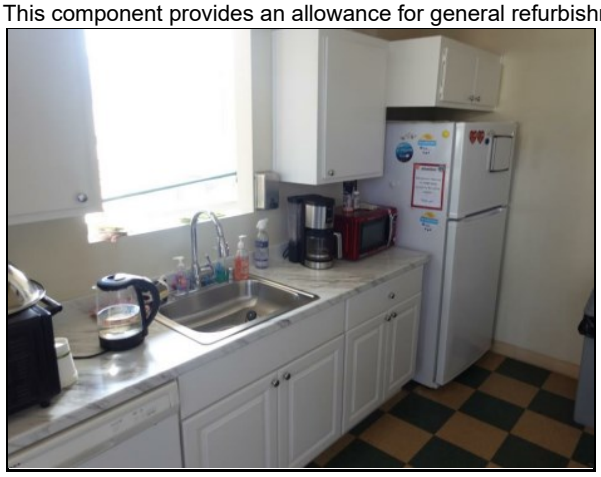
Lower Estimate: $ 2,160 **Higher Estimate:** $ 2,640

Cost Source: ARSF Cost Database

Comp #: 912 Kitchen - Remodel **Approx Quantity: 1 Kitchen**
Location: Community room kitchen
Funded?: Yes.
History: Installed in ~2000
Comments: Kitchen materials typically have an extended useful life. However, many properties choose to refurbish the kitchen for aesthetic updates periodically. This may include refurbishing or refinishing kitchen cabinets and countertops, replacing sinks, installing or replacing under-cabinet lighting, etc. The timing of the kitchen refurbishment is highly dependent on the level of aesthetics desired by the client. This component provides an allowance for general refurbishment at the interval indicated below.

Useful Life:
20 years

Remaining Life:
5 years



Lower Estimate: $ 9,450 **Higher Estimate:** $ 11,600

Cost Source: ARSF Cost Database

Comp #: 918 Office - Remodel **Approx Quantity: 1 Office**
Location: Community room office
Funded?: Yes.
History:
Comments: Inspect regularly and repair or replace any damaged pieces promptly to ensure safety. We recommend replacing all pieces together to maintain a consistent style. Costs may vary based on the quality of furniture selected for replacement.

Useful Life:
20 years

Remaining Life:
5 years



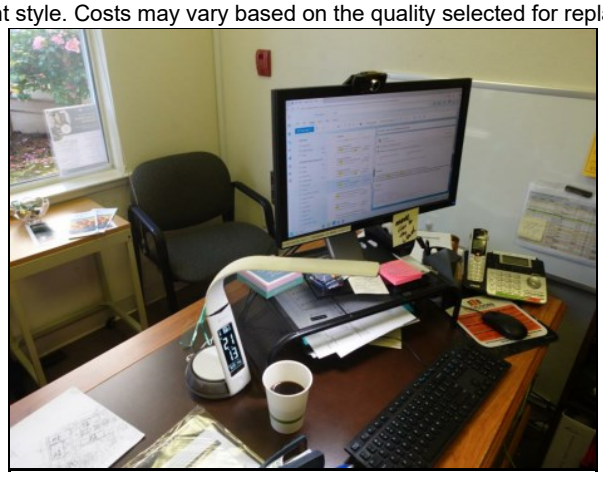
Lower Estimate: $ 3,150 **Higher Estimate:** $ 3,850

Cost Source: ARSF Cost Database

Comp #: 920 Office Equipment - Replace **Approx Quantity: 1 Allowance**
Location: Community room office
Funded?: No. Replacement handled out of the Operating budget. No Reserve funding allocated.
History:
Comments: Inspect regularly and repair or replace any damaged pieces as needed. We recommend replacing all pieces together to maintain a consistent style. Costs may vary based on the quality selected for replacement.

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 925 Laundry Room - Remodel **Approx Quantity: 1 Laundry Room**
Location: Laundry room
Funded?: No. Handled out of the Operating budget. No Reserve funding allocated.
History:
Comments: Based on our experience with other associations, laundry rooms should be remodeled at the approximate interval below. Remodeling typically includes replacing flooring and finishes (wall coverings, etc.), painting, and installing/replacing lighting, countertops, etc. Costs can vary depending on the type and quality of replacement materials.

Useful Life:

Remaining Life:



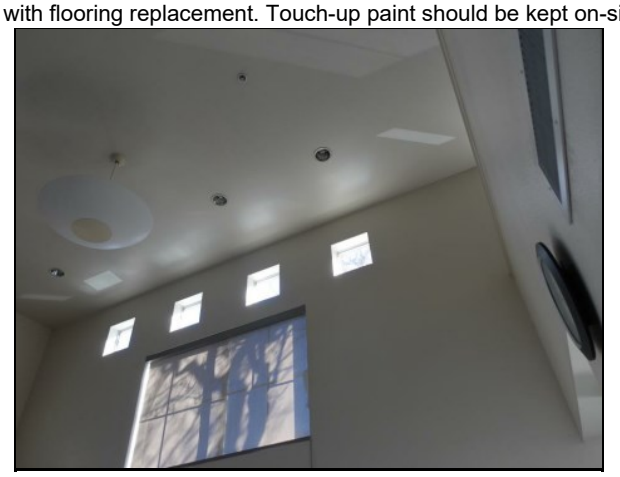
Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 1110 Community Room - Repaint **Approx Quantity: 3,200 GSF**
Location: Community room
Funded?: Yes.
History:
Comments: We recommend regular painting at the intervals below to maintain an attractive, uniform appearance. If possible, painting should be coordinated with flooring replacement. Touch-up paint should be kept on-site for projects in between cycles.

Useful Life:
10 years

Remaining Life:
5 years



Lower Estimate: $ 8,640 **Higher Estimate:** $ 10,600

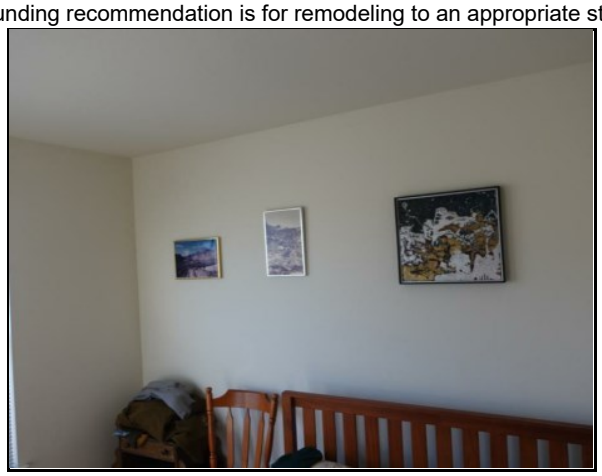
Cost Source: ARSF Cost Database

Building Interiors, Units

Comp #: 915 Unit - Remodel **Approx Quantity: 1 Unit**
Location: Building interior surfaces
Funded?: Yes.
History:
Comments: Funding provided to remodel (1) of (14) Units per year. Includes funding to repaint, replace flooring, and replace appliances. Remodeling is prudent to maintain an attractive, desirable appearance for residents. Life estimates can vary greatly depending on the level of wear and the client's preferences. Similarly, costs can vary greatly depending on the types of materials selected for replacement. The funding recommendation is for remodeling to an appropriate standard for this property.

Useful Life:
1 years

Remaining Life:
0 years



Lower Estimate:	$ 16,700	**Higher Estimate:**	$ 20,400

Cost Source: ARSF Cost Database

Common Area

Comp #: 103 Concrete - Repair **Approx Quantity: 1 GSF**
Location:
Funded?: No. Repair handled out of the Operating budget. No Reserve funding allocated.
History:
Comments: Large-scale repairs or complete replacement should not be anticipated, but moderate-sized projects should be considered as the concrete ages. Although timing, cost, and scope are difficult to predict, we suggest setting aside a repair/replacement allowance to supplement the operating budget in future years. Adjust as conditions dictate in future years. Avoid adjacent overwatering of the landscape and monitor any tree roots nearby.

Useful Life:

Remaining Life:



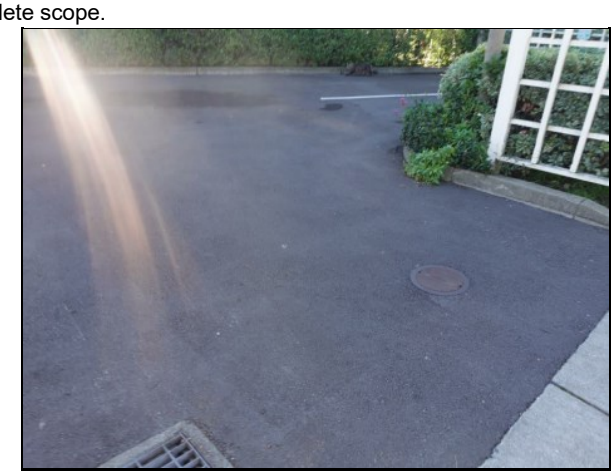
Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 202 Asphalt - Repave **Approx Quantity: 2,050 GSF**
Location:
Funded?: Yes.
History:
Comments: We recommend having the surface sealed and repaired; regular cycles of seal coating are recommended for maximum design life. As routine maintenance, keep the roadway clean, debris-free, and well-drained; fill/seal cracks to prevent water from penetrating the sub-base and accelerating damage. Even with ordinary care and maintenance, plan for eventual resurfacing at roughly the time frame below. As the timing draws nearer, consult an asphalt vendor/consultant for recommendations and a complete scope.

Useful Life:
30 years

Remaining Life:
25 years



Lower Estimate: $ 18,500 **Higher Estimate:** $ 22,600

Cost Source: ARSF Cost Database

Comp #: 203 Asphalt - Seal/Repair/Stripe **Approx Quantity: 2,050 GSF**
Location:
Funded?: Yes.
History: Resealed in 2025
Comments: Regular cycles of seal coating, along with any needed repairs, have proven to be the most cost-effective program for the long-term care of asphalt. Seal coating protects against damaging weather elements while bridging small surface cracks and maintaining a uniform appearance over the inevitable patching and repairs needed in future years.

Useful Life:
5 years

Remaining Life:
4 years



Lower Estimate: $ 2,310 **Higher Estimate:** $ 2,820

Cost Source: ARSF Cost Database

Comp #: 320 Pole Lights - Replace **Approx Quantity: 4 Pole Lights**
Location:
Funded?: Yes.
History:
Comments: The pole lights were observed during daylight hours and assumed to be in functional operating condition. Inspect, repair, and change the bulbs as routine maintenance as needed. For cost efficiency and consistent quality/appearance throughout the property, it is best to plan for replacement at the interval below.

Useful Life:
30 years

Remaining Life:
15 years



Lower Estimate: $ 10,800 **Higher Estimate:** $ 13,200

Cost Source: ARSF Cost Database

Comp #: 322 Bollard Lights - Replace **Approx Quantity: 6 Bollards**
Location:
Funded?: Yes.
History:
Comments: The bollard lights were observed during daylight hours and assumed to be in functional operating condition. Inspect, repair, and change the bulbs as routine maintenance as needed. For cost efficiency and consistent quality/appearance throughout the property, it is best to plan for replacement at the interval below.

Useful Life:
20 years

Remaining Life:
5 years



Lower Estimate: $ 6,480 **Higher Estimate:** $ 7,920

Cost Source: ARSF Cost Database

Comp #: 403 Mailboxes - Replace **Approx Quantity: 14 Boxes**
Location:
Funded?: Yes.
History: Installed in 2000
Comments: No signs of significant damage or abuse noted. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges, and handle repairs as an operating expense as needed. We recommend setting aside funding for replacement at the interval outlined below.

Useful Life:
25 years

Remaining Life:
1 years



Lower Estimate: $ 3,780 **Higher Estimate:** $ 4,620

Cost Source: ARSF Cost Database

Comp #: 404 Outdoor Furniture - Replace **Approx Quantity: 4 Pieces**
Location:
Funded?: Yes.
History:
Comments: Inspect regularly and repair or replace any damaged pieces promptly to ensure safety. We recommend replacing all pieces together to maintain a consistent style. Costs may vary based on the quality of furniture selected for replacement. This component provides an allowance for replacement at the interval below.

Useful Life:
10 years

Remaining Life:
5 years



Lower Estimate: $ 1,800 **Higher Estimate:** $ 2,200

Cost Source: ARSF Cost Database

Comp #: 503 Metal Fence/Gate - Replace **Approx Quantity: 95 LF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: Inspect regularly to ensure the stability of fencing. A durable and typically long-lived component with ordinary care and maintenance. However, we recommend setting aside funding for eventual replacement at the interval below. We recommend regular painting to maximize the useful life of the metal.

Useful Life:
40 years

Remaining Life:
13 years



Lower Estimate: $ 8,550 **Higher Estimate:** $ 10,500

Cost Source: ARSF Cost Database

Comp #: 505 Wood Fence - Repair/Replace **Approx Quantity: 185 LF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: As routine maintenance, inspect regularly for any damage, repair as needed, and avoid contact with irrigation and surrounding vegetation wherever possible. Plan to replace at roughly the time frame below, with funding included here for a similar wood fence replacement. Regular cycles of uniform and professional sealing/painting will help to maintain appearance and maximize life.

Useful Life:
25 years

Remaining Life:
1 years



Lower Estimate: $ 16,700 **Higher Estimate:** $ 20,400

Cost Source: ARSF Cost Database

Comp #: 509 Decorative Arbor - Replace **Approx Quantity: 1 Structure**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: With ordinary care and maintenance, plan for replacement at roughly the interval indicated below due to deterioration resulting from constant exposure to the elements. Local repairs between large-scale replacements can be handled as an operating expense.

Useful Life:
25 years

Remaining Life:
3 years



Lower Estimate: $ 2,700 **Higher Estimate:** $ 3,300

Cost Source: ARSF Cost Database

Comp #: 514 Wood Retaining Wall - Replace/Repair **Approx Quantity: 110 LF**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: Conditions vary by location. This component provides funding for repair/replacement. Adjust funding as future conditions dictate.

Useful Life:
35 years

Remaining Life:
8 years



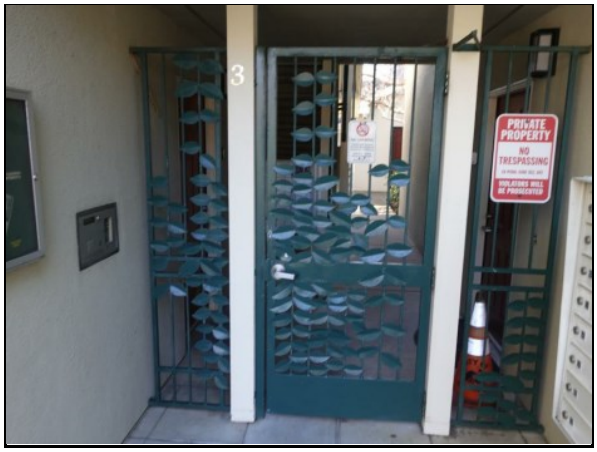
Lower Estimate: $ 14,900 **Higher Estimate:** $ 18,200

Cost Source: ARSF Cost Database

Comp #: 750 Pedestrian Gates - Replace **Approx Quantity: 3 Gates**
Location:
Funded?: Yes.
History: Installed in ~2000
Comments: A sturdy item that can typically last for an extended period with ordinary care and maintenance. In our experience, however, eventual replacement is warranted due to constant wear, usage, and exposure. Plan to replace at roughly the time frame below. Inspect regularly, clean for appearance, and repair promptly to ensure safety. We recommend regular painting to maximize the useful life of the gate.

Useful Life:
40 years

Remaining Life:
13 years



Lower Estimate: $ 14,900 **Higher Estimate:** $ 18,200

Cost Source: ARSF Cost Database

Comp #: 1006 Irrigation System - Repair/Replace **Approx Quantity: 1 Irrigation System**
Location: Common area landscaping
Funded?: No. Handle replenishment out of the Operating budget. No Reserve funding allocated.
History:
Comments: If properly installed and bedded without defect, the lines are expected to be long-lived, with no predictable replacement expectation. In our experience, however, renovations, repairs, zone reconfiguration, etc., become necessary as the system ages. This component provides a rotating funding allowance to supplement the operating/maintenance budget for periodic, more significant repairs and replacements. Adjust as conditions and actual expense patterns dictate in future reserve study updates.

Useful Life:

Remaining Life:



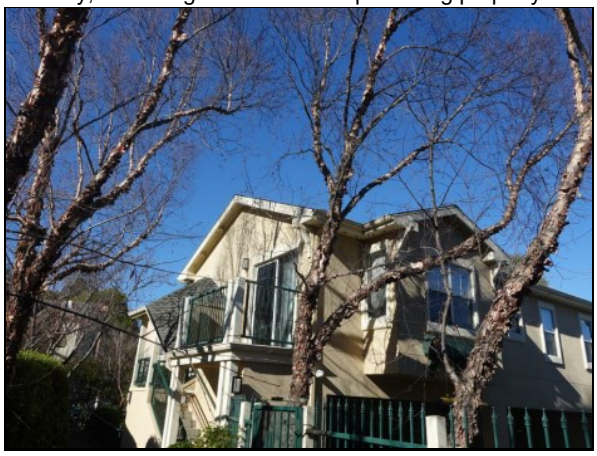
Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 1008 Trees - Trim/Remove **Approx Quantity: 1 Allowance**
Location: Common area landscaping
Funded?: No. Handle replenishment out of the Operating budget. No Reserve funding allocated.
History:
Comments: This component may be utilized for larger tree removal/trimming projects that are not handled as operating expenses. If the community has not already done so, consult with a qualified arborist to develop a long-term plan for caring for and managing the trees within the community, balancing aesthetics with protecting property assets.

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 1009 Landscaping - Replenish **Approx Quantity: 1 Allowance**
Location: Common area landscaping
Funded?: No. Handle replenishment out of the Operating budget. No Reserve funding allocated.
History:
Comments: Although typically funded as an ongoing maintenance item, this component may be used to set aside funds for more significant expenses, such as large-scale plantings, resodding lawn areas, and replenishing bark/mulch. Adjust as conditions and actual expense patterns dictate in future Reserve Study updates.

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 1113 Metal Surfaces - Repaint **Approx Quantity: 1 GSF**
Location:
Funded?: No. The project cost estimate is below a minimum threshold. No Reserve funding allocated.
History:
Comments: Plan to repaint at the interval below to inhibit corrosion, prevent or limit costly repairs, and maximize design life.

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Mechanical & Systems

Comp #: 704 Intercom - Replace **Approx Quantity: 3 Intercom**
Location:
Funded?: Yes.
History:
Comments: Clean and wipe down regularly with an appropriate cleaner. Handle any minor repairs as an operating expense. We recommend regular service and maintenance by a licensed professional to help ensure the intercom system continues to function correctly. We anticipate the need for replacement at the interval below.

Useful Life:
12 years

Remaining Life:
5 years



Lower Estimate: $ 17,600 **Higher Estimate:** $ 21,500

Cost Source: ARSF Cost Database

Comp #: 803 Water Heaters - Replace **Approx Quantity: 3 Water Heaters**
Location:
Funded?: Yes.
History: Replaced in ~2021
Comments: (6) Rheem 100 gallon, 199.9k BTU water heaters, all installed in ~2021; M/N: GNU100-200, S/N: A092120814, Mfg. Date: 3/2021. It is best to plan for replacement within the typical life expectancy of ten to fifteen years. We recommend regular inspections by a licensed professional to ensure the water heater is fully functional and aging correctly. Flush the tank and inspect the pressure relief valve each year. If not already done, install earthquake strapping and a drain pan for added protection.

Useful Life:
12 years

Remaining Life:
6 years



Lower Estimate: $ 24,300 **Higher Estimate:** $ 29,700

Cost Source: ARSF Cost Database

Comp #: 1001 Fire Backflow Preventer - Replace **Approx Quantity: 1 Device**
Location: Common area
Funded?: Yes.
History: Installed in ~2000
Comments: No active leaks or other indications of failure. We recommend regular testing and inspection by a licensed backflow professional to ensure the device is fully functional and aging correctly.

Useful Life:
30 years

Remaining Life:
3 years



Lower Estimate:	$ 13,500	**Higher Estimate:**	$ 16,500

Cost Source: ARSF Cost Database

Comp #: 1811 Plumbing - Inspect/Repair **Approx Quantity: 1 Allowance**
Location: Throughout property
Funded?: Yes.
History:
Comments: Analysis of the plumbing systems is beyond the scope of our services. As the property continues to age, we highly recommend that the client engage a qualified firm to evaluate the plumbing systems, which are classified as a major component under Civil Code Section 5550, as amended by SB900. This may include forensic wall openings and testing sections of piping.

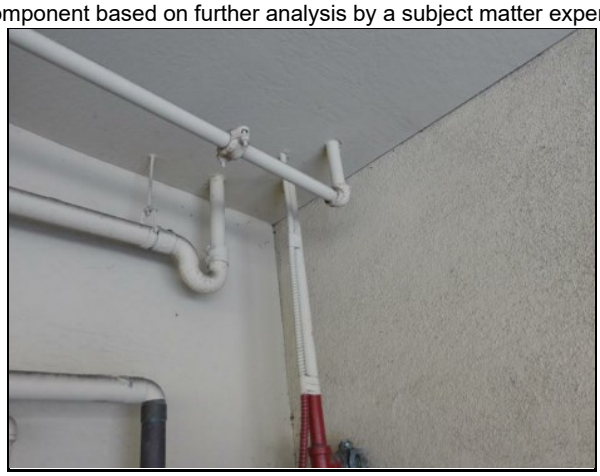
Manufacturing defects occasionally become apparent, and specific site conditions (e.g., galvanic corrosion, dissimilar metals in contact with piping, chemical reactions) can contribute to the premature deterioration of plumbing systems. Patterns of significant repair expenses, leaks, poor flow, and sediments in the lines will accelerate the need for replacement.

The client should seek a detailed analysis to identify hidden conditions, project the remaining useful life of the system, and make recommendations for any necessary repairs, maintenance, and other necessary actions. Before such an evaluation, there is no predictable basis for large-scale plumbing repair or replacement expenses.

The cost projected below is a budget allowance for an inspection and minor repairs, including SB900-related expenses. Adjust the funding and frequency of this component based on further analysis by a subject matter expert and as future conditions dictate.

Useful Life:
5 years

Remaining Life:
0 years



Lower Estimate:	$ 6,300	**Higher Estimate:**	$ 7,700

Cost Source: ARSF Cost Database

Comp #: 1819 Fire Alarm System - Replace **Approx Quantity: 1 System**
Location: Main panel is located in the lobby
Funded?: Yes.
History:
Comments: Fire panels and systems may last an extended period, barring unforeseen electrical incidents. However, design obsolescence, parts availability, technological advances, and code changes dictate the need to plan for periodic replacement. A wide range of panels and features is available, and this component provides an allowance for replacement. We recommend regular testing and inspection by a licensed professional to ensure all fire systems are fully functional and aging correctly.

Useful Life:
20 years

Remaining Life:
0 years



Lower Estimate: $ 10,800 **Higher Estimate:** $ 13,200

Cost Source: ARSF Cost Database

Comp #: 1844 Electrical System - Inspect/Repair **Approx Quantity: 1 Allowance**
Location: Throughout property
Funded?: Yes.
History:
Comments: Assessing the electrical system is beyond the scope of our services. As the property continues to age, we highly recommend that the client engage a qualified firm to evaluate the electrical system, which is classified as a major component under Civil Code Section 5550, as amended by SB900.

The client should seek a detailed analysis to identify hidden conditions, project the remaining useful life of the system, and make recommendations for any necessary repairs, maintenance, and other necessary actions. Before such an evaluation, there is no predictable basis for large-scale electrical system repair or replacement expenses.

The cost projected below is a budget allowance for an inspection and minor repairs, including SB900-related expenses. Adjust the funding and frequency of this component based on further analysis by a subject matter expert and as future conditions dictate.

Useful Life:
15 years

Remaining Life:
0 years

No Photo Available

Lower Estimate: $ 6,300 **Higher Estimate:** $ 7,700

Cost Source: ARSF Cost Database

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BRIDGE Housing

BUILDING SUSTAINING LEADING

BRIDGE HOUSING CORPORATION

BRIDGE PROPERTY MANAGEMENT COMPANY

BRIDGE ECONOMIC DEVELOPMENT CORPORATION

February 27, 2026

Via Email

Brisbane Housing Authority
50 Park Place
Brisbane, CA 94005
Attn: Ms. Julia Ayres

Re: Redevelopment Agency of the City of Brisbane Loans for Visitacion Garden - Conditional Letter to RFP

Dear Ms. Ayres:

As we explained with our correspondence on June 19, 2025, we are supportive of the City's and Authority's efforts to reposition the Project with a new long-term lessee or operator. With a prospective new lessee working towards City Council approval on April, 2026, we want to reiterate our support of the transfer of the property to the new lessee and any agreement to alter the terms of the lease are conditioned upon the City's agreement that, regardless of the outcome of the RFP, the Authority and City will:

(a) forgive existing Project loans and interest that consist of (i) a loan made by the Redevelopment Agency of the City of Brisbane (Agency) to BRDIGE Housing Corporation (BRIDGE) in the original principal amount of One Million Dollars ($1,000,000) from the Agency's Low and Moderate Income Housing Fund (Agency Loan), and (ii) a loan made by the Agency to BRIDGE in the original principal amount of One Million Five Hundred Thousand Dollars ($1,500,000) from the proceeds of bonds issued by the Agency deposited in the Agency's Low and Moderate Income Housing Fund (Bond Proceeds Loan); (b) release BRIDGE, and cause any new lessee or operator to release Brisbane Senior Housing, Inc., as current lessee, from ongoing liabilities associated with the Project; (c) work with us to seek to cause the County of San Mateo's (County) Project loan to be forgiven concurrently with the Authority's loan; (d) terminate the lease as soon as practicable in light of the RFP responses.

350 CALIFORNIA STREET, SUITE 1600, SAN FRANCISCO, CA 94104 TEL: 415.989.1111 FAX: 415.495.4898 BRIDGEHOUSING.COM
1588 KETTNER BOULEVARD, SAN DIEGO, CA 92101 TEL: 619.231.6300 FAX: 619.231.6301
15260 VENTURA BOULEVARD, SUITE 800, SHERMAN OAKS, CA 91403 TEL: 424.419.5100
830 NE HOLLADAY STREET, PORTLAND, OR 97232 TEL: 503.360.1828
701 FIFTH AVENUE, SUITE 4200, SEATTLE, WA 98104 TEL: 206.456.6100
BRIDGE HOUSING IS A NOT-FOR-PROFIT, PUBLIC-BENEFIT CORPORATION

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We look forward to our collective efforts relating to this Project. Please let us know of next steps and we look forward to a successful Council meeting.

Sincerely,

Sierra Atilano

Sierra Atilano, Chief Real Estate Officer
Authorized Representative of Brisbane Senior Housing, Inc.
Enclosure

[Signatures of City and Authority on the Following Page]

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The City of Brisbane and Brisbane Housing Authority hereby agree to forgive the Agency Loan and the Bond Proceeds Loan effective as of the expiration or earlier termination of that certain Ground Lease dated as of January 26, 1998, amended in November 4, 1998, and April 10, 2000, and to comply with the other conditions described in (b) through (d).

CITY OF BRISBANE,
a municipal corporation

By: _____

Name: _____

Title: _____

BRISBANE HOUSING AUTHORITY,
a public body, corporate and politic

By: _____

Name: _____

Title: _____

BRISBANE HOUSING AUTHORITY RESOLUTION NO. 2026-xx

WHEREAS, the Brisbane Housing Authority ("Authority") owns real property at 2-8 Visitacion Avenue, Brisbane, California, which property has been developed with 14 affordable rental units for seniors (Visitacion Garden) and a community room used as the City's senior center; and

WHEREAS, in 1998, the property, then owned by the (now former) Redevelopment Agency of the City of Brisbane ("RDA"), was leased to and developed by the BRIDGE Housing Corporation ("BRIDGE"),a non-profit housing developer whose purpose is to provide affordable housing for low income persons, which lease runs through January 2028; and

WHEREAS, the RDA also made two loans to BRIDGE totaling $2.5 million to offset predevelopment and construction costs for the project; and

WHEREAS, in 2000, with the approval of the RDA, BRIDGE assigned its interest in the lease to Brisbane Senior Housing, Inc., ("BSH"), a non-profit organization affiliated with and managed by BRIDGE and since 2000, BSH has owned the project and, through a variety of management agreements with third parties, operated and managed the 14 rental units; and

WHEREAS, also in 2000, BRIDGE, with the approval of the RDA, assigned its interest in the two RDA loans to BSH; and

WHEREAS, after discussions and agreement between the Authority, the City, BRIDGE and BSH, the Authority sent out a Request for Proposals for a new organization to lease and/or manage the property/project and if the Authority approved a proposal by such organization, the Authority would terminate early its Ground Lease with BSH; and

WHEREAS, the Authority received a proposal from the Housing Endowment and Regional Trust of San Mateo County (HEART), a joint powers authority, the members of which are the cities in San Mateo County (including Brisbane) and San Mateo County, and its assignee HEART-SV, a separate joint powers authority whose members are HEART and San Mateo County; and

WHEREAS, under the HEART-SV proposal, HEART-SV would acquire the Visitacion Garden project and enter into a new 55-year ground ease with the Authority for the project; and

WHEREAS, under the HEART-SV proposal, HEART-SV would assume $3,062,564 of the existing, outstanding debt on the property and obtain an additional loan in the amount of $390,250 from the Authority 's Low and Moderate Income Housing Asset Fund to fund needed capital improvements at the project; and

WHEREAS, if the HEART proposal is approved, the existing Ground Lease with BSH and related documents would need to be terminated; and

WHEREAS, the Housing Authority at its meeting on May 21, 2026 reviewed the HEART-SV proposal, the documents that have been prepared to implement such proposal, and the documents prepared to terminate the existing arrangement with BRIDGE/BSH; and

WHEREAS, because the HEART-SV proposal does not result in HEART-SV assuming all the existing debt on the property from the loans to BSH, and even though BSH has no legal obligation to repay the outstanding balance of the loans because they are non-recourse loan, BSH has nevertheless requested the Authority to forgive any of its debt that is not assumed by HEART-SV; and

WHEREAS, the Authority finds that forgiving the outstanding debt on the property serves a public purpose because the HEART-SV proposal does not include assuming all of that debt and without the HEART-SV proposal, there may not be any organization to operate the project when the BSH ground lease terminates in January 2028, thereby resulting in the loss of a 14 affordable rental units for seniors.

NOW, THEREFORE, THE BRISBANE HOUSING AUTHORITY RESOLVES AS FOLLOWS:

Section 1. As to and with HEART-SV, (a) approves (i) the Ground Lease, (ii) a Memorandum of Ground Lease, (iii) the Regulatory Agreement, (iv) the Loan Agreement, all in substantially the same form as those documents are attached to this Resolution, and (v) any other related documents necessary to carry out the intent of this Resolution, and, (b) authorizes the Executive Director to sign such documents when the Authority's General Counsel has approved the final form of all documents.

Section 2. As to the BRIDGE Housing Corporation and Brisbane Senior Housing, Inc., (a) approves the Termination of (i) the Ground Lease and its Assignment, (ii) the Declaration of Restrictive Covenants, and (iii) the Declaration of Restrictions, (b) authorizes the Executive Director to accept a Quit Claim Deed from BRIDGE and Brisbane Senior Housing, the form of which is attached to this Resolution, (c) when the Authority's General Counsel has approved the final form of all documents, authorizes the Executive Director to sign the Termination documents, the reconveyances of the deeds of trust in which the BRIDGE Housing Corporation is the trustor, and any other related documents necessary to carry out the full and complete termination of the interests of the BRIDGE Housing Corporation and Brisbane Senior Housing, Inc. in the Visitacion Garden Senior Apartment project and (d) forgives the debt of the two loans made by the BRIDGE Housing Corporation, as assigned to Brisbane Senior Housing, Inc., to the extent such debt has not been assumed by HEART-SV, on grounds that there is no legal obligation for that debt to be repaid to the Authority and to forgive that debt serves a public purpose as set forth in this Resolution.

Section 3. This Resolution shall become effective immediately upon its adoption.

This Resolution was adopted at a Special Meeting of the Brisbane Housing Authority on May 21, 2026 by the following vote:

AYES;
NOES:
ABSENT:
ABSTAIN: Board Member Lentz

_____
Ingrid Padilla, Board Secretary

Approved as to form:

_____
Samantha Zutler, General Counsel

City Council Staff Report

Meeting Date: May 21, 2026

From: Adrienne Etherton, Sustainability Manager, Bob Sage

Subject: Presentation on Public Tree Inventory and Consider Adoption of Citywide Canopy Goal

Recommendation

Staff recommend that the City Council accept the Public Tree Inventory and Management Plan, receive a presentation of the Hubsite, and adopt a citywide tree canopy goal.

Background

The Open Space and Ecology Committee (OSEC) has long expressed concerns about the loss of trees—particularly larger trees in central Brisbane—and requested that the City evaluate ways to understand and address this trend in alignment with environmental and climate goals. The City's last inventory of street trees occurred in 2007.

In 2023, the City engaged PlanIT Geo to conduct a study on both the health of individual public trees and the broader tree canopy across the entire city, including public and private lands. Their scope included:

- Inventory of up to 5,000 trees on City-owned property by certified arborists
- Analysis of tree canopy change from 2010 to 2022 using satellite imagery
- Tools to support consideration of future canopy growth scenarios

The field inventory took place in spring 2024, with data delivered in late May. Upon review, Public Works, with a new GIS Manager position, determined that developing an in-house platform would be preferable to paying ongoing subscription costs to PlanIT Geo. Between late 2024 and early 2025, the nearly 5,000 inventoried trees and their 43 associated attributes were incorporated into the 'Brisbane Tree Inventory' Hub Site, available at brisbaneca.org/trees, by the GIS Manager, with support from Sustainability, Buildings and Grounds, as well as Public Works and ultimately city leadership.

Concurrently, Sustainability staff worked with OSEC's Tree Subcommittee to evaluate citywide canopy change and explore future scenarios using PlanIT Geo's tools. OSEC considered three draft 2040 canopy scenarios in March 2025 and, in April 2025, received a presentation on the Public Tree Inventory and Management Plan and adopted the recommended 2040 canopy goal.

Discussion

Key findings from the Tree Inventory are summarized in the attached Executive Summary, and

the full dataset is publicly accessible via the interactive 'Brisbane Tree Inventory' Hub Site.

Using the PlanIT Geo dataset, the Public Works team developed a Tree Management Plan to address maintenance needs identified by the arborists. Fortunately, 90% of trees were in Excellent, Good, or Fair condition. However, a significant amount of maintenance work was identified by PlanIT Geo arborists, using a complicated and overlapping set of attributes including Tree Work, Maintenance Priority, Risk Rating, Consequences of Failure, Likelihood of Failure, and Condition. To ensure this information could be applied efficiently and communicated clearly, staff organized the results into three practical Management Phases that highlight the most important maintenance needs while appropriately prioritizing public safety. OSEC recommended completing the Management Plan over three years. Staff additionally recommend following industry standards by completing a public tree inventory every 5–7 years.

The attached Canopy Goal Recommendation details canopy growth from 9% in 2010 to 13% in 2022, with substantial variation across census blocks. OSEC recommends a goal of increasing canopy coverage by an additional 10% by 2040—resulting in 23% canopy cover—with distribution by general land use type. OSEC has begun exploring programmatic pathways to support achieving this goal, and staff anticipate bringing forward future plans and budget requests accordingly.

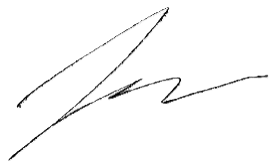
Fiscal Impact

There is no direct fiscal impact associated with accepting this report. Budget requests to initiate the Management Plan were included in the 2025/26 and 2026/27 budgets, with $170,000 allocated in each fiscal year to support completing the plan within three years. Staff expect to request funding for completion of the Management Plan in FY 27/28 and to conduct the next public tree inventory around 2030. Additional funding requests to support tree replacements and canopy growth on public and private properties are anticipated.

Attachments

1. Tree Inventory Executive Summary
2. Canopy Goal Recommendation

City Manager Approval



Jeremy Dennis, City Manager 05/14/2026

City of Brisbane 2024 Tree Inventory

The City of Brisbane completed an inventory of City owned trees in the spring of 2024. The inventory of approximately 5000 trees and accompanying data was collected by PlanIT Geo. In addition, a separate citywide review of the tree canopy was performed by PlanIT Geo comparing satellite data from 2010 and 2022 of tree cover across the jurisdiction's boundaries.

PlanIT Geo delivered the inventory data as a GIS shapefile, as well as summary charts and statistics. Brisbane Public Works staff reviewed the data and presents it here in this Executive Summary as well as the Brisbane Tree HubSite which provides GIS maps, data and searchable content.

Quick Stats

4720	180	12.02	96
Total Trees Counted	Unique Species	Average Diameter at Breast Height (DBH) (inches)	Largest Diameter at Breast Height (DBH) (inches)

Eco Benefits

Total Eco-Benefits	
Runoff Avoided:	1331.53 (ft^3)
Interception:	19,827.89 (ft^3)
Pollutants Removed:	5923.94 (lbs)
Carbon Storage:	9,607,535.00 (lbs)
CO_2 Storage:	35,227,636.00 (lbs)
CO_2 Sequestered:	903,467.50 (lbs)

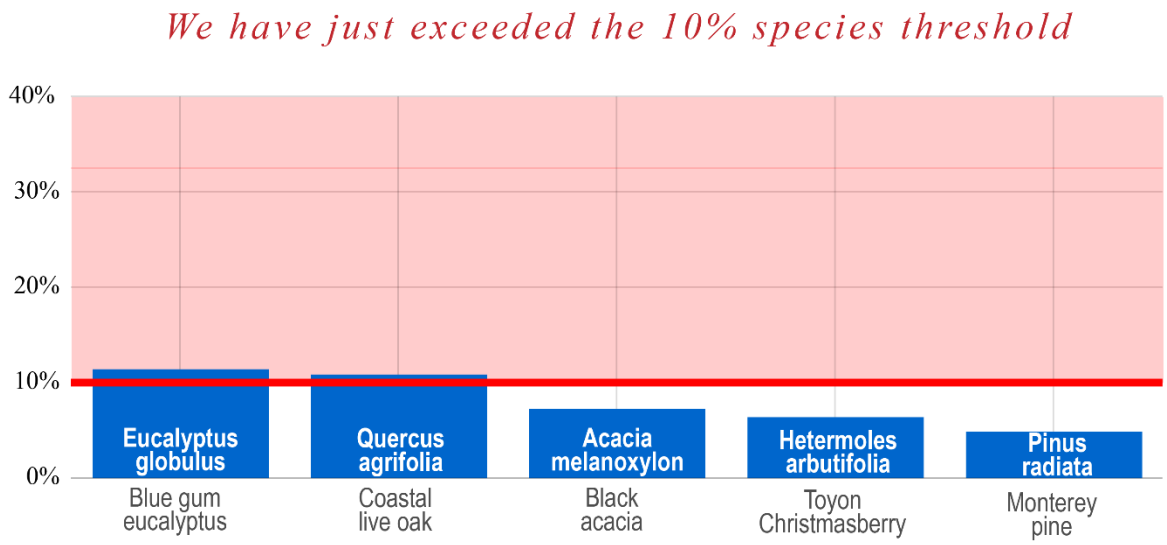
For details of the Eco Benefits, which are calculated by iTree, see planitgeo.com/library/the-new-i-tree-benefits-api-is-here/

Tree Diversity

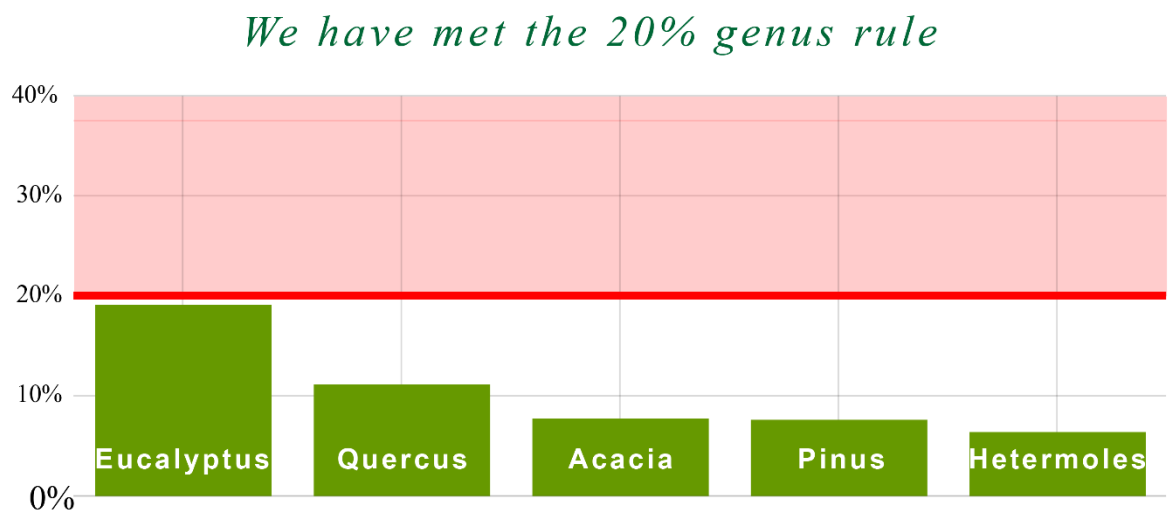
The Tree Diversity charts show the top five most common tree species, genera, and families within the inventory. The red horizontal lines demonstrate the 10-20-30 rule, which suggests an urban tree population should include no more than 10% of any one species, 20% of any one genus, or 30% of any family. Tree managers, researchers, and practitioners use these parameters first recommended by Santamour in 1990 as an industry standard to measure a tree population's resiliency to harmful tree pests and diseases and other factors. Consider establishing these thresholds on a community-wide scale and/or at smaller-scales such as by neighborhood, street corridor, block, or project.

Santamour, F.S., 1990. Trees for urban planting: diversity, uniformity and common sense. Paper Presented at the Proceedings of the 7th Conference of the Metropolitan Tree Improvement Alliance.

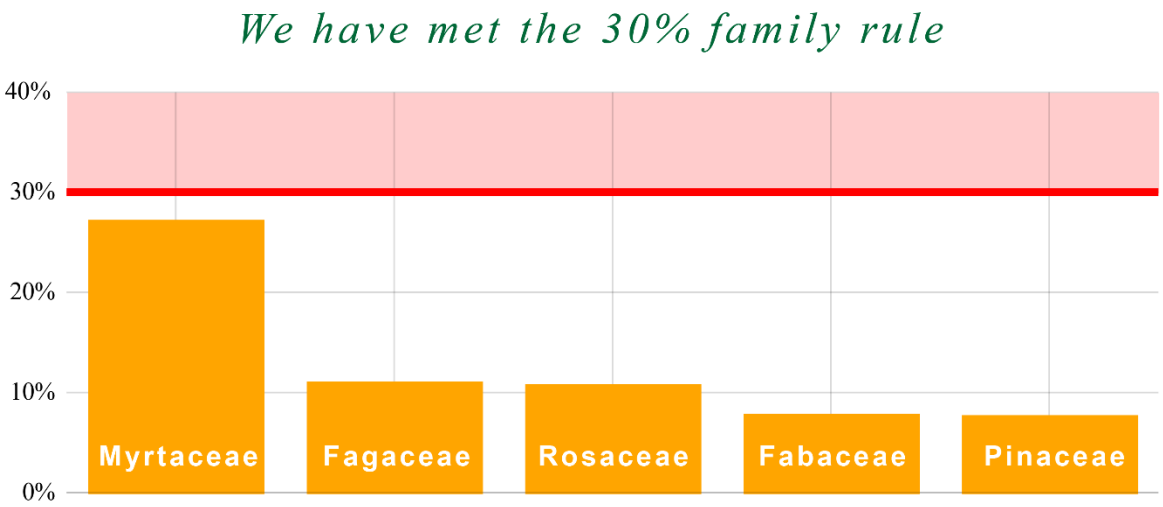
Top 5 Species



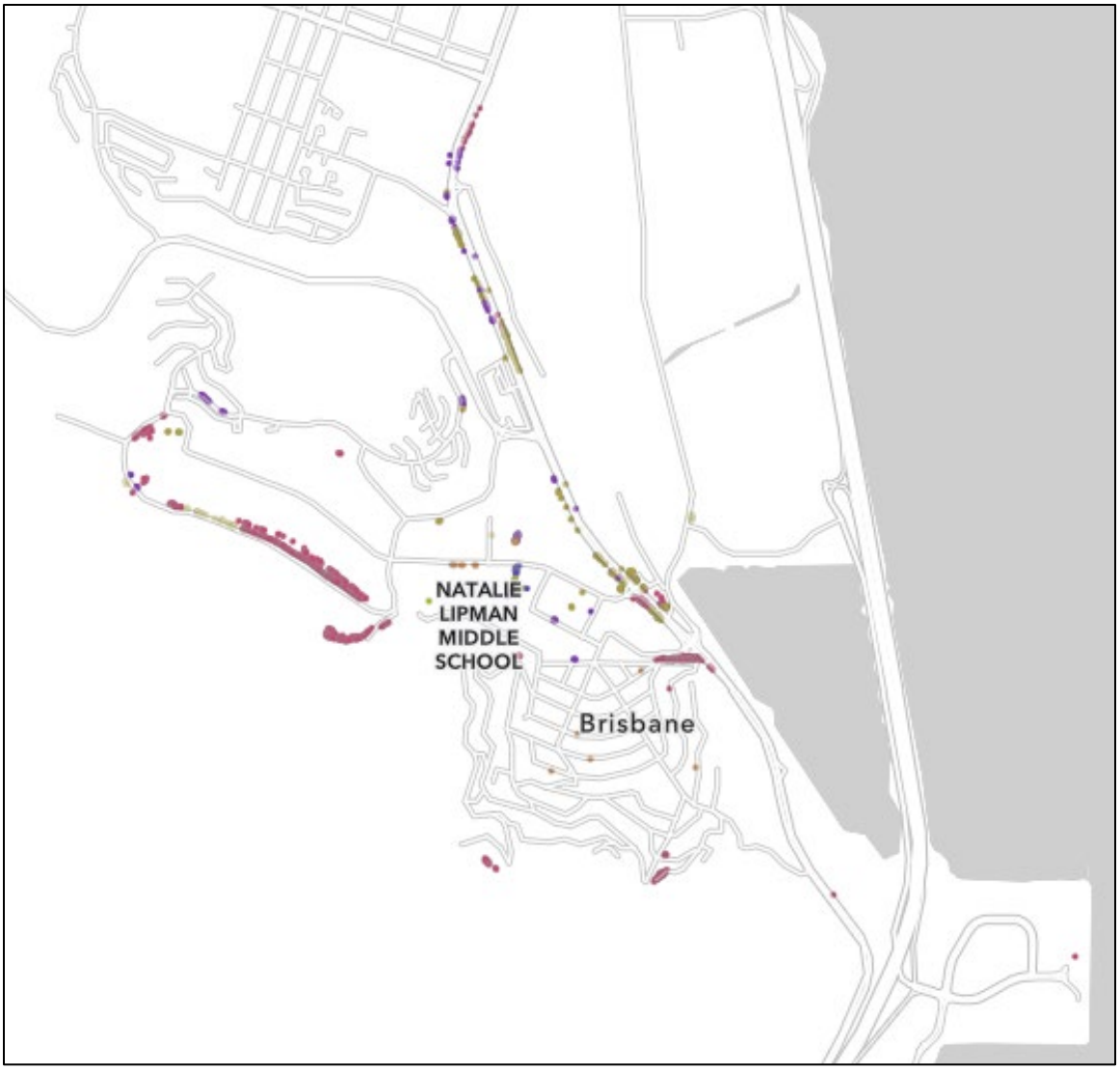
Top 5 Genera

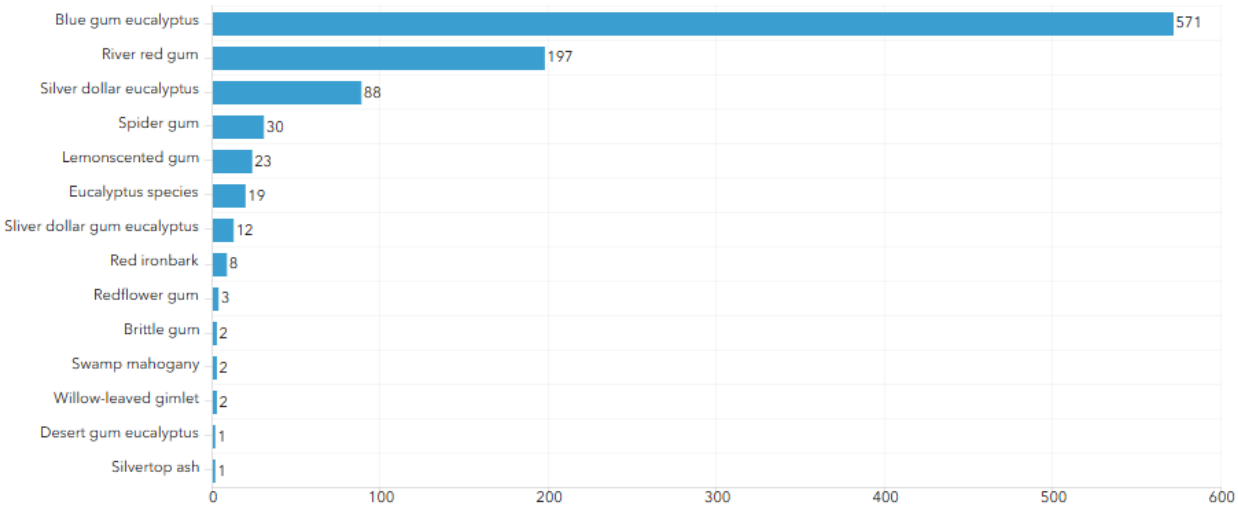


Top 5 Families



The Tree Diversity Dashboard on the Brisbane Tree HubSite includes charts showing the Top 20 Species and Top 20 Genus, and the counts of those trees in the inventory, including the ability to filter the map to identify the locations of those trees. For instance, there are 959 Eucalyptus (genus) on city-owned properties and rights of way within Brisbane:


NATALIE
LIPMAN
MIDDLE
SCHOOL
Brisbane

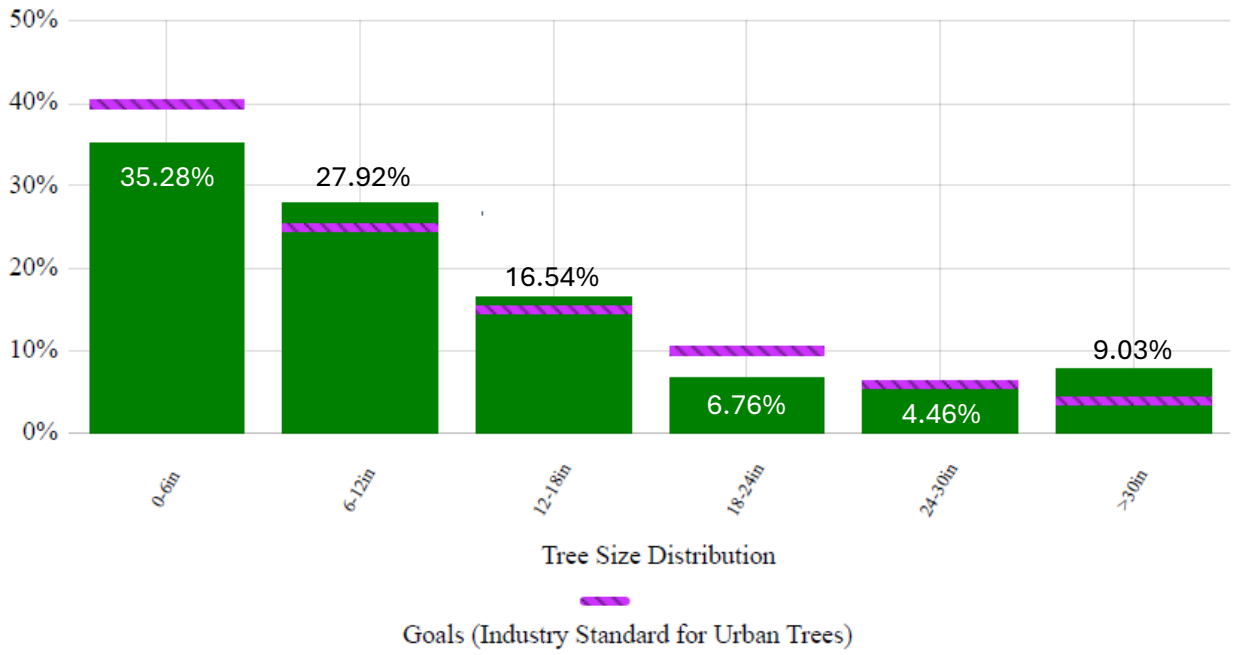

Blue gum eucalyptus
571
River red gum
197
Silver dollar eucalyptus
88
Spider gum
30
Lemonscented gum
23
Eucalyptus species
19
Sliver dollar gum eucalyptus
12
Red ironbark
8
Redflower gum
3
Brittle gum
2
Swamp mahogany
2
Willow-leaved gimlet
2
Desert gum eucalyptus
1
Silvertop ash
1
0
100
200
300
400
500
600

Tree Size Distribution

This chart displays the May 2024 recorded diameter (diameter at breast height or DBH, measured 4.5-feet above natural grade) values along with DBH goals (as defined by Richards et al. in 1983 and 1993). This information is often used to identify a tree population's structure, distribution of tree canopy cover and associated benefits, current maintenance needs, projecting potential surges in maintenance and removal needs, among other considerations in sustainably managing trees in communities. A distribution of tree size classes as indicated by the "Goal" uniformly distributes tree benefits and maintenance needs. Smaller, younger trees compared to large diameter trees aim to compensate for the loss of tree canopy cover and associated benefits that occur when large trees reach their full potential, mature, and begin to decline, requiring eventual removal (in most cases).

Richards, N. A. 1983. "Diversity and Stability in a Street Tree Population." Urban Ecology 7(2):159–171.

Richards, N.A. 1993. Reasonable guidelines for street tree diversity. Journal of Arboriculture 19:344–349.

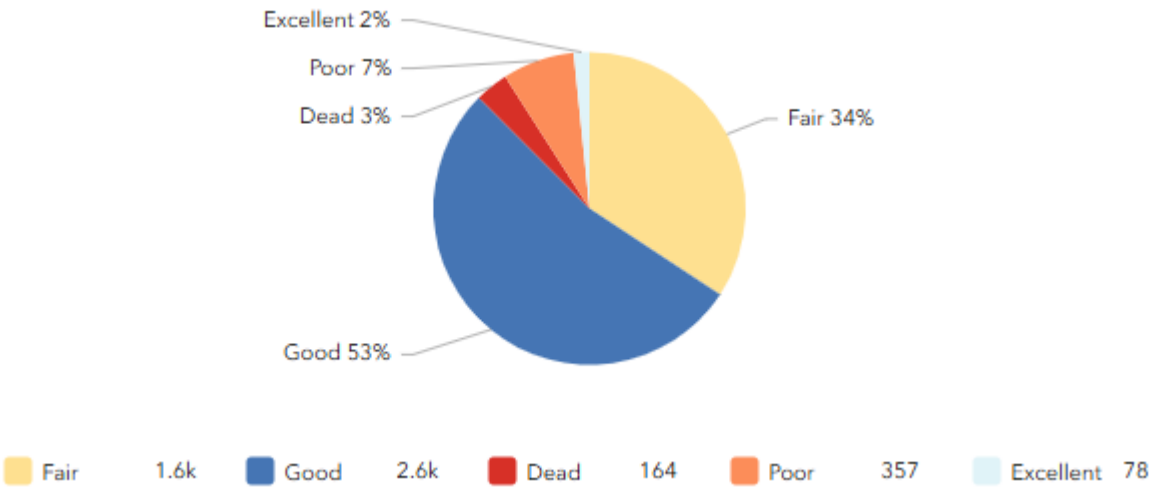


The Tree Diversity Dashboard on the Brisbane Tree HubSite includes a pie chart of the Brisbane tree size data, including the ability to filter the map to identify the locations of trees of that size.

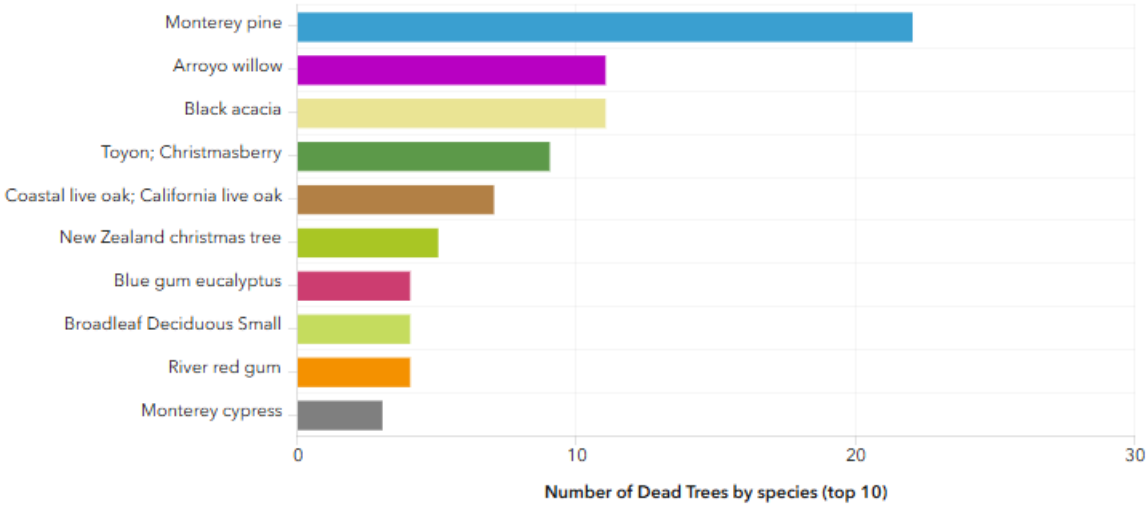
Tree Health

A key goal of inventorying city-owned trees is to understand the health of our trees and identify maintenance needs. To that end, two dashboards have been created: a Tree Health Dashboard, and a Maintenance and Risk Dashboard which identifies specific maintenance needs. Public Works Buildings and Grounds staff have reviewed and, as of mid-January 2025, have removed at least 8 trees, trimmed 17 and evaluated approximately 50 more. Where trees are dead but not posing a risk to the public, they have been left in place for ecologic and economic reasons.

Fortunately, 90% of inventoried public trees are in Excellent, Good or Fair Condition.



Unfortunately, that leaves 10% of trees in Poor Condition or Dead. Of the 164 trees PlanIT Geo identified as “Dead”, the data indicates that 53 or approximately 1/3 are in fact Stumps. The Top Ten Species of Dead Trees in the inventory are:



Both the charts shown on this page are included in the publicly accessible Tree Health Dashboard, including the ability to click on a condition or species and see those tree locations in the map.

PlanIT Geo's dataset includes additional data intended to support the City's maintenance of its trees, such as Tree Work, Risk Ratings, Conflicts with Wires, Trees observed with Vines, and more.

TREE WORK	COUNT*
Crown Cleaning	752
Prune-Clearance	452
Prune-Structural	283
Prune-Utility	267
Remove Hardware	207
Remove	198
Insects	43
Disease	26
Monitor	24
Remove-Hanger	19
Reduce	16
Prune-Restoration	13
Thin	13
Other	12
Remove-Girdling Root	7
Raise	4
Amend Mulch	1

MAINTENANCE PRIORITY	COUNT	PERCENTAGE
Low	4,546	96.3%
Medium	155	3.3%
High	19	0.4%

RISK RATING	COUNT	PERCENTAGE
None Specified	2,909	57.8%
Low	2,120	42.1%
Moderate	3	0.1%
High	1	0.0%
Extreme	0	0.0%

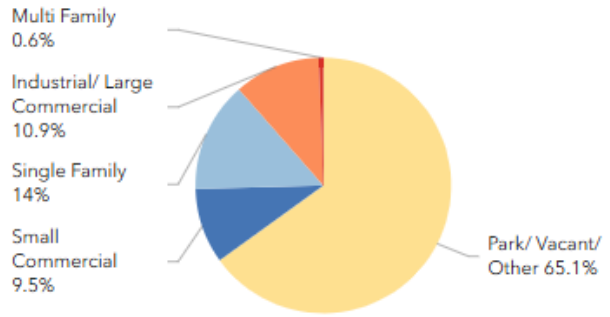
Maintenance Priorities and Risk Ratings were evaluated separately by PlanIT Geo arborists, and there are not clearly-defined overlaps between the categories. See the final page of this Executive Summary for definitions.

*Note that the same tree could be counted with multiple different Tree Work needs, but 3,147 trees had no work specified.

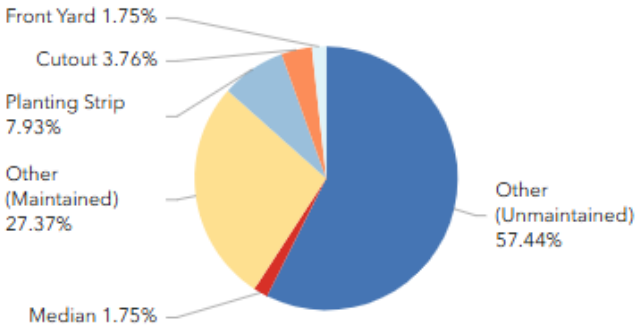
Tree and Potential Planting Site Locations

The surrounding land use of inventoried public trees was identified by PlanIT Geo, however the land use does not necessarily match the City's General Plan land use designations. The inventories also included a tree's growing space.

Land Use of City Trees

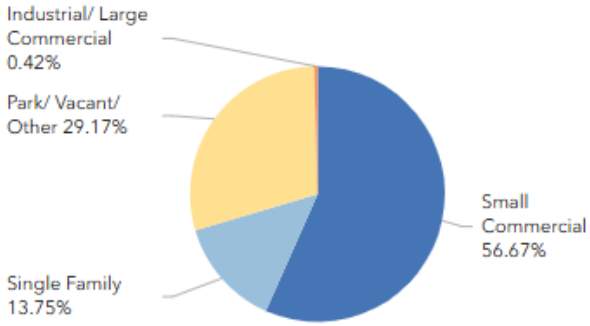


City Trees Growing Spaces

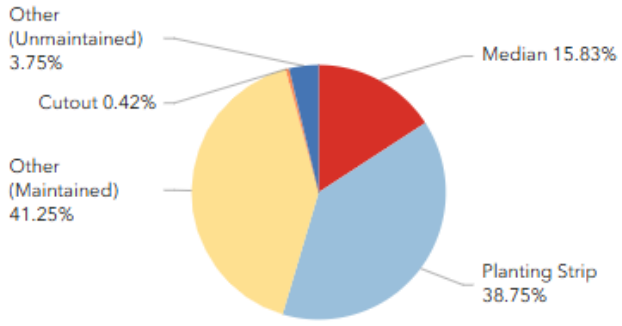


PlanIT Geo further identified 240 Potential Planting Sites, including their surrounding land use (again distinct from the City's designations) and the tree's growing space.

Potential Planting Sites Land Use



Potential Planting Sites Growing Space



These charts are available in the City Trees and Potential Planting Sites Dashboard on the Brisbane Tree HubSite, including the ability to filter the map by any given slice of the pie.

The Potential Planting Sites will need to be investigated for viability and those deemed promising could be considered for a citywide planting effort.

Public Tree Management Plan

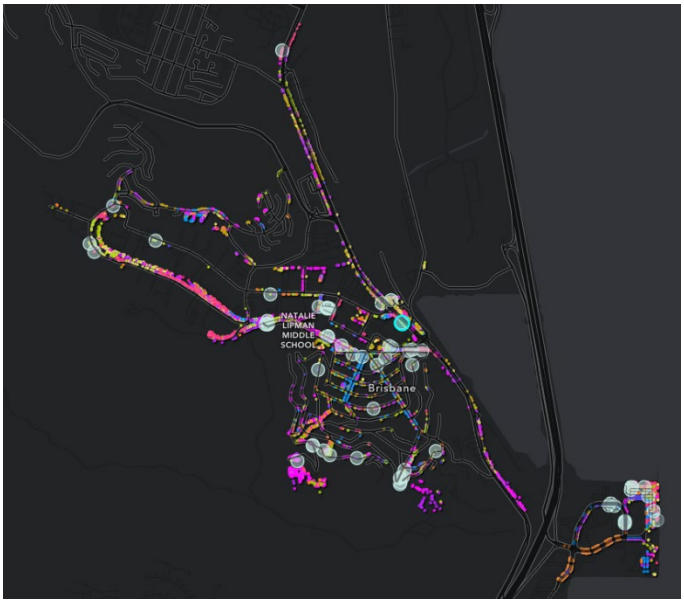
While the majority of the City's public trees are in good shape, there are maintenance needs that must be addressed to maintain public safety and the health of these important city assets. Public Works staff used the data provided by PlanIT Geo to develop and prioritize a management plan, which is outlined here and in the City Trees Management Planning App on the Tree HubSite.

Public Works staff recommend the Management Plan be considered for completion within 5 years. Below are the estimated costs to complete the program.

Phase 1	$129,200
Phase 2	$184,850
Phase 3	$195,700
Total cost for all phases	**$509,750**

These budget estimates do not include the cost to replant trees that are removed and currently vacant street tree locations. Planting these ~50 trees would require an additional $50,000-$100,000. These sites are in addition to the 240 potential planting sites identified by PlanIT Geo. The City has a "Tree Plant Fund" collected from private property owners who are unable to plant a replacement tree on their property after a permitted removal which could be used to offset planting expenses. The fund balance is approximately $14,200 which would plant around 10 trees, depending on site prep needed and other factors. Currently, $340,000 is budgeted.

Phase 1:



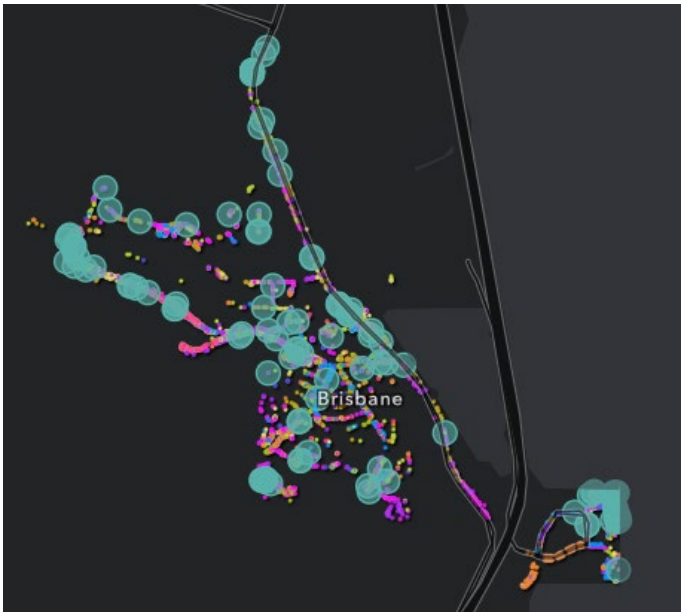
Total trees included in phase: 53

Primary work categories:

- 23 removals
- 23 crown cleaning
- 7 pruning

Estimated cost for phase: $129,200

Phase 2:



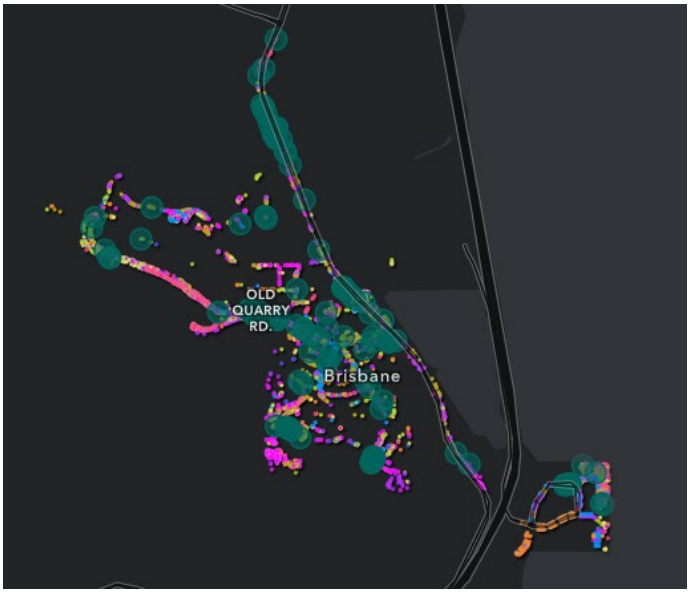
Total trees included in phase: 102

Primary work categories:

- 37 crown cleaning
- 34 removals
- 27 pruning

Estimated cost for phase: $184,850

Phase 3:



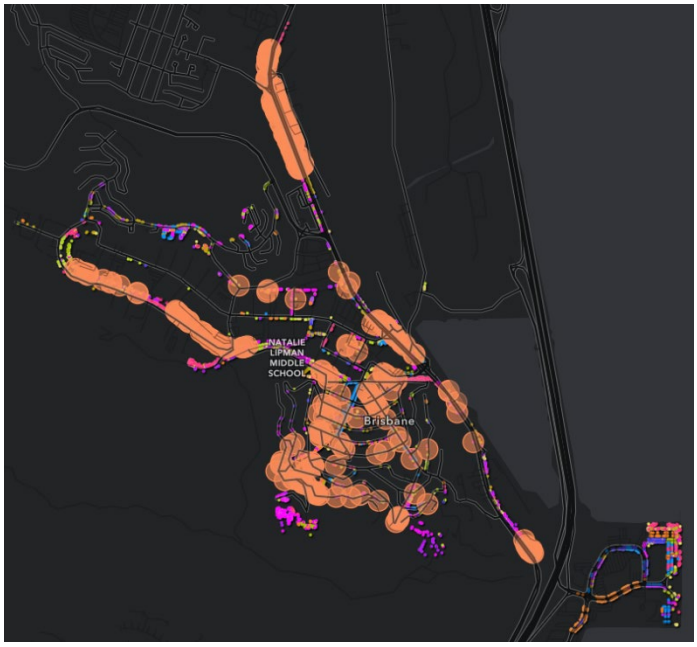
Total trees included in phase: 108

Primary work categories:

- 62 crown cleaning
- 37 pruning
- 9 removals

Estimated cost for phase: $195,700

Wires:



Approximately 267 public trees were identified as “present and conflicting with utility wires.” Public Works plans to have a summer intern confirm which are PG&E lines, as opposed to communications lines, and share the resulting dataset with PG&E to address accordingly. Some conflicts may also be addressed by pruning efforts captured in Phases 1-3.

Vines:



Approximately 318 public trees were identified with vines, which can negatively impact tree health. Removing, or cutting off at the ground to result in vines naturally dying off, is a straightforward task. The Open Space and Ecology Committee has previously called for volunteer events or efforts to address vines; staff recommends taking this approach and integrating the program into the Brisbane Cares Volunteer Initiative with a Vine Volunteer Management App in the Tree HubSite to facilitate this work, excluding areas within the San Bruno Mountain Habitat Conservation Plan Boundary (shown in red) where a permit and biologist supervision is required.

Work in Progress and Next Steps

- ✓ City Council accepts this report and approves the recommended City Tree Management Plan and Citywide Canopy 2040 Goal.
- ✓ Staff will utilize funds allocated by the City Council in FY26 and FY27 to implement the City Tree Management Plan and will request funds to complete the Management Plan in FY28.
- ✓ Staff will have an intern confirm conflicts with utility wires and share the resulting data and map with PG&E.
- ✓ Staff and OSEC will validate Potential Planting Sites.
- ✓ Staff will work with OSEC and the Brisbane Cares initiative to implement volunteer efforts to address vines on trees.
- ✓ Staff and OSEC will continue to use this report and Tree HubSite to recommend policies, incentives, or city-led tree planting efforts to protect and expand Brisbane's urban forest in support of the management plan and canopy goal adopted by Council.
- ✓ Staff will track progress in the Tree HubSite as the Management Plan is implemented and report to Council annually
- ✓ Staff recommends evaluating the health of trees every 5-7 years, at minimum, and will make budgetary requests accordingly to support regular updates to this plan.

Definitions

https://dpwbrisbane.maps.arcgis.com/sharing/rest/content/items/d60bbf81b53e436987e110e8c65e96d4/data

CONDITION	Overall condition of the tree
Excellent	Trees in this category show no structural or biotic defects. They represent a tree that is 100% healthy
Good	Trees in this category show minor structural or biotic defects and represent a tree that is below 100% but above 80% healthy
Fair	Trees in this category show structural or biotic defects and represent a tree that is below 80% but above 50% healthy
Poor	Trees in this category show significant structural or biotic defects and represent a tree that is below 50% healthy often with serious decline
Dead	Trees in this category are dead and have no live growth on them

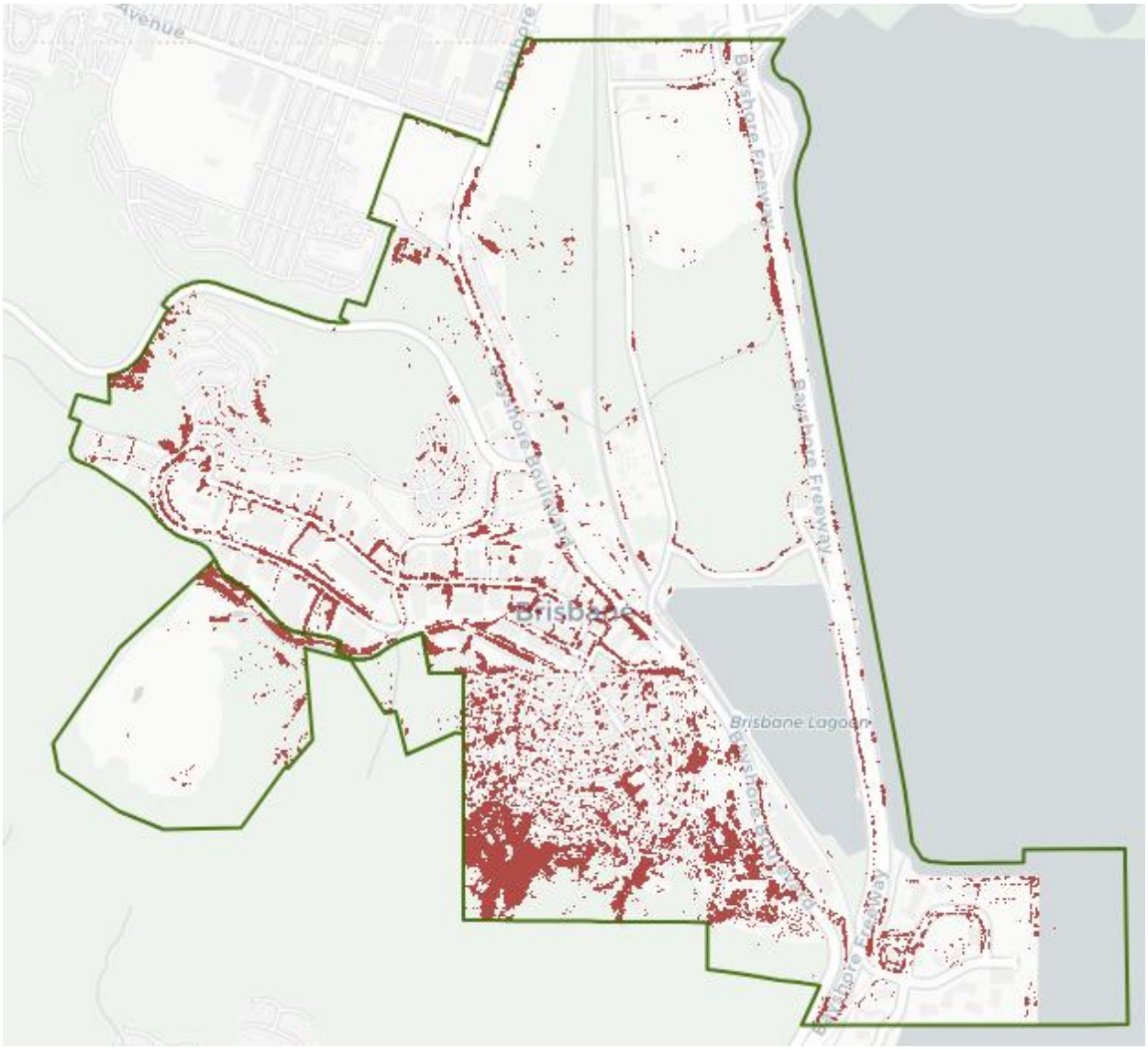
MAINTENANCE PRIORITY	A scale to categorize tree maintenance tasks based on the urgency and potential risk involved.
High	Tree work that must be addressed immediately to eliminate imminent danger to people or property
Medium	Tree work necessary to address potential safety hazards identified during a routine inspection
Low	Routine maintenance tasks and/or trees that do not require more immediate attention

RISK RATING	Risk Rating is automatically calculated based on the values present in the Likelihood and Consequences of Failures fields.
Low	Consequences are negligible and likelihood is unlikely, or consequences are minor and likelihood is somewhat likely
Moderate	Consequences are minor and likelihood is very likely or likely, or likelihood is somewhat likely and consequences are significant or severe
High	Consequences are significant and likelihood is very high or likely, or consequences are severe and likelihood is likely
Extreme	Failure is imminent with a high likelihood of impacting the target, and the consequences of the failure are severe

Citywide Tree Canopy

PlanIT Geo's Canopy services utilize satellite data to approximate tree cover and show the differences between 2010 and 2022. The data is available at pg-cloud.com/BrisbaneCA/ until August 2025, after which the City must renew the license at the current cost of $5,750/year.

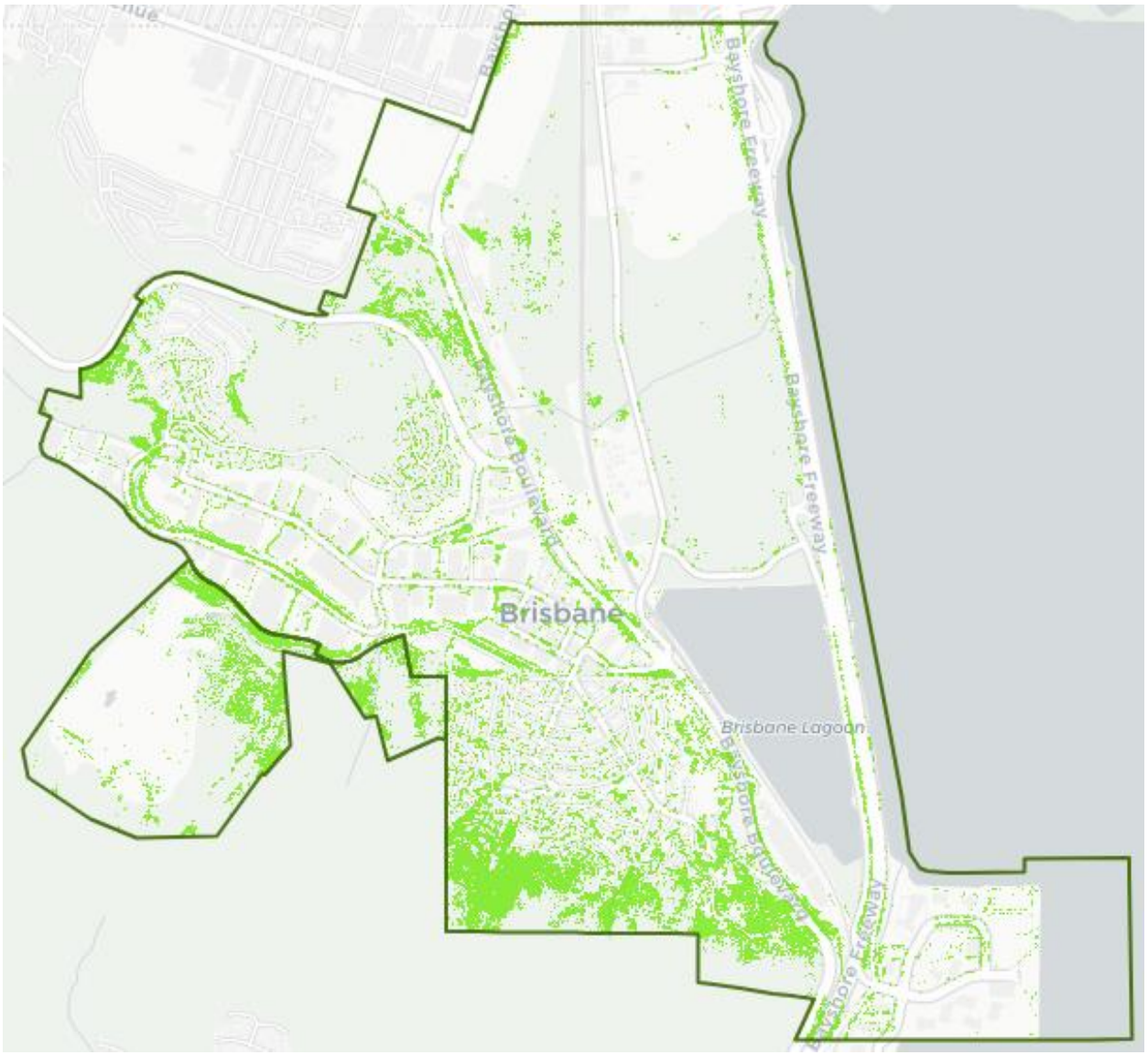
2010 Tree Canopy



The average tree canopy across the jurisdiction in 2010 was 9%.

Tree canopy percentages by census block were incorporated into the Brisbane Tree HubSite and range from 0 (Lagoon) or 2% (Baylands) to 70% in an area of central Brisbane's upper streets.

2022 Tree Canopy



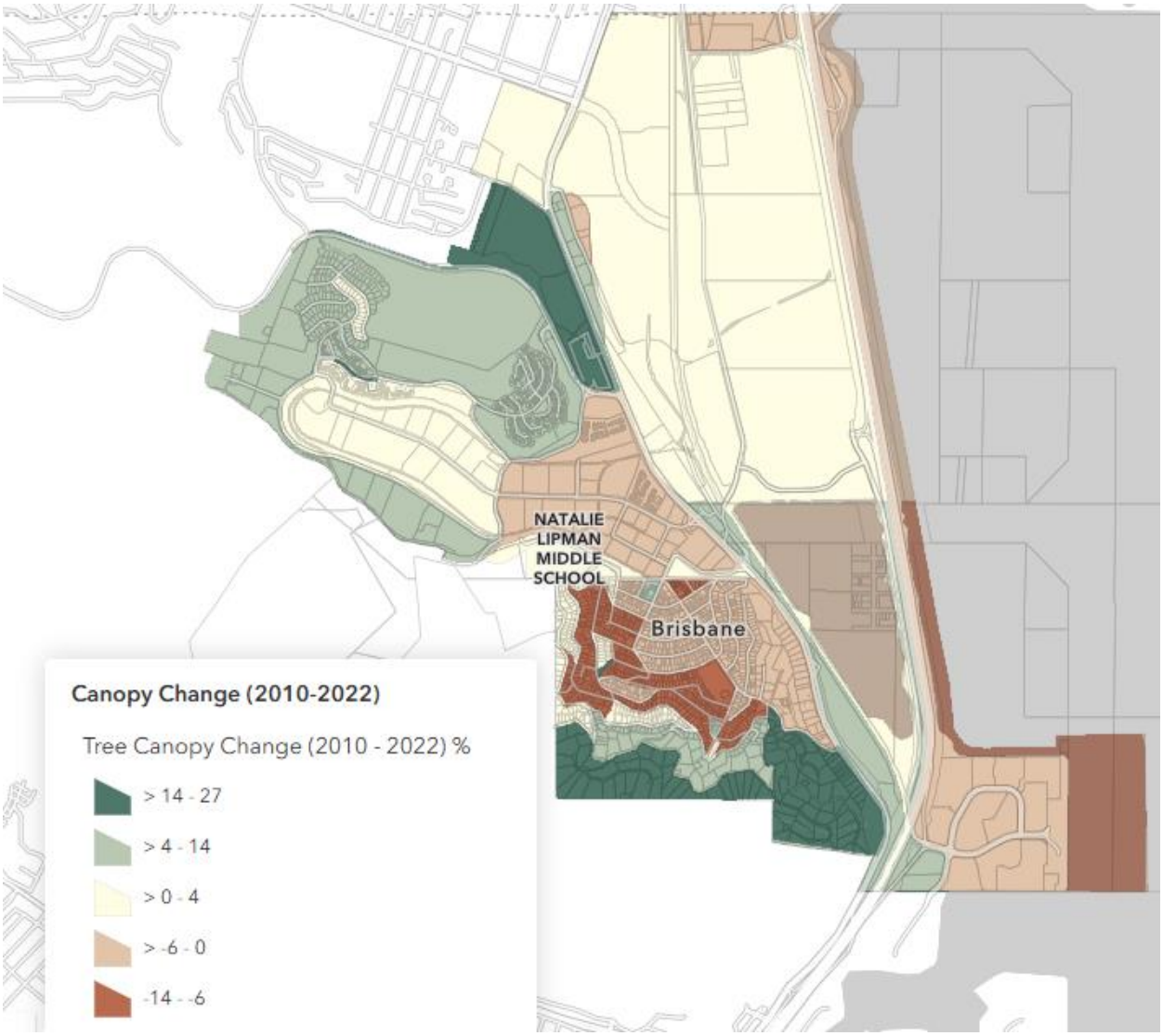
The average tree canopy across the jurisdiction in 2022 was 13%.

Again the tree canopy percentages by census block, available in both PlanIT Geo and the Brisbane Tree HubSite, range from 0 (Lagoon) or 2% (Baylands) to 60% in the uppermost reaches of Central Brisbane.

2010-22 Tree Canopy Change

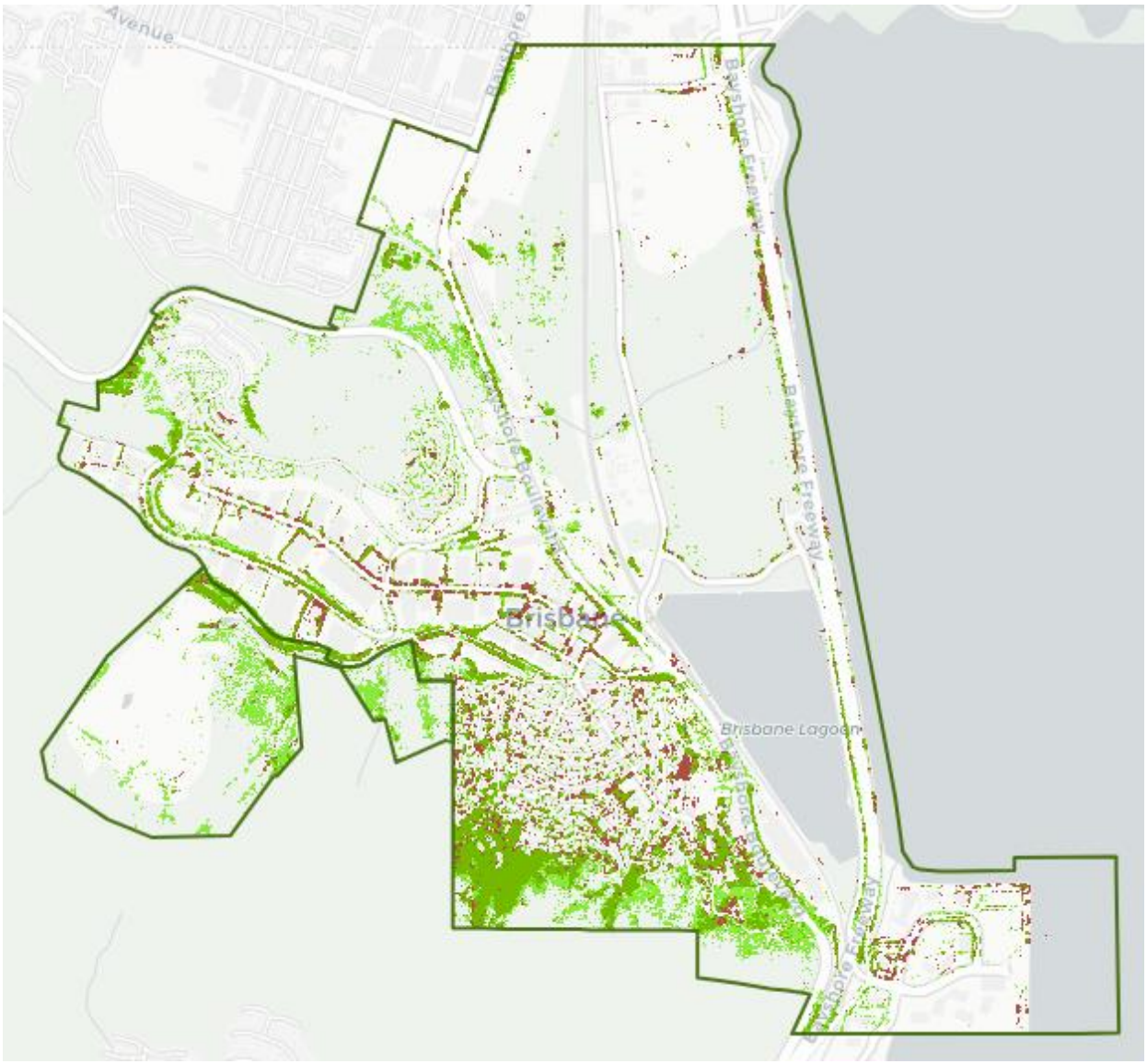
Overall, Brisbane's tree canopy grew 3% from 2010 to 2022.

However, the average masks significant differences by geographic area. Some census blocks saw their canopy increase up to 20% while other areas saw a loss of up to 13% tree coverage.



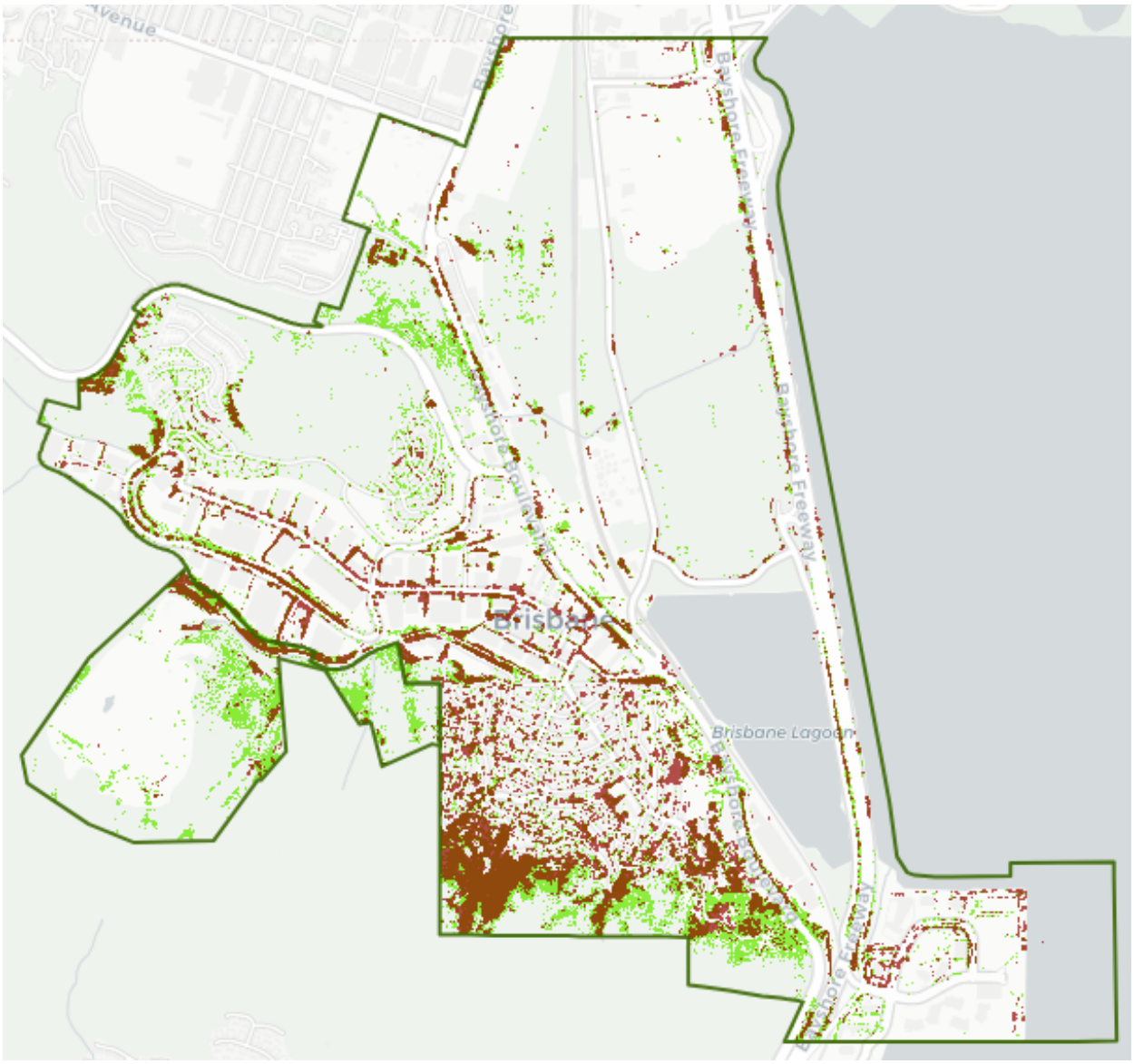
Canopy Loss

Layering the two years of satellite imagery in PlanIT Geo can show areas with tree growth or loss. In this first image, 2022 (green) is layered over the 2010 data (red). **Where red is visible trees have been lost.**



Canopy Gain

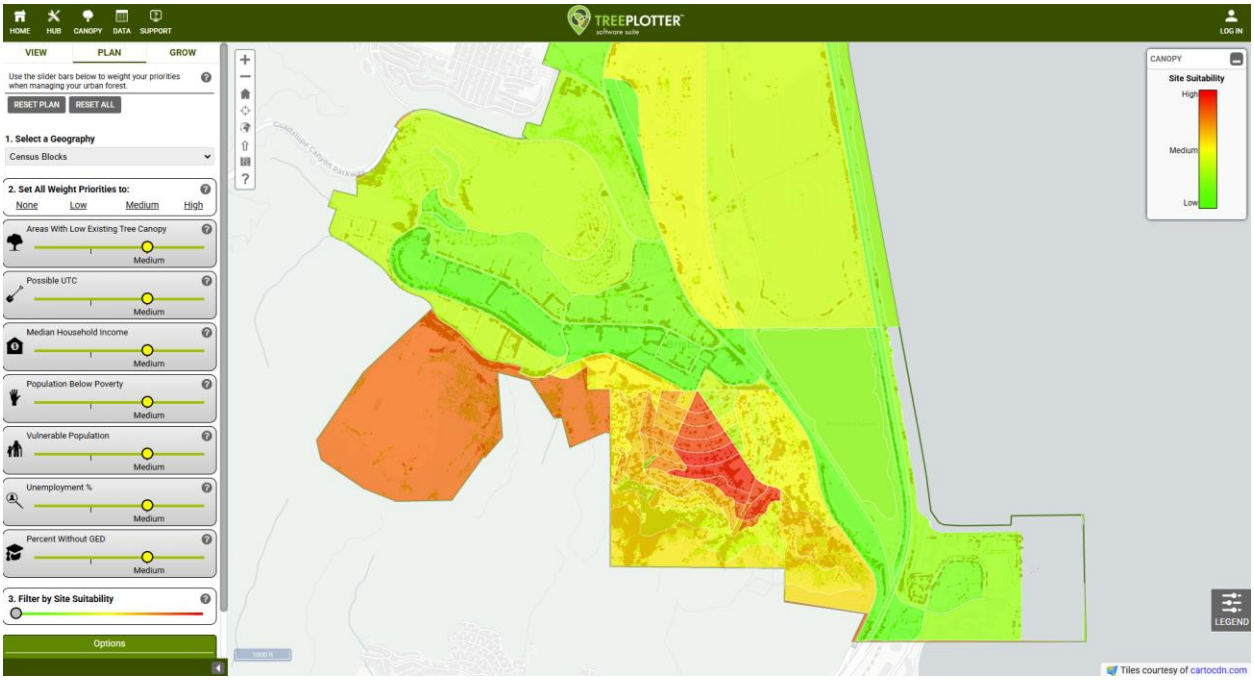
Conversely, in the following image 2010 (red) is layered over 2022 (green). **Here the visible green areas are where tree canopy has increased.**



Planning and Growth

PlanIT Geo's Canopy data also incorporates social and economic data, allowing for tree planting efforts that prioritize planting in areas with low existing tree canopy, or in areas with low-income or vulnerable populations.

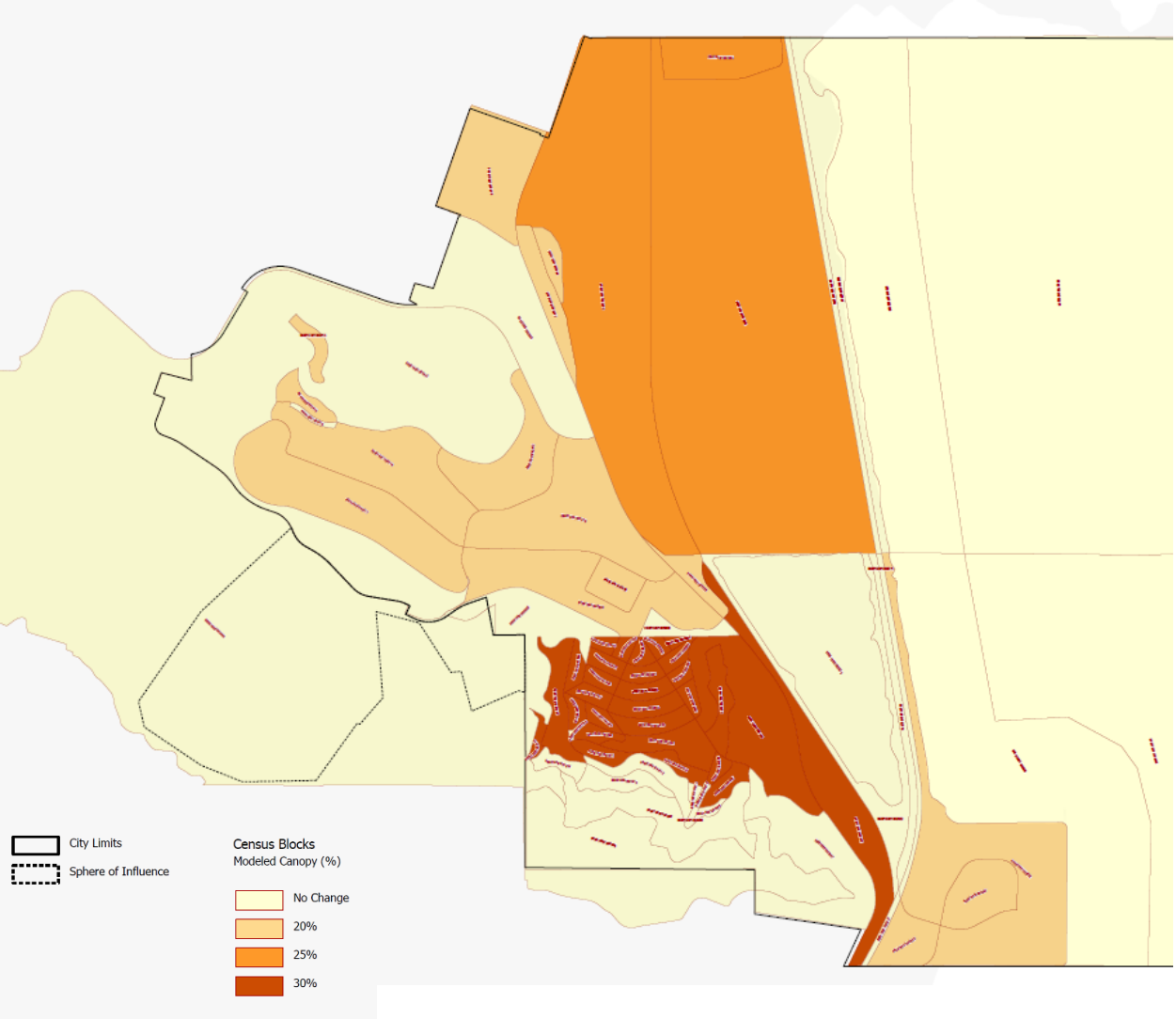
The following screenshot shows the available prioritization criteria (left side) and results with all criteria equally weighted to medium priority.



PlanIT Geo's Grow tool is designed to help evaluate potential urban tree canopy goals and the number of trees to reach the goal. With just three inputs - canopy %, mortality rate of newly planted trees, and average tree size at maturity - the tool outputs how many trees are needed, what the overall impact is on canopy cover, and the impact on ecosystem service benefits from your urban forest.

2040 Canopy Goal Recommendation

As shown in the map below, areas with existing canopy above 30%, as well as the Lagoon, waterfront, Quarry and Callippe Hill regions were left unaltered (lightest yellow). Other areas of central Brisbane were modeled with a 30% canopy, commercial areas with a 20% canopy, and the Baylands with a 25% canopy. The result is a 23% citywide canopy, or 10% increase over 2022 levels, recommended by 2040.



Reaching this goal would require planting 13,033 trees with an average tree crown diameter of 30 feet and a mortality rate of 5%. Of those trees, 8,813 are in the Baylands, leaving 4,220 trees to be planted across public and private (residential and commercial) sites throughout the rest of the city over 15 years, or around 280 trees per year. The table on page 9 includes scenario details for each census block.

In addition, the tool models Ecosystem Benefits of such an increase in tree canopy, with the results shown below for the scenario described.

Number of Trees to Plant



Plant 13,033 Trees

MODELED ECOSYSTEM BENEFITS

OVERALL

Current	Modeled	Net
Overall Monetary Benefit $44,877	Overall Monetary Benefit $76,416	Overall Monetary Benefit $31,539

AIR QUALITY

Current		Modeled		Net	
Pollutants Removed (lb) 7,119	Air Quality Monetary Benefit $37,276	Pollutants Removed (lb) 12,122	Air Quality Monetary Benefit $63,472	Pollutants Removed (lb) 5,003	Air Quality Monetary Benefit $26,196

CARBON

Current		Modeled		Net	
Carbon Monetary Benefit $169	Carbon Sequestered (lb) 7,393	Carbon Monetary Benefit $287	Carbon Sequestered (lb) 12,588	Carbon Monetary Benefit $119	Carbon Sequestered (lb) 5,196

STORMWATER

Current		Modeled		Net	
Stormwater Monetary Benefit $7,433	Runoff Prevention (Gallons) 862,499	Stormwater Monetary Benefit $12,656	Runoff Prevention (Gallons) 1,468,641	Stormwater Monetary Benefit $5,224	Runoff Prevention (Gallons) 606,142

Area Name or ID	Existing Canopy (%)	Modeled Canopy (%)	Net Change Canopy (%)	No. Trees to Reach Goal	Avg Tree Size (ft.)	Mortality Rate (%)	Annual Added Eco-Benefits ($)
060816001001008	12	30	18	31	30	5	78
060816001004002	10	30	20	62	30	5	158
060816001001003	18	30	12	24	30	5	61
060816001004005	20	30	10	78	30	5	198
060816001004006	16	30	14	19	30	5	48
060816001002004	4	25	21	304	30	5	774
060816001004011	16	30	14	36	30	5	92
060816001005006	3	30	27	35	30	5	88
060816001005003	8	30	22	41	30	5	106
060816001001006	20	30	10	16	30	5	41
060816001005005	12	30	18	96	30	5	244
060816001001005	29	30	1	12	30	5	30
060816001001007	16	30	14	29	30	5	75
060816001001000	13	30	17	23	30	5	59
060816001002006	4	20	16	54	30	5	138
060816001002003	2	25	23	5,947	30	5	15,150
060816001002015	20	20	0	0	30	5	0
060816023002003	29	20	-9	-2	30	5	-5
060816001002016	10	20	10	354	30	5	902
060816001005001	1	30	29	37	30	5	93
060816001002030	16	20	4	122	30	5	311
060816001002025	16	20	4	35	30	5	89
060816001004004	14	30	16	67	30	5	171
060816001001009	11	30	19	38	30	5	96
060816001002014	1	20	19	57	30	5	145
060816001002017	19	20	1	21	30	5	52
060816001001001	8	30	22	26	30	5	65
060816001005004	22	30	8	260	30	5	664
060816001002019	11	20	9	347	30	5	885
060816001004000	10	30	20	29	30	5	75
060816001001015	28	30	2	3	30	5	7
060816001002007	18	20	2	16	30	5	42
060816001001011	25	30	5	14	30	5	36
060816001002020	20	20	0	1	30	5	3
060816001004003	11	30	19	75	30	5	192
060816001001002	9	30	21	45	30	5	115
060816001002012	11	20	9	197	30	5	502
060816001002029	11	20	9	52	30	5	131
060816001002008	4	20	16	422	30	5	1,074
060816001004001	10	30	20	44	30	5	111
060816001005007	16	30	14	22	30	5	57
060816001002005	6	25	19	2,562	30	5	6,526
060816001002027	9	20	11	135	30	5	343
060816001002026	6	20	14	807	30	5	2,056
060816001004007	24	30	6	17	30	5	44
060816001001004	19	30	11	23	30	5	57
060816001002024	15	30	15	386	30	5	985
060816001005002	10	30	20	14	30	5	35

City Council Staff Report

Meeting Date: May 21, 2026

From: Carolina Yuen, Finance Director

Subject: Master Fee Study Results and Preliminary Master Fee Schedule

Recommendation

Staff recommend the City Council accept the Master Fee Study results and provide direction to staff regarding next steps to prepare Master Fee Schedule for Public Hearing.

Background

During the review of the Budget for Fiscal Year 2024-25, Council directed staff to conduct a Master Fee Study to review the existing Master Fee Schedule and determine subsidy ratios, service costs, market trends, compliance and if we're optimizing the methods available to assess fees for services offered by the City. Given that at the time, budgeted operating expenses exceeded the City's budgeted revenues, the City wanted to review its revenue streams to determine if there are additional opportunities for growth or restructuring. The last study was conducted in 2002.

Staff engaged Matrix Consulting Group (Matrix) to conduct a Comprehensive User Fee Study (Master Fee Study) and met with the Subcommittee on December 16, 2025, to review the results and the updated Master Fee Schedule recommended by staff. The Subcommittee members requested more information on the newer and consolidated rates, and reasons behind recommendations and met again on March 2, 2026. Staff was directed to bring the Master Fee Study results to Council for a general review.

Discussion

The general purpose of the study was to document the direct and indirect costs associated with fee-based city services. The study would also identify services currently provided for, which fees could be assessed and understand how services and fees compare within the region. The basic steps of the study and project included:

1. Review existing fees and services
2. Establish time estimates and service level assumptions
3. Calculate the fully burdened hourly rates
4. Conduct jurisdictional comparison

5. Develop fee recommendations and Master Fee Schedule

After several meetings with staff and analysis of the data, Matrix completed its study and assisted City Staff with the preparation of the proposed Master Fee Schedule to present to City Council and stakeholders. Highest fees to match costs were not always the same rates recommended by staff. In some cases, such as Parks and Recreation and the Marina, competitive market fees also were considered. Some fees have increased to recognize the costs revealed behind the services. However, the actual cost is not always the recommended fee. Each department has provided reasoning for each recommendation.

The Study resulted in a few changes or offered feedback to the Master Fee Schedule, with the following sample:

- There were several areas where it was determined that departments could charge more in relation to the cost of service.
- Although many of the current fees are reflected as much less than the cost to provide the service, some departments have elected not to charge enough to cover the full cost, primarily due to competitive pricing to neighboring jurisdictions.
- The proposed Master Fee Schedule has been reorganized for clarity and ease of reference.
- There were several fees that were higher than service cost or higher than regulation and needed to be reduced.
- The City should continue to use CPI for annual adjustment determinations.

Next Steps

Staff request the Council accept the Master Fee Study and review the proposed Master Fee Schedule to determine the need for additional steps, additional information or other preparation in advance of presenting for a Public Hearing. A public hearing is required as part of the process of implementing the fees. Staff would like the City Council and stakeholders to have enough time to thoroughly review and properly implement.

Fiscal Impact

None at this time by accepting this Master Fee Study.

Attachments

1. FY26 Brisbane Master Fee Study Report 120925 for 052126
2. Revised Brisbane Master Fee Schedule 031526

City Manager Approval



Jeremy Dennis, City Manager 05/16/2026

COMPREHENSIVE USER FEE STUDY REPORT

DECEMBER 2025

BRISBANE, CA

MATRIX CONSULTING GROUP

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INTRODUCTION AND EXECUTIVE SUMMARY

The report, which follows, presents the results of the Comprehensive User Fee study conducted by Matrix Consulting Group for the City of Brisbane, California.

PROJECT BACKGROUND AND OVERVIEW

The City of Brisbane has not conducted a formal fee analysis since 2002, which is approximately 13 years ago. The purpose of this study is to evaluate and determine the full cost (direct and indirect) of providing a variety of city services. The Matrix Consulting Group analyzed the cost-of-service relationships that exist between fees for service activities in the following areas: Building, Finance, Fire, Marina, Parks and Recreation, Planning, Police, and Public Works. The results of this study provide a tool for understanding current service levels and the cost for those services.

GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by Matrix Consulting Group is a widely accepted "bottom up" approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Department or Program. Once time spent for a fee activity is determined, all applicable City costs are then considered in the calculation of the "full" cost of providing each service. The following table provides an overview of types of costs applied in establishing the "full" cost of services provided by the City:

TABLE 1: OVERVIEW OF COST COMPONENTS

Cost Component	*Description*
Direct	Fiscal Year 2025-26 Budgeted salaries, benefits, and allowable expenditures.
Indirect	Division, departmental, clerical, and Citywide support.

Together, the cost components in the table above comprise the calculation of the total "full" cost of providing a service, regardless of whether a fee for that service is charged. The work accomplished by Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Department / Program Staff Interviews:** The project team interviewed department/program staff regarding their needs for clarification to the structure of existing fee items or for addition of new fee items.
- **Data Collection:** Data was collected for each permit/service, including time estimates. In addition, all budgeted costs and staffing levels for Fiscal Year 2025-26 were entered into Matrix Consulting Group's analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established.

- **Review and Approval of Results with City Staff:** Department management has reviewed and approved these documented results.

A more detailed description of user fee methodology and legal and policy considerations are provided in subsequent chapters of this report.

SUMMARY OF RESULTS

When comparing fee-related revenue with the calculated total annual cost, the City is under-recovering its development fee-related costs by approximately $292,000 or recovering 70% of its costs. The following table shows the revenue collected, the total annual cost, the resulting difference, and the resulting cost recovery percentage by major fee-related division.

TABLE 2: ANNUAL COST RECOVERY ANALYSIS

Division	Fee-Related Revenue	Fee-Related Cost	Difference	Cost Recovery %
Building	$667,669	$876,014	($208,346)	76%
Planning	$25,119	$108,295	($83,176)	23%
Total	**$692,788**	**$984,309**	**($291,522)**	**70%**

The most significant deficit is in relation to the Building Permit Fees, specifically permit and plan check fees for alterations and repairs. Right-sizing these fees will help the City ensure that it is appropriately capturing its costs.

For all other departments, detailed information was not available to provide the annual cost recovery impacts.

The differences highlight the disparity between current fees charged and the actual cost of providing services. As such, the City should closely evaluate and modify fees where appropriate to help bridge the cost-recovery gap.

The detailed documentation of this study will show an over-collection for some fees (on a per-unit basis) and an undercharge for most others. The results of this analysis will provide the Department and the City with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service. The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among City Councilmembers and City staff and do not represent a recommendation for where or how the City Council should act. The setting of the “rate” or “price” for services, whether at full cost recovery or lower, is a policy decision to be made only by the City Council with input from City staff and the community.

CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

The Matrix Consulting Group recommends that the City use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, including a mechanism for the annual update of fees for service.

ADOPT A FORMAL COST RECOVERY POLICY

The Government Finance Officers Association's (GFOA) best practices for *Establishing Government Charges and Fees* states that governmental entities should adopt formal policies regarding charges and fees which include the jurisdiction's intention to recover the full cost or partial costs of providing services, sets forth circumstances under which the jurisdiction might set a charge for fee at less than or more than 100% of full cost, and outlines the considerations that might influence the jurisdiction's pricing decision.

The Matrix Consulting Group strongly recommends that the Council adopt a formalized, individual cost recovery policy for each service area included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

ADOPT AN ANNUAL FEE UPDATE / INCREASE MECHANISM

GFOA best practices for *Establishing Government Charges and Fees* states that governmental entities should review, and update charges and fees periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates to avoid large infrequent fee increases.

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions, and to account for any major shifts in cost components or organizational structures that have occurred since the City's previous analysis. It's recommended the City establish a practice of conducting comprehensive analyses every five to seven years as this practice captures any changes to organizational structure, processes, as well as any new service areas.

In between comprehensive updates, the City should continue to utilize published industry economic factors such as Consumer Price Index (CPI) or other regional factors to update the cost calculations established in the Study on an annual basis.

LEGAL FRAMEWORK

This section of the report is intended to provide an overview of the legal rules and regulations that govern what is considered a fee for service, how those fees can be calculated, general principles, philosophies, and general policy considerations for setting fees for service.

LEGAL FRAMEWORK

A "user fee" is a charge for a service provided by a governmental agency to a public citizen or group. California has several Government Codes and Propositions that regulate fees for service, with the purpose of ensuring that fees are reasonable and justified. The most prominent and relevant of these include:

- **Proposition 26:** Passed in 2010, specifically outlined the difference between a fee and a tax and dictates that fees must be directly related to a service and cannot exceed the reasonable cost of that service.
- **Government Code § 50076:** clarifies that fees for service costs are not special taxes and do not need voter approval.
- **Government Code § 65104:** gives local governments the authority to charge planning and zoning fees to recover processing costs.

When determining fees for service, it is important to ensure there is a **direct benefit** – the service is provided directly to the payer, and that it is **cost-based**, and does not exceed the reasonable cost of providing the service.

EXCEPTIONS TO THE RULE

While Proposition 26 defines what constitutes a user fee, and how those fees can be determined, it also provides a key exception for fees charged for facility or property rentals. This exception outlines that fees for use of government property (e.g., renting public buildings, parks, or event spaces) are voluntary transactions. Therefore, governments can charge **market-based** rental fees for these services.

GENERAL PRINCIPLES AND PHILOSOPHIES REGARDING USER FEES

Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as globally beneficial to all citizens, while others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

TABLE 3: SERVICES IN RELATION TO BENEFIT RECEIVED

"Global" Community Benefit	"Global" Benefit and an Individual or Group Benefit	Individual or Group Benefit
•Police •Park Maintenance •Fire Suppression	•Recreation / Community Services •Fire Prevention	•Building Permits •Planning and Zoning Approval •Engineering Development Review

Funding for local government is obtained from myriad revenue sources such as taxes, fines, grants, special charges, user fees, etc. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have caused increased attention on user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the "global community benefit" section tend to be funded primarily through voter-approved tax revenues. In the middle of the table, one typically finds a mixture of taxes, user fees, and other funding sources. Finally, in the "individual/group benefit" section of the table are the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in monetary gain to the applicant, whereas Police services and Fire Suppression are examples of services that are essential to the safety of the community at large.
- **A profit-making objective should not be included in the assessment of user fees.** In fact, California laws require that the charges for service be in direct proportion to the costs associated with providing those services. Once a charge for service is assessed at a level higher than the actual cost of providing a service, the term "user fee" no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, it is commonly accepted that user fees are established at a level that will recover up to, and not more than, the cost of providing a particular service.

GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax-based or alternative revenue source. However, it is essential that jurisdictions prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, the Matrix Consulting Group recognizes several reasons why City staff or City Council may not advocate the full cost recovery of services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum, minimum, or limit on the jurisdiction's ability to charge a fee. Examples include time spent copying and retrieving public documents and/or transportation permits.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, if the cost of a permit for changing a water heater in a residential home is higher than the cost of the water heater itself, many citizens will avoid pulling the permit.
- **Benefit received by user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community. Examples include Planning Design Review, historical dedications, and certain types of special events.

The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services and ensure that the City complies with State law.

SUMMARY OF LEGAL RESTRICTIONS AND POLICY CONSIDERATIONS

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level which is up to, and not more than, the full cost amount. The City Council is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and, at times, fall into a "grey area." However, with the resulting cost of services information from a User Fee Study, the City Council can be assured that the adopted fee for service is reasonable, fair, and legal. Overall, city staff has reviewed all fees for service in this analysis and where subsidies were identified, they recommended increases where appropriate to reduce the deficit; and where over-recoveries were identified, reduced the fee to comply with the law.

USER FEE STUDY METHODOLOGY

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the "bottom-up" approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the components of a full cost calculation:



The following subsections discuss the two components of the basis of the full cost.

TIME ESTIMATION

Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the City developed these estimates. The project team worked closely with City staff in developing time estimates with the following criteria:

- Estimates are representative of **average times** for providing services. Extremely difficult or abnormally simple projects are not factored in the analysis.
- Estimates reflect the time associated with the **position or positions** that typically perform a service.
- Estimates are reviewed by the project team for "**reasonableness**" against their experience with other agencies.
- Estimates were not based on time in motion studies, as they are not practical for the scope of services and time frame for this project.
- Estimates match the current or proposed staffing levels to ensure there is no over-allocation of staff resources to fee and non-fee related activities.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service on which to base a jurisdiction's fees for service and meets the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to billing on a "time and materials" basis. Except in the case of anomalous or very large and complex projects, Matrix Consulting Group believes this approach to not be cost effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden required to track, bill, and collect for services in this manner.
- Additional costs are associated with administrative staff's billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Departments can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrants time tracking and billing on a "time and materials" basis. The Matrix Consulting Group has recommended taking a deposit and charging Actual Costs for such fees as appropriate and itemized within the current fee schedule.

FULLY BURDENED HOURLY RATES

The fully burdened hourly rates calculated through this study include the following components:

- **Salaries**: FY25-26 Budgeted salaries were utilized and consolidated at the positional level.
- **Benefits:** FY25-26 Budgeted benefits were utilized and consolidated at the positional level.
- **Productive Hours:** Based on Brisbane's current personnel system rules, working or productive hours were calculated. This means taking the starting total working hours and reducing the hours by vacation, sick, holidays, trainings, and administrative leave based on each bargaining unit
- **Departmental / Divisional Overhead:** This captures any internal service charges or operating supply costs such as vehicles, supplies, etc. Additionally, this component includes the cost associated with support from Director, Administrative and Analytical staff that do not directly work on fees.
- **Citywide Overhead:** This captures support provided by the City Council, City Manager, City Clerk, City Attorney, Finance, and Human Resources. The costs are based on the City's internal Cost Allocation Plan.

Together these components result in the generation of fully burdened hourly rates by position / classification and/or department / division. These rates were multiplied against the time assumptions to calculate the full cost of services noted in this report.

RESULTS OVERVIEW

The motivation behind a cost of services (User Fee) analysis is for City Council and Departmental staff to maintain services at a level that is both accepted and effective for the community and to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost-of-service analysis takes a "snapshot in time," where a fiscal year of financial and operational information is utilized. Changes to the structure of fee names, along with the use of time estimates, allow only for a reasonable projection of subsidies and revenue. Consequently, City Council and Department staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following chapters is intended as a summary of extensive and voluminous cost allocation documentation produced during the Study. Each chapter will include detailed cost calculation results for each fee including the following:

- **Modifications:** discussions regarding any proposed revisions to the current fee schedule, including elimination or addition of fees.
- **"Per Unit" Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).
- **Annualized Results:** utilizing volume of activity estimates, annual subsidies, and revenue impacts were projected where workload was available.

The full analytical results were provided to City staff under separate cover from this summary report.

BUILDING

The Building Division is part of the Community Development Department. The Building Division is responsible for conducting plan review and inspections in order to ensure that all construction in the city is in compliance with the California Building Code. The following subsections discuss fee schedule modifications, detailed per-unit results, and annual revenue impacts for the fee-related services provided by the Building Division.

FEE SCHEDULE MODIFICATIONS

In discussions with the Building Division, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** Staff proposed eliminating 'Property Address Service' and 'For the Installation of Each New Domestic Water or Sewer Service', as these services are no longer offered by City staff, covered under other fees, or are now offered by other departments within the City.
- **New Fees:** Staff proposed the addition of the following fees, to capture services already provided but not codified or new services being provided:
    - 'Minimum Plan Check Fee'
    - 'Fire Support'
    - Energy Storage System
    - 'Expedited Plan Review'
    - 'Permit Refund (fee)'
    - 'Revision Processing Fee'
    - 'Reinstatement Fee'
    - Installation, Alteration Relocation of Each Electrical Service
    - Standalone plumbing permits for waterline, water piping, water heaters, and gas piping.
    - Standalone mechanical permits for
- **Modified Fees:** The following bullet points represent various miscellaneous modifications that were made to the fee schedule:
    - 'Planning Support' was proposed to shift from a flat rate to a percentage of the building permit to better reflect the services offered.
    - 'Installation, Alteration, Relocation of Each Electrical Service' fees was proposed to remove the '600 Volts or Less' header and the 'Over 600 Volts' fees to better reflect the services offered.

The modifications noted ensure that the proposed fee schedule more accurately reflects the services being provided by the Building Division.

DETAILED RESULTS

The Building Division collects fees for Building Permit Fees, New Structures and Additions, Misc Fees like Plan Check Fees and Reroofing, Solar, Inspections, Electrical Permits, Plumbing Permits, and Mechanical Permits. The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 4: TOTAL COST PER UNIT RESULTS – BUILDING

Fee Name	Current Fee	Total Cost	Difference
Building permit fees - Alterations, repairs, and interior changes to existing structures & plumbing, electrical, or mechanical work			
$800-$2,000			
Base	$35.00	$87.73	($52.73)
Each Addl. $100	$3.83	$23.60	($19.77)
$2,001-$25,000			
Base	$81.00	$263.18	($182.18)
Each Addl. $1,000	$16.30	$26.19	($9.89)
$25,001-$50,000			
Base	$456.00	$741.46	($285.46)
Each Addl. $1,000	$12.35	$38.31	($25.97)
$50,001-$100,000			
Base	$777.00	$1,052.71	($275.71)
Each Addl. $1,000	$8.00	$26.88	($18.88)
$100,001-$500,000			
Base	$1,000.00	$1,675.22	($675.22)
Each Addl. $1,000	$6.12	$12.25	($6.13)
$500,001+			
Base	$3,610.00	$4,686.65	($1,076.65)
Each Addl. $1,000	$6.12	$6.12	($0.00)
New Structures and Additions			
Assembly buildings, theaters, stadiums, reviewing stands, amusement park structures			
0 - 5,000 sq. ft.			
I & II	$0.89	$1.03	($0.14)
IIB to V	$0.77	$0.77	$0.00
VB	$0.71	$0.73	($0.02)
5,001 - 10,000 sq. ft.			
I & II	$0.71	$0.85	($0.14)
IIB to V	$0.62	$0.70	($0.08)
VB	$0.57	$0.57	$0.00
10,000+ sq. ft.			
I & II	$0.57	$0.83	($0.26)
IIB to V	$0.49	$0.65	($0.16)

Fee Name	Current Fee	Total Cost	Difference
VB	$0.46	$0.54	($0.08)
Warehouses, gas stations, storage garages, open garages, wholesale/retail stores, churches, office buildings, bars/restaurants, printing plants, police, fire stations, factories, workshops, storage, sales, paint stores, ice plants, power plants, pumping plants, cold storage, creameries			
0 - 5,000 sq. ft.			
I & II	$0.89	$1.14	($0.25)
IIB to V	$0.77	$0.80	($0.03)
VB	$0.83	$0.84	($0.01)
5,001 - 10,000 sq. ft.			
I & II	$0.71	$0.85	($0.14)
IIB to V	$0.62	$0.64	($0.02)
VB	$0.67	$0.75	($0.08)
10,000+ sq. ft.			
I & II	$0.57	$0.83	($0.26)
IIB to V	$0.49	$0.53	($0.04)
VB	$0.53	$0.65	($0.12)
Education buildings, day care (more than 6 children - less than 6 use "R")			
0 - 5,000 sq. ft.			
I & II	$1.08	$1.25	($0.17)
IIB to V	$0.95	$0.95	$0.00
VB	$0.87	$0.91	($0.04)
5,001 - 10,000 sq. ft.			
I & II	$1.00	$1.15	($0.15)
IIB to V	$0.88	$0.92	($0.04)
VB	$0.80	$0.83	($0.03)
10,000+ sq. ft.			
I & II	$0.69	$0.83	($0.14)
IIB to V	$0.61	$0.66	($0.05)
VB	$0.55	$0.55	$0.00
Includes hazardous materials storage, paint shops, box factories, repair garages			
0 - 5,000 sq. ft.			
I & II	$1.08	$1.25	($0.17)
IIB to V	$0.95	$0.95	$0.00
VB	$0.88	$0.91	($0.03)
5,001 - 10,000 sq. ft.			
I & II	$0.87	$1.15	($0.28)
IIB to V	$0.76	$0.92	($0.16)
VB	$0.70	$0.83	($0.13)
10,000+ sq. ft.			
I & II	$0.69	$0.83	($0.14)
IIB to V	$0.61	$0.66	($0.05)
VB	$0.56	$0.57	($0.01)
Private garages/carports, patio covers, greenhouses, water tanks, storage sheds, corrals, barns, towers, fences over 6 feet high			
0 - 5,000 sq. ft.			

Fee Name	Current Fee	Total Cost	Difference
I & II	$0.64	$0.74	($0.10)
IIB to V	$0.53	$0.55	($0.02)
VB	$0.42	$0.42	$0.00
5,001 - 10,000 sq. ft.			
I & II	$0.51	$0.59	($0.08)
IIB to V	$0.42	$0.49	($0.07)
VB	$0.34	$0.40	($0.06)
10,000+ sq. ft.			
I & II	$0.41	$0.51	($0.10)
IIB to V	$0.34	$0.41	($0.07)
VB	$0.27	$0.33	($0.06)
Hotels, apartment houses, dwellings, duplexes, lodging houses, motels			
0 - 5,000 sq. ft.			
I & II	$0.89	$1.03	($0.14)
IIB to V	$0.77	$0.84	($0.07)
VB	$0.74	$0.77	($0.03)
5,001 - 10,000 sq. ft.			
I & II	$0.71	$0.85	($0.14)
IIB to V	$0.62	$0.72	($0.10)
VB	$0.59	$0.59	$0.00
10,000+ sq. ft.			
I & II	$0.57	$0.83	($0.26)
IIB to V	$0.49	$0.65	($0.16)
VB	$0.47	$0.54	($0.07)
Swimming Pools (Including utilities)			
Swimming Pools	$0.40	$1.39	($0.99)
Decks			
Decks	$0.16	$0.96	($0.80)
Termite Repair			
$1-$250	$80.00	$279.20	($199.20)
$250-$20,000			
Base	$83.00	$311.25	($228.25)
Each Addl. $1,000	$13.45	$15.18	($1.73)
$20,000+			
Base	$357.00	$611.10	($254.10)
Misc Fees			
Reroofing Permit	$35	$52	($17)
Minimum Building Permit Fee	$35	$160	($125)
Plan Checking Fees			
Minimum Plan Check Fee	New	$310	N/A
Commercial	60%	70%	(10%)
Residential	50%	60%	(10%)
Fire Support	New	15%	N/A
Planning Support	Modified	15%	N/A

Fee Name	Current Fee	Total Cost	Difference
Checking of plan revisions initiated by applicant (after issuance of building permit)	$63	$248	($185)
Energy code compliance plan review and inspection (separate from Section 1 and 2 permits)	$64	$248	($184)
Pre-development conference	$76	$248	($172)
Technical Plan and Report Review	Cost + 10%	Cost + 10%	N/A
Research Service Fee	$1.63	$17.00	($15)
Penalty for Building without a Permit	10x Permit Fee	10x Permit Fee	N/A
Solar			
Residential[1]			
15 kW or Less	$265.57	$450	($184)
More than 15 kW	$265.57	$450	($184)
Each kW above 15 kW	$18	$15	$3
Commercial[2]			
50kW or Less	$971	$1,000	($29)
51 kW - 250 kW	$971	$1,000	($29)
Each kW above 50 kW but less than 250 kW	$7.00	$7.00	$0
> 250 kW	$2,371	$2,400	($29)
Each kW above 251 kW	$5.00	$5.00	($0)
Energy Storage System			
Application Fee	New	$105	N/A
Storage Unit	New	$763	N/A
Thermal System - Residential[1]			
10 kWth or Less	$450	$450	$0
More than 10 kWth	$450	$450	$0
Each kWth above 10 kWth	$15	$15	$0
Thermal System - Commercial[2]			
30 kWth or Less	$1,000	$1,000	$0
30 kWth - 260 kWth	$1,000	$1,000	$0
Each kWth above 30 kWth but less than 260 kWth	$7.00	$7.00	$0
More than 260 kWth	$2,610	$2,610	$0
Each kWth above 260 kWth	$5.00	$5.00	$0
Expedited Plan Review	New	1.5x Fee	N/A
Engineering Review	$461	$601	($140)
Inspection Fees			
Change of Use Inspection	$170	$215	($45)
Inspection outside normal business hours	$135	$280	($145)
Requested Inspection - prior to permit issuance	$135	$214	($79)
Re-inspection	$135	$215	($80)
CASp Inspection	$160	$264	($104)
Other Provisions			
Appeal of Building Official Decision	$170	$500	($330)

[1] GOV § 66015 (a)
[2] Gov. Code 66015 (b)

Fee Name	Current Fee	Total Cost	Difference
Permit Refund (fee)	New	$271	N/A
Revision Processing Fee	New	$158	N/A
Reinstatement Fee			
Original Building Permit Fee $500 or less	New	$105	N/A
Original Building Permit Fee more than $500	New	50% of original fee	N/A
Electrical Permit Fees			
Installation, Alteration Relocation of Each Electrical Service			
First 200 Ampere Capacity with one meter socket/base	New	$478	N/A
Each additional 100 Ampere Capacity or fraction thereof	New	$56	N/A
Each additional meter socket/base	New	$11	N/A
Plumbing Permit Fees			
For the Repair or Replacement of each			
Waterline, Sewer Line or Drainage/Vent Piping System (or as determined by the Building Official)	New	$247	N/A
Refrigerant Piping System	New	$462	N/A
Water Piping System	New	$247	N/A
Water Heater or Water Storage Tank - Single Family Dwelling	New	$193	N/A
Water Heater or Water Storage Tank - Non-Residential	New	$247	N/A
Tank-less water Heater Gas-fired (includes gas line, & exhaust vent & Electrical)			
Residential	New	$193	N/A
Non-Residential	New	$462	N/A
Gas Piping System or Gas Service			
Residential	New	$247	N/A
Non-Residential	New	$462	N/A
Mechanical Permit Fees			
Furnace Replacement- Single Family Residence (< 100K Btu and < 40 lineal feet of new duct)	New	$247	N/A
For the installation, relocation or replacement of each Commercial Heating, Cooling Refrigeration Appliance. (Includes all necessary electrical circuits, fixtures, switches receptacles, gas piping, vents or water piping.)	New	$247	N/A
For the Installation, relocation or replacement of each Boiler. (Includes all necessary electrical circuits, receptacles, switches, gas piping and vents - but does not include motors identified in E6 of the schedule)	New	$139	N/A
For the installation, relocation or replacement of Other Fuel Burning Appliances not listed in this schedule. (Includes all necessary gas piping, vents, electrical circuits receptacles and switches.)	New	$247	N/A
For the installation, relocation or replacement of each or Air Handler Unit, Heating or Cooling Coil or Element in a duct system. (Includes all necessary electrical circuits, receptacles or switches and piping for cooling media.)			

Fee Name	Current Fee	Total Cost	Difference
0 to 400,000 Btu	New	$139	N/A
401,000 Btu and Over	New	$247	N/A
For the installation, relocation or replacement of each Radiant Heating Panel Radiator or Convertor (including all necessary piping)			
1 to 5 Devices	New	$139	N/A
Each Additional 5 Devices	New	$17	N/A

The fees administered by the Building Division are largely new, but of the existing fees, generally under-recover for their services. For Building Permit fees, the largest deficit is in relation to the '500,001+ - base' fee at $1,076.65.

For Permits outside the valuation-based fees, the largest deficit is in relation to the 'Appeal of Building Official Decision' under the Other Provisions fees category at $330. The smallest under recovery is for the 'Research Service Fee' under the Misc Fees category at $15.

ANNUAL REVENUE IMPACT

Based on the prior year's workload information, Building has a deficit of roughly $208,000. The following table shows the revenue at the current fee, total projected annual cost, and the resulting difference by major fee category.

TABLE 5: ANNUAL RESULTS – BUILDING

Fee Category	Revenue at Current Fee	Annual Cost	Difference
Valuation & Sq. Ft. Based Fees	$606,084	$792,945	($186,861)
Misc Fees	$40,587	$60,301	($19,714)
Solar	$7,625	$9,564	($1,939)
Electrical Permit Fees	$6,751	$9,082	($2,331)
Plumbing Permit Fees	$6,622	$4,122	$2,500
Total	**$667,669**	**$876,014**	**($208,346)**

Building has an annual cost recovery of roughly 76%. The largest deficit is in relation to the valuation-based Building Permit Fees inspection and plan check fees. For the fees outside of the valuation and percentage-based fees, the largest deficit is in regard to the 'Reroofing Permit' under the Misc Fees category. Currently, the City charges $35 per 1,000 sq. ft. Ft; the total cost was calculated to be $52, resulting in a per-unit deficit of $17. The per-unit deficit, coupled with the roughly 1,160 times this permit was issued in the last year, resulted in the large cost recovery gap. The division should review these results and adjust fees appropriately to align with divisional and departmental cost recovery goals.

FINANCE

The Finance Department is responsible for overseeing the city's financial operations, including accounting, payroll, accounts payable, collections, and utility billing. The Finance Department provides utility billing support for water. The following sections discuss fee schedule modifications and detailed per-unit results for the fee-related services associated with Finance.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** Staff proposed eliminating the following fees as these services are no longer offered by City staff or are now offered by other departments within the City:
    - 'Copy of Annual Budget'
    - 'Annual Financial Report'
- **Consolidated Fees:** Staff proposed consolidating 'Single/Commercial ($20 non-refundable)', 'Duplex ($20 non-refundable)', and 'After 2nd Disconnection' into a 'processing' fee and 'Deposit' fee in order to simplify the fee schedule.
- **Expanded Fees:** Staff proposed expanding Returned Payment Charge (All Departments) to include two state set fees 'First Check' and 'Second & Subsequent' to better reflect the services offered.

The modifications proposed ensure that the proposed fee schedule more accurately reflects the services being provided by Finance staff.

DETAILED RESULTS

The Finance Department collects fees for Utility Billing and Finance Fees like Returned Payment Charges. The total cost calculated for each service includes direct staff costs and Division and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 6: TOTAL COST PER UNIT RESULTS – FINANCE

Fee Name	Current Fee	Total Cost	Difference
Utility Billing			
Water and Service Connection			
Processing	$20	$217	($197)
Deposit	$70	$107	($37)
Late Notice Fee	$5	$5	$0
10 Day Disconnect Notice Fee	$54	$54	$0
Water Turn On			
After payment of delinquent account: 8a-4p	$55	$102	($47)
After payment of delinquent account: after 4p	$139	$274	($135)

Fee Name	Current Fee	Total Cost	Difference
After 3rd notice for backflow recertification	$307	$291	$16
Finance Fees			
Returned Payment Charge (All Departments)			
First Check[3]	$65	$25	$40
Second & Subsequent[4]	$65	$35	$30

The fees administered by the Finance Department are a mix of over- and under-recovery for its services. The largest deficit is in relation to the 'Water and Service Connection' Fees, specifically the 'Processing' fee under the Utility Billing category for $197. The smallest non-deposit related under-recovery is in relation to 'Water Turn On' fees, specifically for an 'After payment of delinquent account: 8a-4p' fee at $47. The largest over-recovery is in relation to the 'Returned Payment Charge (All Departments)' Fees, specifically the 'First Check' fee at $40; however, this is a state-set fee. The smallest over-recovery is in relation to the 'Water Turn On' fees, specifically the 'After 3rd notice for backflow recertification' at $16.

ANNUAL REVENUE IMPACT

Finance does record their utility billings and the number of checks returned at the per-unit level, as such annual results are not presented here.

[3] CIV § 1719(a)
[4] CIV § 1719(a)

FIRE

The Fire Department, who is part of the North County Fire Authority (NCFA) and provides various fee related services such as fire related annual permits, Construction Fire Permits, Hazardous Materials, and New Business Fire Inspections, Re-Inspections and various other related fees. The following subsections discuss fee schedule modifications, detailed per-unit results, and annual revenue impacts as appropriate for the fee-related services provided by the Fire Department.

FEE SCHEDULE MODIFICATIONS

In discussions, staff proposed the addition of 'Expedited Plan Review', 'Alternate Methods / Materials Request Fee' and 'Emergency Responder Radio Coverage' as they highlight services already offered but not codified on the fee schedule.

DETAILED RESULTS

The Fire Department collects fees for Annual Permits, Other Fees like Copies of Fire Reports and Firefighter Standby Fees, Construction Fire Permit Fees, and Hazardous Materials. The total cost calculated for each service includes direct consultant costs, Departmental, and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 7: TOTAL COST PER UNIT RESULTS – FIRE

Fee Name	Current Fee	Total Cost	Difference
Annual Permits			
Aerosol Products	$281	$284	($3)
Asbestos/Lead Coating Removal	$431	$465	($34)
Automobile Wrecking Yard	$290	$310	($20)
Apartment House (incl. condos & congregate res.)			
3 units to 10 units	$290	$310	($20)
11 units to 20 units	$365	$387	($22)
Greater than 20 units	$365	$387	($22)
Per Unit Over 20	$1.30	$1.72	($0.42)
Battery system	$144	$155	($11)
Candles or Open Flames in Assembly Areas (may combine with assembly permit	$144	$155	($11)
Carnivals or Fairs	$431	$465	($34)
Cellulose Nitrate Storage	$361	$387	($26)
Combustible Fiber Storage	$290	$310	($20)
Combustible Material Storage	$290	$310	($20)
Compressed Gases (in excess of the amts. listed in CFC, Table 105-A)	$290	$310	($20)
Commercial Rubbish Handling Plant	$420	$465	($45)

Fee Name	Current Fee	Total Cost	Difference
Cryogen's (in excess of the amounts listed in CFC, Table 105-B)	$431	$465	($34)
Dry Cleaning Plants	$290	$310	($20)
Dust Producing Operations	$290	$310	($20)
Explosives or Blasting Agents	$431	$465	($34)
Fireworks Display (fees for standby Fire staff, when req'd, are add'l) $420	$431	$465	($34)
Flammable or Combustible Liquid Pipeline	$431	$465	($34)
To Store, Handle or Use Flam/Combust. Liquids	$215	$232	($17)
Flammable or Combustible Liquids in Tanks, vessels > 60 gal. capacity); largest	$431	$465	($34)
Up to 10,000 gallons tank size:			
1 tank	$418	$439	($21)
2-3 tanks			
Base	$418	$439	($21)
Each Additional Tank Over the First	$125	$129	($4)
3 + tanks			
Base	$558	$594	($36)
Each Additional Tank Over the First	$290	$310	($20)
Over 10,000 to 100,000 gallons tank size:			
1 tank	$629	$672	($43)
2-3 tanks			
Base	$629	$672	($43)
Each Additional Tank Over the First	$290	$310	($20)
3+ tanks			
Base	$834	$879	($45)
Each Additional Tank Over the First	$290	$310	($20)
Over 100,000 gallons tank size:			
1 tank	$1,256	$1,344	($88)
2-3 tanks			
Base	$1,256	$1,344	($88)
Each Additional Tank Over the First	$312	$336	($24)
3+ tanks			
Base	$1,256	$1,344	($88)
Each Additional Tank Over the First	$312	$336	($24)
Tank Vehicles	$215	$232	($17)
Install, Alter, Remove, Abandon, Place Temporarily Any	$578	$620	($42)
Fumigation or Thermal Insecticidal Fogging:	$215		
Hazardous Materials (to store, disperse, handle amounts in excess of the quantities listed in CFC table 105.620)	refer to Hazardous material table HM-1		
High-Piled Combustible Storage	$431	$465	($34)
High-Rise Building Annual Inspection	$431	$465	($34)
Hot work operations:	$216	$232	($16)
Hotels, Motels and Lodging Houses	$290	$310	($20)
Liquefied Petroleum Gases (except portable containers <125 gal. cap.)	$290	$310	($20)

Fee Name	Current Fee	Total Cost	Difference
Liquid/Gas-Fueled Vehicles or Equipment in Assembly Buildings	$216	$232	($16)
Lumber Yards (over 100,000 board feet)	$290	$310	($20)
Magnesium Working	$216	$232	($16)
Mall, Covered	$431	$465	($34)
Motor vehicle fuel dispensing stations:	$431	$465	($34)
Occupant Load Increase	$290	$310	($20)
Open Burning	$290	$310	($20)
Ovens, Industrial Baking or Drying	$290	$310	($20)
Places of Assembly (churches, schools, NPOs permitted at no fee)			
A-1, A-2, A-2.1	$341	$362	($21)
A-3, A-4	$279	$284	($5)
Special Assembly events	$279	$284	($5)
Pyrotechnic Special Effects Material (fees for standby Fire staff, when required,	$426	$465	($39)
Refrigeration Equipment	$216	$232	($16)
Repair Garage	$290	$310	($20)
Spraying or Dipping	$290	$310	($20)
Temporary membrane structures, tents, and canopies	$290	$310	($20)
Tire Storage	$290	$310	($20)
Wood Products (over 200 cu. ft.)	$290	$310	($20)
Other Fire Fees			
Copy of Fire Report	$22	$25	($3)
False Alarm in Excess of 3 per Calendar Year (accidental or equipment)	$180	$310	($130)
Fire Hazard Abatement performed by City or City Contractor (including, but not limited to, combustible or flammable vegetation removal)	Abatement cost plus administrative fee		
New Business Fire Inspection	$218	$232	($14)
Re-Inspection Fee (for each following second re-inspection)	$148	$155	($7)
Standby Engine Company			
First Hour	$370	$677	($307)
Each Additional Half Hour	$108	$338	($230)
Standby Firefighter (1 hour minimum)	$119	$215	($96)
Work Performed after Normal Working Hours (Callback is a 3-hr min)	$216	$248	($32)
Expedited Plan Review	New	1.5x Plan Review	N/A
Alternate Methods / Materials Request Fee	New	$310	N/A
Construction Fire Permit Fees:			
Automatic Sprinkler System Permit (installation of suspended piping larger than 4" nominal pipe size also requires Building Department approval of imposed loading on structure):			
For other than 1 and 2 family dwellings:			
New (per sq. ft.)	$0.26	$0.33	($0.07)
Minimum Fee	$330.00	$450	($120)
Alteration (per sq. ft. of protected area,)	$0.26	$0.17	$0.09

Fee Name	Current Fee	Total Cost	Difference
Minimum Fee	$206.00	$300	($94)
One and Two-family dwellings:			
New (per sq. ft.)	$0.26	$0.42	($0.16)
Minimum Fee	$218	$300	($82)
Alteration (per sq. ft. of protected area)	$0.26	$0.25	$0.01
Minimum Fee	$136	$200	($64)
Fixed Extinguishing System Permit: New and Upgrade Installations	$456	$450	$6
Fire Plan Check and resubmittal	$150	$150	$0
Fire Alarm Permit	$228	$250	($22)
Construction, Alteration & Renovation Permit	$198	$200	($2)
Emergency Responder Radio Coverage	New	$450	N/A
Gas Piping System Installation Permit	$361	$375	($14)
Underground Fire Protection Piping Permit	$479	$525	($46)
Consultant Service Fee (actual cost-plus admin fee)	$57	$300	($243)
Document Review (per hour)	$144	$300	($156)
Hydrant Flow Test	$643	$650	($7)
Other Services (per half hour and portion thereof)	$72	$150	($78)
Re-Inspection Fee (for each following second re-inspection)	$148	$300	($152)
Hazardous Materials Table Schedule:			
Range Solids (pounds)			
1 0 to 500	$408	$450	($42)
2 >500 to 5,000	$571	$600	($29)
3 >5,000 to 25,000	$765	$800	($35)
4 >25,000 to 50,000	1114	$1,151	($37)
5 >50,000 to 80,000	$1,613	$1,651	($38)
6 >80,000 to 120,000	$2,334	$2,402	($68)
7 >120,000	$3,037	$3,153	($116)
Range Liquids (gallons)			
1 0 to 55	$408	$450	($42)
2 >55 to 550	$571	$600	($29)
3 >550 to 2,750	$764	$800	($36)
4 >2,750 to 5,500	$1,114	$1,151	($37)
5 >5,500 to 10,000	$1,613	$1,651	($38)
6 >10,000 to 15,000	$2,334	$2,402	($68)
7 > 15,000	3037	$3,153	($116)
Range Gas (cubic feet)			
1 0 to 200	$316	$375	($59)
2 >200 to 2,000	$571	$600	($29)
3 >2,000 to 10,000	$764	$800	($36)
4 >10,000 to 20,000	$1,114	$1,151	($37)
5 >20,000 to 40,000	$1,613	$1,651	($38)
6 >40,000 to 60,000	$2,334	$2,402	($68)
7 >60,000	$3,037	$3,153	($116)

The fees administered by the Fire Department mostly under-recover. The largest deficit is in relation to 'Standby Engine Company', specifically the 'First Hour' fees under Other Fire Fees at $307. The smallest under recovery is for the 'Automatic Sprinkler System Permit (installation of suspended piping larger than 4" nominal pipe size also requires Building Department approval of imposed loading on structure): ', specifically the 'For other than 1 and 2 family dwelling: - New (per sq. ft.)' under the Construction Fire Permit Fees category at $0.07.

ANNUAL REVENUE IMPACT

Fire does not record the number of permits issued, general fees charged, and hazardous materials fees charged at the per-unit level, as such annual results are not presented here.

MARINA

The Marina Department is responsible for managing the Marina's fleet, slip rentals, guest berthing, fishing pier, and the bay trail. The majority of the fees charged by the Marina are for the use of space and as such are not covered under this analysis. The only fees evaluated in this analysis are the fees that are time-based. The following subsections discuss fee schedule modifications, detailed per-unit results, and annual results for the fee-related services provided by the Marina Department.

FEE SCHEDULE MODIFICATIONS

No modifications were proposed to the Marina's fee schedule as it relates to the services being evaluated in this study.

DETAILED RESULTS

While the Marina offers more fees than we listed, we only analyzed the Marina's service-based fees. The total cost calculated for each service includes direct staff costs and Division and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 8: TOTAL COST PER UNIT RESULTS – MARINA

Fee Name	Current Fee	Total Cost	Difference
Application Fee (Non-Refundable)	$25	$474	($449)
Dock Wheel / Fender Wheel Installation			
For One	$50	$142	($92)
For Two	$80	$142	($62)
Slip Transfer Fee	$25	$71	($46)
Lien Fee	$180	$302	($122)

The largest under-recovery is for an 'Application Fee (Non-Refundable)' under Move-In Costs at $449., followed by the lien fee at $122.

ANNUAL REVENUE IMPACT

While the Marina tracks the detailed information for each of the rentals, as the scope of this analysis wasn't a full review of the Marina's use of space fees, the annual revenue impact was not calculated.

PARKS AND RECREATION

The Parks and Recreation Department is responsible for assisting the Parks and Recreation Commission on policy decisions, organizing and administering community programs like camps, athletics, aquatics, social services, and cultural events for all age ranges, as well as managing the City's public facilities like parks, trails, community centers, and pool. The following sections discuss fee schedule modifications, detailed per-unit results, and annual results for the fee-related services provided by Parks and Recreation staff.

FEE SCHEDULE MODIFICATIONS

In discussions with Parks and Recreation staff, the following modifications were made to the current fee schedule:

- **Eliminated Fees:** Staff proposed the elimination of the 'Adult- Non-Resident Summer' fee under the Daily Admission Category, as this fee is no longer offered by the Parks and Recreation staff.
- **Modified Fees:** Staff proposed modifying the Daily Camp Fee section's resident and non-resident fees to include 'summer camp' and 'break camp' in order to more accurately reflect the services offered.

The modifications noted above ensure that the proposed fee schedule more accurately reflects the services being provided by Parks and Recreation staff.

DETAILED RESULTS

The Parks and Recreation Department collects fees for a wide variety of services. Due to the nature of these services being unique and market-based, not all fees were evaluated. In this study, fees for Facility Rentals, Aquatics, Youth Activities, and Senior lunches were evaluated. The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 9: TOTAL COST PER UNIT RESULTS – PARKS AND RECREATION

Fee Name	Current Fee	Total Cost	Difference
Facility Rentals			
Mission Blue Center			
Residential			
1 Room - Weekday	$192	$285	($93)
Entire Facility - Weekday	$297	$379	($82)
1 Room - Weekend	$239	$302	($63)
Entire Facility - Weekend	$371	$407	($36)
Non-Residential			
1 Room - Weekday	$292	$285	$7
Entire Facility - Weekday	$432	$379	$53
1 Room - Weekend	$357	$302	$55
Entire Facility - Weekend	$547	$407	$140

Fee Name	Current Fee	Total Cost	Difference
Aquatics			
Daily Admission			
Adult			
Resident	$7	$21	($14)
Non-Resident	$11	$21	($10)
Youth/Senior			
Resident	$5	$21	($16)
Non-Resident	$8	$21	($13)
Monthly Passes			
Adult Resident	$66	$213	($147)
Adult Non-Resident	$113	$213	($100)
Swim Lessons			
Swim Lessons (8): Resident			
Lesson Package	$88	$296	($208)
Per Class	$11	$37	($26)
Swim Lessons (8): Non-Resident			
Lesson Package	$120	$296	($176)
Per Class	$15	$37	($22)
Semi-Private Swim Lessons (4)			
Resident	$128	$200	($72)
Non-Resident	$185	$200	($15)
Private Swim Lesson (4)			
Resident	$178	$334	($156)
Non-Resident	$258	$334	($76)
Pool Rentals			
Rec Swim Party			
Resident	$171	$397	($226)
Non-Resident	$248	$397	($149)
Rec Swim Party			
Resident	$350	$629	($279)
Non-Resident	$500	$629	($129)
Misc Rec Fees			
Lifeguard Certification	$238	$279	($41)
Piranha Swim Club			
Resident	$6	$18	($12)
Non-Resident	$9	$18	($9)
Youth Activities			
Club Rec Monthly			
Resident	$1,961	$2,640	($679)
Non-Resident	$2,726	$2,640	$86
Daily Camp Fee			
Summer Camp			
Resident	$43	$49	($6)
Non-Resident	$60	$49	$11
Break Camps			

Fee Name	Current Fee	Total Cost	Difference
Resident	$43	$54	($11)
Non-Resident	$60	$54	$6
Preschool			
Resident	$7	$9	($2)
Non-Resident	$9	$9	$0
Seniors			
Senior Lunches	$10	$133	($123)
Misc. Fee			
Processing Fee for Refunds	$7	$9	($2)

Nearly all of the fees administered by the Parks and Recreation Department under-recover. The largest under-recovery is in relation to 'Resident' fees under the Club Rec Monthly section at $680. The smallest under-recovery is in relation to the 'Resident' fee under the Preschool section or the 'Processing Fee for Refunds' at $2.

It is important to note that Parks and Recreation fees are different in the sense that they're based on what the market can bear and, as such, do not have to be set based on the cost of the service, but rather the market rate. Therefore, even if there are over or under-recoveries, the City must evaluate the information in the context of the desirability of the services and the rentals to determine where and how to change their fees.

ANNUAL REVENUE IMPACT

Parks and Recreation do track annual activities, but as they vary based on season and participation no annual revenue impacts were calculated.

PLANNING

The Planning Division is part of the Community Development Department. The Planning Division is responsible for long-term and current planning, turning the City's general plan into zoning regulations, area plans, and policy updates, as well as advising the Planning Commission and Zoning Administrator. The following subsections discuss fee schedule modifications and detailed per-unit results for the fee-related services provided by Planning staff.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** Staff proposed eliminating the following fees as these services are no longer offered by City staff or are now offered by other departments within the City:
    - Accessory Dwelling Unit Permit
    - Setback Exception Modifications
    - 'Categorical Exemption'
    - 'Zoning enforcement penalty'
    - Concept reviews
    - 'Tie-vote at Planning Commission'
- **New Fees:** To better align with where and how services are provided, the following fees have been reassigned to their respective departments.
    - 'Ministerial Subdivision Map'
    - 'HCP Operating Program Revision'
    - 'Zoning Conformance Letter'
    - 'Height Exception to Accommodate Accessibility Improvements per BMC 17.32.060.D'
    - 'Ministerial Parcel Map'
- **Expanded Fees:** Staff proposed the expansion of the following fees to better reflect the services offered:
    - Sign Programs was expanded to include two new fees: 'New' and 'Revision to existing'.
    - Housing Development Permit was expanded to include two new fees: 'Base' and 'Per Additional Unit'
    - 'Parking lot redesign/landscape plan review (per BMC section 15.70.030)' was broken out into Parking lot redesign and landscape plan review.
    - 'Tree Removal Permit' was expanded to include '1-5 trees' and '6+Trees'

  - 'Address Assignment' was expanded to include 'Required as condition of approval on a building permit' and 'Not required as condition of approval on a building permit'

- **Consolidated Fees:** Staff proposed the following consolidations in order to simplify the fee schedule:
  - 'General Plan Map', 'General Plan Text', 'Zoning Map', and 'Zoning Ordinance Text' were consolidated into a single deposit fee for 'General / Zoning Map or Text'.
  - 'Solar Height Limit Exception per BMC 17.32.060.C' was consolidated into a single fee.
- **Modified Fees:** Staff proposed the modification of the following fees in order to better reflect the services offered:
  - 'Plan Lines' was changed from charging based on each plan line to a deposit.
  - 'Planning Technician' was changed to 'Community Development Technician'.
  - 'Amendment to Approved Tentative Map or Ministerial Parcel Map' was changed to 'Amendment to Approved Tentative Map'
  - 'All other Appeals' was changed to 'Appeals'

The modifications noted above ensure that the proposed fee schedule better reflects the services being provided by Planning staff.

DETAILED RESULTS

The Planning Division collects fees for Planning Permits, Use Permits, Home Occupation Permits, Sign Permits, Amendments, Subdivisions, Appeals, Environmental Reviews, Tree Removals, Short Term Rentals, Housing Development Permits, and Stormwater Review/Inspection. The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 10: TOTAL COST PER UNIT RESULTS – PLANNING

Fee Name	Current Fee	Total Cost	Difference
Full Cost Hourly Rates by Staff Position:			
Director	$292	$370	($78)
Principal Planner	$223	$304	($81)
Senior Planner	$188	$295	($107)
Associate Planner	$158	$258	($100)
Building Permit Technician	$120	$210	($90)
Community Development Technician	$120	$226	($106)
Administrative Assistant	$117	$221	($104)
Office Specialist	$110	$196	($86)
Permits:			
Use Permits:			
Conditional uses listed in District Regulations not listed below	$1,376	$7,422	($6,046)
Transfer of development rights within the R- BA district	$3,145	$8,861	($5,716)
Clustered development within the R-BA district	$3,145	$8,861	($5,716)

Fee Name	Current Fee	Total Cost	Difference
Height Limits per BMC 17.32.060.B	$1,376	$4,992	($3,616)
Condominium conversion of existing dwelling units	$1,892	$8,194	($6,302)
Non conforming parking			
in R and NCRO districts	$1,376	$7,089	($5,713)
in other districts	$1,892	$7,089	($5,197)
Use Permit to Expand Nonconforming Residential Uses	$1,376	$7,089	($5,713)
Home Occupation Permits:			
Home occupations in residential districts	$45	$172	($127)
Design Permits:			
Design Permit for new construction: residential	$2,089	$9,610	($7,521)
Design Permit for new construction: non-residential or mixed use	$3,489	$13,804	($10,315)
Design Permit for remodeling existing structures	$2,089	$12,100	($10,011)
Design Permit Extension	$1,610	$4,825	($3,215)
Variance:			
Variance to code provisions for new construction to all structures	$1,575	$7,861	($6,286)
Variance to code provisions for remodel of existing structures			
residential structures	$1,180	$7,089	($5,909)
other structures	$1,575	$7,089	($5,514)
Sign Permits:			
Sign permits in all districts			
with Hearing	$920	$6,922	($6,002)
without Hearing	$387	$661	($274)
Sign Programs			
New	$1,066	$8,194	($7,128)
Revision to existing	$1,066	$3,705	($2,639)
Planned Development Permits:			
Planned Development Permit	$5,000	$5,000	$0
Development Agreements:			
Development Agreement	$5,000	$5,000	$0
Specific Plans:			
Specific Plan	$5,000	$5,000	$0
Exceptions to the Code:			
Exceptions to Fence Regulations	$648	$3,059	($2,411)
Solar Height limits Exception per BMC 17.32.060.C	$648	$1,415	($767)
Setback Exception Modification Public Hearing	$648	$3,061	($2,413)
Height Exception to Accommodate Accessibility Improvements per BMC 17.32.060.D	New	$1,415	N/A
Minor Modifications:			
Modifications per BMC 17.56.090	$648	$4,992	($4,344)
Grading Permits:			
Grading Permit Review by Planning Commission			
500 CY or less	$1,771	$3,128	($1,357)
More than 500 CY	New	$6.21	N/A
Amendments:			

Fee Name	Current Fee	Total Cost	Difference
General / Zoning Map or Text	$2,007	$18,879	($16,872)
Subdivisions:			
Tentative Subdivision Map and Condominium Plans with 5 or more lots/units	$3,476	$15,038	($11,562)
Tentative Subdivision Map and Condominium Plans – per lot	$275	$285	($10)
Tentative Parcel Map and Condominium Plans with 4 or less lots/units	$3,476	$12,517	($9,041)
Ministerial Subdivision Map	New	$13,589	N/A
Final Parcel Map	$529	$3,801	($3,272)
Final Subdivision Map	$705	$5,726	($5,021)
Time Extension for Approved Tentative Map	$1,620	$7,528	($5,908)
Amendment to Approved Tentative Map	$1,620	$7,861	($6,241)
Ministerial Parcel Map	New	$4,750	N/A
Correction/Amendment to Final Map	$447	$2,776	($2,329)
Modifications to Subdivision Provisions	$1,729	$7,861	($6,132)
Vesting Tentative Subdivision Map	$6,961	$15,038	($8,077)
Vesting Tentative Subdivision Map – per lot	$275	$285	($10)
Certificate of Compliance per GC 66499.35(a) and (b)	$1,157	$6,122	($4,965)
Certificate of Compliance per GC 66499.35 (c)	$447	$2,776	($2,329)
Lot Line Adjustment	$1,157	$4,750	($3,593)
Parcel Map Waivers	$1,157	$6,122	($4,965)
Reversions to Acreage	$1,157	$6,122	($4,965)
Lot Merger	$447	$2,776	($2,329)
Appeals	$454	$3,367	($2,913)
Environmental Review:			
Initial Study/Negative Declaration	$3,076	$16,708	($13,632)
Environmental Impact Reports	Consultant Cost + 10%	Consultant Cost + 10%	N/A
Mitigation Monitoring-Inspections etc.	Hourly	Hourly	N/A
Other Services:			
HCP Operating Program Revision	New	$14,038	N/A
Pre-application Review	Hourly	$285	N/A
Administrative review subsequent documents from Con. of Appr.	Hourly	$285	N/A
Parking lot redesign/Landscape plan review (per BMC section 15.70.030)	$692	$2,059	($1,367)
Research record search	Hourly	$226	N/A
Technical report review	Consultant Cost + 10%	Consultant Cost + 10%	N/A
Telecommunications Administrative Permit	$1,270	$5,860	($4,590)
Alcohol Public Convenience Necessity (PCN)	$648	$3,763	($3,115)
Tree Removal Permit			
1-5 trees	$397	$1,340	($943)
6+ trees	$397	$2,490	($2,093)
Administrative Appeal (to City Manager)	$114	$2,262	($2,148)
Address Assignment			

Fee Name	Current Fee	Total Cost	Difference
Required as condition of approval on a building permit	$131	$396	($265)
Not required as conditition of approval on a building permit	$131	$682	($551)
Construction Noise Exception Permit per BMC 8.28.080	$784	$3,253	($2,469)
Outdoor Sound Amplification Request	$229	$642	($413)
Short Term Rental Permit			
New	$369	$1,010	($641)
Renewal	$369	$455	($86)
C.3 Stormwater Review/Inspection			
Review	Consultant Cost + 10%	Consultant Cost + 10%	N/A
Inspection	$191	$191	$0
Housing Development Permit			
Base 2-10 units	$2,627	$9,610	($6,983)
Per Additional Unit	Modified	$285	N/A
Plan Lines	$3,476	$5,000	($1,524)
Lighting Deviation	$648	$2,896	($2,248)
Consultant Management Fee	10%	0%	$0.10
Zoning Conformance Letter	New	$894	N/A

Nearly all of the fees administered by the Planning Division under-recover for their associated costs. The largest under-recovery is $13,632 for an 'Initial Study/Negative Declaration'. The smallest under-recovery outside of the Full Cost Hourly Rates by Staff Position: is in relation to the 'Subdivisions:' fees, specifically the 'Tentative Subdivision Map and Condominium Plans with 5 or more lots/units' and the 'Vesting Tentative Subdivision Map' fee under the Permits: category at $10.

ANNUAL REVENUE IMPACT

Based on the prior year's workload information, Planning has a deficit of roughly $83,000. The following table shows the revenue at the current fee, total projected annual cost, and the resulting difference by major fee category.

TABLE 11: ANNUAL RESULTS – PLANNING

Fee Category	Revenue at Current Fee	Annual Cost	Difference
Use Permits	$2,752	$14,511	($11,759)
Variance	$1,575	$7,861	($6,286)
Sign Permits	$1,307	$7,583	($6,276)
Grading Permits	$3,542	$6,256	($2,714)
Amendments	$2,007	$18,879	($16,872)
Subdivisions	$8,551	$34,293	($25,742)
Telecommunications Administrative Permit	$1,270	$5,860	($4,590)
Tree Removal Permit	$2,779	$9,380	($6,601)
Outdoor Sound Amplification Request	$229	$642	($413)
Short Term Rental Permit	$1,107	$3,030	($1,923)
Total	**$25,119**	**$108,295**	**($83,176)**

Planning has an annual cost recovery of roughly 23%. The largest under-recovery is in relation to the Subdivisions category, specifically the 'Lot Line Adjustment'. This fee specifically makes up $14,372 of the difference. Currently, the city charges $1,157 per adjustment; the total cost was calculated to be $4,750, resulting in a per-unit deficit of $3,593. The large per-unit deficit, coupled with the roughly 4 times this permit was administered in the past year, results in the large cost recovery gap. The department should review these results and adjust fees appropriately to align with divisional and departmental cost recovery goals.

POLICE

The Police Department provides public safety services to the public and provides fee-related services as it relates to fingerprinting, concealed weapons, and massage permits. The following subsections discuss fee schedule modifications, detailed per unit results, and annual revenue impacts for the fee-related services provided by the Police staff.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** Staff proposed eliminating the 'Repeat Nuisance Call' and 'Private Patrol Permit' fees, as these services are no longer offered.
- **Modified Fees:** Staff proposed modifying 'Copies of Tape Recordings' to 'Copies of Digital Media' in order to better reflect the services offered.

The modifications noted ensure that the proposed fee schedule more accurately reflects the services being provided by Police staff.

DETAILED RESULTS

The Police Department collects fees for Copies of Reports, Alarm System Permits, Clearance & Good Conduct Letters, Concealed Weapons, Fingerprinting, Massage Certificate of Registration, Photographs, and Vehicle Releases. The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name and total cost associated with each service offered.

TABLE 12: TOTAL COST PER UNIT RESULTS – POLICE

Fee Name	Current Fee	Total Cost	Difference
Copies of Reports	$0	$239	($239)
Alarm System Permits	$0	$94	($94)
Bicycle Registration	$0	$35	($35)
Booking Fee	$0	$98	($98)
Clearance & Good Conduct Letters:			
Resident	$6	$35	($29)
Non-Resident	$39	$35	$4
Subpoena Dues / Tecum Processing	$39	$24	$15
Concealed Weapons:			
Permit Process	$75	$379	($304)
Renewal Fee	$0	$94	($94)
Copies of Digital Media	$37	$211	($174)
Court Appearance All Personnel	$275	$275	$0
False Alarms - Structure	$0	$53	($53)

Fee Name	Current Fee	Total Cost	Difference
Fingerprinting:			
Resident: Adult	$36	$89	($53)
Resident: Minor	$0	$89	($89)
Non-Resident	$112	$89	$23
Massage Certificate of Registration:			
Registration	$135	$379	($244)
Early Renewal	$35	$94	($59)
Special Event Permit	$0	$379	($379)
Photographs:			
Copies (plus actual costs)	$103	$18	$85
Enlargements (plus actual costs)	$103	$21	$82
Vehicle Releases:			
Vehicle Releases / Enforcement	$63	$68	($5)
Vehicle Releases / Abandonment	$63	$68	($5)
Film Crew	$622	$663	($41)
Repossessed Vehicle Release[5]	$15	$15	$0

The majority of the fees administered by the Police Department under-recover for their associated costs. The largest under-recovery is in relation to the 'Special Event Permit' and the 'Private Patrol Permit Fee' at $379. The smallest under-recovery is in relation to the 'Vehicle Releases' fees, specifically the 'Vehicle Releases / Enforcement' and 'Vehicle Releases / Abandonment' at $5. The largest over-recovery is in relation to the 'Photographs' fees, specifically the 'Copies (Plus actual costs)' at $85. The smallest over-recovery is in relation to the 'Clearance & Good Conduct Letters' fees, specifically the 'Non-Resident' fee at $4.

ANNUAL REVENUE IMPACT

The Police do not record their fees at the per-unit level, and as such, annual results are not presented here.

[5] GOV § 26751

PUBLIC WORKS

The Public Works Department is responsible for coordinating the planning, engineering, and maintenance & improvement of the city's roads, sewer, storm drains, lighting, and facilities. The Public Works Department offers various fee-related services, including Grading Permits, Special Permits, Encroachment Permits, Site Work Permits, Water and Sewer-related Permits, and Subdivision Maps. The following subsections discuss fee schedule modifications, detailed per-unit results, and annual revenue impacts for the fee-related services provided by the Public Works staff.

FEE SCHEDULE MODIFICATIONS

In discussions with City staff, the following modifications were proposed to the current fee schedule:

- **New Fees:** To better align with where and how services are provided '3rd and subsequent Plan Checks' and '3rd and subsequent Inspections' were added.
- **Eliminated Fees:** Staff proposed eliminating the following fees, as these services are no longer offered or covered under other permits.
    - 'Blasting Permit'
    - 'Grading Permit (paving) and drainage alteration'
    - 'Retaining Wall Design'
- **Deposit To Flat Fees:** Staff proposed modifying the following fees from deposit to flat fees in order to better reflect the services offered.
    - Grading permits were changed from deposit to flat fees
    - Encroachment permits were changed from an hourly inspection fee to flat fees based on the construction valuation.
- **Flat Fees to Deposits:** Staff proposed changing the following fees from flat fees to deposit-based fees:
    - 'Final Parcel Map Review: - Land Surveyor Review'
    - 'Water, Sewer, Storm Drain system capacity modeling'

'The modifications noted ensure that the proposed fee schedule more accurately reflects the services being provided by Police staff.

DETAILED RESULTS

The Public Works Department is responsible for collecting fees for Grading Permits and Misc. Permits such as Special Permits, Site Work Permits, Final Parcel Map Reviews, Temporary Construction Meters, Water Service Inspections & Meter, Sanitary Sewer Lateral Service Inspections, Final Subdivision Maps, and Water, Sewer, Storm Drain System Capacity Modeling. The total cost calculated for each service

includes direct staff costs and Division and Citywide overhead. The following table details the fee name and total cost associated with each service offered by the group category.

TABLE 13: TOTAL COST PER UNIT RESULTS – PUBLIC WORKS

Fee Name	Current Fee	Total Cost	Difference
Grading Permits			
Grading Permit - Plan Check:			
0-5 cub. yds. (no permit required)	$0	$0	$0
6-50 cub. yds.	$115	$183	($68)
51-100 cub. yds.	$115	$258	($143)
101-1,000 cub. yds.	$463	$484	($21)
1,001-10,000 cub. yds.	$929	$935	($6)
10,001-100,000 cub. yds.	$4,993	$5,444	($451)
100,001-200,000 cub. yds.	$8,323	$9,052	($729)
200,000 or more cub. yds.	$16,650	$16,568	$82
3rd and subsequent Plan Checks	New	$300	N/A
Geotechnical Peer Review	$5,000	$5,000	$0
Grading Permit - Inspection:			
0-5 cub. yds. (no permit required)	$0	$0	$0
6-50 cub. yds.	$460	$549	($89)
51-100 cub. yds.	$923	$1,238	($315)
101-1,000 cub. yds.	$16,528	$3,477	$13,051
1,001-10,000 cub. yds.	$24,799	$6,922	$17,877
10,001-100,000 cub. yds.	$10,000	$13,812	($3,812)
100,000 - 200,000 cub. yds.	$10,000	$17,257	($7,257)
200,000 + cub. yds.	$10,000	$25,869	($15,869)
3rd and subsequent Inspections	New	$172	N/A
Grading Permit - SWPPP Compliance			
Single Parcel (assessed every 2 reviews)			
Single Parcel (assessed every 2 reviews): Admin + Inspection	$162	$269	($107)
Force Account for Remediation	$591	$645	($54)
Subdivision subject to Map Act Provisions (assessed every 2 reviews)			
Subdivision subject to Map Act Provisions (assessed every 2 reviews): Admin + Inspection	$651	$656	($5)
Force Account for Remediation	Actual Cost of Erosion Control Plan	$645	N/A
Development subject to C.3 Provisions (assessed every 2 reviews)			
Development subject to C.3 Provisions (assessed every 2 reviews): Admin + Inspection	$1,306	$1,451	($145)
Force Account for Remediation	Actual Cost of Erosion Control Plan	$645	N/A
Misc. Permits			
Special Permit (after hours work):			
Special Permit (after hours work)	$233	$214	$19

Fee Name	Current Fee	Total Cost	Difference
Inspection / Work	$500	$500	$0
Truck Haul Permit	$115	$108	$7
Encroachment Permit			
Cost of ROW Improvements			
Up to $49,999	New	$1,529	N/A
$50,000	New	$1,529	N/A
each additional $10,000 or fraction thereof	New	$224	N/A
$100,000	New	$2,647	N/A
each additional $10,000 or fraction thereof	New	$262	N/A
$250,000	New	$6,584	N/A
each additional $10,000 or fraction thereof	New	$144	N/A
$500,000	New	$10,176	N/A
each additional $10,000 or fraction thereof	New	$85	N/A
$1,000,000+	New	$14,421	N/A
each additional $100,000 or fraction thereof	New	$21	N/A
Site Work Permit:			
Engineering Review (assessed every 2 reviews)	$461	$601	($140)
Fast Track Review	$442	$579	($137)
Tentative Parcel Map Review	$629	$676	($47)
Final Parcel Map Review:			
Final Parcel Map Review	$629	$901	($272)
Land Surveyor Review	$1,500	$5,000	($3,500)
Water Service Inspection and Meter:			
5/8" meter - Inspection & Meter Cost	$551	$1,104	($553)
3/4" meter - Inspection & Meter Cost	$569	$1,245	($676)
1" meter - Inspection & Meter Cost	$607	$1,370	($763)
1.5" Meter - Inspection & Meter Cost	$961	$1,859	($898)
2" meter - Inspection & Meter Cost	$1,522	$2,203	($681)
3" meter - Inspection & Meter Cost	$2,663	$4,154	($1,491)
4" meter - Inspection & Meter Cost	$3,092	$4,918	($1,826)
Sanitary Sewer Lateral Service - Inspection:			
Single Family Unit	$353	$764	($411)
Multiple Unit Dwelling	$706	$1,108	($402)
Commercial, Industrial, Public & Other Uses	$706	$1,183	($477)
Final Subdivision Map:			
Base	$8,025	$8,418	($393)
Per Lot	$500	$526	($26)
Fire Hydrant Flow Test	$755	$799	($44)
Water, Sewer, Storm Drain system capacity modeling:			
City Staff Cost	$450	$628	($178)
Consultant Modeling	$5,000	$5,000	$0

The fees administered by Public Works generally under-recover for its services. The largest under-recovery is in relation to the 'Grading Permit – Inspection:' fees, specifically the '200,000+ Cub. Yds.' fee at $15,869. The smallest under-recovery is in relation to the 'Grading Permit – SWPPP Compliance' fees,

specifically the ‘Subdivision subject to Map Act Provisions (assessed every 2 reviews) - Subdivision subject to Map Act Provisions (assessed every 2 reviews): Admin + Inspection’ under the grading permits at $5.

ANNUAL REVENUE IMPACT

Public Works does not track the permits at the granular level of detail as such no annual revenue impact analysis was conducted.

DEVELOPMENT SERVICES SURCHARGES

There are two typical surcharges assessed as part of the development review process – General Plan Maintenance Fee and Technology Fee. Currently, the City of Brisbane does not assess a General Plan Maintenance Fee and only assesses a Technology fee. The following subsections discuss the calculation and application of the General Plan Maintenance Fee and Technology Fee and provides comparative context to other jurisdictions.

GENERAL PLAN MAINTENANCE FEE

A General Plan Maintenance fee is meant to account for updates to the general plan, zoning ordinance, housing elements, and other long-range planning activities that are part of the larger General Plan.

The General Plan Maintenance fee is governed by Government Code Section 66014(b), which states that fees "may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and recommendations." This code states that fees can be charged against zoning changes, zoning variances, use permits, building inspections, and filing applications.

More typically, the fee is charged during the building permit phase to ensure any development project, which gets to that phase, makes enough of an impact to require the need for an update to the Zoning Code or the General Plan. This fee should only be applied to major building permits (i.e., new or remodel / tenant improvements) rather than standalone permits for water heaters or electrical outlets.

The project team took the estimated cost associated with updating the General Plan and divided it by the years over which those services would be provided to calculate the annualized cost. The following table breaks out by category the components that comprise the total annual cost calculation.

TABLE 14: GENERAL PLAN MAINTENANCE FEE – ANNUAL COSTS

Task	Budget	# of Years	Annual Cost
General Plan Update	$500,000	15	$33,333
Total Annual Cost	**$500,000**		**$33,333**

The annual cost to the City for updating their general plan was calculated to be roughly $33,333. The City currently does not charge a General Plan Maintenance Fee, as such we calculated the fee as a percentage of the City's building permit fees, which is the most common methodology. An alternative approach is based on the building valuation. The following table shows the general plan maintenance fee calculation based on both approaches:

TABLE 15: GENERAL PLAN MAINTENANCE FEE CALCULATION

Category	% of Permit Fee	% of Building Valuation
Annual Cost	$33,333	$33,333
Base	$467,404	$35,384,951
General Plan Maintenance Fee	**7%**	**0.09%**

As the table indicates, the calculated Comprehensive Plan Maintenance Fee is 7% of the building permit or 0.09% of the building valuation.

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of a General Plan Maintenance Fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

TABLE 16: GENERAL PLAN MAINTENANCE FEE – COMPARATIVE SURVEY

Jurisdiction	Fee Amount
Burlingame	0.20% of the Building Valuation
Daly City	1.00% of the project valuation
Emeryville	0.50% of construction valuation
Millbrae	0.39% of project valuation
San Bruno	0.90% of the building valuation
South San Francisco	0.30% of Bldg. Valuation

The fees charged by all other jurisdictions is a percentage of the building valuation. It is a best practice to charge this fee as either percentage of building permit fee or building valuation. The City's full cost calculated at 0.09% of the Building Valuation would still be lower than all the surveyed jurisdictions. Even though building valuation is the common methodology used by surrounding jurisdiction, applying this fee as a percentage of the building permit fee has a stronger nexus as it ensures that the fee charged for long-range planning never exceeds the building permit fee.

TECHNOLOGY SURCHARGE FEE

A Technology Fee allows a jurisdiction to support the costs associated with its permitting system, staff time for managing the systems, acquiring the system, mobile devices used for permitting, etc. The City of Brisbane currently charges a plan maintenance fee to capture the costs for technology and develops a budget annually for those technology-related needs. The project team utilized the annual budget for Plan Maintenance to calculate the updated technology fee. The following table shows, by line item, the FY26 adopted budget for technology-related costs for development activities.

TABLE 17: TECHNOLOGY SURCHARGE COST COMPONENTS

Item	Fee	# of Years	Annual Cost
Tech Fee	$1,000,000	20	$50,000
Total Annual Cost			**$50,000**

Based upon the items needed to maintain the permitting system, annual technology-related costs are approximately $50,000.

The most defensible methodology for assessing a technology fee is based proportionately on the percentage of the permit fee, as the greater the permit fee, the more software utilization and storage space is required. The City does not utilize this method and instead charges a fee of $1.63 per plan. As

such, the project team calculated the rate as a percentage for the City by taking the total Technology Annual Cost and dividing it by the annual fee-related cost associated with departments that utilize the permitting software (Building & Planning). The following table shows this calculation:

TABLE 18: TECHNOLOGY SURCHARGE CALCULATION

Category	Technology Fee Calculation
Total Annual Technology Cost	$50,000
Total Building & Planning Permit Fees	$984,309
Technology Surcharge	**5%**

Based upon this calculation, the City's full cost Technology fee would be 5% of the permit fee. Therefore, if a permit fee was $100, the Technology fee collected would be $5.00; whereas if a permit fee was $1,000, the Technology fee collected would be $50. This type of structure enables the Technology fee to be more proportionately distributed based upon the projects and their impact upon the system. The City's current fee is $1.63 per plan, which is not comparable to the calculated full cost of 5% of the permit fee.

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of a Technology Fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

TABLE 19: TECHNOLOGY SURCHARGE – COMPARATIVE SURVEY

Jurisdiction	Fee Amount
Burlingame	2% of the Fee
Daly City	9% of the Building Permit Fee
Emeryville	0.10% of Construction Valuation
Millbrae	7% of Permit Fee
San Bruno	10% of the Permit Fees

The full cost calculated for the City is the third lowest at 5% when compared to the other jurisdictions surveyed.

SURCHARGE FUND BEST PRACTICES

It is a best practice to collect and account for General Plan Maintenance and Technology surcharges in separate accounts, as doing so ensures compliance with funding requirements, enables appropriate allocation of funds to general plan or technology-related activities, and mitigates any potential issues with the comingling of funds.

COST RECOVERY CONSIDERATIONS

The following sections provide guidance regarding how and where to increase fees, determine annual update factors, and develop cost recovery policies and procedures.

FEE ADJUSTMENTS

This study has documented and outlined on a fee-by-fee basis where the City is under- and over-collecting for its fee-related services. City and Department management will now need to review the study results and adjust fees per Departmental and City philosophies and policies. The following points outline the major options the City has in adjusting its fees:

- **Over-Collection:** Upon review of the fees that were shown to be over-collecting for costs of services provided, the City should reduce the current fee to be in line with the full cost of providing the service.
- **Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the City may decide to increase the fee to full cost recovery immediately.
- **Phased Increase:** For fees with significantly low-cost recovery levels, or which would have a significant impact on the community, the City could choose to increase fees gradually over a set period.

The City will need to review the results of the fee study and associated cost recovery levels and determine how best to adjust fees. While decisions regarding fees that currently show an over-recovery are straightforward, the following subsections provide further detail on why and how the City should consider either implementing Full Cost Recovery or a Phased Increase approach to adjusting its fees.

FULL COST RECOVERY

Based on the permit or review type, the City may wish to increase the fee to cover the full cost of providing services. Certain permits may be close to cost recovery already, and an increase to full cost may not be significant. Other permits may have a more significant increase associated with full cost recovery.

Increasing fees associated with permits and services that are already close to full cost recovery can potentially bring a Department's overall cost recovery level higher. Often, these minimal increases can provide necessary revenue to counterbalance fees that cannot be increased.

The City should consider increasing fees for permits for which services are rarely engaged to full cost recovery. These services often require specific expertise and can involve more complex research and review due to their infrequent nature. As such, setting these fees at full cost recovery will ensure that when the permit or review is requested, the City is recovering the full cost of its services.

PHASED INCREASES

Depending on current cost recovery levels, some current fees may need to be increased significantly to comply with established or proposed cost recovery policies. Due to the type of permit or review or the amount by which a fee needs to be increased, it may be best for the City to use a phased approach to reaching its cost recovery goals.

As an example, you may have a current fee of $200 with a full cost of $1,000, representing 20% cost recovery. If the current policy is 80% cost recovery, the current fee would need to increase by $600, bringing the fee to $800, to comply with proposed recovery levels. Assuming this service is something the City provides quite often and affects various members of the community, an instant increase of $600 may not be feasible. Therefore, the City could take a phased approach, whereby it increases the fee annually over a set period until cost recovery is achieved.

Raising fees over a set period not only allows the City to monitor and control the impact to applicants but also ensure that applicants have time to adjust to significant increases. Continuing with the example above, the City could increase the fee by $150 per year for the next four years, spreading out the increase. Depending on the desired overall increase and the impact to applicants, the City could choose to vary the number of years by which it chooses to increase fees. However, the project team recommends that the City not phase increases for periods greater than five years, as that is the maximum window after which a comprehensive fee assessment should be completed.

ANNUAL ADJUSTMENTS

Conducting a comprehensive analysis of fee-related services and costs annually would be quite cumbersome and costly. The general recommendation is that a comprehensive fee analysis should be conducted every five to seven years. This allows jurisdictions to ensure they account for organizational changes, such as staffing levels and merit increases, and process efficiencies, code or rule changes, or technology improvements. Developing annual update mechanisms allow jurisdictions to maintain current levels of cost recovery, while accounting for increases in staffing or expenditures related to permit services. The two most common types of update mechanisms are Consumer Price Index (CPI) and Cost of Living Adjustment (COLA) factors. The following points provide further detail on each of these mechanisms:

- **COLA / Personnel Cost Factor:** Jurisdictions often provide their staff with annual salary adjustments to account for increases in local cost of living. These increases are not tied to merit or seniority but rather meant to offset rising costs associated with housing, gas, and other livability factors. Sometimes these factors vary depending on the bargaining group of a specific employee. Generally, these factors are around two or three percent annually.
- **CPI / ECI Factor:** A common method of increasing fees or cost is to look at regional cost indicators, such as the Consumer Price Index or Employment Cost Index. These factors are calculated by the Bureau of Labor Statistics, are put out at various intervals within a year, and are specific to states and regions.

The City of Brisbane already utilizes a CPI factor, and it should continue to do so to ensure that fees are increased in alignment with cost increases.

POLICIES AND PROCEDURES

This study has identified areas where the City is under-collecting the costs associated with providing services. This known funding gap is therefore being subsidized by other City revenue sources.

Development of cost recovery policies and procedures will ensure that current and future decision makers understand how and why fees were determined and set, as well as provide a road map for ensuring consistency when moving forward. The following subsections outline typical cost recovery levels and discuss the benefits of developing target cost recovery goals and procedures for achieving and increasing cost recovery.

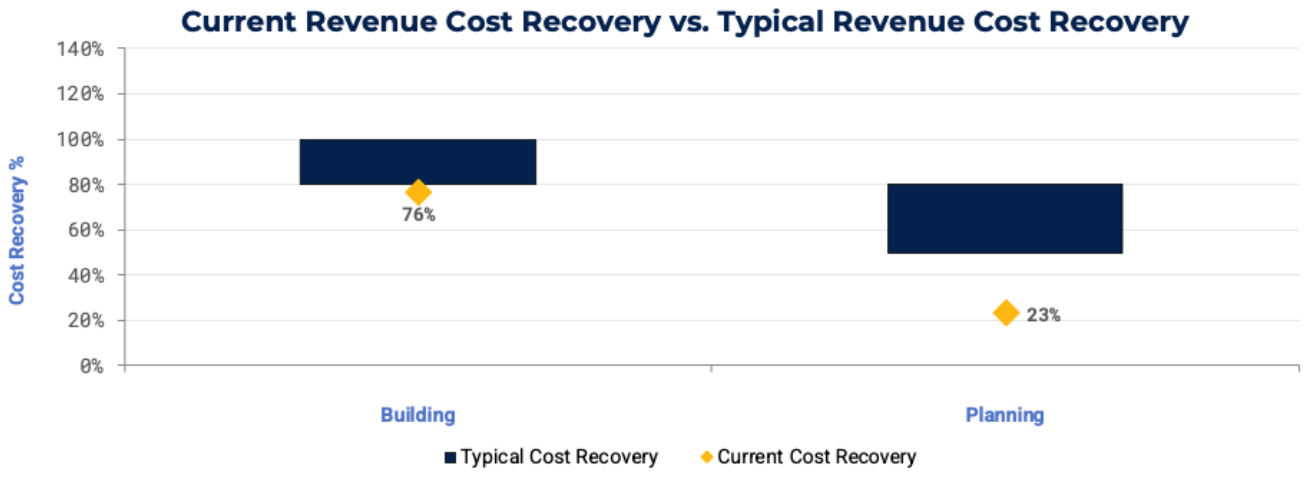
TYPICAL COST RECOVERY

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery ranges. The following table outlines cost recovery ranges by major service area.

TABLE 20: TYPICAL COST RECOVERY RANGES BY MAJOR SERVICE AREA

Service Areas	Typical Cost Recovery Ranges
Building	80-100%
Planning	50-80%

The following graph depicts how Brisbane compares to industry cost recovery range standards.



Building & Planning are both below the typical recovery range.

DEVELOPMENT OF COST RECOVERY POLICIES AND PROCEDURES

The City should review the current cost recovery levels and adopt a formal policy regarding cost recovery. This policy can be general in nature and can apply broadly to the City as a whole or to each department and division specifically. A department-specific cost recovery policy would allow the City to better control the cost recovery associated with different types of services being provided and the community benefit received.

APPENDIX – COMPARATIVE SURVEY

As part of the Cost of Services (User Fee) study for the City of Brisbane, Matrix Consulting Group conducted a comparative survey of user fees. The City identified six municipalities to be included in the comparative survey for departments other than Parks and Recreation: Burlingame, Daly City, Emeryville, Millbrae, San Bruno, and South San Francisco. For Parks and Recreation, the City identified eight municipalities to be included in the comparative survey: Belmont, Burlingame, Millbrae, Pacifica, San Carlos, San Francisco, San Mateo, and South San Francisco. The project team then reviewed public documents (i.e., agenda items, staff reports, budgets, fee schedules, and ordinances) and or contacted jurisdictions to get comparative information.

While this full report provides the City with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to benchmark themselves against other comparable jurisdictions to understand the local "rates" for comparable services. This type of comparative analysis allows for the City to assess what types of changes in fee levels their community can bear. However, benchmarking does not provide adequate information regarding the relationship of other jurisdictions' costs to their fees (i.e., policy decisions to subsidize, cost recovery goals, etc.). To contextualize this portion of the analysis, the project team provided economic and recency factors for the comparable jurisdictions.

The following sections detail various factors to consider when reviewing comparative survey results, as well as graphical comparisons of current fees and total calculated costs for various permits issued or services provided by the City.

ECONOMIC FACTORS

To provide additional context to the comparative survey information, the project team collected economic factors for the jurisdictions included. Three important economic factors to consider when comparing fees across multiple jurisdictions are: population, budget, and workforce size. These factors can impact how and when fees are administered, as a jurisdiction with a smaller population may choose to not charge a fee, or a smaller workforce size may inhibit their ability to administer a fee. The following tables rank each jurisdiction from smallest to largest for each of these economic factors:

TABLE 21: RANKING OF JURISDICTIONS BY POPULATION

Jurisdiction	Population[6]
Brisbane	**4,676**
Emeryville	13,471
Millbrae	23,164
Burlingame	31,552
San Bruno	42,631
South San Francisco	65,397

[6] California Finance estimates as of 1/1/2024 were used to determine each jurisdiction's population.

Jurisdiction	Population[6]
Daly City	102,155

TABLE 22: RANKING OF JURISDICTIONS BY CITYWIDE TOTAL BUDGET

Jurisdiction	FY25-26 Budget[7]
Brisbane	**$28,599,443**
Millbrae	$40,496,262
San Bruno	$68,775,416
Burlingame	$81,032,875
Daly City	$125,510,727
Emeryville	$142,131,800
South San Francisco	$152,532,413

TABLE 23: RANKING OF JURISDICTIONS BY FTE

Jurisdiction	FY25-26 Authorized FTE
Millbrae	105.75
Brisbane	**145.00**
Emeryville	174.61
San Bruno	287.00
Burlingame	327.4
Daly City	487.00
South San Francisco	643.81

When compared to the surveyed jurisdictions, the City of Brisbane ranks at the bottom in terms of population and budget and ranks as the second lowest when it comes to staffing.

RECENCY FACTOR

While the above comparative information can provide some perspective when paralleling Brisbane's fees with surveyed jurisdictions, other key factors to consider are when a jurisdiction's fee schedule was last updated and when the last comprehensive analysis was undertaken. It is important to note that even though jurisdictions may have conducted recent fee studies, their fees are not always adopted at full cost recovery. The comparative results only show the adopted fee for the surveyed jurisdiction, not necessarily the full cost associated with the comparable service.

The following tables detail when each surveyed jurisdiction last conducted a fee analysis and when they last updated their fee schedule:

TABLE 24: LAST FEE SCHEDULE UPDATE

Jurisdiction	Response
Burlingame	2025
Daly City	2025

[7] To ensure appropriate comparisons, full operating budget (all funds) has been used for all jurisdictions.

Jurisdiction	Response
Emeryville	2025
Millbrae	2025
San Bruno	2025
South San Francisco	2025

TABLE 25: LAST FEE STUDY CONDUCTED

Jurisdiction	Response
Burlingame	2024
Daly City	2022
Emeryville	N/A
Millbrae	2017
San Bruno	2020
South San Francisco	2023

Most of the surveyed jurisdictions have published an updated fee schedule within the last year. Additionally, all the jurisdictions except for Emeryville and Millbrae have conducted a fee study within the last five years.

ADDITIONAL FACTORS

Along with keeping the statistics outlined in the previous sections in mind, the following issues should also be noted regarding the use of market surveys in the setting of fees for service:

- **Cost Recovery Factors:** Each jurisdiction and its fees are different, and many are not based on the actual cost of providing services, as various policy decisions may subsidize services.
- **Fee Variance Factors:** A fee with the same name may encompass different types of services or activities across jurisdictions. Variability may stem from differences in service delivery models (e.g., in-house vs. contracted), the scope of work included under the fee, and staffing configurations, all of which can influence how indirect and overhead costs are allocated.

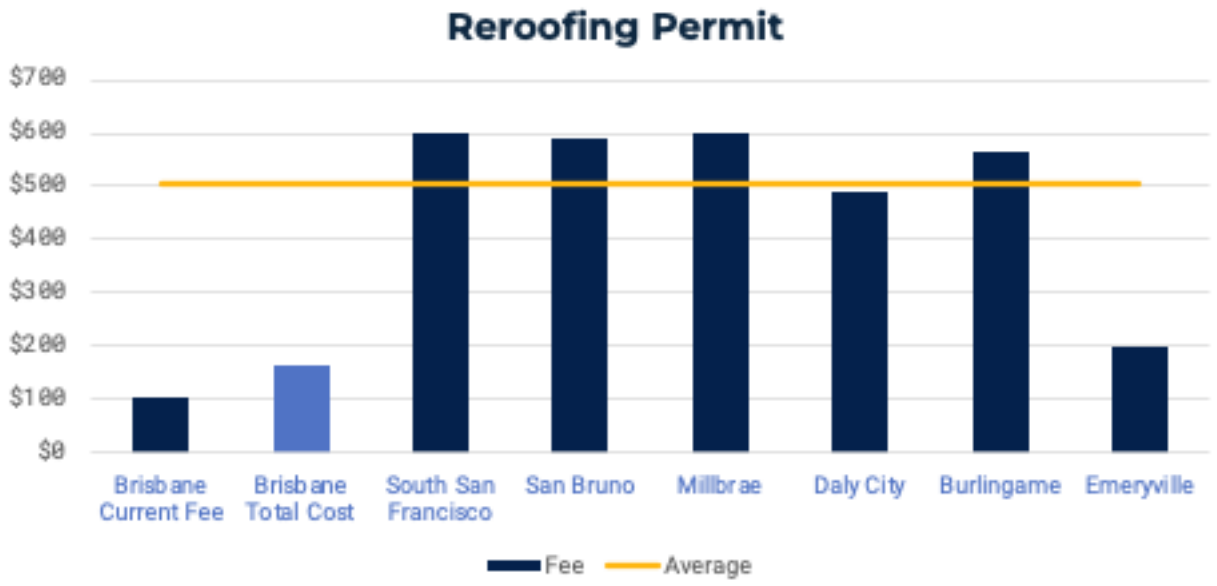
In addition to the issues noted, market surveys can also run the risk of creating a confusing excess of data that will obscure rather than clarify policy issues. Because each jurisdiction is different, the Matrix Consulting Group recommends that the information contained in the market comparison of fees be used as a secondary decision-making tool, rather than the primary method for determining an acceptable price point for services.

COMPARATIVE SURVEY RESULTS

As part of this study, the project team conducted a survey of how the City's current user fees and calculated full cost compare to other identified jurisdictions. The following subsections provide a comparative look at several fee-related services provided by the City versus the surveyed jurisdictions.

REROOFING PERMIT

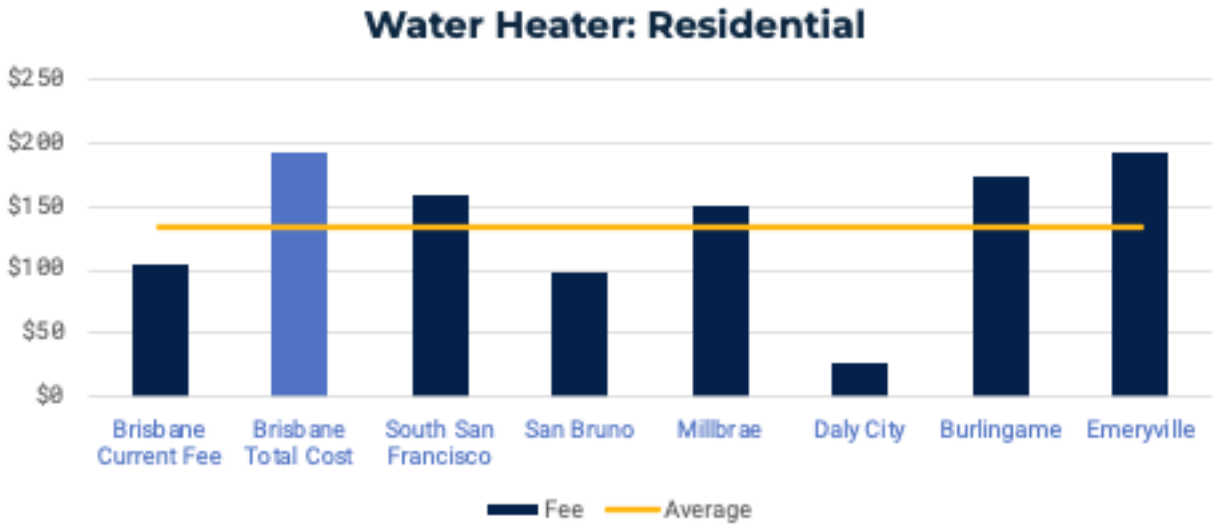
Building currently charges a fee of $105 for a plan check and inspection of a Reroofing Permit that is 2,000 sq. ft. Through this study, the project team calculated the full cost of this service to be $166. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current and full cost fees are the lowest when compared to the jurisdictional average of $507. The City's full cost is most comparable to Emeryville's fee of $200.

WATER HEATER: RESIDENTIAL

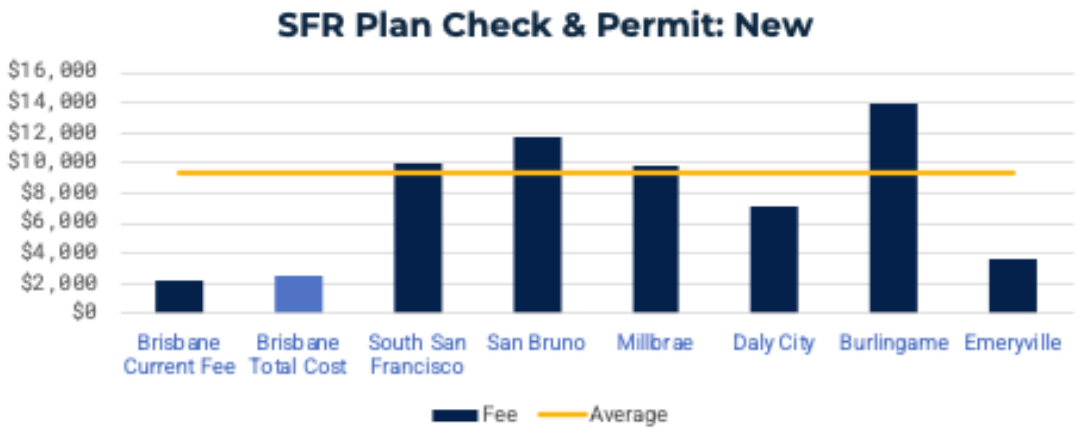
Building currently charges for a Water Heater: Residential as a valuation, which would be roughly $105. Through this study, the project team calculated the full cost of this service to be $193. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the second lowest when compared to other jurisdictions at $105, as this fee is valuation-based. However, its full cost of $193 is above the jurisdictional average of $133. The calculated full cost is the same as Emeryville's fee of $193.

SFR PLAN CHECK & PERMIT: NEW

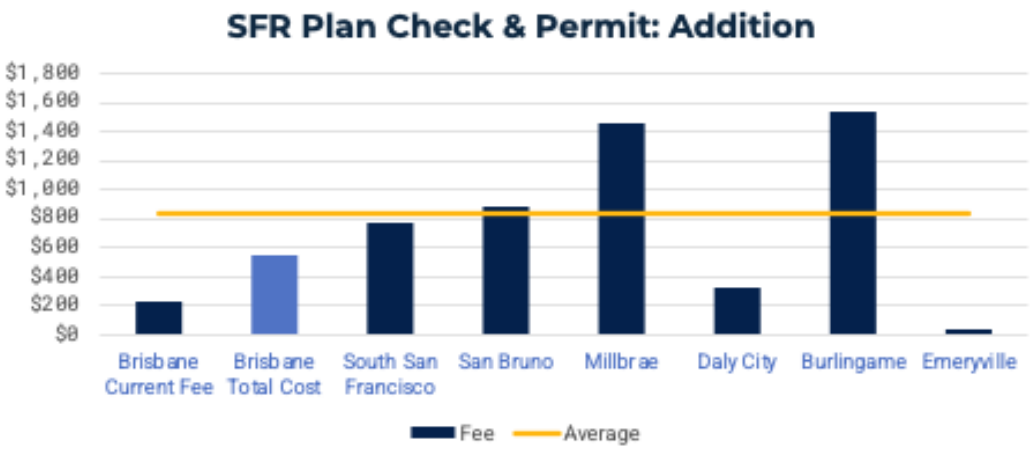
Building currently charges a fee of $2,220 for a plan check and inspection of an SFR Plan Check & Permit: New - Valued at $450,000 (2,000 sq. ft.). Through this study, the project team calculated the full cost of this service to be $2,464. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $2,220. However, its full cost of $2,464 is below the jurisdictional average of $9,366. The City's current fee and full cost is most similar to Emeryville's fee of $3,600.

SFR PLAN CHECK & PERMIT: ADDITION

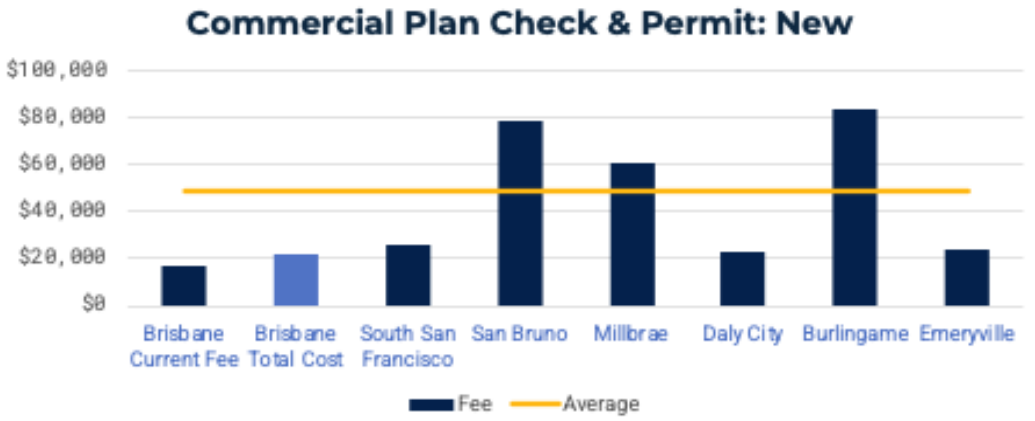
Building currently charges a fee of $235 for a plan check and inspection of an SFR Plan Check & Permit: Addition - Valued at $5,000 (150 sq. ft.). Through this study, the project team calculated the full cost of this service to be $547. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the second lowest when compared to other jurisdictions at $235. However, its full cost of $547 is below the jurisdictional average of $837. The City's current fee and full cost are most comparable to Daly City's fee of $327.

COMMERCIAL PLAN CHECK & PERMIT: NEW

Building currently charges a fee of $16,960 for a plan check and inspection of a Commercial Plan Check & Permit: New - Valued at $3,000,000 (20,000 sq. ft.). Through this study, the project team calculated the full cost of this service to be $22,100. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.

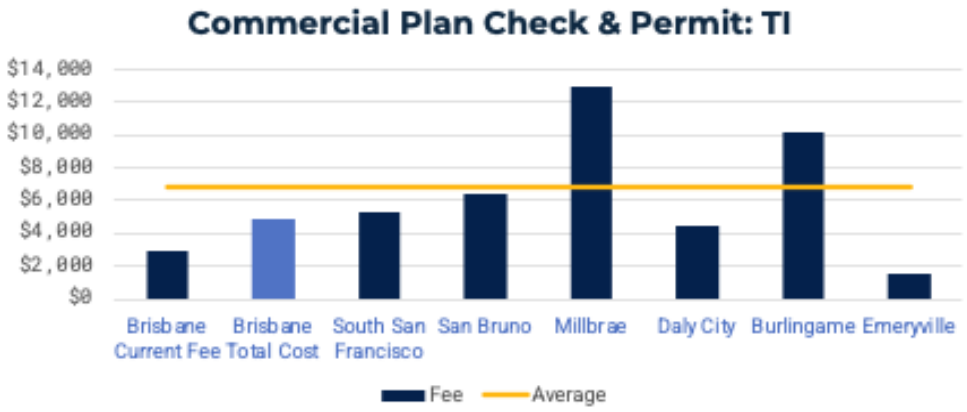


Brisbane's current fee is the lowest when compared to other jurisdictions at $16,960. However, its full cost of $22,100 is below the jurisdictional average of $49,242. The City's current fee and full cost is most comparable to Daly City's fee of $22,629.

COMMERCIAL PLAN CHECK & PERMIT: TI

Building currently charges a fee of $2,979 for a plan check and inspection of a Commercial Plan Check & Permit: TI - Valued at $200,000 (1,200 sq. ft.). Through this study, the project team calculated the full

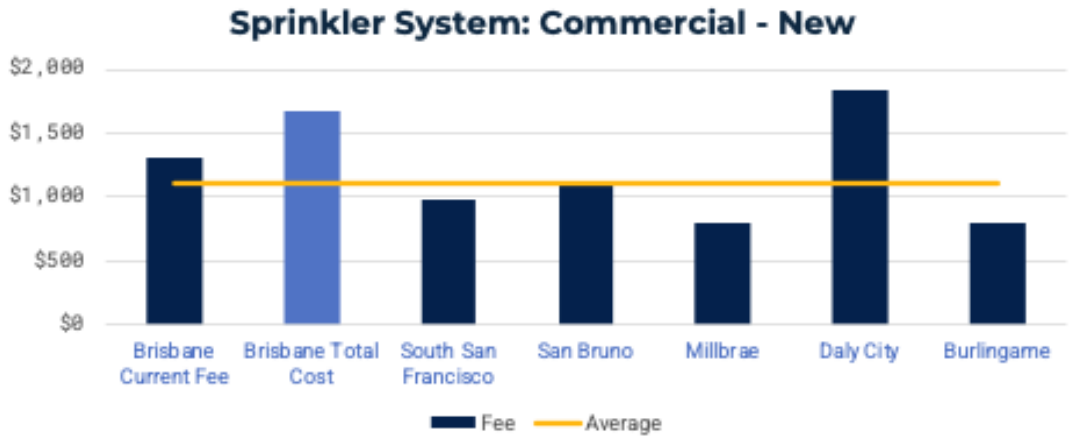
cost of this service to be $4,930. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $2,979. However, its full cost of $4,930 is below the jurisdictional average of $6,820. The City's current fee and full cost is most comparable to South San Francisco's fee of $5,357.

SPRINKLER SYSTEM: COMMERCIAL - NEW

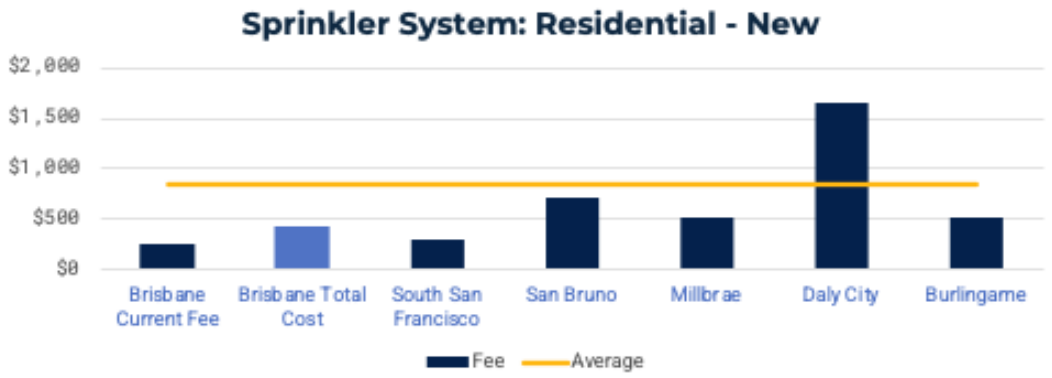
Fire currently charges a fee of $1,300 for a plan check and inspection of a Sprinkler System: Commercial - New - 5,000 sq. ft. Through this study, the project team calculated the full cost of this service to be $1,668. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is in on the higher end when compared to other jurisdictions at $1,300. However, its full cost of $1,668 is above the jurisdictional average of $1,111. The City's current fee is most comparable to San Bruno's fee of $1,128, whereas the calculated full cost is most comparable to Daly City's fee of $1,844.

SPRINKLER SYSTEM: RESIDENTIAL - NEW

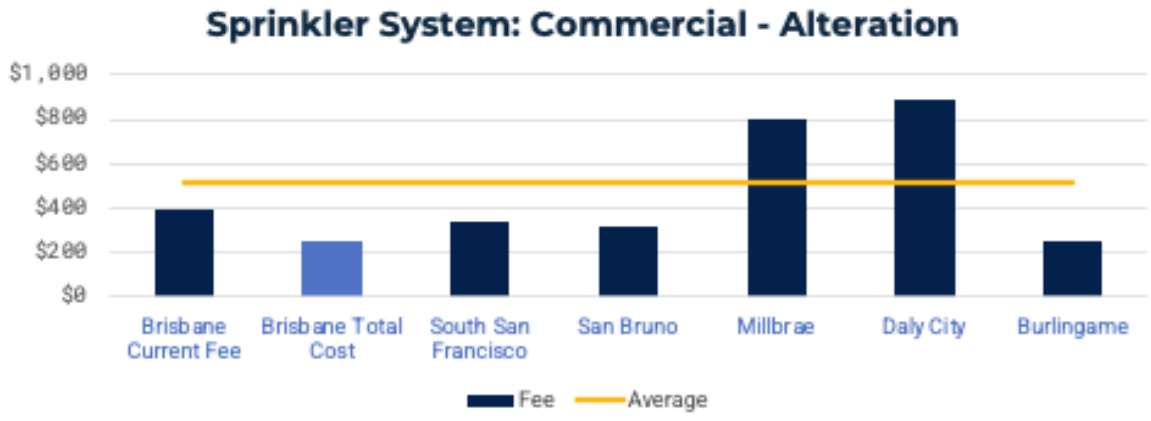
I Fire currently charges a fee of $260 for Sprinkler System: Residential - New - 1,000 sq. ft. Through this study, the project team calculated the full cost of this service to be $417. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $260. However, its full cost of $417 is below the jurisdictional average of $850. The City's current fee is most comparable to South San Francisco's fee of $302, whereas the calculated full cost is most comparable to Millbrae and Emeryville's fee of $507.

SPRINKLER SYSTEM: COMMERCIAL - ALTERATION

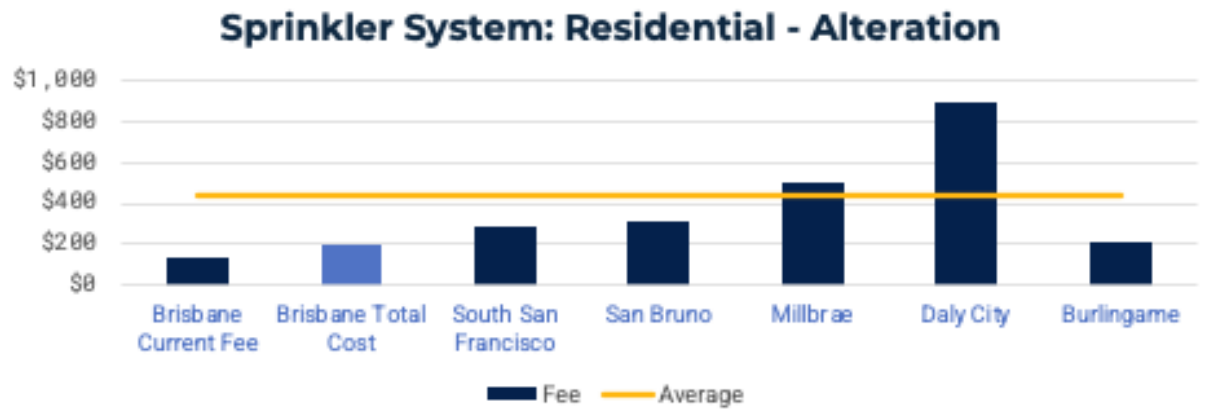
Fire currently charges a fee of $390 for a Sprinkler System: Commercial - Alteration - 1,500 sq. ft. Through this study, the project team calculated the full cost of this service to be $250. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is on the higher end when compared to other jurisdictions at $390. However, its full cost of $250 is below the jurisdictional average of $519. The City's current fee is most comparable to South San Francisco's fee of $339, while the calculated full cost is most comparable to Burlingame's fee of $253.

SPRINKLER SYSTEM: RESIDENTIAL - ALTERATION

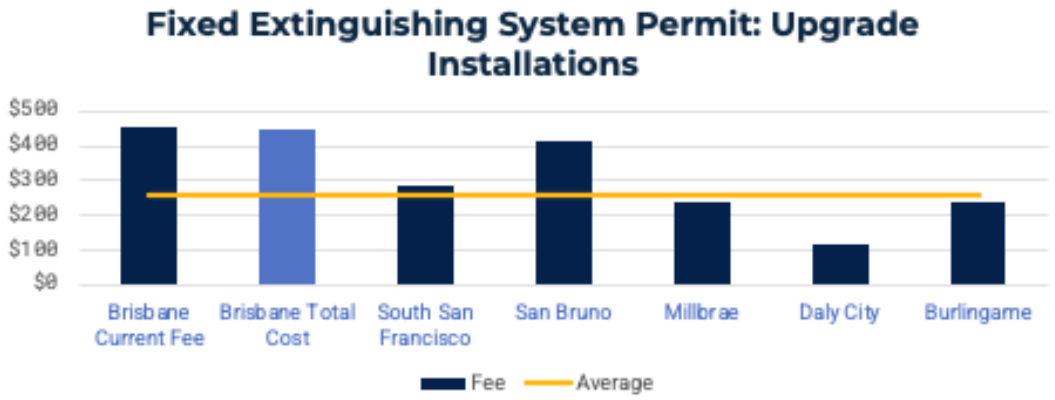
Fire currently charges a fee of $136 for a Sprinkler System: Residential - Alteration - 500 sq. ft. Through this study, the project team calculated the full cost of this service to be $200. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $136. However, its full cost of $200 is below the jurisdictional average of $441. The City's current fee is most similar to Burlingame and Millbrae's fee at $162, whereas the calculated total cost is most comparable to Daly City's fee of $269.

FIXED EXTINGUISHING SYSTEM PERMIT: UPGRADE INSTALLATIONS

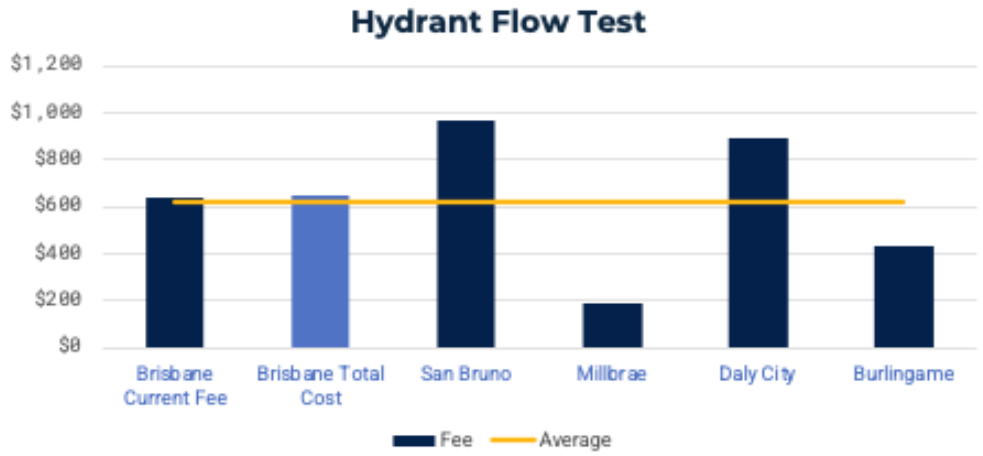
Fire currently charges a fee of $456 for a Fixed Extinguishing System Permit: Upgrade Installations. Through this study, the project team calculated the full cost of this service to be $450. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the highest when compared to other jurisdictions at $456. However, its full cost of $450 is above the jurisdictional average of $258. The City's current fee and total cost is most comparable to San Bruno's fee of $415.

HYDRANT FLOW TEST

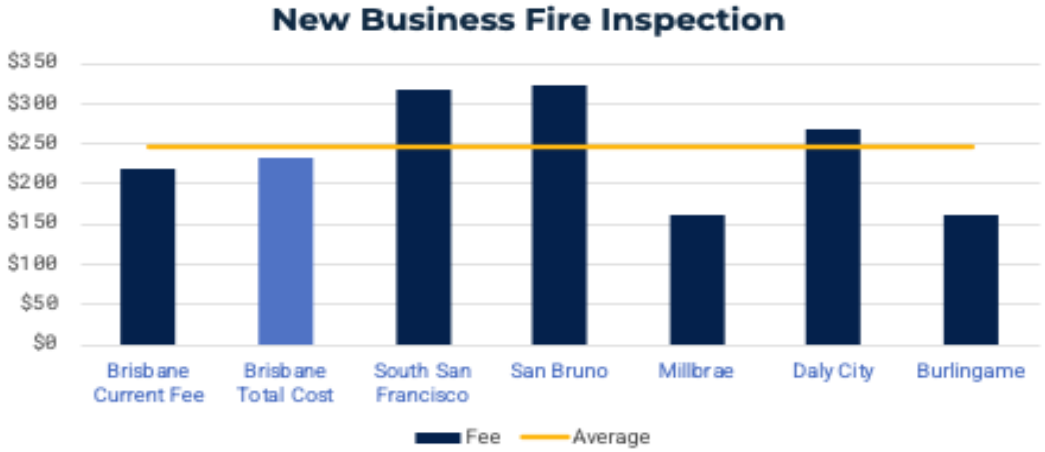
Fire currently charges a fee of $643 for a Hydrant Flow Test. Through this study, the project team calculated the full cost of this service to be $650. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is in the middle when compared to other jurisdictions at $643. However, its full cost of $650 is above the jurisdictional average of $621. The City's current fee and total cost is most comparable to Burlingame's fee of $432.

NEW BUSINESS FIRE INSPECTION

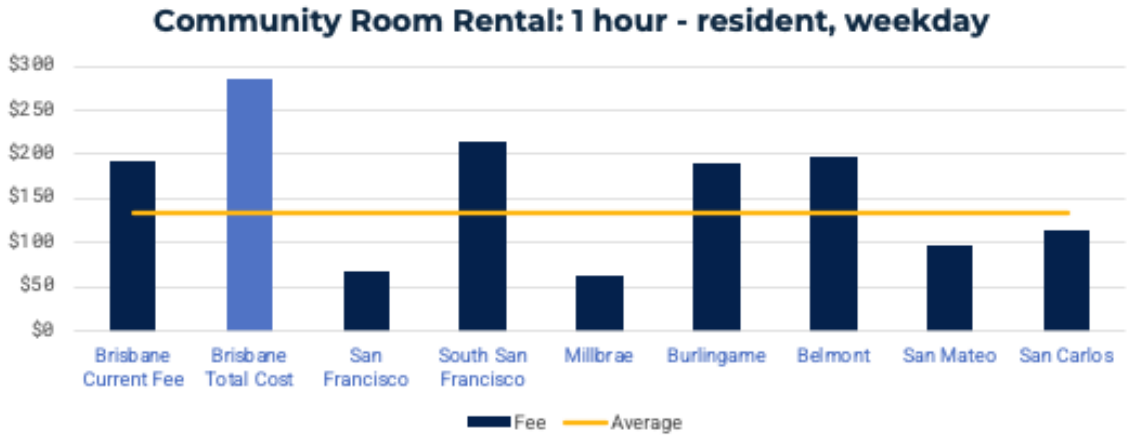
Fire currently charges a fee of $218 for a New Business Fire Inspection. Through this study, the project team calculated the full cost of this service to be $232. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is in the middle when compared to other jurisdictions at $218. However, its full cost of $232 is below the jurisdictional average of $247. The City's current fee and total cost is most comparable to Daly City's fee of $269.

COMMUNITY ROOM RENTAL: 1 HOUR - RESIDENT, WEEKDAY

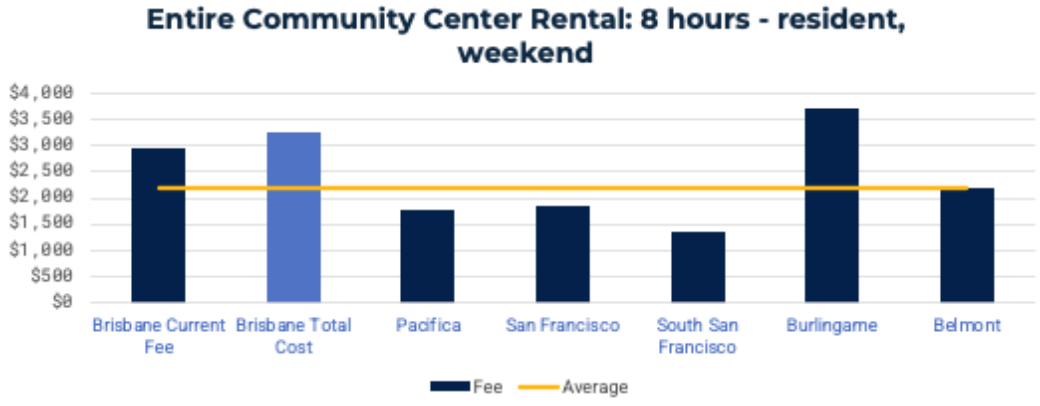
Parks and Recreation currently charges a fee of $192 for a Community Room Rental: 1 hour - resident, weekday. Through this study, the project team calculated the full cost of this service to be $285. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the third highest when compared to other jurisdictions at $192. However, its full cost of $285 is above the jurisdictional average of $134. The City's current fee is most comparable to Belmont's fee of $197, while the calculated full cost is most comparable to South San Francisco's fee of $215. It was noted that Pacifica is not comparable as they do not have a community room for rent at the community center.

ENTIRE COMMUNITY CENTER RENTAL: 8 HOURS - RESIDENT, WEEKEND

Parks and Recreation currently charges a fee of $2,968 for an Entire Community Center Rental: 8 hours - resident, weekend. Through this study, the project team calculated the full cost of this service to be $3,264. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.

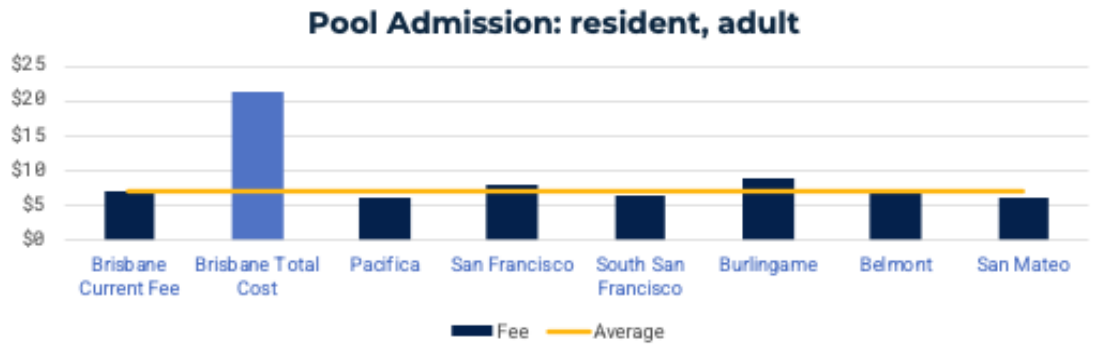


Brisbane's current fee is the lowest when compared to other jurisdictions at $2,968. However, its full cost of $3,264 is above the jurisdictional average of $2,174. The City's current fee is most comparable to

Belmont's fee of $2,184, while the calculated full cost is most comparable to Burlingame's fee of $3,712. It was noted that Millbrae, San Mateo, and San Carlos do not offer the ability to rent the entire facility.

POOL ADMISSION: RESIDENT, ADULT

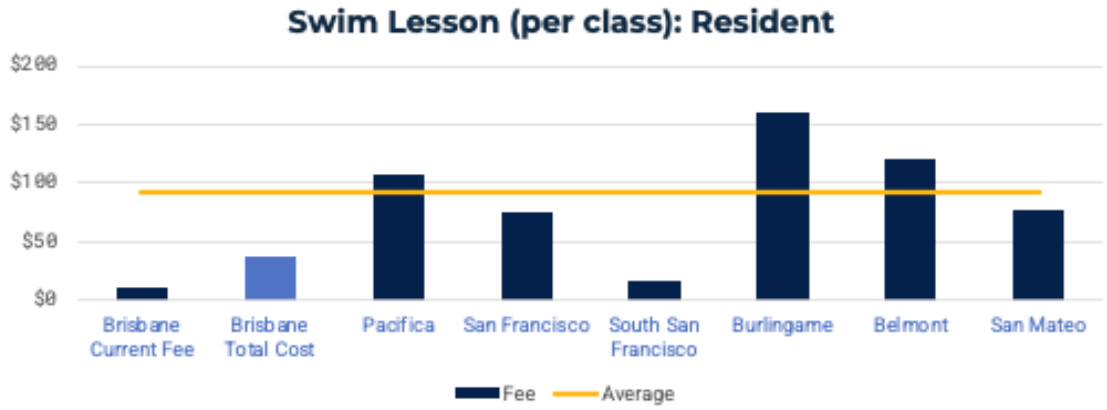
Parks and Recreation currently charges a fee of $7 for a Pool Admission: resident, adult. Through this study, the project team calculated the full cost of this service to be $21. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is in the middle when compared to other jurisdictions at $7. However, its full cost of $21 is above the jurisdictional average of $7. The City's current fee is most comparable to South San Francisco and Belmont's fee of $7, whereas the calculated full cost is most similar to Burlingame's fee of $9. It was noted that both Millbrae and San Carlos do not have a pool.

SWIM LESSON (PER CLASS): RESIDENT

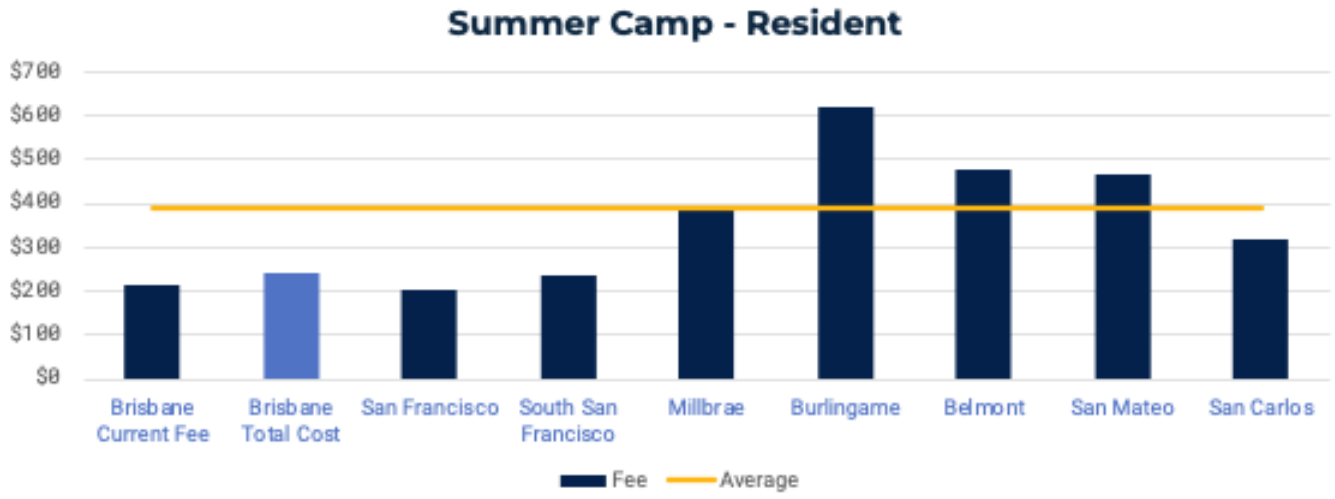
Parks and Recreation currently charges a fee of $11 for a Swim Lesson (per class): Resident. Through this study, the project team calculated the full cost of this service to be $37. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $11. However, its full cost of $37 is below the jurisdictional average of $93. The City's current fee and total cost is most comparable to South San Francisco's fee $16. It was noted that both Millbrae and San Carlos do not have a pool.

SUMMER CAMP

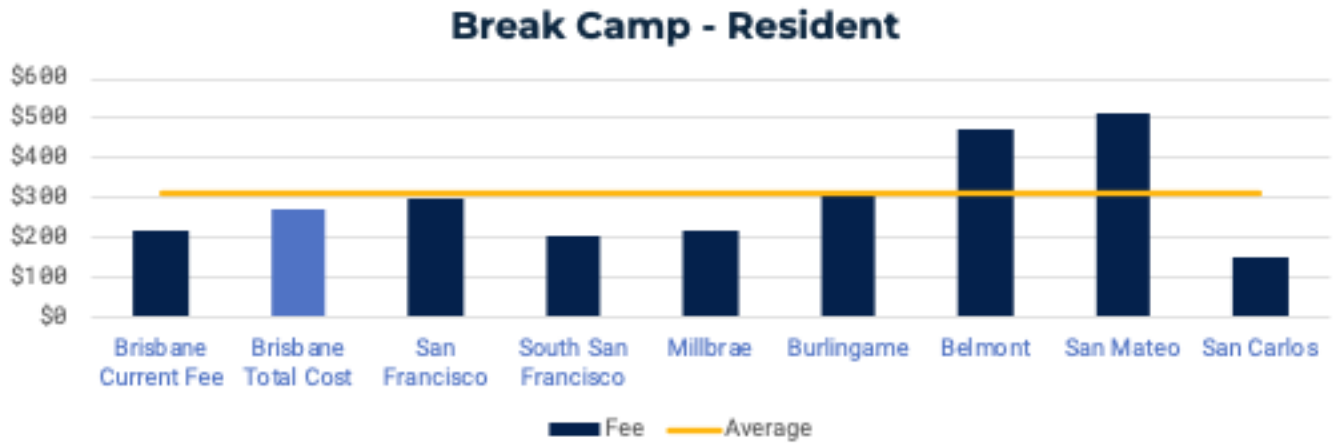
Parks and Recreation currently charges a fee of $215 for a resident per week for a Summer Camp. Through this study, the project team calculated the full cost of this service to be $244 per week. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current and full cost fee is the lowest when compared to other jurisdictions. Its fees are in alignment with San Francisco and South San Francisco.

BREAK CAMP

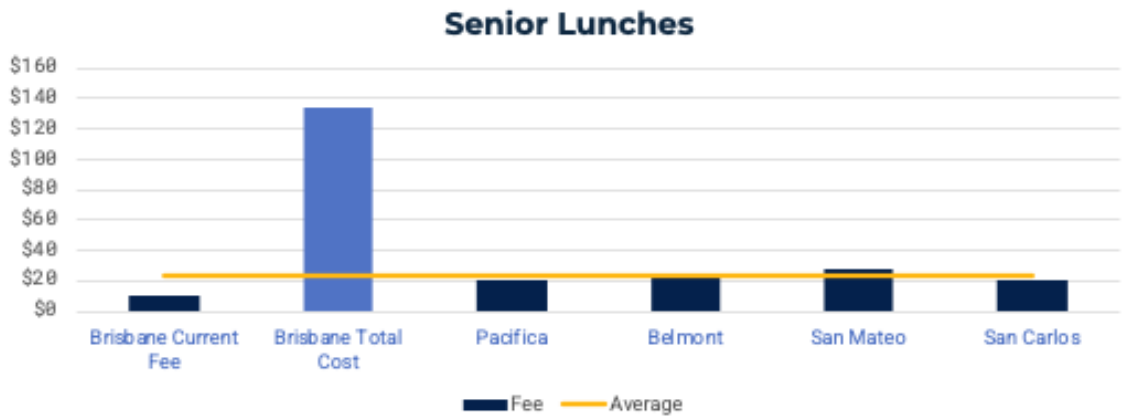
Parks and Recreation currently charges a fee of $215 for a resident for a week for Break Camp. Through this study, the project team calculated the full cost of this service to be $269. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current and full cost fee is lower than the jurisdictional average of $311. Its fees are more in alignment with South San Francisco, Millbrae, and San Carlos.

SENIOR LUNCHES

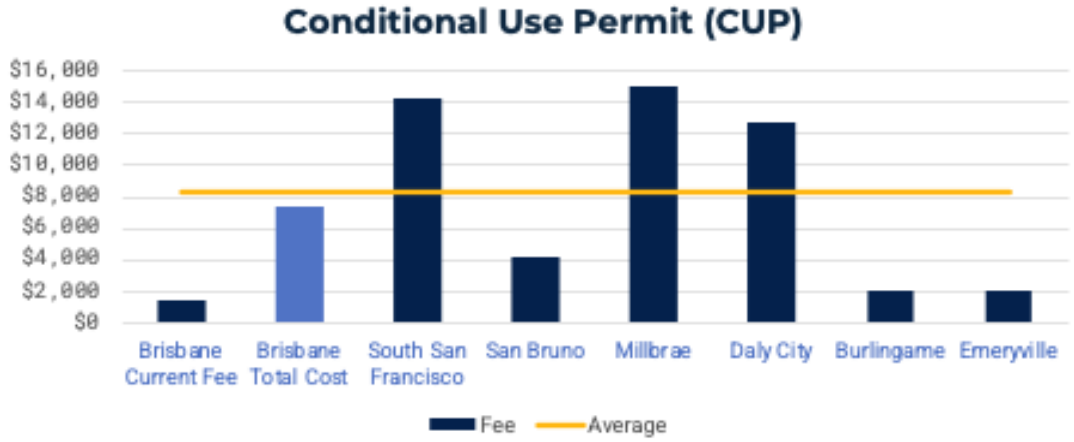
Parks and Recreation currently charges a fee of $10 per month for Senior Lunches. Through this study, the project team calculated the full cost of this service to be $134. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions. However, its full cost of $134 is significantly above the jurisdictional average of $23. It was noted that South San Francisco's senior lunches are donated, and Burlingame & San Francisco do not provide Senior Lunches, as such they were not included in the comparison.

CONDITIONAL USE PERMIT (CUP)

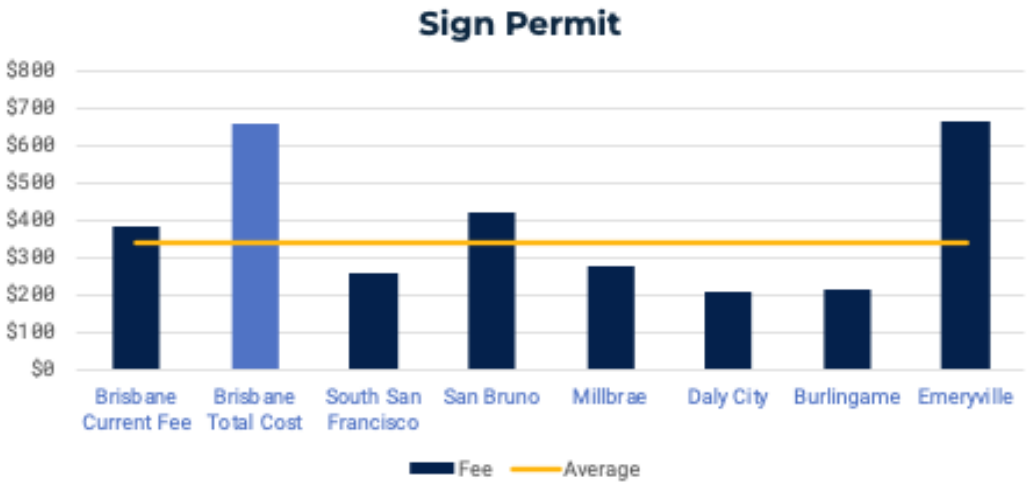
Planning currently charges a fee of $1,376 for a Conditional Use Permit (CUP). Through this study, the project team calculated the full cost of this service to be $7,422. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the second lowest when compared to other jurisdictions at $1,376. However, its full cost of $7,422 is below the jurisdictional average of $8,361. The City's current fee is most comparable to Burlingame's fee of $1,981. Its full cost is not the highest, but also not the lowest.

SIGN PERMIT

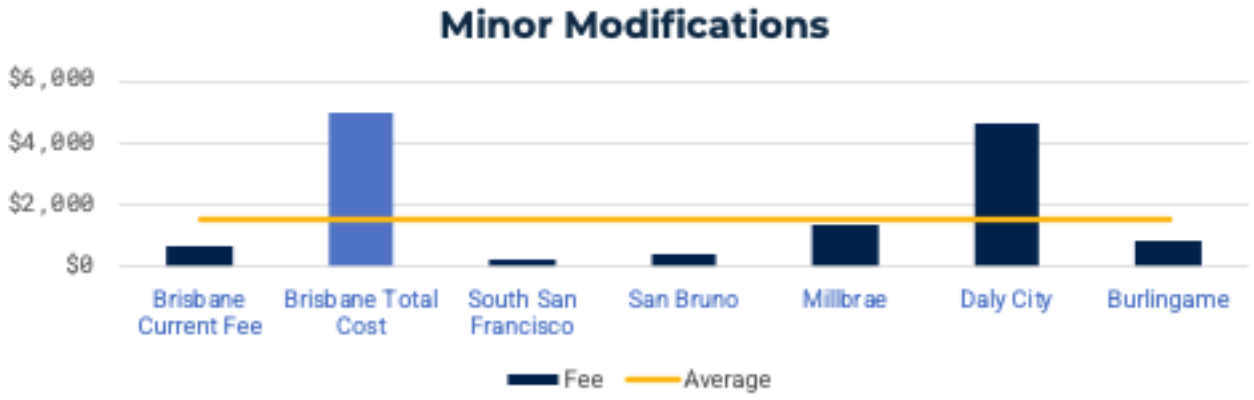
Planning currently charges a fee of $387 for a Sign Permit. Through this study, the project team calculated the full cost of this service to be $661. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee and full cost fee are above the jurisdictional average of $344. Its full cost fee is most in alignment with the City of Emeryville.

MINOR MODIFICATIONS

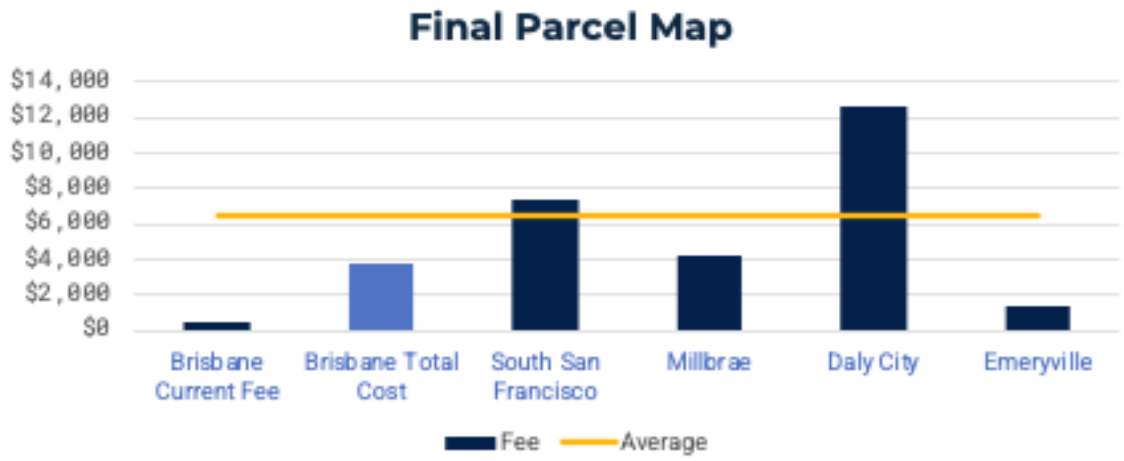
Planning currently charges a fee of $648 for Minor Modifications. Through this study, the project team calculated the full cost of this service to be $4,992. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is in the middle when compared to other jurisdictions at $648. However, its full cost of $4,992 is above the jurisdictional average of $1,499. The City's current fee is most comparable to Burlingame's Fee of $822, while the calculated full cost is most comparable to Daly City's fee of $4,632.

FINAL PARCEL MAP

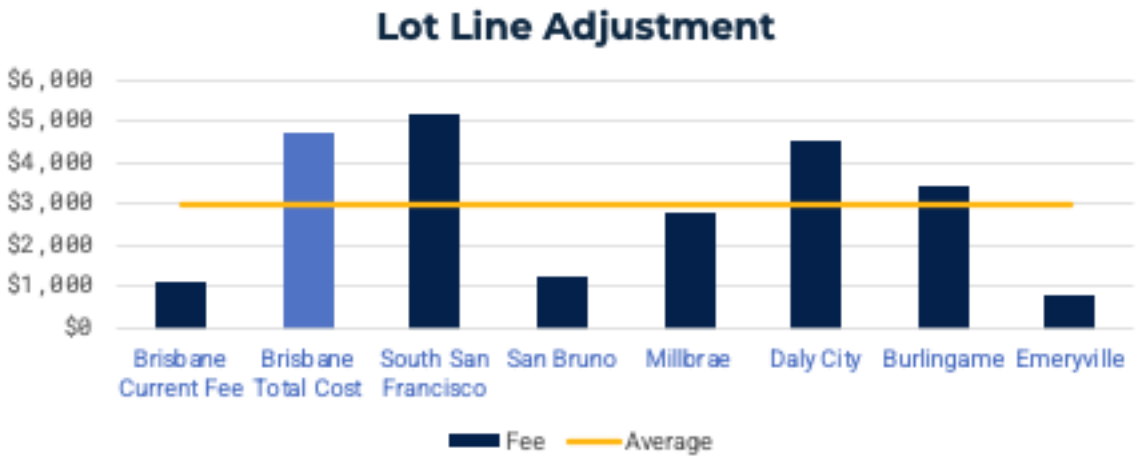
Planning currently charges a fee of $529 for a Final Parcel Map. Through this study, the project team calculated the full cost of this service to be $3,801. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $529. However, its full cost of $3,801 is below the jurisdictional average of $6,412. The City's current fee is most comparable to Emeryville's fee of $1,311, whereas the calculated full cost is most comparable to Millbrae's fee of $4,217.

LOT LINE ADJUSTMENT

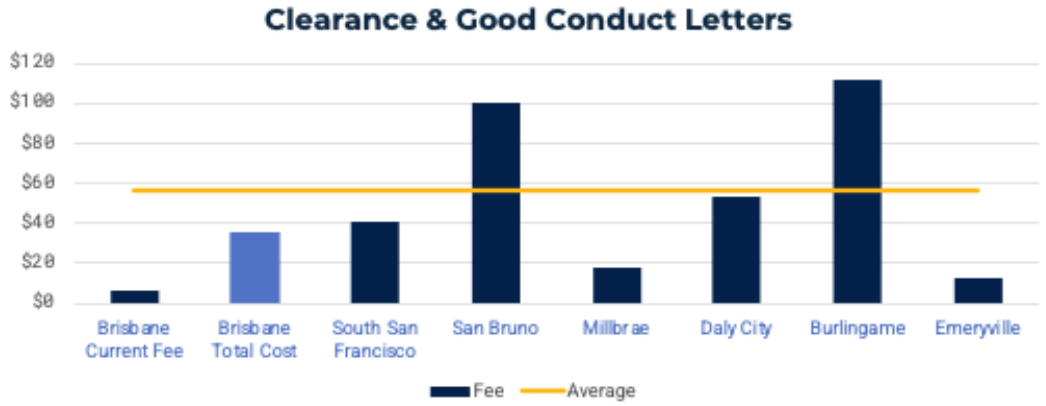
Planning currently charges a fee of $1,157 for a Lot Line Adjustment. Through this study, the project team calculated the full cost of this service to be $4,750. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the second lowest when compared to other jurisdictions at $1,157. However, its full cost of $4,750 is above the jurisdictional average of $3,006. The City's current fee is most comparable to San Bruno's fee of $1,234, while the calculated full cost is most comparable to Daly City's fee of $4,522.

CLEARANCE & GOOD CONDUCT LETTERS

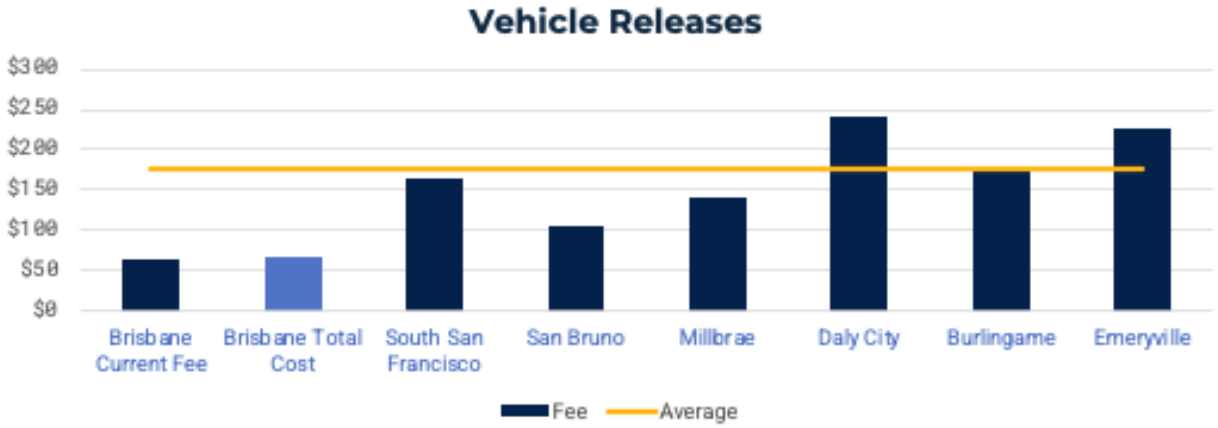
Police currently charges a fee of $6 for Clearance & Good Conduct Letters. Through this study, the project team calculated the full cost of this service to be $35. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $6. However, its full cost of $35 is below the jurisdictional average of $57. The City's current fee is most comparable to Emeryville's fee of $13, while the calculated full cost is most comparable to South San Francisco's fee of $41.

VEHICLE RELEASES

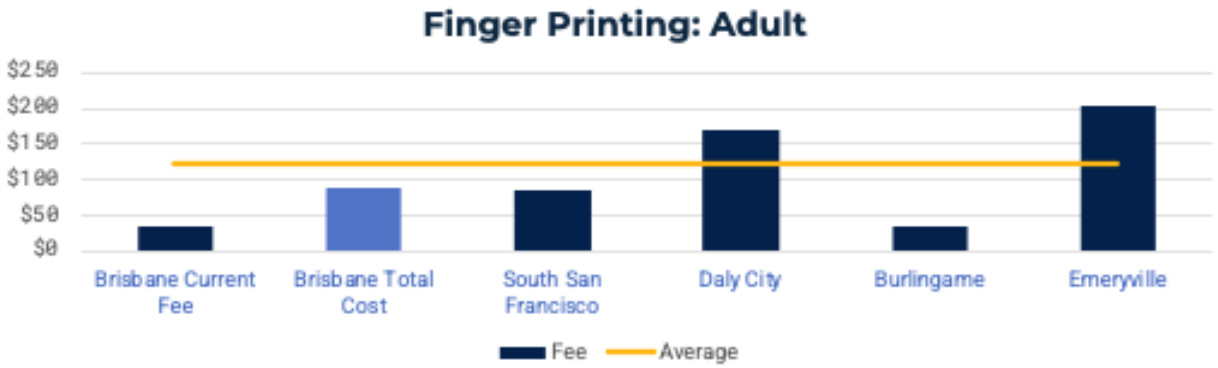
Police currently charges a fee of $63 for Vehicle Releases. Through this study, the project team calculated the full cost of this service to be $68. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $63. However, its full cost of $68 is below the jurisdictional average of $176. The City's current fee and full cost is most comparable to San Bruno's fee of $106.

FINGERPRINTING: ADULT

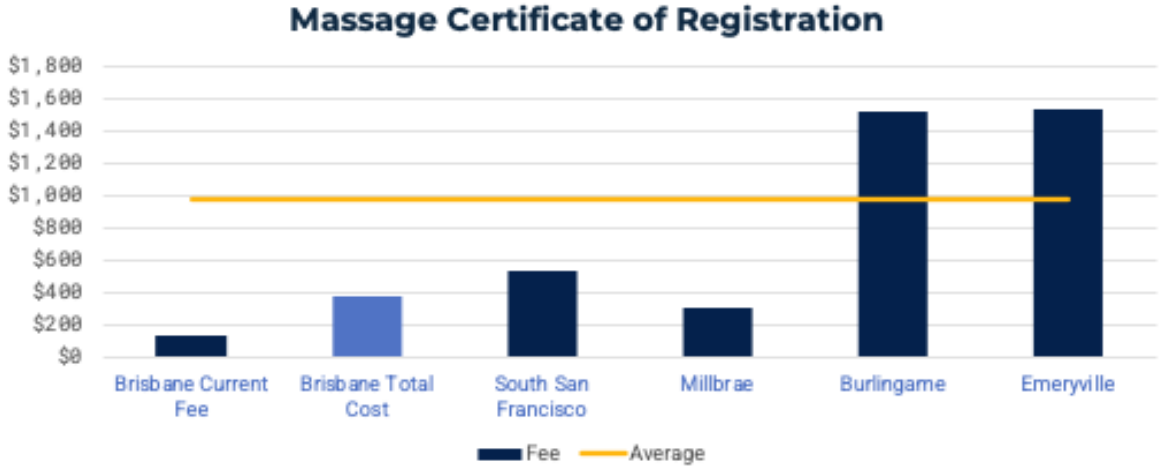
Police currently charges a fee of $36 for Fingerprinting: Adult. Through this study, the project team calculated the full cost of this service to be $89. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is on the lower end when compared to other jurisdictions at $36. However, its full cost of $89 is below the jurisdictional average of $124. The City's current fee is most comparable to Burlingame's fee of $36, whereas the calculated full cost is most comparable to South San Francisco's fee of $84.

MASSAGE CERTIFICATE OF REGISTRATION

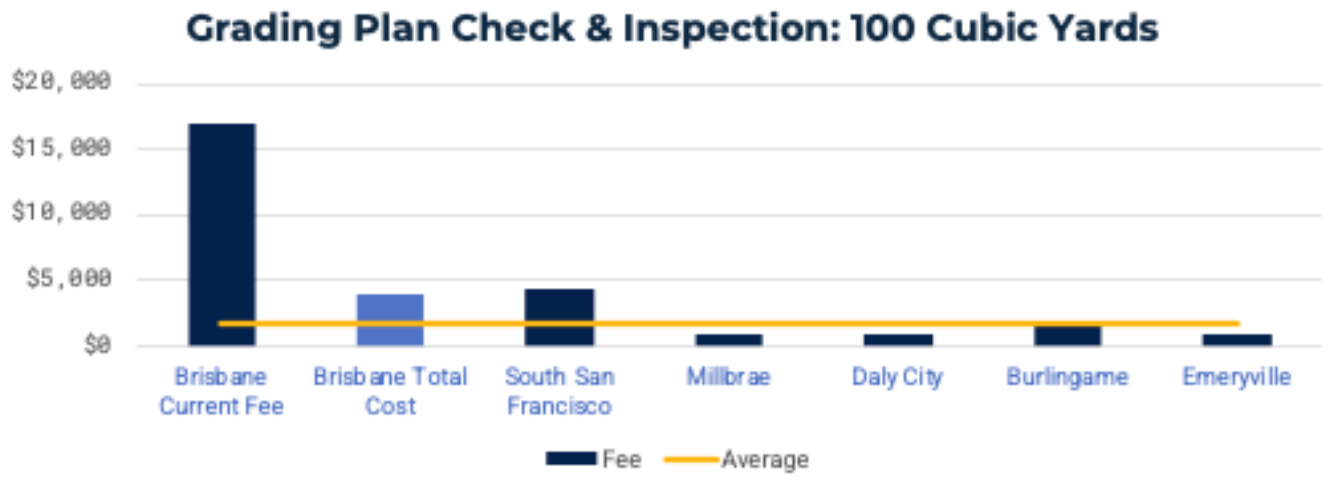
Police currently charges a fee of $135 for a Massage Certificate of Registration. Through this study, the project team calculated the full cost of this service to be $379. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the lowest when compared to other jurisdictions at $135. However, its full cost of $379 is below the jurisdictional average of $970. The City's current fee and total cost is most comparable to Millbrae's fee of $300.

GRADING PLAN CHECK & INSPECTION: 100 CUBIC YARDS

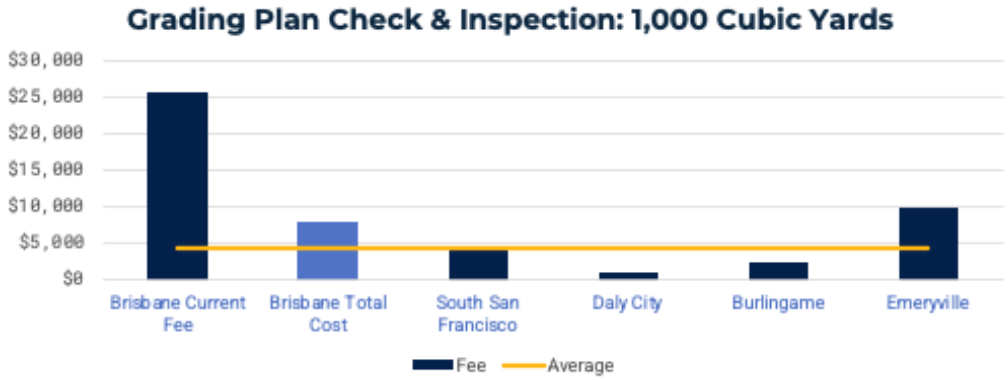
Public Works currently charges a fee of $16,991 for Grading Plan Check & Inspection: 101 Cubic Yards. Through this study, the project team calculated the full cost of this service to be $3,961. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the highest when compared to other jurisdictions, at $16,991. However, its full cost of $3,961 is above the jurisdictional average of $1,819. The City's calculated full cost is most comparable to South San Francisco's fee of $4,305.

GRADING PLAN CHECK & INSPECTION: 1,000 CUBIC YARDS

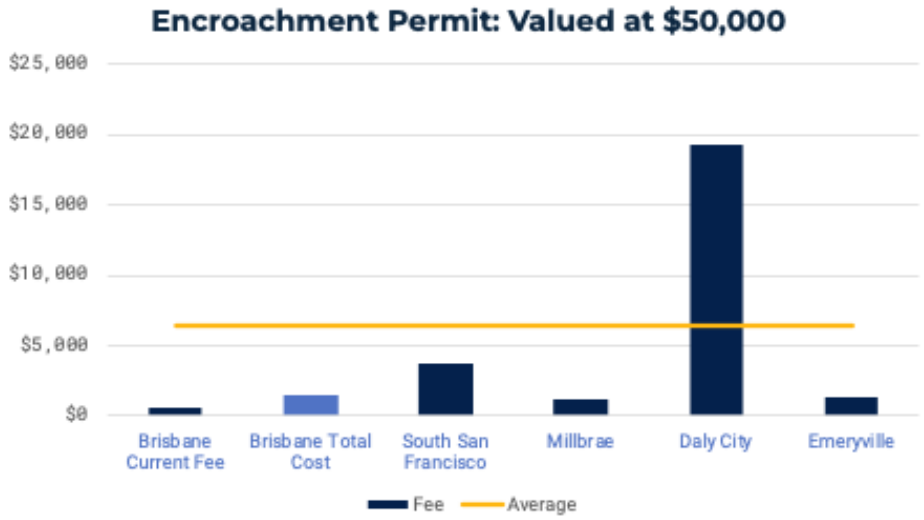
Public Works currently charges a fee of $25,728 for Grading Plan Check & Inspection: 1,000 Cubic Yards. Through this study, the project team calculated the full cost of this service to be $7,857. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the highest when compared to other jurisdictions at $25,728. However, its full cost of $7,857 is above the jurisdictional average of $4,425. The calculated full cost is most comparable to Emeryville's fee of $10,000.

ENCROACHMENT PERMIT: VALUED AT $50,000

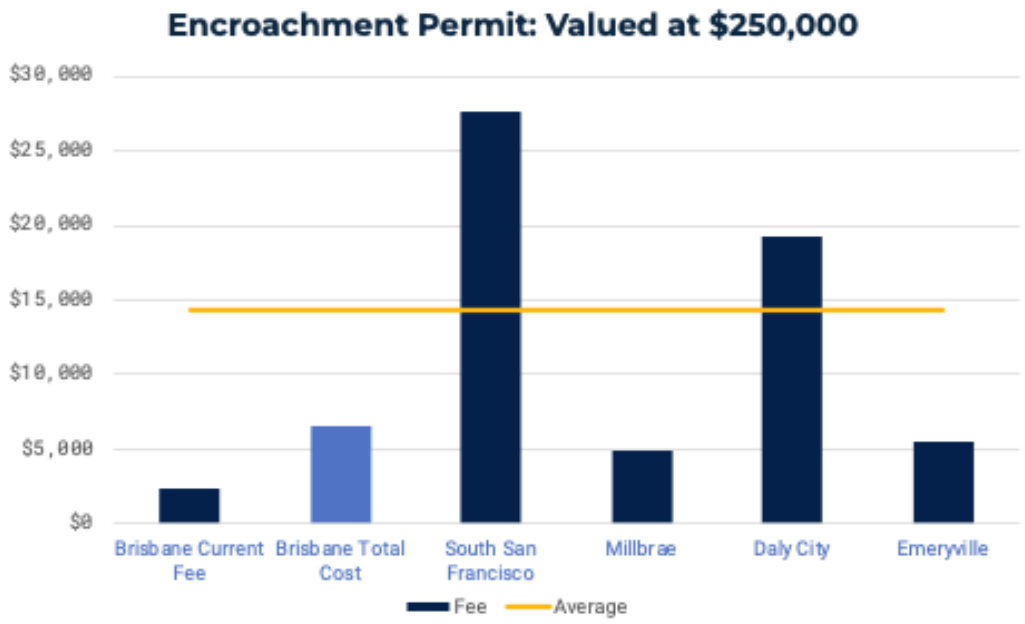
Public Works currently charges an hourly fee for an Encroachment Permit: Valued at $50,000, which is roughly $575. Through this study, the project team calculated the full cost of this service to be $1,529. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current and full cost fee are significantly below the average of $6,835. The average is being skewed by Daly City. If Daly City were removed, the average would decrease to $2,081, which would be more in alignment with the City's full cost.

ENCROACHMENT PERMIT: VALUED AT $250,000

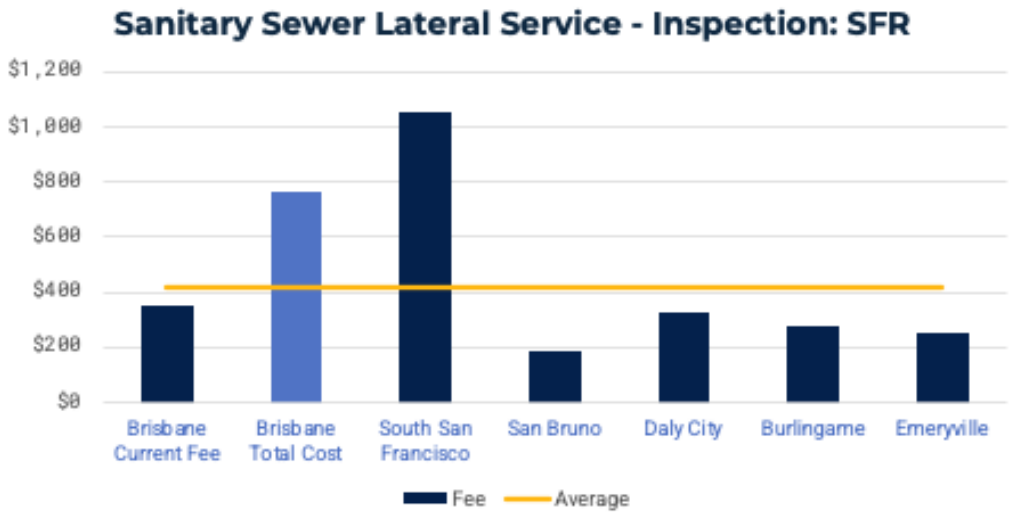
Public Works currently charges an hourly fee for an Encroachment Permit: Valued at $250,000, which is roughly $2,300. Through this study, the project team calculated the full cost of this service to be $6,584. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee and full cost are below the jurisdictional average of $14,372. It's full cost is more in alignment with Millbrae and Emeryville.

SANITARY SEWER LATERAL SERVICE - INSPECTION: SFRM

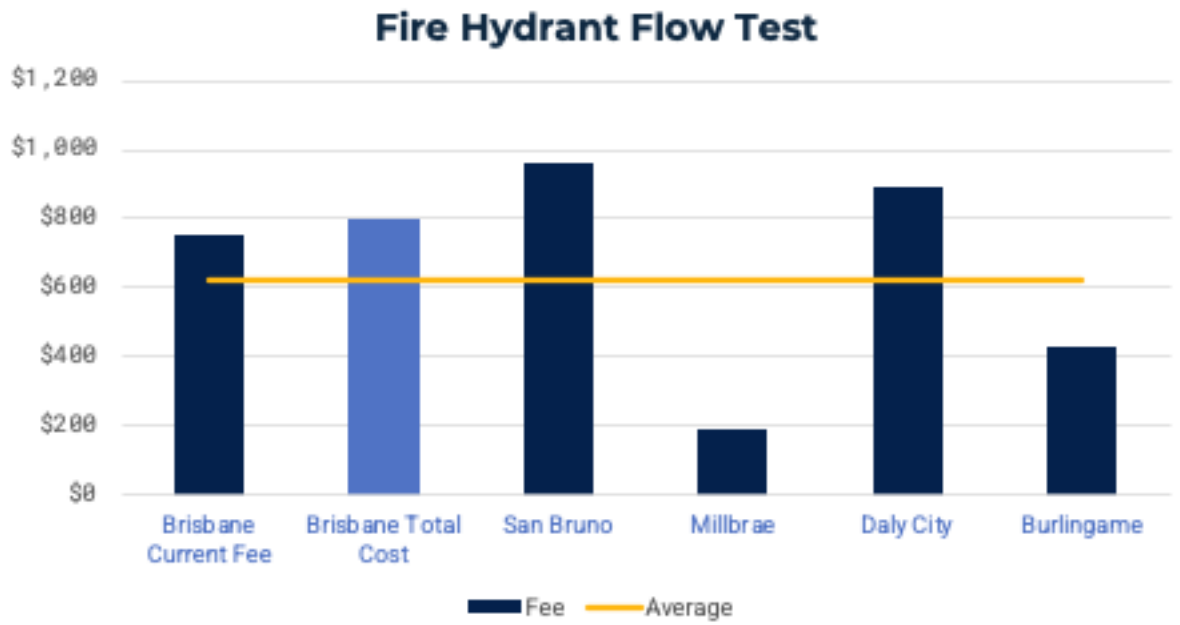
Public Works currently charges a fee of $353 for Sanitary Sewer Lateral Service - Inspection: SFR. Through this study, the project team calculated the full cost of this service to be $764. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the third highest when compared to other jurisdictions, at $353. However, its full cost of $764 is above the jurisdictional average of $418. The City's current fee is most similar to Daly City's fee of $325, whereas the calculated full cost is most comparable to South San Francisco's fee of $1,051.

FIRE HYDRANT FLOW TEST

Public Works currently charges a fee of $755 for Fire Hydrant Flow Test. Through this study, the project team calculated the full cost of this service to be $799. The following graph shows how Brisbane's current fee and full cost compare to surveyed jurisdictions.



Brisbane's current fee is the third highest when compared to other jurisdictions, at $755. However, its full cost of $799 is above the jurisdictional average of $621. The City's current fee and full cost is most comparable to Daly City's fee of $894.

SUMMARY

Overall, Brisbane generally has current fees that are lower in all departments, with the exception of Public Works, which has higher fees on average compared to the other surveyed jurisdictions. Of the surveyed jurisdictions, Brisbane's current fees are most comparable with Burlingame and San Bruno, while the City's calculated full cost is most comparable to fees charged by Daly City, Emeryville, and South San Francisco, all of whom have recently conducted fee studies.

In regard to Parks and Recreation, Brisbane has current fees that are lower on average when compared to other surveyed jurisdictions. Brisbane's current fees are most comparable to Belmont and San Francisco, while the calculated full cost is most compatible with Burlingame and South San Francisco, who have recently conducted fee studies.

It is important to note that the results of this survey only show the fees adopted by the council, not the cost recovery policy decisions for departments or a jurisdiction. As such, the results of this survey should be used as a secondary decision-making for decision-making.

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Building				
Building permit fees - Alterations, repairs, and interior changes to existing structures & plumbing, electrical, o				
	BP-1.1	**$800-$2,000**		
		Base	Each	$35.00
		Each Addl. $1,000	Each	$3.83
	BP-1.2	**$2,001-$25,000**		
		Base	Each	$81.00
		Each Addl. $1,000	Each	$16.30
	BP-1.3	**$25,001-$50,000**		
		Base	Each	$456.00
		Each Addl. $1,000	Each	$12.35
	BP-1.4	**$50,001-$100,000**		
		Base	Each	$777.00
		Each Addl. $1,000	Each	$8.00
	BP-1.5	**$100,001-$500,000**		
		Base	Each	$1,000.00
		Each Addl. $1,000	Each	$6.12
	BP-1.6	**$500,001+**		
		Base	Each	$3,610.00
		Each Addl. $1,000	Each	$6.12
New Structures and Additions				
Assembly buildings, theaters,stadiums, reviewing stands,amusement park structures				
	BP-2.1	**0 - 5,000 sq. ft.**		
		I & II	Per Sq Ft	$0.89
		IIB to V	Per Sq Ft	$0.77
		VB	Per Sq Ft	$0.71
	BP-2.2	**5,001 - 10,000 sq. ft.**		
		I & II	Per Sq Ft	$0.71
		IIB to V	Per Sq Ft	$0.62
		VB	Per Sq Ft	$0.57
	BP-2.3	**10,000+ sq. ft.**		
		I & II	Per Sq Ft	$0.57
		IIB to V	Per Sq Ft	$0.49
		VB	Per Sq Ft	$0.46

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Building						
Building permit fees - Alterations, repairs, and interior changes to existing structures & plumbing, electrical, o						
	BP-1.1	**$800-$2,000**				
		Base	Each	$87.73	$87.73	User Fee
		Each Addl. $1,000	Each	$23.60	$23.60	User Fee
	BP-1.2	**$2,001-$25,000**				
		Base	Each	$263.18	$263.18	User Fee
		Each Addl. $1,000	Each	$26.19	$26.19	User Fee
	BP-1.3	**$25,001-$50,000**				
		Base	Each	$741.46	$741.46	User Fee
		Each Addl. $1,000	Each	$38.31	$38.31	User Fee
	BP-1.4	**$50,001-$100,000**				
		Base	Each	$1,052.71	$1,052.71	User Fee
		Each Addl. $1,000	Each	$26.88	$26.88	User Fee
	BP-1.5	**$100,001-$500,000**				
		Base	Each	$1,675.22	$1,675.22	User Fee
		Each Addl. $1,000	Each	$12.25	$12.25	User Fee
	BP-1.6	**$500,001+**				
		Base	Each	$4,686.65	$4,686.65	User Fee
		Each Addl. $1,000	Each	$6.12	$6.12	User Fee
New Structures and Additions						
Assembly buildings, theaters,stadiums, reviewing stands,amusement park structures						
	BP-2.1	**0 - 5,000 sq. ft.**				
		I & II	Per Sq Ft	$1.03	$1.03	User Fee
		IIB to V	Per Sq Ft	$0.77	$0.77	User Fee
		VB	Per Sq Ft	$0.73	$0.73	User Fee
	BP-2.2	**5,001 - 10,000 sq. ft.**				
		I & II	Per Sq Ft	$0.85	$0.85	User Fee
		IIB to V	Per Sq Ft	$0.70	$0.70	User Fee
		VB	Per Sq Ft	$0.57	$0.57	User Fee
	BP-2.3	**10,000+ sq. ft.**				
		I & II	Per Sq Ft	$0.83	$0.83	User Fee
		IIB to V	Per Sq Ft	$0.65	$0.65	User Fee
		VB	Per Sq Ft	$0.54	$0.54	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Warehouses, gas stations, storage garages, open garages, wholesale/retail stores, churches, office buildings, bars/restaurants, printing plants, police, fire stations, factories, workshops, storage, sales, paint stores, ice plants, power plants, pumping plants, cold storage, creameries				
	BP-2.4	**0 - 5,000 sq. ft.**		
		I & II	Per Sq Ft	$0.89
		IIB to V	Per Sq Ft	$0.77
		VB	Per Sq Ft	$0.83
	BP-2.5	**5,001 - 10,000 sq. ft.**		
		I & II	Per Sq Ft	$0.71
		IIB to V	Per Sq Ft	$0.62
		VB	Per Sq Ft	$0.67
	BP-2.6	**10,000+ sq. ft.**		
		I & II	Per Sq Ft	$0.57
		IIB to V	Per Sq Ft	$0.49
		VB	Per Sq Ft	$0.53
Education buildings, day care (morethan 6 children - less than 6 use "R")				
	BP-2.7	**0 - 5,000 sq. ft.**		
		I & II	Per Sq Ft	$1.08
		IIB to V	Per Sq Ft	$0.95
		VB	Per Sq Ft	$0.87
	BP-2.8	**5,001 - 10,000 sq. ft.**		
		I & II	Per Sq Ft	$1.00
		IIB to V	Per Sq Ft	$0.88
		VB	Per Sq Ft	$0.80
	BP-2.9	**10,000+ sq. ft.**		
		I & II	Per Sq Ft	$0.69
		IIB to V	Per Sq Ft	$0.61
		VB	Per Sq Ft	$0.55
Includes hazardous materials storage,paint shops, box factories, repairgarages				
	BP-2.10	**0 - 5,000 sq. ft.**		
		I & II	Per Sq Ft	$1.08
		IIB to V	Per Sq Ft	$0.95
		VB	Per Sq Ft	$0.88
	BP-2.11	**5,001 - 10,000 sq. ft.**		
		I & II	Per Sq Ft	$0.87
		IIB to V	Per Sq Ft	$0.76
		VB	Per Sq Ft	$0.70

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Warehouses, gas stations, storage garages, open garages, wholesale/retail stores, churches, office buildings, plants, police, fire stations, factories, workshops, storage, sales, paint stores, ice plants, power plants, pumpir creameries						
	BP-2.4	**0 - 5,000 sq. ft.**				
		I & II	Per Sq Ft	$1.14	$1.14	User Fee
		IIB to V	Per Sq Ft	$0.80	$0.80	User Fee
		VB	Per Sq Ft	$0.84	$0.84	User Fee
	BP-2.5	**5,001 - 10,000 sq. ft.**				
		I & II	Per Sq Ft	$0.85	$0.85	User Fee
		IIB to V	Per Sq Ft	$0.64	$0.64	User Fee
		VB	Per Sq Ft	$0.75	$0.75	User Fee
	BP-2.6	**10,000+ sq. ft.**				
		I & II	Per Sq Ft	$0.83	$0.83	User Fee
		IIB to V	Per Sq Ft	$0.53	$0.53	User Fee
		VB	Per Sq Ft	$0.65	$0.65	User Fee
Education buildings, day care (morethan 6 children - less than 6 use "R")						
	BP-2.7	**0 - 5,000 sq. ft.**				
		I & II	Per Sq Ft	$1.25	$1.25	User Fee
		IIB to V	Per Sq Ft	$0.95	$0.95	User Fee
		VB	Per Sq Ft	$0.91	$0.91	User Fee
	BP-2.8	**5,001 - 10,000 sq. ft.**				
		I & II	Per Sq Ft	$1.15	$1.15	User Fee
		IIB to V	Per Sq Ft	$0.92	$0.92	User Fee
		VB	Per Sq Ft	$0.83	$0.83	User Fee
	BP-2.9	**10,000+ sq. ft.**				
		I & II	Per Sq Ft	$0.83	$0.83	User Fee
		IIB to V	Per Sq Ft	$0.66	$0.66	User Fee
		VB	Per Sq Ft	$0.55	$0.55	User Fee
Includes hazardous materials storage,paint shops, box factories, repairgarages						
	BP-2.10	**0 - 5,000 sq. ft.**				
		I & II	Per Sq Ft	$1.25	$1.25	User Fee
		IIB to V	Per Sq Ft	$0.95	$0.95	User Fee
		VB	Per Sq Ft	$0.91	$0.91	User Fee
	BP-2.11	**5,001 - 10,000 sq. ft.**				
		I & II	Per Sq Ft	$1.15	$1.15	User Fee
		IIB to V	Per Sq Ft	$0.92	$0.92	User Fee
		VB	Per Sq Ft	$0.83	$0.83	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	BP-2.12	**10,000+ sq. ft.**		
		I & II	Per Sq Ft	$0.69
		IIB to V	Per Sq Ft	$0.61
		VB	Per Sq Ft	$0.56
Private garages/carports, patio covers,greenhouses, water tanks, storagesheds, corrals, barns, towers, fences				
	BP-2.13	**0 - 5,000 sq. ft.**		
		I & II	Per Sq Ft	$0.64
		IIB to V	Per Sq Ft	$0.53
		VB	Per Sq Ft	$0.42
	BP-2.14	**5,001 - 10,000 sq. ft.**		
		I & II	Per Sq Ft	$0.51
		IIB to V	Per Sq Ft	$0.42
		VB	Per Sq Ft	$0.34
	BP-2.15	**10,000+ sq. ft.**		
		I & II	Per Sq Ft	$0.41
		IIB to V	Per Sq Ft	$0.34
		VB	Per Sq Ft	$0.27
Hotels, apartment houses, dwellings, duplexes, lodging houses, motels				
	BP-2.16	**0 - 5,000 sq. ft.**		
		I & II	Per Sq Ft	$0.89
		IIB to V	Per Sq Ft	$0.77
		VB	Per Sq Ft	$0.74
	BP-2.17	**5,001 - 10,000 sq. ft.**		
		I & II	Per Sq Ft	$0.71
		IIB to V	Per Sq Ft	$0.62
		VB	Per Sq Ft	$0.59
	BP-2.18	**10,000+ sq. ft.**		
		I & II	Per Sq Ft	$0.57
		IIB to V	Per Sq Ft	$0.49
		VB	Per Sq Ft	$0.47
Swimming Pools (Including utilities)				
	BP-3	Swimming Pools	Per Sq Ft	$0.40
Decks				
	BP-4	Decks	Per Sq Ft	$0.16
Termite Repair				
	BP-5.1	**$1-$250**	Each	$80.00
	BP-5.2	**$250-$20,000**		
		Base	Each	$83.00

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	BP-2.12	**10,000+ sq. ft.**				
		I & II	Per Sq Ft	$0.83	$0.83	User Fee
		IIB to V	Per Sq Ft	$0.66	$0.66	User Fee
		VB	Per Sq Ft	$0.57	$0.57	User Fee
Private garages/carports, patio covers,greenhouses, water tanks, storagesheds, corrals, barns, towers, fences						
	BP-2.13	**0 - 5,000 sq. ft.**				
		I & II	Per Sq Ft	$0.74	$0.74	User Fee
		IIB to V	Per Sq Ft	$0.55	$0.55	User Fee
		VB	Per Sq Ft	$0.42	$0.42	User Fee
	BP-2.14	**5,001 - 10,000 sq. ft.**				
		I & II	Per Sq Ft	$0.59	$0.59	User Fee
		IIB to V	Per Sq Ft	$0.49	$0.49	User Fee
		VB	Per Sq Ft	$0.40	$0.40	User Fee
	BP-2.15	**10,000+ sq. ft.**				
		I & II	Per Sq Ft	$0.51	$0.51	User Fee
		IIB to V	Per Sq Ft	$0.41	$0.41	User Fee
		VB	Per Sq Ft	$0.33	$0.33	User Fee
Hotels, apartment houses, dwellings, duplexes, lodging houses, motels						
	BP-2.16	**0 - 5,000 sq. ft.**				
		I & II	Per Sq Ft	$1.03	$1.03	User Fee
		IIB to V	Per Sq Ft	$0.84	$0.84	User Fee
		VB	Per Sq Ft	$0.77	$0.77	User Fee
	BP-2.17	**5,001 - 10,000 sq. ft.**				
		I & II	Per Sq Ft	$0.85	$0.85	User Fee
		IIB to V	Per Sq Ft	$0.72	$0.72	User Fee
		VB	Per Sq Ft	$0.59	$0.59	User Fee
	BP-2.18	**10,000+ sq. ft.**				
		I & II	Per Sq Ft	$0.83	$0.83	User Fee
		IIB to V	Per Sq Ft	$0.65	$0.65	User Fee
		VB	Per Sq Ft	$0.54	$0.54	User Fee
Swimming Pools (Including utilities)						
	BP-3	Swimming Pools	Per Sq Ft	$1.39	$1.39	User Fee
Decks						
	BP-4	Decks	Per Sq Ft	$0.96	$0.96	User Fee
Termite Repair						
	BP-5.1	**$1-$250**	Each	$279.20	$279.20	User Fee
	BP-5.2	**$250-$20,000**				
		Base	Each	$311.25	$311.25	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
		Each Addl. $1,000	Each	$13.45
	BP-5.3	**$20,000+**		
		Base	Each	$357.00

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
		Each Addl. $1,000	Each	$15.18	$15.18	User Fee
	BP-5.3	**$20,000+**				
		Base	Each	$611.10	$611.10	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Misc Fees				
	MF-1	Reroofing Permit	Per 1,000 Sq Ft	$35
	MF-2	Minimum Building Permit Fee	Each	$35
	MF-3	**Plan Checking Fees**		
	MF-3a	Minimum Plan Check Fee	Each	New
	MF-3b	Commercial	% of Bldg Permit	60%
	MF-3c	Residential	% of Bldg Permit	50%
	MF-3d	Fire Support	% of Bldg Permit	New
	MF-3e	Planning Support	% of Bldg Permit	Modified
	MF-3f	Expedited Plan Review	% of Bldg Plan Review Fee	New
	MF-3g	Engineering Review	Each	$461
	MF-4	Checking of plan revisions initiated by applicant (after issuance of building permit)	Per Hour	$63
	MF-5	Energy code compliance plan review and inspection (separate from Section 1 and 2 permits)	Per Hour	$64
	MF-6	Pre-development conference	Per Hour	$76
	MF-7	Technical Plan and Report Review	Each	Cost + 10%
	MF-8	Research Service Fee	Per Site	$1.63
	MF-9	Penalty for Building without a Permit	Per Violation	Up to 10x Permit Fee
Solar				
	Sol-1	**Residential**		
		15 kW or Less	Each	$266
		More than 15 kW	Base	$266
		Each kW above 15 kW	Each kW above 15 kW	$18
	Sol-2	**Commercial**		
		50kW or Less	Base	$971
		51 kW - 250 kW	Base	$971
		Each kW above 50 kW but less than 250 kW	Each kW above 50 kW	$7
		> 250 kW	Base	$2,371
		Each kW above 251 kW	Each kW above 251 kW	$5
	Sol-3	**Energy Storage System**		

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Misc Fees						
	MF-1	Reroofing Permit	Per 1,000 Sq Ft	$52	$52	User Fee
	MF-2	Minimum Building Permit Fee	Each	$160	$160	User Fee
	MF-3	**Plan Checking Fees**				
	MF-3a	Minimum Plan Check Fee	Each	$310	$310	User Fee
	MF-3b	Commercial	% of Bldg Permit	70%	70%	User Fee
	MF-3c	Residential	% of Bldg Permit	60%	60%	User Fee
	MF-3d	Fire Support	% of Bldg Permit	15%	15%	User Fee
	MF-3e	Planning Support	% of Bldg Permit	15%	15%	User Fee
	MF-3f	Expedited Plan Review	% of Bldg Plan Review Fee	1.5x Fee	1.5x Fee	User Fee
	MF-3g	Engineering Review	Each	$601	$601	User Fee
	MF-4	Checking of plan revisions initiated by applicant (after issuance of building permit)	Per Hour	$248	$248	User Fee
	MF-5	Energy code compliance plan review and inspection (separate from Section 1 and 2 permits)	Per Hour	$248	$248	User Fee
	MF-6	Pre-development conference	Per Hour	$248	$248	User Fee
	MF-7	Technical Plan and Report Review	Each		Cost + 10%	Pass Through
	MF-8	Research Service Fee	Per Site	$17.00	$17.00	User Fee
	MF-9	Penalty for Building without a Permit	Per Violation		Up to 10x Permit Fee	Penalty
Solar						
	Sol-1	**Residential**				
		15 kW or Less	Each	$450	$450	GOV § 66015 (a)
		More than 15 kW	Base	$450	$450	GOV § 66015 (a)
		Each kW above 15 kW	Each kW above 15 kW	$15	$15	GOV § 66015 (a)
	Sol-2	**Commercial**				
		50kW or Less	Base	$1,000	$1,000	Gov. Code 66015 (b)
		51 kW - 250 kW	Base	$1,000	$1,000	Gov. Code 66015 (b)
		Each kW above 50 kW but less than 250 kW	Each kW above 50 kW	$7	$7.00	Gov. Code 66015 (b)
		> 250 kW	Base	$2,400	$2,400	Gov. Code 66015 (b)
		Each kW above 251 kW	Each kW above 251 kW	$5	$5.00	Gov. Code 66015 (b)
	Sol-3	**Energy Storage System**				

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
		Application Fee	Each	New
		Storage Unit	Per Unit	New
	Sol-4	**Thermal System - Residential**		
		10 kWth or Less	Each	$450
		More than 10 kWth	Base	$450
		Each kWth above 10 kWth	Each kWth above 10 kWth	$15
	Sol-5	**Thermal System - Commercial**		
		30 kWth or Less	Each	$1,000
		30 kWth - 260 kWth	Base	$1,000
		Each kWth above 30 kWth but less than 260 kWth	Each kWth above 30 kWth	$7
		More than 260 kWth	Base	$2,610
		Each kWth above 260 kWth	Each kWth above 260 kWth	$5
Inspection Fees				
	IF-1	Change of Use Inspection	Per Hour	$170
	IF-2	Inspection outside normal business hours	Per Hour	$135
	IF-3	Requested Inspection - prior to permit issuance	Per Hour	$135
	IF-4	Re-inspection	Per Hour	$135
	IF-5	CASp Inspection	Per Hour	$160
Other Provisions				
	OP-1	Appeal of Building Official Decision	Deposit	$170
	OP-2	Permit Refund (fee)	Per Project	New
	OP-3	Revision Processing Fee	Per Project	New
	OP-4	**Reinstatement Fee**		
		Original Building Permit Fee $500 or less	Per Project	New
		Original Building Permit Fee more than $500	Per Project	New
Electrical Permit Fees				
	EP-1	**Installion, Alteration Relocation of Each Electrical Service**		
		First 200 Ampere Capacity with one meter socket/base	Each	New
		Each additional 100 Ampere Capacity or fraction thereof	Each	New
		Each additional meter socket/base	Each	New
Plumbing Permit Fees				
	PP-1	**For the Repair or Replacement of each**		
		Waterline, Sewer Line or Drainage/Vent Piping System (or as determined by the Building Official)	Each	New
		Refrigerant Piping System	Each	New

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
		Application Fee	Each	$105	$105	User Fee
		Storage Unit	Per Unit	$763	$763	User Fee
	Sol-4	**Thermal System - Residential**				
		10 kWth or Less	Each	$450	$450	GOV § 66015 (a)
		More than 10 kWth	Base	$450	$450	GOV § 66015 (a)
		Each kWth above 10 kWth	Each kWth above 10 kWth	$15	$15	GOV § 66015 (a)
	Sol-5	**Thermal System - Commercial**				
		30 kWth or Less	Each	$1,000	$1,000	Gov. Code 66015 (b)
		30 kWth - 260 kWth	Base	$1,000	$1,000	Gov. Code 66015 (b)
		Each kWth above 30 kWth but less than 260 kWth	Each kWth above 30 kWth	$7	$7	Gov. Code 66015 (b)
		More than 260 kWth	Base	$2,610	$2,610	Gov. Code 66015 (b)
		Each kWth above 260 kWth	Each kWth above 260 kWth	$5	$5	Gov. Code 66015 (b)
Inspection Fees						
	IF-1	Change of Use Inspection	Per Hour	$215	$215	User Fee
	IF-2	Inspection outside normal business hours	Per Hour	$280	$280	User Fee
	IF-3	Requested Inspection - prior to permit issuance	Per Hour	$214	$214	User Fee
	IF-4	Re-inspection	Per Hour	$215	$215	User Fee
	IF-5	CASp Inspection	Per Hour	$264	$264	User Fee
Other Provisions						
	OP-1	Appeal of Building Official Decision	Deposit	$500	$500	Deposit
	OP-2	Permit Refund (fee)	Per Project	$271	$271	User Fee
	OP-3	Revision Processing Fee	Per Project	$158	$158	User Fee
	OP-4	**Reinstatement Fee**				
		Original Building Permit Fee $500 or less	Per Project	$105	$105	User Fee
		Original Building Permit Fee more than $500	Per Project	50% of original fee	50% of original fee	User Fee
Electrical Permit Fees						
	EP-1	**Installion, Alteration Relocation of Each Electrical Service**				
		First 200 Ampere Capacity with one meter socket/base	Each	$478	$478	User Fee
		Each additional 100 Ampere Capacity or fraction thereof	Each	$56	$56	User Fee
		Each additional meter socket/base	Each	$11	$11	User Fee
Plumbing Permit Fees						
	PP-1	**For the Repair or Replacement of each**				
		Waterline, Sewer Line or Drainage/Vent Piping System (or as determined by the Building Official)	Each	$247	$247	User Fee
		Refrigerant Piping System	Each	$462	$462	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	PP-2	Water Piping System	Each	New
	PP-3	Water Heater or Water Storage Tank - Single Family Dwelling	Per Project	New
	PP-4	Water Heater or Water Storage Tank - Non-Residential	Each	New
	PP-5	**Tank-less water Heater Gas-fired (includes gas line, & exhaust vent & Electrical)**		
		Residential	Per Project	New
		Non-Residential	Per Project	New
	PP-6	**Gas Piping System or Gas Service**		
		Residential	Per Project	New
		Non-Residential	Per Project	New
Mechanical Permit Fees				
	MP-1	Furnace Replacement- Single Family Residence (< 100K Btu and < 40 lineal feet of new duct)	Per Project	New
	MP-2	For the installation, relocation or replacement of each Commercial Heating, Cooling Refrigeration Appliance. (includes all necessary electrical circuits, fixtures, switches receptacles, gas piping, vents or water piping.)	Each	New
	MP-3	For the Installation, relocation or replacement of each Boiler. (Includes all necessary electrical circuits, receptacles, switches, gas piping and vents - but does not include motors identified in the schedule)	Each	New
	MP-4	For the installation, relocation or replacement of Other Fuel Burning Appliances not listed in this schedule. (includes all necessary gas piping, vents, electrical circuits receptacles and switches.) Residential Appliances (excluding Residential Furnace) Replacement)	Each	New
	MP-5	**For the installation, relocation or replacement of each or Air Handler Unit, Heating or Cooling Coil or Element in a duct system. (includes all necessary electrical circuits, receptacles or switches and piping for cooling media.)**		
		0 to 400,000 Btu	Each	New
		401,000 Btu and Over	Each	New

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	PP-2	Water Piping System	Each	$247	$247	User Fee
	PP-3	Water Heater or Water Storage Tank - Single Family Dwelling	Per Project	$193	$193	User Fee
	PP-4	Water Heater or Water Storage Tank - Non-Residential	Each	$247	$247	User Fee
	PP-5	**Tank-less water Heater Gas-fired (includes gas line, & exhaust vent & Electrical)**				
		Residential	Per Project	$193	$193	User Fee
		Non-Residential	Per Project	$462	$462	User Fee
	PP-6	**Gas Piping System or Gas Service**				
		Residential	Per Project	$247	$247	User Fee
		Non-Residential	Per Project	$462	$462	User Fee
Mechanical Permit Fees						
	MP-1	Furnace Replacement- Single Family Residence (< 100K Btu and < 40 lineal feet of new duct)	Per Project	$247	$247	User Fee
	MP-2	For the installation, relocation or replacement of each Commercial Heating, Cooling Refrigeration Appliance. (includes all necessary electrical circuits, fixtures, switches receptacles, gas piping, vents or water piping.)	Each	$247	$247	User Fee
	MP-3	For the Installation, relocation or replacement of each Boiler. (Includes all necessary electrical circuits, receptacles, switches, gas piping and vents - but does not include motors identified in the schedule)	Each	$139	$139	User Fee
	MP-4	For the installation, relocation or replacement of Other Fuel Burning Appliances not listed in this schedule. (includes all necessary gas piping, vents, electrical circuits receptacles and switches.) Residential Appliances (excluding Residential Furnace) Replacement)	Each	$247	$247	User Fee
	MP-5	**For the installation, relocation or replacement of each or Air Handler Unit, Heating or Cooling Coil or Element in a duct system. (includes all necessary electrical circuits, receptacles or switches and piping for cooling media.)**				
		0 to 400,000 Btu	Each	$139	$139	User Fee
		401,000 Btu and Over	Each	$247	$247	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	MP-6	**For the installation, relocation or replacement of each Radiant Heating Panel Radiator or Convertor (including all necessary piping)**		
		1 to 5 Devices	Base	New
		Each Additional 5 Devices	Each Addl 5 Devices	New
Surcharges				
	S-1	General Plan Maintenance	% of Building Permit	New
	S-2	Technology	% of Permit	Modified
Planning				
Full Cost Hourly Rates by Staff Position:*				
	Hourly-1	Director	Per Hour	$292
	Hourly-2	Principal Planner	Per Hour	$223
	Hourly-3	Senior Planner	Per Hour	$188
	Hourly-4	Associate Planner	Per Hour	$158
	Hourly-5	Building Permit Technician	Per Hour	$120
	Hourly-6	Community Development Technician	Per Hour	$120
	Hourly-7	Administrative Assistant	Per Hour	$117
	Hourly-8	Office Specialist	Per Hour	$110
*Expressed for 100% cost recovery; applicable cost recovery on a permit for which a fee is charged on an hourly basis				
Permits:				
	P-2	**Use Permits:**		
P2	P-2a	Conditional uses listed in District Regulations not listed below	Each	$1,376
P3a	P-2b	Transfer of development rights within the R- BA district	Each	$3,145
P3b	P-2c	Clustered development within the R-BA district	Each	$3,145
P5	P-2d	Height Limits per BMC 17.32.060.B	Each	$1,376
P12	P-2e	Condominium conversion of existing dwelling units	Each	$1,892
P13	P-2f	Non conforming parking		
		in R and NCRO districts	Each	$1,376
		in other districts	Each	$1,892
P13a	P-2g	Use Permit to Expand Nonconforming Residential Uses	Each	$1,376

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	MP-6	**For the installation, relocation or replacement of each Radiant Heating Panel Radiator or Convertor (including all necessary piping)**				
		1 to 5 Devices	Base	$139	$139	User Fee
		Each Additional 5 Devices	Each Addl 5 Devices	$17	$17	User Fee
Surcharges						
	S-1	General Plan Maintenance	% of Building Permit	7%	7%	Surcharge
	S-2	Technology	% of Permit	5%	5%	Surcharge
Planning						
Full Cost Hourly Rates by Staff Position:*						
	Hourly-1	Director	Per Hour	$370	$370	User Fee
	Hourly-2	Principal Planner	Per Hour	$304	$304	User Fee
	Hourly-3	Senior Planner	Per Hour	$295	$295	User Fee
	Hourly-4	Associate Planner	Per Hour	$258	$258	User Fee
	Hourly-5	Building Permit Technician	Per Hour	$210	$210	User Fee
	Hourly-6	Community Development Technician	Per Hour	$226	$226	User Fee
	Hourly-7	Administrative Assistant	Per Hour	$221	$221	User Fee
	Hourly-8	Office Specialist	Per Hour	$196	$196	User Fee
*Expressed for 100% cost recovery; applicable cost recovery on a permit for which a fee is charged on an hourly basis						
Permits:						
	P-2	**Use Permits:**				
P2	P-2a	Conditional uses listed in District Regulations not listed below	Each	$7,422	$7,422	User Fee
P3a	P-2b	Transfer of development rights within the R- BA district	Each	$8,861	$8,861	User Fee
P3b	P-2c	Clustered development within the R-BA district	Each	$8,861	$8,861	User Fee
P5	P-2d	Height Limits per BMC 17.32.060.B	Each	$4,992	$4,992	User Fee
P12	P-2e	Condominium conversion of existing dwelling units	Each	$8,194	$8,194	User Fee
P13	P-2f	Non conforming parking				
		in R and NCRO districts	Each	$7,089	$7,089	User Fee
		in other districts	Each	$7,089	$7,089	User Fee
P13a	P-2g	Use Permit to Expand Nonconforming Residential Uses	Each	$7,089	$7,089	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	P-3	**Home Occupation Permits:**		
P14		Home occupations in residential districts	Each	$45
	P-4b	**Design Permits:**		
P15a	P-4a	Design Permit for new construction: residential	Each	$2,089
P15b	P-4b	Design Permit for new construction: non-residential or mixed use	Each	$3,489
P16	P-4c	Design Permit for remodeling existing structures	Each	$2,089
P16a	P-4d	Design Permit Extension	Each	$1,610
	P-5	**Variance:**		
P17	P-5a	Variance to code provisions for new construction to all structures	Each	$1,575
P18	P-5b	Variance to code provisions for remodel of existing structures		
		Residential structures	Each	$1,180
		Other structures	Each	$1,575
	P-6	**Sign Permits:**		
P19	P-6a	Sign permits in all districts		
		with Hearing	Each	$920
		without Hearing	Each	$387
P20	P-7b	Sign Programs		
		New	Each	$1,066
		Revision to existing	Each	$1,066
	P-8	**Planned Development Permits:**		
P-21		Planned Development Permit	Deposit	$5,000
	P-9	**Development Agreements:**		
P-22		Development Agreement	Deposit	$5,000
	P-10	**Specific Plans:**		
P23		Specific Plan	Deposit	$5,000

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	P-3	**Home Occupation Permits:**				
P14		Home occupations in residential districts	Each	$172	$172	User Fee
	P-4b	**Design Permits:**				
P15a	P-4a	Design Permit for new construction: residential	Each	$9,610	$9,610	User Fee
P15b	P-4b	Design Permit for new construction: non-residential or mixed use	Each	$13,804	$13,804	User Fee
P16	P-4c	Design Permit for remodeling existing structures	Each	$12,100	$12,100	User Fee
P16a	P-4d	Design Permit Extension	Each	$4,825	$4,825	User Fee
	P-5	**Variance:**				
P17	P-5a	Variance to code provisions for new construction to all structures	Each	$7,861	$7,861	User Fee
P18	P-5b	Variance to code provisions for remodel of existing structures				
		Residential structures	Each	$7,089	$7,089	User Fee
		Other structures	Each	$7,089	$7,089	User Fee
	P-6	**Sign Permits:**				
P19	P-6a	Sign permits in all districts				
		with Hearing	Each	$6,922	$6,922	User Fee
		without Hearing	Each	$661	$661	User Fee
P20	P-7b	Sign Programs				
		New	Each	$8,194	$8,194	User Fee
		Revision to existing	Each	$3,705	$3,705	User Fee
	P-8	**Planned Development Permits:**				
P-21		Planned Development Permit	Deposit	$5,000	$15,000	Deposit
	P-9	**Development Agreements:**				
P-22		Development Agreement	Deposit	$5,000	$15,000	Deposit
	P-10	**Specific Plans:**				
P23		Specific Plan	Deposit	$5,000	$15,000	Deposit

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	P-11	**Exceptions to the Code:**		
P4	P-11a	Exceptions to Fence Regulations	Each	$648
P-25b	P-11b	Solar Height limits Exception per BMC 17.32.060.C	Each	$648
		Setback Exception Modification Public Hearing	Each	$648
		Height Exception to Accomodate Accessibility Improvements per BMC 17.32.060.D	Each	New
	P-12	**Minor Modifications:**		
P26		Modifications per BMC 17.56.090	Each	$648

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	P-11	**Exceptions to the Code:**				
P4	P-11a	Exceptions to Fence Regulations	Each	$3,059	$3,059	User Fee
P-25b	P-11b	Solar Height limits Exception per BMC 17.32.060.C	Each	$1,415	$1,415	User Fee
		Setback Exception Modification Public Hearing	Each	$3,061	$3,061	User Fee
		Height Exception to Accomodate Accessibility Improvements per BMC 17.32.060.D	Each	$1,415	$1,415	User Fee
	P-12	**Minor Modifications:**				
P26		Modifications per BMC 17.56.090	Each	$4,992	$4,992	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	P-13	**Grading Permits:**		
P27		Grading Permit Review by Planning Commission		
		500 CY or less	Base	$1,771
		More than 500 CY	Each Add'l CY above 500 CY	New
	P-14	**Amendments:**		
P28		General / Zoning Map or Text	Deposit	$2,007
	P-15	**Subdivisions:**		
P32	P-15a	Tentative Subdivision Map and Condominium Plans with 5 or more lots/units	Base	$3,476
P35a	P-15b	Tentative Subdivision Map and Condominium Plans with 5 or more lots/units	Per Lot	$275
	P-15c	Tentative Parcel Map and Condominium Plans with 4 or less lots/units	Each	$3,476
	P-15d	Ministerial Subdivision Map	Each	New
P35a	P-15e	Final Parcel Map	Each	$529
P35b	P-15f	Final Subdivision Map	Each	$705
P36	P-15g	Time Extension for Approved Tentative Map	Each	$1,620
P37	P-15h	Amendment to Approved Tentative Map	Each	$1,620
	P-15i	Ministerial Parcel Map	Each	New
P38	P-15j	Correction/Amendment to Final Map	Each	$447
P40	P-15k	Modifications to Subdivision Provisions	Each	$1,729
P41	P-15l	Vesting Tentative Subdivision Map	Each	$6,961
	P-15m	Vesting Tentative Subdivision Map	Per Lot	$275
P42a	P-15n	Certificate of Compliance per GC 66499.35(a) and (b)	Each	$1,157
P42b	P-15o	Certificate of Compliance per GC 66499.35 (c)	Each	$447
P43	P-15p	Lot Line Adjustment	Each	$1,157
P43a	P-15q	Parcel Map Waivers	Each	$1,157
P44	P-15r	Reversions to Acreage	Each	$1,157

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	P-13	**Grading Permits:**				
P27		Grading Permit Review by Planning Commission				
		500 CY or less	Base	$3,128	$3,128	User Fee
		More than 500 CY	Each Add'l CY above 500 CY	$6.21	$6.21	User Fee
	P-14	**Amendments:**				
P28		General / Zoning Map or Text	Deposit	$18,879	$20,000	Deposit
	P-15	**Subdivisions:**				
P32	P-15a	Tentative Subdivision Map and Condominium Plans with 5 or more lots/units	Base	$15,038	$15,038	User Fee
P35a	P-15b	Tentative Subdivision Map and Condominium Plans with 5 or more lots/units	Per Lot	$285	$285	User Fee
	P-15c	Tentative Parcel Map and Condominium Plans with 4 or less lots/units	Each	$12,517	$12,517	User Fee
	P-15d	Ministerial Subdivision Map	Each	$13,589	$13,589	User Fee
P35a	P-15e	Final Parcel Map	Each	$3,801	$3,801	User Fee
P35b	P-15f	Final Subdivision Map	Each	$5,726	$5,726	User Fee
P36	P-15g	Time Extension for Approved Tentative Map	Each	$7,528	$7,528	User Fee
P37	P-15h	Amendment to Approved Tentative Map	Each	$7,861	$7,861	User Fee
	P-15i	Ministerial Parcel Map	Each	$4,750	$4,750	User Fee
P38	P-15j	Correction/Amendment to Final Map	Each	$2,776	$2,776	User Fee
P40	P-15k	Modifications to Subdivision Provisions	Each	$7,861	$7,861	User Fee
P41	P-15l	Vesting Tentative Subdivision Map	Each	$15,038	$15,038	User Fee
	P-15m	Vesting Tentative Subdivision Map	Per Lot	$285	$285	User Fee
P42a	P-15n	Certificate of Compliance per GC 66499.35(a) and (b)	Each	$6,122	$6,122	User Fee
P42b	P-15o	Certificate of Compliance per GC 66499.35 (c)	Each	$2,776	$2,776	User Fee
P43	P-15p	Lot Line Adjustment	Each	$4,750	$4,750	User Fee
P43a	P-15q	Parcel Map Waivers	Each	$6,122	$6,122	User Fee
P44	P-15r	Reversions to Acreage	Each	$6,122	$6,122	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
P45	P-15s	Lot Merger	Each	$447
P47	P-16	Appeals	Each	$454
	P-17	**Environmental Review:**		
P49	P-17a	Initial Study/Negative Declaration	Each	$3,076
P50	P-17b	Environmental Impact Reports	Each	Consultant Cost + 10%
P51	P-17c	Mitigation Monitoring-Inspections etc.	Hourly	Hourly
Other Services:				
	P-18	HCP Operating Program Revision	Each	New
P52	P-19	Pre-application Review	Per Hour	Hourly
P53	P-20	Administrative review subsequent documents from Con. of Appr.	Per Hour	Hourly
P54	P-21	Parking lot redesign/Landscape plan review (per BMC section 15.70.030)	Each	$692
P55	P-22	Research record search	Per Hour	Hourly
P56	P-23	Technical report review	Each	Consultant Cost + 10%
P63	P-24	Telecommunications Administrative Permit	Each	$1,270
P64	P-25	Alcohol Public Convenience Necessity (PCN)	Each	$648
P65	P-26	**Tree Removal Permit**		
	P-26a	1-5 trees	Each	$397
	P-26b	6+ trees	Each	$397
P66	P-27	Administrative Appeal (to City Manager)	Each	$114
P67	P-28	**Address Assignment**		
	P-28a	Required as condition of approval on a building permit	Each	$131
	P-28b	Not required as conditition of approval on a building permit	Each	$131
P68	P-29	Construction Noise Exception Permit per BMC 8.28.080	Each	$784
P69	P-30	Outdoor Sound Amplification Request	Each	$229
P70	P-31	**Short Term Rental Permit**		

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
P45	P-15s	Lot Merger	Each	$2,776	$2,776	User Fee
P47	P-16	Appeals	Each	$3,367	$3,367	User Fee
	P-17	**Environmental Review:**				
P49	P-17a	Initial Study/Negative Declaration	Each	$16,708	$15,000	Deposit
P50	P-17b	Environmental Impact Reports	Each		Consultant Cost + 10%	Pass Through
P51	P-17c	Mitigation Monitoring-Inspections etc.	Hourly		Hourly	User Fee
Other Services:						
	P-18	HCP Operating Program Revision	Each	$14,038	$14,038	User Fee
P52	P-19	Pre-application Review	Per Hour	$285	$285	User Fee
P53	P-20	Administrative review subsequent documents from Con. of Appr.	Per Hour	$285	$285	User Fee
P54	P-21	Parking lot redesign/Landscape plan review (per BMC section 15.70.030)	Each	$2,059	$2,059	User Fee
P55	P-22	Research record search	Per Hour	$226	$226	User Fee
P56	P-23	Technical report review	Each		Consultant Cost + 10%	User Fee
P63	P-24	Telecommunications Administrative Permit	Each	$5,860	$5,860	User Fee
P64	P-25	Alcohol Public Convenience Necessity (PCN)	Each	$3,763	$3,763	User Fee
P65	P-26	**Tree Removal Permit**				
	P-26a	1-5 trees	Each	$1,340	$1,340	User Fee
	P-26b	6+ trees	Each	$2,490	$2,490	User Fee
P66	P-27	Administrative Appeal (to City Manager)	Each	$2,262	$2,262	User Fee
P67	P-28	**Address Assignment**				
	P-28a	Required as condition of approval on a building permit	Each	$396	$396	User Fee
	P-28b	Not required as condititon of approval on a building permit	Each	$682	$682	User Fee
P68	P-29	Construction Noise Exception Permit per BMC 8.28.080	Each	$3,253	$3,253	User Fee
P69	P-30	Outdoor Sound Amplification Request	Each	$642	$642	User Fee
P70	P-31	**Short Term Rental Permit**				

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	P-31a	New	Each	$369
	P-31b	Renewal	Each	$369
P71	P-32	**C.3 Stormwater Review/Inspection**		
	P-32a	Review	Each Round of Review	Consultant Cost + 10%
	P-32b	Inspection	Each	$191
P30a	P-33	**Housing Development Permit**		
	P-33a	Base 2-10 units	Each	$2,627
	P-33b	Per Additional Unit	Per Unit	Modified
P72	P-34	Plan Lines	Each	$3,476
P73	P-35	Lighting Deviation	Each	$648
P74	P-36	Consultant Management Fee	% of Consultant Fee	10%
	P-37	Zoning Conformance Letter	Each	New
P57	P-38	Zoning Enforcement Penalty	Per Violation	Up to 10x Fee
Surcharges				
	S-1	Technology	% of Permit	Modified

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	P-31a	New	Each	$1,010	$1,010	User Fee
	P-31b	Renewal	Each	$455	$455	User Fee
P71	P-32	**C.3 Stormwater Review/Inspection**				
	P-32a	Review	Each Round of Review		Consultant Cost + 10%	User Fee
	P-32b	Inspection	Each	$191	$191	User Fee
P30a	P-33	**Housing Development Permit**				
	P-33a	Base 2-10 units	Each	$9,610	$9,610	User Fee
	P-33b	Per Additional Unit	Per Unit	$285	$285	User Fee
P72	P-34	Plan Lines	Each	$5,000	$5,000	Deposit
P73	P-35	Lighting Deviation	Each	$2,896	$2,896	User Fee
P74	P-36	Consultant Management Fee	% of Consultant Fee		10%	User Fee
	P-37	Zoning Conformance Letter	Each	$894	$894	User Fee
P57	P-38	Zoning Enforcement Penalty	Per Violation		Up to 10x Fee	Penalty
Surcharges						
	S-1	Technology	% of Permit	5.00%	5.00%	Surcharge

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Marina				
Guest Berthing:				
	M-1	35'	Per Night	$25
	M-2	35' - 50'	Per Foot	$0.85
	M-3	51' - 80'	Per Foot	$1.00
Berth Rent:				
	M-4	30' Single Finger	Per month	$260
	M-5	30' Double Finger	Per month	$286
	M-6	34' Single Finger	Per month	$294
	M-7	34' Double Finger	Per month	$324
	M-8	36' Single Finger	Per month	$312
	M-9	36' Double Finger	Per month	$343
	M-10	38' Single Finger	Per month	$329
	M-11	40' Single Finger	Per month	$346
	M-12	44' Single Finger	Per month	$381
	M-13	46' Single Finger	Per month	$398
	M-14	46' Double Finger	Per month	$438
	M-15	48' Single Finger	Per month	$416
	M-16	50' Single Finger	Per month	$433
	M-17	50' Double Finger	Per month	$477
	M-18	54' Single Finger	Per month	$468
	M-19	56' Single Finger	Per month	$485
	M-20	56' Double Finger	Per month	$534
	M-21	60' Single Finger	Per month	$520
	M-22	60' Double Finger	Per month	$572
Other Fees:				
	M-23	Inside Ties for Smaller Boats	Per Foot Per month	$7.67
Move In Costs:				
	M-24	Application Fee (Non Refundable)	Each	$25
	M-25	Gate Key Deposit	Each	$30
Other Fees:				
		Dock Wheel / Fender Wheel Installation		
	M-26	For One	Each	$50
	M-27	For Two	Each	$80
	M-28	Live Aboard Fee	Per month	$400
	M-29	Slip Transfer Fee	Each	$25
	M-30	Late Fee	% of the outstanding b	0.83%
	M-31	Electricity Fees	per kW	$0.014

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Marina						
Guest Berthing:						
	M-1	35'	Per Night		$25	Rental
	M-2	35' - 50'	Per Foot		$0.85	Rental
	M-3	51' - 80'	Per Foot		$1.00	Rental
Berth Rent:						
	M-4	30' Single Finger	Per month		$260	Rental
	M-5	30' Double Finger	Per month		$286	Rental
	M-6	34' Single Finger	Per month		$294	Rental
	M-7	34' Double Finger	Per month		$324	Rental
	M-8	36' Single Finger	Per month		$312	Rental
	M-9	36' Double Finger	Per month		$343	Rental
	M-10	38' Single Finger	Per month		$329	Rental
	M-11	40' Single Finger	Per month		$346	Rental
	M-12	44' Single Finger	Per month		$381	Rental
	M-13	46' Single Finger	Per month		$398	Rental
	M-14	46' Double Finger	Per month		$438	Rental
	M-15	48' Single Finger	Per month		$416	Rental
	M-16	50' Single Finger	Per month		$433	Rental
	M-17	50' Double Finger	Per month		$477	Rental
	M-18	54' Single Finger	Per month		$468	Rental
	M-19	56' Single Finger	Per month		$485	Rental
	M-20	56' Double Finger	Per month		$534	Rental
	M-21	60' Single Finger	Per month		$520	Rental
	M-22	60' Double Finger	Per month		$572	Rental
Other Fees:						
	M-23	Inside Ties for Smaller Boats	Per Foot Per month		$7.67	Rate
Move In Costs:						
	M-24	Application Fee (Non Refundable)	Each	$474	$25	User Fee
	M-25	Gate Key Deposit	Each	$30	$30	Deposit
Other Fees:						
		Dock Wheel / Fender Wheel Installation				
	M-26	For One	Each	$142	$142	User Fee
	M-27	For Two	Each	$142	$142	User Fee
	M-28	Live Aboard Fee	Per month		$400	Rate
	M-29	Slip Transfer Fee	Each	$71	$71	User Fee
	M-30	Late Fee	% of the outstanding b		0.83%	Penalty
	M-31	Electricity Fees	per kW		$0.014	Rate

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	M-32	Lien Fee	per filing	$180
		NSF Returned Check Fee		
	M-33	First Check	Each	$65
	M-34	Second & Subsequent	Each	$65
	M-35	Hat	Each	$11

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	M-32	Lien Fee	per filing	$302	$302	User Fee
		NSF Returned Check Fee				
	M-33	First Check	Each		$25	CIV § 1719(a)
	M-34	Second & Subsequent	Each		$35	CIV § 1719(a)
	M-35	Hat	Each		$11	Material

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Parks and Recreation				
Facility Rentals				
	P&R-1	Alcohol Surcharge Fee (rental with 100 or more persons)	Per Event	$106
		Athletic Fields:		
	P&R-2	Lights	Per Hour	$31
		Non Profit Closed to Public		
	P&R-3	Brisbane Non Profit	Per Hour	$19
	P&R-4	Non Brisbane Non Profit	Per Hour	$31
	P&R-5	Residential	Per Hour	$49
	P&R-6	Non-Residential	Per Hour	$85
	P&R-7	Game Preparation	Per Game	$31
Mission Blue Center				
		Residential		
	P&R-8	1 Room - Weekday	Per Hour	$192
	P&R-9	Entire Facility - Weekday	Per Hour	$297
	P&R-10	1 Room - Weekend	Per Hour	$239
	P&R-11	Entire Facility - Weekend	Per Hour	$371
		Non-Residential		
	P&R-12	1 Room - Weekday	Per Hour	$292
	P&R-13	Entire Facility - Weekday	Per Hour	$432
	P&R-14	1 Room - Weekend	Per Hour	$357
	P&R-15	Entire Facility - Weekend	Per Hour	$547
Other Rentals				
		Community Center Rental		
	P&R-16	Resident	Per Hour	$90
	P&R-17	Non-Resident	Per Hour	$110
		Volleyball Courts		
	P&R-18	Resident	Per Hour	$30
	P&R-19	Non-Resident	Per Hour	$35
	P&R-20	Refundable Deposit	Each	$530
Community Park Rentals:				
	P&R-21	Alcohol Surcharge Fee (rental with 100 or more persons)	Per Event	New
		Area 1, 2 and 3 (4 tables):		
	P&R-22	Resident	Per Day	$114
	P&R-23	Non-Resident	Per Day	$260
	P&R-24	Refundable Deposit	Each	$50

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Parks and Recreation						
Facility Rentals						
	P&R-1	Alcohol Surcharge Fee (rental with 100 or more persons)	Per Event		$106	Rental
		Athletic Fields:				
	P&R-2	Lights	Per Hour		$31	Rental
		Non Profit Closed to Public				
	P&R-3	Brisbane Non Profit	Per Hour		$19	Rental
	P&R-4	Non Brisbane Non Profit	Per Hour		$31	Rental
	P&R-5	Residential	Per Hour		$49	Rental
	P&R-6	Non-Residential	Per Hour		$85	Rental
	P&R-7	Game Preparation	Per Game		$31	Rental
Mission Blue Center						
		Residential				
	P&R-8	1 Room - Weekday	Per Hour	$285	$192	Rental
	P&R-9	Entire Facility - Weekday	Per Hour	$379	$297	Rental
	P&R-10	1 Room - Weekend	Per Hour	$302	$239	Rental
	P&R-11	Entire Facility - Weekend	Per Hour	$407	$371	Rental
		Non-Residential				
	P&R-12	1 Room - Weekday	Per Hour	$285	$292	Rental
	P&R-13	Entire Facility - Weekday	Per Hour	$379	$432	Rental
	P&R-14	1 Room - Weekend	Per Hour	$302	$357	Rental
	P&R-15	Entire Facility - Weekend	Per Hour	$407	$547	Rental
Other Rentals						
		Community Center Rental				
	P&R-16	Resident	Per Hour		$90	Rental
	P&R-17	Non-Resident	Per Hour		$110	Rental
		Volleyball Courts				
	P&R-18	Resident	Per Hour		$30	Rental
	P&R-19	Non-Resident	Per Hour		$35	Rental
	P&R-20	Refundable Deposit	Each		$530	Deposit
Community Park Rentals:						
	P&R-21	Alcohol Surcharge Fee (rental with 100 or more persons)	Per Event		$50	Rental
		Area 1, 2 and 3 (4 tables):				
	P&R-22	Resident	Per Day		$137	Rental
	P&R-23	Non-Resident	Per Day		$312	Rental
	P&R-24	Refundable Deposit	Each		$50	Deposit

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
		Lawn Area:		
		Resident:		
	P&R-25	Under 50 people	Per Day	$51
	P&R-26	51- 100 people	Per Day	$137
	P&R-27	Over 100 people	Per Day	$257
		Non-Resident:		
	P&R-28	Under 50 people	Per Day	$117
	P&R-29	51- 100 people	Per Day	$312
	P&R-30	Over 100 people	Per Day	$585
		Gazebo Area:		
	P&R-31	Resident	Per Hour	$80
	P&R-32	Non-Resident	Per Hour	$118
	P&R-33	Refundable Deposit	Each	$200
Aquatics				
Daily Admission				
		Adult		
	P&R-34	Resident	Per Person	$7
	P&R-35	Non-Resident	Per Person	$11
		Youth/Senior		
	P&R-36	Resident	Per Person	$5
	P&R-37	Non-Resident	Per Person	$8
Monthly Passes				
	P&R-38	Adult Resident	Per Person	$66
	P&R-39	Adult Non-Resident	Per Person	$113
Swim Lessons				
		Swim Lessons (8)		
		Resident:		
	P&R-40	Lesson Package	Per Lesson Package	$88
	P&R-41	Per Class	Per Class	$11
		Non-Resident		
	P&R-42	Lesson Package	Per Lesson Package	$120
	P&R-43	Per Class	Per Class	$15
		Semi-Private Swim Lessons (4)		
	P&R-44	Resident	Per Lesson Package	$128
	P&R-45	Non-Resident	Per Lesson Package	$185
		Private Swim Lession (4)		
	P&R-46	Resident	Per Lesson Package	$178
	P&R-47	Non-Resident	Per Lesson Package	$258

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
		Lawn Area:				
		Resident:				
	P&R-25	Under 50 people	Per Day		$61	Rental
	P&R-26	51- 100 people	Per Day		$164	Rental
	P&R-27	Over 100 people	Per Day		$308	Rental
		Non-Resident:				
	P&R-28	Under 50 people	Per Day		$140	Rental
	P&R-29	51- 100 people	Per Day		$374	Rental
	P&R-30	Over 100 people	Per Day		$702	Rental
		Gazebo Area:				
	P&R-31	Resident	Per Hour		$96	Rental
	P&R-32	Non-Resident	Per Hour		$142	Rental
	P&R-33	Refundable Deposit	Each		$200	Deposit
Aquatics						
Daily Admission						
		Adult				
	P&R-34	Resident	Per Person	$21	$7	Recreation
	P&R-35	Non-Resident	Per Person	$21	$11	Recreation
		Youth/Senior				
	P&R-36	Resident	Per Person	$21	$5	Recreation
	P&R-37	Non-Resident	Per Person	$21	$8	Recreation
Monthly Passes						
	P&R-38	Adult Resident	Per Person	$213	$75	Recreation
	P&R-39	Adult Non-Resident	Per Person	$213	$120	Recreation
Swim Lessons						
		Swim Lessons (8)				
		Resident:				
	P&R-40	Lesson Package	Per Lesson Package	$296	$96	Recreation
	P&R-41	Per Class	Per Class	$37	$12	Recreation
		Non-Resident				
	P&R-42	Lesson Package	Per Lesson Package	$296	$136	Recreation
	P&R-43	Per Class	Per Class	$37	$17	Recreation
		Semi-Private Swim Lessons (4)				
	P&R-44	Resident	Per Lesson Package	$200	$140	Recreation
	P&R-45	Non-Resident	Per Lesson Package	$200	$200	Recreation
		Private Swim Lession (4)				
	P&R-46	Resident	Per Lesson Package	$334	$200	Recreation
	P&R-47	Non-Resident	Per Lesson Package	$334	$270	Recreation

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Pool Rentals				
		Rec Swim Party		
	P&R-48	Resident	Per Rental	$171
	P&R-49	Non-Resident	Per Rental	$248
		Private Rental		
	P&R-50	Resident	Per Rental	$350
	P&R-51	Non-Resident	Per Rental	$500
		Refundable Deposit		
	P&R-52	Resident	Each	New
	P&R-53	Non-Resident	Each	New
Misc. Pool Fees				
	P&R-54	**Lifeguard Certification**	Per Session	$238
		Piranha Swim Club		
	P&R-55	Resident	Per Class	$6
	P&R-56	Non-Resident	Per Class	$9
Youth Activities				
Club Rec Monthly				
	P&R-57	Resident	Per Person, Per Month	$1,961
	P&R-58	Non-Resident	Per Person, Per Month	$2,726
Daily Camp Fee				
		Summer Camp		
	P&R-47	Resident	Per Person, Per Day	$43
	P&R-48	Non-Resident	Per Person, Per Day	$60
		Break Camps		
	P&R-49	Resident	Per Person, Per Day	$43
	P&R-50	Non-Resident	Per Person, Per Day	$60
Preschool				
	P&R-51	Resident	Per Person, Per Hour	$7
	P&R-52	Non-Resident	Per Person, Per Hour	$9
Misc Fees				
	P&R-53	ClubRec Enrichment Clubs	Per Person, Per Activity	$5-$70
	P&R-54	Youth Classes	Per Person, Per Activity	Based on cost of class
	P&R-55	Youth Sports	Per Person, Per Seasor	$86
	P&R-56	Processing Fee	Per Class Session or S	Based on cost of class
	P&R-57	Late Pick-up Fee	Per Minute	$1
Administrative				
	P&R-58	Transaction Fee - Drop in Class	Per class for drop in or	$1
	P&R-59	Transaction Fee - For classes under $100	Per class session or sp	$10

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Pool Rentals						
		Rec Swim Party				
	P&R-48	Resident	Per Rental	$397	$250	Rental
	P&R-49	Non-Resident	Per Rental	$397	$375	Rental
		Private Rental				
	P&R-50	Resident	Per Rental	$629	$425	Rental
	P&R-51	Non-Resident	Per Rental	$629	$575	Rental
		Refundable Deposit				
	P&R-52	Resident	Each		$50	Deposit
	P&R-53	Non-Resident	Each		$100	Deposit
Misc. Pool Fees						
	P&R-54	**Lifeguard Certification**	Per Session	$279	$238	Class
		Piranha Swim Club				
	P&R-55	Resident	Per Class	$18	$6	Recreation
	P&R-56	Non-Resident	Per Class	$18	$9	Recreation
Youth Activities						
Club Rec Monthly						
	P&R-57	Resident	Per Person, Per Month	$2,640	$225	Recreation
	P&R-58	Non-Resident	Per Person, Per Month	$2,640	$314	Recreation
Daily Camp Fee						
		Summer Camp				
	P&R-47	Resident	Per Person, Per Day	$49	$50	Recreation
	P&R-48	Non-Resident	Per Person, Per Day	$49	$69	Recreation
		Break Camps				
	P&R-49	Resident	Per Person, Per Day	$54	$50	Recreation
	P&R-50	Non-Resident	Per Person, Per Day	$54	$69	Recreation
Preschool						
	P&R-51	Resident	Per Person, Per Hour	$9	$7	Recreation
	P&R-52	Non-Resident	Per Person, Per Hour	$9	$9	Recreation
Misc Fees						
	P&R-53	ClubRec Enrichment Clubs	Per Person, Per Activity		$5-$70	Recreation
	P&R-54	Youth Classes	Per Person, Per Activity		Based on cost of class	Recreation
	P&R-55	Youth Sports	Per Person, Per Seasor		$100-$150	Recreation
	P&R-56	Processing Fee	Per Class Session or S		Based on cost of class	Recreation
	P&R-57	Late Pick-up Fee	Per Minute		$1	Recreation
Administrative						
	P&R-58	Transaction Fee - Drop in Class	Per class for drop in or		$1	Pass-Through
	P&R-59	Transaction Fee - For classes under $100	Per class session or sp		$10	Pass-Through

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	P&R-60	Transaction Fee - For Classes $100 and over	Per class session or sp	$22
	P&R-61	Processing Fee for Refunds	Per Transaction	$7
Adult Sports:				
	P&R-62	Adult Softball	per team, per season	$1,000
	P&R-63	Adult Open Gym	per person, per class	$5
Teens:				
	P&R-64	Teen Programs	per person, per activity	$10-$100
	P&R-65	Middle School Dances	per person, per activity	$5-$20
Seniors				
	P&R-66	Senior Lunches	Per Person, Per Month	$10
	P&R-67	Senior Programs	Per Person, Per Activity	$5-$200
Special Events:				
	P&R-68	Derby Kit	per derby kit	$40
	P&R-69	Pop-Up Events	per person, per activity	$5-$100
	P&R-70	Day in the Park - Event Tickets	per ticket	$1
	P&R-71	Community Night with the Giants Tickets	per ticket	$25
	P&R-72	Concerts in the Park - Sponsorships	per sponsorship	$100-$2,500
	P&R-73	Parents Night Out Events	per person, per activity	$25-$50

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	P&R-60	Transaction Fee - For Classes $100 and over	Per class session or sp		$22	Pass-Through
	P&R-61	Processing Fee for Refunds	Per Transaction	$9	$7	User Fee
Adult Sports:						
	P&R-62	Adult Softball	per team, per season		$1,000	Recreation
	P&R-63	Adult Open Gym	per person, per class		$5	Recreation
Teens:						
	P&R-64	Teen Programs	per person, per activity		$10-$100	Recreation
	P&R-65	Middle School Dances	per person, per activity		$5-$20	Recreation
Seniors						
	P&R-66	Senior Lunches	Per Person, Per Month	$134	$20	Recreation
	P&R-67	Senior Programs	Per Person, Per Activity		$5-$200	Recreation
Special Events:						
	P&R-68	Derby Kit	per derby kit		$81	Recreation
	P&R-69	Pop-Up Events	per person, per activity		$5-$100	Recreation
	P&R-70	Day in the Park - Event Tickets	per ticket		$1	Recreation
	P&R-71	Community Night with the Giants Tickets	per ticket		$25	Recreation
	P&R-72	Concerts in the Park - Sponsorships	per sponsorship		$100-$2,500	Recreation
	P&R-73	Parents Night Out Events	per person, per activity		$25-$50	Recreation

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Finance				
Utility Billing				
	F-1	**Water and Service Connection**		
	F-1a	Processing	Each	$20
	F-1b	Deposit	Each	$70
F3	F-2	Late Notice Fee	Each	$5
F5	F-3	10 Day Disconnect Notice Fee	Each	$54
	F-4	**Water Turn On**		
F6	F-4a	After payment of delinquent account: 8a-4p	Each	$55
F6	F-4b	After payment of delinquent account: after 4p	Each	$139
F6a	F-4c	After 3rd notice for backflow recertification	Each	$307
Finance Fees				
F9	F-6	**Returned Payment Charge (All Departments)**		
	F-6a	First Check	Each	$65
	F-6b	Second & Subsequent	Each	$65

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Finance						
Utility Billing						
	F-1	**Water and Service Connection**				
	F-1a	Processing	Each	$217	$200	User Fee
	F-1b	Deposit	Each	$107	$100	Deposit
F3	F-2	Late Notice Fee	Each	$5	$5	Penalty
F5	F-3	10 Day Disconnect Notice Fee	Each	$54	$54	Penalty
	F-4	**Water Turn On**				
F6	F-4a	After payment of delinquent account: 8a-4p	Each	$102	$100	User Fee
F6	F-4b	After payment of delinquent account: after 4p	Each	$274	$200	User Fee
F6a	F-4c	After 3rd notice for backflow recertification	Each	$291	$291	User Fee
Finance Fees						
F9	F-6	**Returned Payment Charge (All Departments)**				
	F-6a	First Check	Each	$25	$25	CIV § 1719(a)
	F-6b	Second & Subsequent	Each	$35	$35	CIV § 1719(a)

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
City Clerk				
C8	CC-1	Photocopying	Per Page	$0.35
C12	CC-2	Campaign Statements	Each	$0.10
C13	CC-3	**General Research:**		
	CC-3a	City Clerk	Per Hour	$0

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
City Clerk						
C8	CC-1	Photocopying	Per Page	$0.10	$0.10	GOV § 7922.530
C12	CC-2	Campaign Statements	Each	$0.10	$0.10	GOV § 81008
C13	CC-3	**General Research:**				
	CC-3a	City Clerk	Per Hour	$172	$172	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Police Department				
PO1	PD-1	Copies of Reports	Each	$0
PO2	PD-2	Alarm System Permits	Each	$0
PO3	PD-3	Bicycle Registration	Each	$0
PO4	PD-4	Booking Fee	Each	$0
	PD-5	**Clearance & Good Conduct Letters:**		
PO5	PD-5a	Resident	Each	$6
PO5	PD-5b	Non-Resident	Each	$39
PO6	PD-6	Subpoena Dues / Tecum Processing	Per Hour	$39
	PD-7	**Concealed Weapons:**		
PO7	PD-7a	Permit Process	Each	$75
PO8	PD-7b	Renewal Fee	Each	$0
PO9	PD-8	Copies of Digital Media	Each	$37
PO10	PD-9	Court Appearance All Personnel	Per Day	$275
PO14	PD-10	False Alarms - Structure	Each	$0
	PD-11	**Fingerprinting:**		
PO15	PD-11a	Resident: Adult	Each	$36
PO15	PD-11b	Resident: Minor	Each	$0
PO16	PD-11c	Non-Resident	Each	$112
	PD-12	**Massage Certificate of Registration:**		
PO17	PD-12a	Registration	Each	$135
PO18	PD-12b	Early Renewal	Each	$35
PO19	PD-13	Special Event Permit	Per Hour	$0
	PD-14	**Photographs:**		
PO20	PD-14a	Copies (plus actual costs)	Each	$103
PO21	PD-14b	Enlargements (plus actual costs)	Each	$103
	PD-16	**Vehicle Releases:**		
PO24	PD-16a	Vehicle Releases / Enforcement	Each	$63
PO25	PD-16b	Vehicle Releases / Abandonment	Each	$63
PO26	PD-17	Film Crew	Each	$622
PO27	PD-18	Reposessed Vehicle Release	Each	$15

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Police Department						
PO1	PD-1	Copies of Reports	Each	$239	$0	User Fee
PO2	PD-2	Alarm System Permits	Each	$94	$0	User Fee
PO3	PD-3	Bicycle Registration	Each	$35	$0	User Fee
PO4	PD-4	Booking Fee	Each	$98	$0	User Fee
	PD-5	**Clearance & Good Conduct Letters:**				
PO5	PD-5a	Resident	Each	$35	$6	User Fee
PO5	PD-5b	Non-Resident	Each	$35	$39	User Fee
PO6	PD-6	Subpoena Dues / Tecum Processing	Per Hour	$24	$39	User Fee
	PD-7	**Concealed Weapons:**				
PO7	PD-7a	Permit Process	Each	$379	$75	User Fee
PO8	PD-7b	Renewal Fee	Each	$94	$0	User Fee
PO9	PD-8	Copies of Digital Media	Each	$211	$37	User Fee
PO10	PD-9	Court Appearance All Personnel	Per Day	$275	$275	User Fee
PO14	PD-10	False Alarms - Structure	Each	$53	$0	User Fee
	PD-11	**Fingerprinting:**				
PO15	PD-11a	Resident: Adult	Each	$89	$36	User Fee
PO15	PD-11b	Resident: Minor	Each	$89	$0	User Fee
PO16	PD-11c	Non-Resident	Each	$89	$112	User Fee
	PD-12	**Massage Certificate of Registration:**				
PO17	PD-12a	Registration	Each	$379	$135	User Fee
PO18	PD-12b	Early Renewal	Each	$94	$35	User Fee
PO19	PD-13	Special Event Permit	Per Hour	$379	$0	User Fee
	PD-14	**Photographs:**				
PO20	PD-14a	Copies (plus actual costs)	Each	$18	$18	User Fee
PO21	PD-14b	Enlargements (plus actual costs)	Each	$21	$21	User Fee
	PD-16	**Vehicle Releases:**				
PO24	PD-16a	Vehicle Releases / Enforcement	Each	$68	$63	User Fee
PO25	PD-16b	Vehicle Releases / Abandonment	Each	$68	$63	User Fee
PO26	PD-17	Film Crew	Each	$663	$663	User Fee
PO27	PD-18	Reposessed Vehicle Release	Each	$15	$15	GOV § 26751

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Fire				
Annual Permits				
FD1	FD-1	Aerosol Products	Each	$281
FD4	FD-2	Asbestos/Lead Coating Removal	Each	$431
FD5	FD-3	Automobile Wrecking Yard	Each	$290
FD6	FD-4	**Apartment House (incl. condos & congregate res.)**		
	FD-4a	3 units to 10 units	Each	$290
	FD-4b	11 units to 20 units	Each	$365
	FD-4c	Greater than 20 units	Each	$365
		Per Unit Over 20	Per Unit	$1.30
FD7	FD-5	Battery system	Each	$144
FD8	FD-6	Candles or Open Flames in Assembly Areas (may combine with assembly permit	Each	$144
FD9	FD-7	Carnivals or Fairs	Each	$431
FD11	FD-8	Cellulose Nitrate Storage	Each	$361
FD12	FD-9	Combustible Fiber Storage	Each	$290
FD13	FD-10	Combustible Material Storage	Each	$290
FD14	FD-11	Compressed Gases (in excess of the amts. listed in CFC, Table 105-A)	Each	$290
FD15	FD-12	Commercial Rubbish Handling Plant	Each	$420
FD16	FD-13	Cryogen's (in excess of the amounts listed in CFC, Table 105-B)	Each	$431
FD17	FD-14	Dry Cleaning Plants	Each	$290
FD18	FD-15	Dust Producing Operations	Each	$290
FD19	FD-16	Explosives or Blasting Agents	Each	$431
FD21	FD-17	Fireworks Display (fees for standby Fire staff, when req'd, are add'l) $420	Each	$431
FD22	FD-18	Flammable or Combustible Liquid Pipeline	Each	$431
FD23	FD-19	To Store, Handle or Use Flam/Combust. Liquids	Each	$215

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Fire						
Annual Permits						
FD1	FD-1	Aerosol Products	Each	$284	$284	User Fee
FD4	FD-2	Asbestos/Lead Coating Removal	Each	$465	$465	User Fee
FD5	FD-3	Automobile Wrecking Yard	Each	$310	$310	User Fee
FD6	FD-4	**Apartment House (incl. condos & congregate res.)**				
	FD-4a	3 units to 10 units	Each	$310	$310	User Fee
	FD-4b	11 units to 20 units	Each	$387	$387	User Fee
	FD-4c	Greater than 20 units	Each	$387	$387	User Fee
		Per Unit Over 20	Per Unit	$1.72	$1.72	User Fee
FD7	FD-5	Battery system	Each	$155	$155	User Fee
FD8	FD-6	Candles or Open Flames in Assembly Areas (may combine with assembly permit	Each	$155	$155	User Fee
FD9	FD-7	Carnivals or Fairs	Each	$465	$465	User Fee
FD11	FD-8	Cellulose Nitrate Storage	Each	$387	$387	User Fee
FD12	FD-9	Combustible Fiber Storage	Each	$310	$310	User Fee
FD13	FD-10	Combustible Material Storage	Each	$310	$310	User Fee
FD14	FD-11	Compressed Gases (in excess of the amts. listed in CFC, Table 105-A)	Each	$310	$310	User Fee
FD15	FD-12	Commercial Rubbish Handling Plant	Each	$465	$465	User Fee
FD16	FD-13	Cryogen's (in excess of the amounts listed in CFC, Table 105-B)	Each	$465	$465	User Fee
FD17	FD-14	Dry Cleaning Plants	Each	$310	$310	User Fee
FD18	FD-15	Dust Producing Operations	Each	$310	$310	User Fee
FD19	FD-16	Explosives or Blasting Agents	Each	$465	$465	User Fee
FD21	FD-17	Fireworks Display (fees for standby Fire staff, when req'd, are add'l) $420	Each	$465	$465	User Fee
FD22	FD-18	Flammable or Combustible Liquid Pipeline	Each	$465	$465	User Fee
FD23	FD-19	To Store, Handle or Use Flam/Combust. Liquids	Each	$232	$232	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
FD24	FD-20	Flammable or Combustible Liquids in Tanks, vessels > 60 gal. capacity); largest	Each	$431
	FD-21	**Up to 10,000 gallons tank size:**		
	FD-21a	1 tank	Each	$418
	FD-21b	2-3 tanks		
		Base	Base	$418
		Each Additional Tank Over the First	Each Addl Tank	$125
		3 + tanks		
		Base	Base	$558
		Each Additional Tank Over the First	Each Addl Tank	$290
	FD-22	**Over 10,000 to 100,000 gallons tank size:**		
	FD-22a	1 tank	Each	$629
	FD-22b	2-3 tanks		
		Base	Base	$629
		Each Additional Tank Over the First	Each Addl Tank	$290
	FD-22c	3+ tanks		
		Base	Base	$834
		Each Additional Tank Over the First	Each Addl Tank	$290
	FD-23	**Over 100,000 gallons tank size:**		
	FD-23a	1 tank	Each	$1,256
	FD-23b	2-3 tanks		
		Base	Base	$1,256
		Each Additional Tank Over the First	Each Addl Tank	$312
	FD-23c	3+ tanks		
		Base	Base	$1,256
		Each Additional Tank Over the First	Each Addl Tank	$312
FD26	FD-24	Tank Vehicles	Each	$215
FD27	FD-25	Install, Alter, Remove, Abandon, Place Temporarily Any	Each	$578
FD30	FD-26	**Fumigation or Thermal Insecticidal Fogging:**	Each	$215
FD31	FD-26a	Hazardous Materials (to store, disperse, handle amounts in excess of the quantities listed in CFC table 105.620) (for cryogens, compressed gasses, flammable or comubustible liquids, and liquified petroleum gases, see respective permit categories elsewhere in this fee schedule)	Each	refer to Hazardous material table HM-1
FD32	FD-27	High-Piled Combustible Storage	Each	$431
FD33	FD-28	High-Rise Building Annual Inspection	Each	$431
FD34	FD-29	Hot work operations:	Each	$216
FD35	FD-30	Hotels, Motels and Lodging Houses	Each	$290
FD36	FD-31	Liquefied Petroleum Gases (except portable containers <125	Each	$290

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
FD24	FD-20	Flammable or Combustible Liquids in Tanks, vessels > 60 gal. capacity); largest	Each	$465	$465	User Fee
	FD-21	**Up to 10,000 gallons tank size:**				
	FD-21a	1 tank	Each	$439	$439	User Fee
	FD-21b	2-3 tanks				
		Base	Base	$439	$439	User Fee
		Each Additional Tank Over the First	Each Addl Tank	$129	$129	User Fee
		3 + tanks				
		Base	Base	$594	$594	User Fee
		Each Additional Tank Over the First	Each Addl Tank	$310	$310	User Fee
	FD-22	**Over 10,000 to 100,000 gallons tank size:**				
	FD-22a	1 tank	Each	$672	$672	User Fee
	FD-22b	2-3 tanks				
		Base	Base	$672	$672	User Fee
		Each Additional Tank Over the First	Each Addl Tank	$310	$310	User Fee
	FD-22c	3+ tanks				
		Base	Base	$879	$879	User Fee
		Each Additional Tank Over the First	Each Addl Tank	$310	$310	User Fee
	FD-23	**Over 100,000 gallons tank size:**				
	FD-23a	1 tank	Each	$1,344	$1,344	User Fee
	FD-23b	2-3 tanks				
		Base	Base	$1,344	$1,344	User Fee
		Each Additional Tank Over the First	Each Addl Tank	$336	$336	User Fee
	FD-23c	3+ tanks				
		Base	Base	$1,344	$1,344	User Fee
		Each Additional Tank Over the First	Each Addl Tank	$336	$336	User Fee
FD26	FD-24	Tank Vehicles	Each	$232	$232	User Fee
FD27	FD-25	Install, Alter, Remove, Abandon, Place Temporarily Any	Each	$620	$620	User Fee
FD30	FD-26	**Fumigation or Thermal Insecticidal Fogging:**	Each		$215	User Fee
FD31	FD-26a	Hazardous Materials (to store, disperse, handle amounts in excess of the quantities listed in CFC table 105.620) (for cryogens, compressed gasses, flammable or comubustible liquids, and liquified petroleum gases, see respective permit categories elsewhere in this fee schedule)	Each		refer to Hazardous material table HM-1	User Fee
FD32	FD-27	High-Piled Combustible Storage	Each	$465	$465	User Fee
FD33	FD-28	High-Rise Building Annual Inspection	Each	$465	$465	User Fee
FD34	FD-29	Hot work operations:	Each	$232	$232	User Fee
FD35	FD-30	Hotels, Motels and Lodging Houses	Each	$310	$310	User Fee
FD36	FD-31	Liquefied Petroleum Gases (except portable containers <125	Each	$310	$310	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
FD37	FD-32	Liquid/Gas-Fueled Vehicles or Equipment in Assembly Buildi	Each	$216
FD38	FD-33	Lumber Yards (over 100,000 board feet)	Each	$290
FD39	FD-34	Magnesium Working	Each	$216
FD40	FD-35	Mall, Covered	Each	$431
FD41	FD-36	Motor vehicle fuel dispensing stations:	Each	$431
FD42	FD-37	Occupant Load Increase	Each	$290
FD43	FD-38	Open Burning	Each	$290
FD45	FD-39	Ovens, Industrial Baking or Drying	Each	$290
FD47	FD-40	**Places of Assembly (churches, schools, NPOs permitted at no fee)**		
	FD-40a	A-1, A-2, A-2.1	Each	$341
	FD-40b	A-3, A-4	Each	$279
	FD-40c	Special Assembly events	Each	$279
FD48	FD-41	Pyrotechnic Special Effects Material (fees for standby Fire st	Each	$426
FD50	FD-42	Refrigeration Equipment	Each	$216
FD51	FD-43	Repair Garage	Each	$290
FD52	FD-44	Spraying or Dipping	Each	$290
FD53	FD-45	Temporary membrane structures, tents, and canopies	Each	$290
FD54	FD-46	Tire Storage	Each	$290
FD55	FD-47	Wood Products (over 200 cu. ft.)	Each	$290
Other Fire Fees				
FD68	FD-48	Copy of Fire Report	Each	$22
FD69	FD-49	False Alarm in Excess of 3 per Calendar Year (accidental or equipment)	Each	$180
FD70	FD-50	Fire Hazard Abatement performed by City or City Contractor (including, but not limited to, combustible or flammable vegetation removal)	Each	Abatement cost plus administrative fee
FD72	FD-51	New Business Fire Inspection	Each	$218
FD74	FD-52	Re-Inspection Fee (for each following second re-inspection)	Each	$148
FD75	FD-53	**Standby Engine Company**		
	FD-53a	First Hour	Base	$370
	FD-53b	Each Additional Half Hour	Each Addl 30 Min.	$108
FD76	FD-54	Standby Firefighter (1 hour minimum)	Per Hour	$119
FD77	FD-55	Work Performed after Normal Working Hours (Callback is a 3-hr min)	Per Hour	$216
	FD-56	Expedited Plan Review	Each	New

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
FD37	FD-32	Liquid/Gas-Fueled Vehicles or Equipment in Assembly Buildi	Each	$232	$232	User Fee
FD38	FD-33	Lumber Yards (over 100,000 board feet)	Each	$310	$310	User Fee
FD39	FD-34	Magnesium Working	Each	$232	$232	User Fee
FD40	FD-35	Mall, Covered	Each	$465	$465	User Fee
FD41	FD-36	Motor vehicle fuel dispensing stations:	Each	$465	$465	User Fee
FD42	FD-37	Occupant Load Increase	Each	$310	$310	User Fee
FD43	FD-38	Open Burning	Each	$310	$310	User Fee
FD45	FD-39	Ovens, Industrial Baking or Drying	Each	$310	$310	User Fee
FD47	FD-40	**Places of Assembly (churches, schools, NPOs permitted at no fee)**				
	FD-40a	A-1, A-2, A-2.1	Each	$362	$362	User Fee
	FD-40b	A-3, A-4	Each	$284	$284	User Fee
	FD-40c	Special Assembly events	Each	$284	$284	User Fee
FD48	FD-41	Pyrotechnic Special Effects Material (fees for standby Fire st	Each	$465	$465	User Fee
FD50	FD-42	Refrigeration Equipment	Each	$232	$232	User Fee
FD51	FD-43	Repair Garage	Each	$310	$310	User Fee
FD52	FD-44	Spraying or Dipping	Each	$310	$310	User Fee
FD53	FD-45	Temporary membrane structures, tents, and canopies	Each	$310	$310	User Fee
FD54	FD-46	Tire Storage	Each	$310	$310	User Fee
FD55	FD-47	Wood Products (over 200 cu. ft.)	Each	$310	$310	User Fee
Other Fire Fees						
FD68	FD-48	Copy of Fire Report	Each	$25	$25	User Fee
FD69	FD-49	False Alarm in Excess of 3 per Calendar Year (accidental or equipment)	Each	$310	$310	User Fee
FD70	FD-50	Fire Hazard Abatement performed by City or City Contractor (including, but not limited to, combustible or flammable vegetation removal)	Each		Abatement cost plus administrative fee	User Fee
FD72	FD-51	New Business Fire Inspection	Each	$232	$232	User Fee
FD74	FD-52	Re-Inspection Fee (for each following second re-inspection)	Each	$155	$155	User Fee
FD75	FD-53	**Standby Engine Company**				
	FD-53a	First Hour	Base	$677	$677	User Fee
	FD-53b	Each Additional Half Hour	Each Addl 30 Min.	$338	$338	User Fee
FD76	FD-54	Standby Firefighter (1 hour minimum)	Per Hour	$215	$215	User Fee
FD77	FD-55	Work Performed after Normal Working Hours (Callback is a 3-hr min)	Per Hour	$248	$248	User Fee
	FD-56	Expedited Plan Review	Each	1.5x Plan Review	1.5x Plan Review	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	FD-57	Alternate Methods / Materials Request Fee	Per Hour	New
Construction Fire Permit Fees:				
	FD-58	**Automatic Sprinkler System Permit (installation of suspended piping larger than**		
FD56	FD-58a	For other than 1 and 2 family dwellings:		
		New (per sq. ft.)	Per Sq Ft	$0.26
		Minimum Fee	Each	$330.00
		Alteration (per sq. ft. of protected area,)	Per Sq Ft	$0.26
		Minimum Fee	Each	$206.00
FD57	FD-58b	One and Two-family dwellings:		
		New (per sq. ft.)	Per Sq Ft	$0.26
		Minimum Fee	Each	$218
		Alteration (per sq. ft. of protected area)	Per Sq Ft	$0.26
		Minimum Fee	Each	$136
FD 58	FD-59	Fixed Extinguishing System Permit: New and Upgrade Installations	Each	$456
FD 59	FD-60	Fire Plan Check and resubmittal	Per submittal	$150
FD60	FD-61	Fire Alarm Permit	Per 3,000 sq. ft.	$228
FD61	FD-62	Construction, Alteration & Renovation Permit	Per 3,000 sq. ft.	$198
	FD-63	Emergency Responder Radio Coverage	Each	New
FD62	FD-64	Gas Piping System Installation Permit	Each	$361
FD63	FD-65	Underground Fire Protection Piping Permit	Each	$479
FD64	FD-66	Consultant Service Fee (actual cost plus admin fee)	Per Hour	$57
FD67	FD-67	Document Review (per hour)	Per Hour	$144
FD71	FD-68	Hydrant Flow Test	Each	$643
FD73	FD-69	Other Services (per half hour and portion thereof)	Per Half Hour	$72
FD74	FD-70	Re-Inspection Fee (for each following second re-inspection)	Each	$148

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	FD-57	Alternate Methods / Materials Request Fee	Per Hour	$310	$310	User Fee
Construction Fire Permit Fees:						
	FD-58	**Automatic Sprinkler System Permit (installation of suspended piping larger than**				
FD56	FD-58a	For other than 1 and 2 family dwellings:				
		New (per sq. ft.)	Per Sq Ft	$0.33	$0.33	User Fee
		Minimum Fee	Each	$450	$450	User Fee
		Alteration (per sq. ft. of protected area,)	Per Sq Ft	$0.17	$0.17	User Fee
		Minimum Fee	Each	$300	$300	User Fee
FD57	FD-58b	One and Two-family dwellings:				
		New (per sq. ft.)	Per Sq Ft	$0.42	$0.42	User Fee
		Minimum Fee	Each	$300	$300	User Fee
		Alteration (per sq. ft. of protected area)	Per Sq Ft	$0.25	$0.25	User Fee
		Minimum Fee	Each	$200	$200	User Fee
FD 58	FD-59	Fixed Extinguishing System Permit: New and Upgrade Installations	Each	$450	$450	User Fee
FD 59	FD-60	Fire Plan Check and resubmittal	Per submittal	$150	$150	User Fee
FD60	FD-61	Fire Alarm Permit	Per 3,000 sq. ft.	$250	$250	User Fee
FD61	FD-62	Construction, Alteration & Renovation Permit	Per 3,000 sq. ft.	$200	$200	User Fee
	FD-63	Emergency Responder Radio Coverage	Each	$450	$450	User Fee
FD62	FD-64	Gas Piping System Installation Permit	Each	$375	$375	User Fee
FD63	FD-65	Underground Fire Protection Piping Permit	Each	$525	$525	User Fee
FD64	FD-66	Consultant Service Fee (actual cost plus admin fee)	Per Hour	$300	$300	User Fee
FD67	FD-67	Document Review (per hour)	Per Hour	$300	$300	User Fee
FD71	FD-68	Hydrant Flow Test	Each	$650	$650	User Fee
FD73	FD-69	Other Services (per half hour and portion thereof)	Per Half Hour	$150	$150	User Fee
FD74	FD-70	Re-Inspection Fee (for each following second re-inspection)	Each	$300	$300	User Fee

Old Item No.	New Item No.	Fee Name		Unit	Current Fee
Hazardous Materials Table Schedule:					
HM1	HM-1.1	**Range**	**Solids (pounds)**		
		1	0 to 500	Each	$408
		2	>500 to 5,000	Each	$571
		3	>5,000 to 25,000	Each	$765
		4	>25,000 to 50,000	Each	1114
		5	>50,000 to 80,000	Each	$1,613
		6	>80,000 to 120,000	Each	$2,334
		7	>120,000	Each	$3,037
	HM-1.2	**Range**	**Liquids (gallons)**		
		1	0 to 55	Each	$408
		2	>55 to 550	Each	$571
		3	>550 to 2,750	Each	$764
		4	>2,750 to 5,500	Each	$1,114
		5	>5,500 to 10,000	Each	$1,613
		6	>10,000 to 15,000	Each	$2,334
		7	> 15,000	Each	3037
	HM-1.3	**Range**	**Gas (cubic feet)**		
		1	0 to 200	Each	$316
		2	>200 to 2,000	Each	$571
		3	>2,000 to 10,000	Each	$764
		4	>10,000 to 20,000	Each	$1,114
		5	>20,000 to 40,000	Each	$1,613
		6	>40,000 to 60,000	Each	$2,334
		7	>60,000	Each	$3,037

Old Item No.	New Item No.	Fee Name		Unit	Total Cost	Recommended Fee	Fee Type
Hazardous Materials Table Schedule:							
HM1	HM-1.1	**Range**	**Solids (pounds)**				
		1	0 to 500	Each	$450	$450	User Fee
		2	>500 to 5,000	Each	$600	$600	User Fee
		3	>5,000 to 25,000	Each	$800	$800	User Fee
		4	>25,000 to 50,000	Each	$1,151	$1,151	User Fee
		5	>50,000 to 80,000	Each	$1,651	$1,651	User Fee
		6	>80,000 to 120,000	Each	$2,402	$2,402	User Fee
		7	>120,000	Each	$3,153	$3,153	User Fee
	HM-1.2	**Range**	**Liquids (gallons)**				
		1	0 to 55	Each	$450	$450	User Fee
		2	>55 to 550	Each	$600	$600	User Fee
		3	>550 to 2,750	Each	$800	$800	User Fee
		4	>2,750 to 5,500	Each	$1,151	$1,151	User Fee
		5	>5,500 to 10,000	Each	$1,651	$1,651	User Fee
		6	>10,000 to 15,000	Each	$2,402	$2,402	User Fee
		7	> 15,000	Each	$3,153	$3,153	User Fee
	HM-1.3	**Range**	**Gas (cubic feet)**				
		1	0 to 200	Each	$375	$375	User Fee
		2	>200 to 2,000	Each	$600	$600	User Fee
		3	>2,000 to 10,000	Each	$800	$800	User Fee
		4	>10,000 to 20,000	Each	$1,151	$1,151	User Fee
		5	>20,000 to 40,000	Each	$1,651	$1,651	User Fee
		6	>40,000 to 60,000	Each	$2,402	$2,402	User Fee
		7	>60,000	Each	$3,153	$3,153	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
Public Works				
Grading Permits				
PW 1	PW-1	**Grading Permit - Plan Check:**		
	PW-1a	0-5 cub. yds. (no permit required)	Each	$0
	PW-1b	6-50 cub. yds.	Each	$115
	PW-1c	51-100 cub. yds.	Each	$115
	PW-1d	101-1,000 cub. yds.	Each	$463
	PW-1e	1,001-10,000 cub. yds.	Each	$929
	PW-1f	10,001-100,000 cub. yds.	Each	$4,993
	PW-1g	100,001-200,000 cub. yds.	Each	$8,323
	PW-1h	200,000 or more cub. yds.	Each	$16,650
	PW-1i	3rd and subsequent Plan Checks	Per Hour	New
PW 1a	PW-2	Geotechnical Peer Review	Deposit	$5,000
PW 2	PW-3	**Grading Permit - Inspection:**		
	PW-3a	0-5 cub. yds. (no permit required)	Each	$0
	PW-3b	6-50 cub. yds.	Each	$460
	PW-3c	51-100 cub. yds.	Each	$923
	PW-3d	101-1,000 cub. yds.	Each	$16,528
	PW-3e	1,001-10,000 cub. yds.	Each	$24,799
	PW-3f	10,001-100,000 cub. yds.	Each	$10,000
	PW-3g	100,000 - 200,000 cub. yds.	Each	$10,000
	PW-3h	200,000 + cub. yds.	Each	$10,000
	PW-3i	3rd and subsequent Inspections	Per Hour	New
PW 2a	PW-4	**Grading Permit - SWPPP Compliance**		
	PW-4a	Single Parcel (assessed every 2 reviews)		
		Single Parcel (assessed every 2 reviews): Admin + Inspection	Each	$162
		Force Account for Remediation	Deposit	$591
	PW-4b	Subdivision subject to Map Act Provisions (assessed every 2 reviews)		
		Subdivision subject to Map Act Provisions (assessed every 2 reviews): Admin + Inspection	Each	$651
		Force Account for Remediation	Deposit	Actual Cost of Erosion Control Plan

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
Public Works						
Grading Permits						
PW 1	PW-1	**Grading Permit - Plan Check:**				
	PW-1a	0-5 cub. yds. (no permit required)	Each		$0	User Fee
	PW-1b	6-50 cub. yds.	Each	$183	$183	User Fee
	PW-1c	51-100 cub. yds.	Each	$258	$258	User Fee
	PW-1d	101-1,000 cub. yds.	Each	$484	$484	User Fee
	PW-1e	1,001-10,000 cub. yds.	Each	$935	$935	User Fee
	PW-1f	10,001-100,000 cub. yds.	Each	$5,444	$5,444	User Fee
	PW-1g	100,001-200,000 cub. yds.	Each	$9,052	$9,052	User Fee
	PW-1h	200,000 or more cub. yds.	Each	$16,568	$16,568	User Fee
	PW-1i	3rd and subsequent Plan Checks	Per Hour	$300	$300	User Fee
PW 1a	PW-2	Geotechnical Peer Review	Deposit	$5,000	$5,000	Deposit
PW 2	PW-3	**Grading Permit - Inspection:**				
	PW-3a	0-5 cub. yds. (no permit required)	Each		$0	User Fee
	PW-3b	6-50 cub. yds.	Each	$549	$549	User Fee
	PW-3c	51-100 cub. yds.	Each	$1,238	$1,238	User Fee
	PW-3d	101-1,000 cub. yds.	Each	$3,477	$3,477	User Fee
	PW-3e	1,001-10,000 cub. yds.	Each	$6,922	$6,922	User Fee
	PW-3f	10,001-100,000 cub. yds.	Each	$13,812	$13,812	User Fee
	PW-3g	100,000 - 200,000 cub. yds.	Each	$17,257	$17,257	User Fee
	PW-3h	200,000 + cub. yds.	Each	$25,869	$25,869	User Fee
	PW-3i	3rd and subsequent Inspections	Per Hour	$172	$172	User Fee
PW 2a	PW-4	**Grading Permit - SWPPP Compliance**				
	PW-4a	Single Parcel (assessed every 2 reviews)				
		Single Parcel (assessed every 2 reviews): Admin + Inspection	Each	$269	$269	User Fee
		Force Account for Remediation	Deposit	$645	$645	Deposit
	PW-4b	Subdivision subject to Map Act Provisions (assessed every 2 reviews)				
		Subdivision subject to Map Act Provisions (assessed every 2 reviews): Admin + Inspection	Each	$656	$656	User Fee
		Force Account for Remediation	Deposit	$645	$645	Deposit

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	PW-4c	Development subject to C.3 Provisions (assessed every 2 reviews)		
		Development subject to C.3 Provisions (assessed every 2 reviews): Admin + Inspection	Each	$1,306
		Force Account for Remediation	Deposit	Actual Cost of Erosion Control Plan
Misc. Permits				
PW 4	PW-5	**Special Permit (after hours work):**		
	PW-5a	Special Permit (after hours work)	Per Hour	$233
	PW-5b	Inspection / Work	Deposit	$500
PW 7	PW-6	Truck Haul Permit	Each	$115
PW 7a	PW-7	Truck Haul Impact Fee (per cubic yard, $90 minimum fee)	Per Cubic Yd	$0.60
PW 7b	PW-8	Late Fee related to Truck Haul Permits	% per month	1%
PW 8	PW-9	**Encroachment Permit**		
	PW-9c	Cost of ROW Improvements		
		Up to $49,999	Base	New
		$50,000	Base	New
		each additional $10,000 or fraction thereof	Each Addl $10,000	New
		$100,000	Base	New
		each additional $10,000 or fraction thereof	Each Addl $10,000	New
		$250,000	Base	New
		each additional $10,000 or fraction thereof	Each Addl $10,000	New
		$500,000	Base	New
		each additional $10,000 or fraction thereof	Each Addl $10,000	New
		$1,000,000+	Base	New
		each additional $100,000 or fraction thereof	Each Addl $100,000	New
PW 9	PW-10	**Site Work Permit:**		
PW 9a	PW-10a	Engineering Review (assessed every 2 reviews)	Each	$461
PW 9b	PW-10b	Fast Track Review	Per Occurance	$442
PW 10	PW-11	Tentative Parcel Map Review	Each	$629
PW 11	PW-12	**Final Parcel Map Review:**		
	PW-12a	Final Parcel Map Review	Each	$629
	PW-12b	Land Surveyor Review	Deposit	$1,500
PW 12	PW-13	**Water Service Inspection and Meter:**		
	PW-13a	5/8" meter - Inspection & Meter Cost	Each	$551
	PW-13b	3/4" meter - Inspection & Meter Cost	Each	$569
	PW-13c	1" meter - Inspection & Meter Cost	Each	$607

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	PW-4c	Development subject to C.3 Provisions (assessed every 2 reviews)				
		Development subject to C.3 Provisions (assessed every 2 reviews): Admin + Inspection	Each	$1,451	$1,451	User Fee
		Force Account for Remediation	Deposit	$645	$645	Deposit
Misc. Permits						
PW 4	PW-5	**Special Permit (after hours work):**				
	PW-5a	Special Permit (after hours work)	Per Hour	$214	$214	User Fee
	PW-5b	Inspection / Work	Deposit	$500	$500	Deposit
PW 7	PW-6	Truck Haul Permit	Each	$108	$108	User Fee
PW 7a	PW-7	Truck Haul Impact Fee (per cubic yard, $90 minimum fee)	Per Cubic Yd		$0.60	Impact Fee
PW 7b	PW-8	Late Fee related to Truck Haul Permits	% per month		1%	Penalty
PW 8	PW-9	**Encroachment Permit**				
	PW-9c	Cost of ROW Improvements				
		Up to $49,999	Base	$1,529	$1,529	User Fee
		$50,000	Base	$1,529	$1,529	User Fee
		each additional $10,000 or fraction thereof	Each Addl $10,000	$224	$224	User Fee
		$100,000	Base	$2,647	$2,647	User Fee
		each additional $10,000 or fraction thereof	Each Addl $10,000	$262	$262	User Fee
		$250,000	Base	$6,584	$6,584	User Fee
		each additional $10,000 or fraction thereof	Each Addl $10,000	$144	$144	User Fee
		$500,000	Base	$10,176	$10,176	User Fee
		each additional $10,000 or fraction thereof	Each Addl $10,000	$85	$85	User Fee
		$1,000,000+	Base	$14,421	$14,421	User Fee
		each additional $100,000 or fraction thereof	Each Addl $100,000	$21	$21	User Fee
PW 9	PW-10	**Site Work Permit:**				
PW 9a	PW-10a	Engineering Review (assessed every 2 reviews)	Each	$601	$601	User Fee
PW 9b	PW-10b	Fast Track Review	Per Occurance	$579	$579	User Fee
PW 10	PW-11	Tentative Parcel Map Review	Each	$676	$676	User Fee
PW 11	PW-12	**Final Parcel Map Review:**				
	PW-12a	Final Parcel Map Review	Each	$901	$901	User Fee
	PW-12b	Land Surveyor Review	Deposit	$5,000	$5,000	Deposit
PW 12	PW-13	**Water Service Inspection and Meter:**				
	PW-13a	5/8" meter - Inspection & Meter Cost	Each	$1,104	$1,104	User Fee
	PW-13b	3/4" meter - Inspection & Meter Cost	Each	$1,245	$1,245	User Fee
	PW-13c	1" meter - Inspection & Meter Cost	Each	$1,370	$1,370	User Fee

Old Item No.	New Item No.	Fee Name	Unit	Current Fee
	PW-13d	1.5" Meter - Inspection & Meter Cost	Each	$961
	PW-13e	2" meter - Inspection & Meter Cost	Each	$1,522
	PW-13f	3" meter - Inspection & Meter Cost	Each	$2,663
	PW-13g	4" meter - Inspection & Meter Cost	Each	$3,092
PW 13	PW-14	**Sanitary Sewer Lateral Service - Inspection:**		
	PW-14a	Single Family Unit	Each	$353
	PW-14b	Multiple Unit Dwelling	Each	$706
	PW-14c	Commercial, Industrial, Public & Other Uses	Each	$706
PW 14	PW-15	**Final Subdivision Map:**		
	PW-15a	Base	Each	$8,025
	PW-15b	Per Lot	Per Lot	$500
PW 15	PW-16	Fire Hydrant Flow Test	Each	$755
PW 16	PW-17	**Water, Sewer, Storm Drain system capacity modeling:**		
	PW-17a	City Staff Cost	Each	$450
	PW-17b	Consultant Modeling	Deposit	$5,000
	PW-18	**Impact to Street**		
	PW-18a	Potholing	Per opening	New
	PW-18b	Trenching	Per L.F.	New

Old Item No.	New Item No.	Fee Name	Unit	Total Cost	Recommended Fee	Fee Type
	PW-13d	1.5" Meter - Inspection & Meter Cost	Each	$1,859	$1,859	User Fee
	PW-13e	2" meter - Inspection & Meter Cost	Each	$2,203	$2,203	User Fee
	PW-13f	3" meter - Inspection & Meter Cost	Each	$4,154	$4,154	User Fee
	PW-13g	4" meter - Inspection & Meter Cost	Each	$4,918	$4,918	User Fee
PW 13	PW-14	**Sanitary Sewer Lateral Service - Inspection:**				
	PW-14a	Single Family Unit	Each	$764	$764	User Fee
	PW-14b	Multiple Unit Dwelling	Each	$1,108	$1,108	User Fee
	PW-14c	Commercial, Industrial, Public & Other Uses	Each	$1,183	$1,183	User Fee
PW 14	PW-15	**Final Subdivision Map:**				
	PW-15a	Base	Each	$8,418	$8,418	User Fee
	PW-15b	Per Lot	Per Lot	$526	$526	User Fee
PW 15	PW-16	Fire Hydrant Flow Test	Each	$799	$799	User Fee
PW 16	PW-17	**Water, Sewer, Storm Drain system capacity modeling:**				
	PW-17a	City Staff Cost	Each	$628	$628	User Fee
	PW-17b	Consultant Modeling	Deposit	$5,000	$5,000	Deposit
	PW-18	**Impact to Street**				
	PW-18a	Potholing	Per opening		$500.00	Mitigation Fee
	PW-18b	Trenching	Per L.F.		$6.50	Mitigation Fee