

118-0302025-002

Agenda Item **No. 5(A)**
Meeting of January 12, 2026**MEMORANDUM****TO:** Oversight Board**FROM:** Thor Kaslofsky, Executive Director**SUBJECT:** Approving an amendment to the Mission Bay South Owner Participation Agreement to allow additional affordable housing units consistent with Section 34177.7 (a) (1) (C) of the Redevelopment Dissolution Law; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

The Successor Agency to the San Francisco Redevelopment Agency, commonly known as the Office of Community Investment and Infrastructure (the “Successor Agency” or “OCII”) is implementing the “enforceable obligations” of the former Redevelopment Agency of the City and County of San Francisco (“Former Agency”). One of OCII’s enforceable obligations is the development program described in the Mission Bay South Owner Participation Agreement (“South OPA”) with FOCIL-MB LLC, a subsidiary of Farallon Capital Management LLC (“FOCIL”).

The South OPA authorizes 1,218 affordable housing units within the Mission Bay South Project Area (“Project Area”) and designates certain sites for Successor Agency-sponsored affordable housing (“Agency Affordable Housing Parcels”). A total of 1,053 affordable housing units have been constructed to date. There are two remaining Agency Affordable Housing Parcels for development: Block 4 East (“Block 4E”) and Block 12 West (“Block 12W”).

In 2023, OCII initiated development on Block 4E through a competitive selection process for a development team, and subsequent authorization of an Exclusive Negotiations Agreement and predevelopment loan. In 2025, the development team proposed a project comprised of 398 total affordable rental housing units in two separately financed and constructed buildings the “Project(s).” The building on the southern half of Block 4E is 165 units (the “Phase I Project”), and the building on the northern half of Block 4E (the “Phase II Project”) is 233 units.

On November 18, 2025, the Successor Agency Commission conditionally approved, by Resolution No. 34-2025, a tenth amendment to the South OPA (the “OPA Amendment”), attached as Exhibit A to Oversight Board Resolution No. 01-2026 accompanying this memorandum. Along with the OPA Amendment, the Successor Agency Commission approved a series of additional actions to facilitate development of the Project, including approvals for 165 affordable units in the Phase I Project, thereby reaching the limit of 1,218 affordable housing permitted under the South OPA. The Successor Agency Commission also took actions to approve the Phase II Project, including an increase in the allowable number of units as well as the maximum height on Block 4E.

The OPA Amendment increases the number of affordable housing units by approximately 250 units (the “Additional Affordable Units”) to allow for the development of the Phase II Project, provided, however, that the funding for these Additional Affordable Units shall rely on financing authorized under recent amendments to the Redevelopment Dissolution Law. This new financing only utilizes property tax revenues that pass through to the City and County of San Francisco (“City”).

The OPA Amendment is “in the best interests of the taxing entities,” Cal Health & Safety Code § 34181(e), because it would approve Additional Affordable Units without decreasing the allocation of property tax revenues to the taxing entities, except for the City. The OPA Amendment strengthens the overall tax base by promoting both short-term and long-term economic activity, including generating construction jobs and contracting opportunities, increasing associated sales and use tax revenue, ongoing employment and income tax revenue through new housing opportunities and by enabling additional lower income residents to live and work within the Project Area and San Francisco.

The Successor Agency recommends that the Oversight Board approve the OPA Amendment to the South OPA.

DISCUSSION

In 1998, the Former Agency, now OCII, and the original landowner and master developer, Catellus Development Corporation (“Catellus”) entered into the South OPA, which was later assigned to FOCIL. The Mission Bay South Housing Program, Attachment C to the South OPA (“Housing Program”), designates approximately 12 acres for Agency Affordable Housing Parcels for the development of Successor Agency sponsored affordable housing. The South OPA further authorizes development of up to 1,218 units on the Agency Affordable Housing Parcels. To date, OCII has completed 1,053 Affordable Housing Units in the Project Area.

The Project Area is nearing full buildout, with just two Agency Affordable Housing Parcels, 11 acres of parks and open space, a stormwater pump station near 4th and Channel Streets, and a fire fighting water suction inlet near the eastern waterfront still to be constructed. The South OPA expires in late 2028.

On October 11, 2023, Governor Newsom approved SB 593, which amended Redevelopment Dissolution Law to allow OCII to “enter into any contracts or arrangements that are related to the development, construction, repair, renovation, or reconstruction of [up to 5,482 units of affordable housing] (“Replacement Housing”) so long as the expenses of any of those arrangements are paid solely from property tax revenues available in the Redevelopment Property Tax Trust Fund to the extent the property tax revenues represent the amount of revenues on deposit in the Redevelopment Property Tax Trust Fund that otherwise would have been distributed to the City pursuant to paragraph (4) of subdivision (a) of Section 34183 remaining after the payment of debt service on the bonds or debt for the applicable fiscal year.” Cal. Health & Safety Code Section 34177.7 (a) (1) (C) (iii). These revenues are referred to as the “Residual Funds.” Under this statutory authority, OCII is planning to enter into new contracts and increase the amount of affordable housing in the Project Area.

Block 4E

Block 4E is a 1.05-acre site (Assessor’s Block 8711, Lot 029B) that is currently undeveloped with a temporary surface parking lot use. It is bound by Third Street to the east, China Basin Street to the south, Mission Rock Street to the north, and an already completed market-rate housing development (Block 4 West) to the west. Block 4E is restricted as an Agency Affordable Housing Parcel.

In November 2023, OCII issued a request for qualifications for Block 4E, seeking a team to develop, own, and operate affordable rental housing units. Based on the results of an interdisciplinary panel, OCII staff recommended a team led by Curtis Development and Bayview Senior Services (the “Developers”). In

September 2024, the Successor Agency Commission authorized the OCII Executive Director to enter into an Exclusive Negotiations Agreement with the Developers as well as a Predevelopment Loan Agreement to fund predevelopment activities.

On November 18, 2025, the Successor Agency Commission took actions approving the Phase I Project and the Phase II Project. The Phase I Project is a 16-story, 160-foot-high, mixed-use 100% affordable family rental building consisting of 165 units with ground floor community-serving commercial. The Phase I Project relied on the remaining affordable housing permitted under the Housing Program and Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Phase II Project is a 23-story, 225-foot-high, 100% affordable family rental building with 233 units.

The Phase II Project requires amendments to the zoning under the Redevelopment Plan to increase the maximum building height from 160 feet to 250 feet and increase the number of dwelling units within the Project Area by an additional 250 affordable dwelling units, both on the northern one-half of Block 4E. The OPA Amendment is consistent with a proposed amendment to the Redevelopment Plan, which is pending before the City Board of Supervisors.

The OPA Amendment would increase the allowable number of Affordable Housing Units in the Project Area from approximately 1,218 to approximately 1,468, but only if the additional units meet the standards under SB 593. The OPA Amendment states, in part:

Notwithstanding the limit on the maximum number of Affordable Housing Units described above or elsewhere in the Mission Bay South Housing Program or the South OPA, the Agency may fund and cause the construction of the Additional Affordable Units, provided, however, that the Agency does not use tax increment financing authorized under the South OPA for the Additional Affordable units, but instead uses the financing for replacement housing units authorized under Senate Bill No. 593 (2023) (codified at Cal. Health & Safety Code Section 34177.7 (a) (1) (C)) or other financing available for affordable housing development.

Exhibit A to Oversight Board Resolution No. 01-2026 at pages 7-8. The 250 Additional Affordable Housing Units would be allocated to the Phase II Project on the northern one-half of Block 4E. As required under SB 593, the funding for the Additional Affordable Units will not decrease the allocation of property tax revenue to the taxing entities (except for the City) from the Redevelopment Property Tax Trust Fund.

TABLE 1: AMENDMENT TO SOUTH OPA

Document	Content Summary
Tenth Amendment to the South OPA	- Increase the number of affordable housing units by approximately 250 units (the “Additional Affordable Units”) to allow for the development of the Phase II Project, resulting in a total of approximately 1,468 affordable housing units, but only if those units meet the requirements of SB 593 for financing and affordability.

OVERSIGHT BOARD APPROVAL

After SB 593, Redevelopment Dissolution Law authorizes OCII to “enter into any contracts or arrangements that are related to the development, construction, repair, renovation, or reconstruction of [Replacement Housing] so long as the expenses of any of those arrangements are paid solely from [Residual Funds]” Cal. Health & Safety Code Section 34177.7 (a) (1) (C) (iii). These Residual Funds will be a source of funding over many years for construction of approximately 5,482 affordable units destroyed by the Former Agency and never replaced. SB 593 thus provides the authority for OCII to amend an enforceable obligation, such as the South OPA, to provide for Replacement Housing.

The OPA Amendment also meets the other standard in the Redevelopment Dissolution Law for amending an enforceable obligation, namely that the Oversight Board finds that amendments . . . would be in the best interests of the taxing entities.” Health and Safety Code Section 34181(e):

The oversight board shall direct the successor agency to . . . [d]etermine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be . . . renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed . . . amendment agreements to the oversight board for its approval. The board may approve any amendments to . . . those agreements if it finds that amendments or early termination would be in the best interests of the taxing entities.

Under this standard, an oversight board may consider all of the circumstances bearing on taxing entities’ interests. These circumstances include that the Project authorized under the OPA Amendment:

- limits/specifies the source of financing for the Additional Affordable Units,
- will not impact the allocation of property tax revenue to the taxing entities (except for the City, as authorized by Senate Bill 593 (2023)) from the Redevelopment Property Tax Trust Fund,
- further strengthens the overall tax base by promoting both short-term and long-term economic activity, including generating construction jobs and contracting opportunities,
- increases associated sales and use tax revenue, ongoing employment and income tax revenue through new housing opportunities, by enabling more residents to live and work within the Project Area and San Francisco, and reducing rent burden for those already living in the Project Area or San Francisco, and
- generates much-needed affordable housing consistent with San Francisco’s Housing Element and the identified unmet need for more than 82,069 new housing units by 2031 (including 46,598 affordable to extremely low- to moderate income households).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”)

Effective as of January 1, 2024, California Assembly Bill 1449 (2023), codified at Cal. Public Resources Code § 21080.40, (“AB 1449”) amended CEQA to exempt from environmental review various actions related to the approval of 100% affordable housing projects, including those requiring a rezoning or an amendment to a specific plan. To qualify for the AB 1449 affordable housing exemption, projects must satisfy several rigorous requirements centered on affordability, location, environmental constraints, labor

standards, and an administrative process. For the reasons stated below, OCII has determined that the Project meets the criteria for the CEQA exemption, which include the following:

- The Project is a 100% affordable housing project with at least two-thirds of the square footage of the Project designated for residential use.
- All residential units on Block 4E will be dedicated to lower-income households (earning no more than 70% of area median income as established annually by the California Tax Credit Allocation Committee (“TCAC”), excluding unrestricted manager units. The Project is subject to a recorded TCAC regulatory agreement prior to the issuance of building permits.
- The Sponsors, under conditions of approval of the Project, will comply with the prevailing wage requirements, offer employment opportunities to State of California-registered apprentices and provide health insurance to construction workers and their dependents.
- The Project site is located within an urbanized area, adequately served by existing utilities, and within a ½-mile walking distance of multiple major transit stops. The site is in a very low vehicle travel area, which is below the regional average daily Vehicle Miles Traveled per capita and is within one mile of more than six neighborhood amenities.
- The Project site is not located on sensitive lands such as wetlands, special flood hazard areas, high fire hazard severity zones, or hazardous waste sites. In advance of the Project’s approval, a Phase I Environmental Site Assessment was completed. Any identified hazardous conditions in a future Phase II assessment will be fully remediated before construction can begin.
- OCII, working with the City Archaeologist, has consulted with tribal leaders of the California Native American tribe affiliated with the geographic area regarding development of the site. Based on these consultations, the Sponsors will implement the following measures to mitigate any potential effects on tribal cultural resources within the Project site:
 - Archaeological Testing Program;
 - Native American Cultural Sensitivity Training and Monitoring;
 - Public Interpretation Land Acknowledgement; and
 - Focus on planting native species in new landscaping.

Upon approval of the OPA Amendment and other actions related to the Phase II Project, OCII staff will file a Notice of Exemption with the appropriate parties.

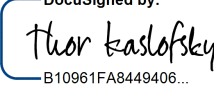
COMMUNITY OUTREACH

The Mission Bay Citizens Advisory Committee (“CAC”) has recommended the proposed project move forward for review and action. On October 9, 2025, the CAC voted unanimously to recommend the proposed Project.

NEXT STEPS

Upon Oversight Board approval of the requested actions, staff will submit Oversight Board Resolution No. 01–2026 and supporting documentation to the Department of Finance (“DOF”) for its review. DOF staff will indicate within a five-day period whether or not the item has been selected for review. If not, then the Resolution will be deemed approved. If selected for review, DOF will then have 40 days to approve or deny the Resolution. The City Board of Supervisors will consider an ordinance approving the zoning changes in the Redevelopment Plan amendment at a hearing scheduled for January 27, 2026 and, if approved, the amendments will become effective 90 days after final adoption of the ordinance. In the next fiscal year, the Successor Agency plans to seek review and approval of a bond issuance under the standards of SB 593 to fund the Additional Affordable Units authorized under the OPA Amendment

(Originated by Phillip Wong, Development Specialist)

DocuSigned by:

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Thor Kaslofsky
Executive Director

Attachment 1: Mission Bay Land Use Map

Attachment 2: Successor Agency Commission Resolution No. 34-2025

Attachment 1: Mission Bay Land Use Map

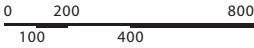


LEGEND:

Public Facility	Commercial
Parks	UCSF
Residential / Market Rate	UCSF Commercial
Residential / Affordable	
Hotel	

MISSION BAY
LAND USE MAP

October 2023



COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 34-2025

Adopted November 18, 2025

CONDITIONALLY APPROVING AN AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT IN CONNECTION WITH THE SECOND PHASE OF THE MISSION BAY SOUTH BLOCK 4 EAST AFFORDABLE HOUSING PROJECT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, The former Redevelopment Agency of the City and County of San Francisco (“Former Agency”) Commission approved the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”) by Resolution No. 190-98 (Sept. 17, 1998). Concurrently, the Former Agency Commission approved the Design for Development for the Mission Bay South Redevelopment Project Area (“D for D”) by Resolution No. 191-98, and a conditionally authorized execution of an Owner Participation Agreement (“South OPA”) with Catellus Development Corporation, a Delaware corporation (“Catellus”), by Resolution No. 193-98. The San Francisco Board of Supervisors (“Board of Supervisors”) adopted the Redevelopment Plan by Ordinance No. 335-98 (Nov. 2, 1998) and amended it by Ordinance Nos. 143-13 (July 9, 2013), 032-18 (Mar. 6, 2018), 128-20 (July 31, 2020), 209-20 (Oct. 1, 2020) and 014-21 (Feb. 12, 2021). Together, the Redevelopment Plan, D for D, and South OPA are the “Plan Documents”; and,

WHEREAS, FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, assumed all of Catellus’s obligations under the South OPA, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco (“City”). FOCIL-MB is bound by all terms of the South OPA and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process; and,

WHEREAS, On February 1, 2012, state law dissolved all redevelopment agencies, including the Former Agency, and created successor agencies to complete the enforceable obligations of the former redevelopment agencies and to wind down redevelopment affairs. California Health and Safety Code §§ 34170 *et seq.* (the “Redevelopment Dissolution Law”). On June 27, 2012, state law clarified that successor agencies are separate public entities and that they succeed to the organizational status of the former redevelopment agency to complete any work related to an approved enforceable obligation, Cal. Health & Safety Code § 34173 (g); and,

WHEREAS, The Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (Oct. 4, 2012), which, among other matters: (a) acknowledged and confirmed that the Successor Agency to the Former Agency (commonly known as the Office of Community Investment and Infrastructure) (the

“Successor Agency” or “OCII”) is a separate legal entity from the City, and (b) established the Successor Agency commission, the Commission on Community Investment and Infrastructure (“Commission”) and delegated to it the authority to (i) act in place of the Former Agency Commission to, among other matters, implement, modify, enforce and complete the Former Agency’s enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development, and design approval and the approval of amendments to redevelopment plans as allowed under the Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, Redevelopment Dissolution Law required creation of an oversight board to the successor agency and provided that with approval from its oversight board and the State Department of Finance (“DOF”), a successor agency may continue to implement “enforceable obligations” such as existing contracts, bonds and leases, that were executed prior to the suspension of redevelopment agencies’ activities; and,

WHEREAS, On January 24, 2014, DOF finally and conclusively determined, among other things, that the South OPA is an enforceable obligation pursuant to Health and Safety Code Section 34177.5(i); and,

WHEREAS, Redevelopment Dissolution Law authorizes an oversight board, subject to review by DOF, to amend an enforceable obligation, if “it finds that amendments . . . would be in the best interests of the taxing entities.” Health and Safety Code Section 34181(e). Among the factors that an oversight board may consider in determining the “best interests of the taxing entities” are a reduction in liabilities and an increase in net revenues to the taxing entities. Id.; and,

WHEREAS, Under the Plan Documents, Block 4 East (“MBS 4E”) of the Mission Bay South Redevelopment Project Area (“Project Area”) is a 1.05 acre parcel located in Height Zone 3, between Mission Rock Street, China Basin Street, 3rd Street and a market rate residential project on Mission Bay South Block 4 West, and is designated as an Approved Site for an Agency Affordable Housing Parcel in the Mission Bay South Housing Program (Exhibit F to Attachment C to the South OPA); and,

WHEREAS, By Resolution No. 30-2024 (Sept. 3, 2024), the OCII Commission authorized the Executive Director to enter into an Exclusive Negotiations Agreement (“ENA”) and Predevelopment Loan Agreement with Mission Bay 4 East Associates, L.P., a California limited partnership (the “Developer”), an affiliate of Curtis Development (“CD”) and Bayview Senior Services (“BSS”) to undertake predevelopment activities on MBS 4E with the expectation that the ENA would lead to long term

ground leases and the construction of improvements. The ENA established that the Developer intended to pursue development of MBS 4E in two phases; and,

WHEREAS, By Resolution No. 29-2025 on November 18, 2025, adopted concurrently with this Resolution, the OCII approved an amendment to the Major Phase for Blocks 2-7 and 13 (“Major Phase”) and the Basic Concept and Schematic Design (“BCSD”) for the project on the southern half of MBS 4E (the “Phase I Project”), consisting of 165 affordable housing units, thereby approving the remaining affordable housing permitted under the Mission Bay South Housing Program and Redevelopment Plan; and,

WHEREAS, OCII and the Developer have determined that the project on the northern half of MBS 4E (the “Phase II Project”) could accommodate up to 250 additional units of affordable housing in a building separate from the building approved for Phase I Project; and,

WHEREAS, By Resolution No. 33-2025, adopted concurrently with this Resolution, the Commission approved the BCSD and approved an amendment to the Major Phase in connection with the Phase II Project subject to conditions of approval; and,

WHEREAS, By Resolution No. 28-2025, adopted concurrently with this Resolution, the Commission approved an amendment to the D for D for the Phase I Project; and,

WHEREAS, By Resolution No. 32-2025, adopted concurrently with this Resolution, the Commission approved an amendment to the D for D for the Phase II Project; and,

WHEREAS, The Successor Agency has prepared a proposed Tenth Amendment to the South OPA (“OPA Amendment”) in conjunction with an amendment to the Redevelopment Plan to increase the number of affordable housing units by approximately 250 units (the “Additional Affordable Units”) to allow for the development of the Phase II Project, resulting in a total of approximately 1,468 affordable housing units under the South OPA, provided, however, that funding for the Additional Affordable Units will not rely on the tax increment financing authorized under the South OPA, but instead will utilize financing for replacement housing units authorized under Senate Bill No. 593 (2023) (codified at California Health and Safety Code Section 34177.7(a)(1)(C)) or other financing sources available for affordable housing development; and

WHEREAS, The proposed OPA Amendment to authorize the Additional Affordable Units is consistent with Board of Supervisors Resolution No. 337-20, adopted on July 31, 2020, urging OCII to maximize affordable housing opportunities on the remaining undeveloped Mission Bay parcels restricted to affordable housing development, and addresses the ongoing shortage of affordable housing in San Francisco and the Project Area, as evidenced by the San Francisco Housing Element’s identified unmet need for more than 82,000 new housing units by 2031 (including 46,000 affordable to extremely low- to moderate-income households), the Mission Bay Subsequent Environmental Impact Report (Sept. 17, 1998) identifying an

affordable housing demand of 4,473 units associated with Project Area's employment growth at build out, and the subsequent expansion of the Project Area's development program since the approval of the South OPA in 1998; and

WHEREAS, The OPA Amendment is in the best interests of the taxing entities and their tax revenues, as it limits the source of financing for the Additional Affordable Units and will not decrease the allocation of property tax revenue to the taxing entities (except for the City and County of San Francisco, as authorized by Senate Bill 593 (2023)) from the Redevelopment Property Tax Trust Fund; and,

WHEREAS, On October 9, 2025, the Mission Bay Citizens Advisory Committee considered the OPA Amendment and recommended approval of the OPA Amendment by the Commission; and,

WHEREAS, As described in the Commission Memorandum accompanying this Resolution, OCII has determined that the approval of the OPA Amendment is statutorily exempt from the California Environmental Quality Act under Section 21080.40 of the California Public Resources Code as an action in furtherance of an affordable housing project dedicating all of its residential units to lower income households; now, therefore be it,

RESOLVED, That the Commission approves the OPA Amendment substantially in the form attached hereto as Exhibit A, subject to the approval of the amendment of the Redevelopment Plan by the Board of Supervisors and subject further to the final approval of the OPA Amendment by the Oversight Board and the California Department of Finance.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of November 18, 2025.



Commission Secretary

Exhibit A: Tenth Amendment to the Mission Bay South Owner Participation Agreement

Free Recording Pursuant to Government
Code Section 27383 and 27388.1 at the
Request of the Successor Agency to the
Redevelopment Agency of the City and
County of San Francisco

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Successor Agency to the
Redevelopment Agency of the City and
County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

Mission Bay Block 4E, APN 8711-029B
San Francisco, CA

(Space above this line reserved for Recorder's use only)

**TENTH AMENDMENT TO
MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT**

Dated as of November 18, 2025

By and Between

**THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO**

and

FOCIL-MB, LLC

TENTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT

THIS TENTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT (this “Amendment”), dated for reference as of November 18, 2025, is by and between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body established and existing under the laws of the State of California, commonly known as the Office of Community Investment and Infrastructure (the “Successor Agency” or “OCII”), and FOCIL-MB, LLC, a Delaware limited liability company (“Owner” or “FOCIL”) (together, OCII and FOCIL are the “Parties”). All initially capitalized terms in this Amendment shall have the meanings set forth in the “South OPA” (as defined below), unless otherwise specifically provided in this Amendment.

THIS TENTH AMENDMENT is made with reference to the following facts and circumstances:

- A. The Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project on November 2, 1998, by Ordinance No. 335-98, and amended such Redevelopment Plan on July 9, 2013, by Ordinance No. 143-13, on March 6, 2018, by Ordinance No. 032-18, on July 31, 2020, by Ordinance No. 128-20, on October 9, 2020 by Ordinance No. 209-20, and, on February 12, 2021 by Ordinance No. 014-21 (as amended, the “Redevelopment Plan”). The Redevelopment Plan establishes, among other things, land use controls for the Mission Bay South Project Area (“South Plan Area”).
- B. The Redevelopment Agency of the City and County of San Francisco (“Former Agency”) entered into that certain Mission Bay South Owner Participation Agreement (“Original OPA”), dated as of November 16, 1998, and recorded December 3, 1998, as Document No. 98-G477258-00 in the Official Records of the City and County of San Francisco (“Official Records”), and which was subsequently amended by (i) that certain First Amendment to Mission Bay South Owner Participation Agreement, dated as of February 17, 2004, and recorded March 4, 2004, as Document No. 2004-H669955 in the Official Records (“First Amendment”); (ii) that certain Second Amendment to Mission Bay South Owner Participation Agreement, dated as of November 1, 2005, and recorded November 30, 2005, as Document No. 2005-I080843 in the Official Records (“Second Amendment”); (iii) that certain Third Amendment to Mission Bay South Owner Participation Agreement, dated as of May 21, 2013, and recorded December 9, 2013, as Document No. 2013-J802261 in the Official Records (“Third Amendment”); (iv) that certain Fourth Amendment to Mission Bay South Owner Participation Agreement dated as of June 4, 2013, and recorded December 9, 2013, as Document No. 2013-J802262 in the Official Records (“Fourth Amendment”); (v) that certain Fifth Amendment to Mission Bay South Owner Participation Agreement dated as of April 29, 2014, and recorded August 15, 2014, as Document No. 2014-J927657 (“Fifth Amendment”); (vi) that certain Sixth Amendment to Mission Bay South Owner Participation Agreement dated as of July 26, 2018, and recorded August 13, 2018, as Document No. 2018-K654772 (“Sixth Amendment”); (vii) that certain Seventh

Amendment to Mission Bay South Owner Participation Agreement dated as of May 19, 2020, and recorded September 6, 2024, as Document No. 2024069259, (“Seventh Amendment”); (viii) that certain Eighth Amendment to Mission Bay South Owner Participation Agreement dated as of July 21, 2020, and recorded September 11, 2024, as Document No. 2024070300, (“Eighth Amendment”); (ix) and that certain Ninth Amendment to Mission Bay South Owner Participation Agreement dated as of November 17, 2020, and to be recorded (“Ninth Amendment”). The Original OPA, as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment, and the Ninth Amendment, is hereafter referred to as the “South OPA.” The South OPA establishes, among other things, terms for the development of improvements within the South Plan Area, including the number of Residential Units to be developed on the Owner's and Agency's property.

- C. On November 1, 2005, the Successor Agency Commission approved, by Resolution No. 178-2005, the Major Phase Application for Mission Bay South Blocks 2-7 and 13 (the “Approved Major Phase”). The Approved Major Phase included among other things, the Agency Affordable Parcel for Block 4 East (“MBS 4E”). The Approved Major Phase triggered the Owner's obligation to deliver a fully executed and recordable conditional Memorandum of Option for MBS 4E for the benefit of the Former Agency and its successors.
- D. On February 1, 2012, the State of California, pursuant to California Health and Safety Code §§ 34170 *et seq.* (the “Redevelopment Dissolution Law”), dissolved all redevelopment agencies in the state and established successor agencies to assume certain rights and obligations of the dissolved redevelopment agencies. Pursuant to the Redevelopment Dissolution Law, the Former Agency was dissolved and all of the Former Agency's assets and obligations were transferred to the Successor Agency, except for certain affordable housing assets that were transferred to the City and County of San Francisco (the “City”) and placed under the jurisdiction of the Mayor's Office of Housing and Community Development.
- E. On October 2, 2012, the Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12, which was signed by the Mayor on October 4, 2012, and which, among other matters, delegated to the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“Commission”), the authority to (i) act in the place of the Former Agency Commission to implement, modify, enforce and complete the surviving redevelopment projects (including, without limitation, the Mission Bay South Project), certain affordable housing obligations (the “Retained Housing Obligations”), and other enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development and design approval authority for the surviving redevelopment projects, and the approval of amendments to redevelopment plans as allowed under the Redevelopment Dissolution Law and subject to adoption of such plan amendments by the Board of Supervisors and any required approval by the

Oversight Board, consistent with applicable enforceable obligations; and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and other action that the Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations, subject to any approval of the Oversight Board as may be required under the Redevelopment Dissolution Law.

- F. The Board of Supervisors' delegation to the Commission includes authority to approve and amend all contracts and actions relating to the assets transferred to or retained by the Successor Agency, including the South OPA, subject to approval by the Oversight Board and review by the California Department of Finance ("DOF"), as provided under the Redevelopment Dissolution Law.
- G. On January 24, 2014, DOF finally and conclusively determined that the South OPA is an enforceable obligation under the Redevelopment Dissolution Law. Letter, J. Howard to T. Bohee, Re: "Request for Final and Conclusive Determination" (Jan. 24, 2014).
- H. On July 21, 2020, the Board of Supervisors adopted Resolution No. 337-20 urging OCII to "maximiz[e] affordable housing opportunities on the remaining undeveloped Mission Bay parcels restricted to affordable housing development.
- I. Under the Housing Program of the South OPA, OCII may build a maximum of 1,218 units of affordable housing if it provides to FOCIL certain assurances described below.
- J. Mission Bay Block 4E, APN 8711-029B, ("MBS 4E" or "Block 4E") is an Agency Affordable Housing Parcel designated in Exhibit F to the Mission Bay South Housing Program as an Approved Site and restricted to affordable housing projects under Declaration of Restrictions and Reservation of Easement dated July 12, 2011 and recorded July 28, 2011, as Document No.2011-J221597-00. MBS 4E consists of approximately 1.07 acres.
- K. On January 30, 2025, the Oversight Board of the City and County of San Francisco approved, by Resolution No. 01-2025, an expenditure of \$99,009,190 for MBS 4E in Item No. 436 of the Recognized Obligation Payment Schedule for the period of July 1, 2025 through June 30, 2026 ("ROPS 25-26"), and, on April 11, 2025, the California Department of Finance finally approved ROPS 25-26. This ROPS approval authorizes funding for the first phase of MBS 4E, which includes 165 units of affordable housing on a portion of MBS 4E, and predevelopment funding in Item No. 446 for the second phase of MBS 4E.
- L. On September 3, 2024, the Commission authorized, by Resolution No. 30-2024, the Successor Agency to enter into an Exclusive Negotiations Agreement ("ENA") and Predevelopment Loan with the MBS 4E Developer to advance the delivery of affordable housing on the first phase of MBS 4E. The ENA authorizes the MBS 4E Developer to undertake predevelopment activities and investigate the feasibility of additional affordable housing units in the second phase of MBS 4E.

- M. The Commission approved, by Resolution No. _____ (November 18, 2025), the first phase of MBS 4E with 165 Affordable Housing Units. Under that approval, the limit on the amount of affordable housing permitted under the South OPA, specifically 1,218 Affordable Housing Units, including the one hundred ten (110) Agency Sponsored Affordable Housing Units allowed by Section 3.6 of the Housing Program, Attachment C to the South OPA, has been met.
- N. In approving the first phase of MBS 4E, OCII obtained all necessary amendments to existing land use and environmental approvals for the South Plan Area and provided FOCIL with reasonable assurance that the additional 110 units will not adversely affect FOCIL's development in the North Plan Area or South Plan Area as anticipated under the Mission Bay North and South Redevelopment Plans and Plan Documents with respect to the density and intensity of development, any requirements for or changes in Infrastructure or Infrastructure costs, the effects of any changes in traffic, and cumulative development or other environmental considerations, including delays because of environmental review or compliance.
- O. OCII and the MBS 4E Developer have determined that a second phase of development on the remaining undeveloped portion of MBS 4E could accommodate approximately 250 additional units of affordable housing in a building separate from the building approved for the first phase of MBS 4E ("Additional Affordable Units").
- P. This Tenth Amendment to the South OPA implements an amendment to the Redevelopment Plan that the Board of Supervisors approved, by Ordinance No. ____-25 (_____, 2026), to increase the building height and number of affordable Dwelling Units to be constructed on MBS 4E.
- Q. OCII has obtained all necessary amendments to existing land use and environmental approvals for the South Plan Area and provided FOCIL with reasonable assurance that the Additional Affordable Units in excess of the existing South OPA limit will not adversely affect FOCIL's development in the North Plan Area or South Plan Area as anticipated under the Mission Bay North and South Redevelopment Plans and Plan Documents with respect to the density and intensity of development, any requirements for or changes in Infrastructure or Infrastructure costs, the effects of any changes in traffic, cumulative development or other environmental considerations, including delays because of environmental review or compliance.
- R. On July 20, 2010, the Former Agency issued a letter to the City's Department of Public Works stating the Blocks 2-7 and 13 Phase 1 public infrastructure improvements and other related actions were consistent with the Mission Bay South Redevelopment Plan and Plan Documents and recommending acceptance by the City. The City accepted these public infrastructure improvements at its Board of Supervisors meeting on December 20, 2011.

- S. Based on the reasonable assurances set forth above, FOCIL did not object to OCII's first phase of MBS 4E and, subject to the terms and conditions set forth below, FOCIL does not object to the second phase of MBS 4E and consents to this Amendment to accommodate the Additional Affordable Units in the second phase of MBS 4E.
- T. Amending the South OPA to authorize the Additional Affordable Units is consistent with Board of Supervisors Resolution No. 337-20 (July 31, 2020) and addresses a shortage of affordable housing in San Francisco and the Project Area as described in the following:
- a. The San Francisco Housing Element's description of the City's unmet housing need requiring the creation by 2031 of more than 82,000 housing units of which 46,000 must be targeted to households with extremely low to moderate incomes; and;
 - b. The initial projections of affordable housing demand under the redevelopment program for Mission Bay indicating that "total affordable housing demand in San Francisco associated with Project Area employment growth is calculated at 4,473 units; about 1,232 of the units are attributable to UCSF. Total affordable units proposed for the Project Area represent about 40% of that demand." Final Mission Bay Subsequent Environmental Impact Report at page XII.67 (Sep 17, 1998); and;
 - c. Since the 1998 approval of the South OPA, the Mission Bay South development program has expanded beyond its original scope without a corresponding increase in the Housing Program.
- U. To address this affordable housing deficit, OCII proposes to amend the South OPA to increase the number of Affordable Housing Units by approximately 250 in the second phase of MBS 4E for a total under the South OPA of approximately 1,468 units, provided, however, that the funding for the Additional Affordable Units will not rely on the tax increment financing authorized under the South OPA, but instead will use the financing for replacement housing units authorized under Senate Bill No. 593 (2023) (codified at Cal. Health & Safety Code Section 34177.7 (a) (1) (C)) or other financing available for affordable housing development.
- V. Section 34181(e) of the Redevelopment Dissolution Law authorizes the Oversight Board to amend an enforceable obligation if it determines, subject to DOF review, that the amendment would be in the best interests of the taxing entities. By limiting the source of financing for the Additional Affordable Units, the amendment to the South OPA is in the best interests of the taxing entities. The funding for the Additional Affordable Units will not decrease the allocation of property tax revenue to the taxing entities (except for the City and County of San Francisco, as authorized by Senate Bill 593 (2023) from the Redevelopment Property Tax Trust Fund.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Successor Agency and FOCIL agree as follows:

1. Section 1.2.5 is added to Definitions of the South OPA.

1.2.5 Additional Affordable Units has the meaning set forth in the Housing Program.

2. Section 4.1 of the South OPA is amended as follows:

4.1. Agency Affordable Housing Parcels. The Agency may construct or cause to be constructed up to approximately one thousand two hundred eighteen Residential Units on the Agency Affordable Housing Parcels, including up to thirty thousand (30,000) Leasable square feet of local serving retail uses on such parcels; provided, however, that this limitation on the number of affordable housing units shall not apply to the Agency's construction of the Additional Affordable Units if those units are replacement housing units funded under Senate Bill No. 593 (2023) (codified at Cal. Health & Safety Code Section 34177.7 (a) (1) (C)) or under alternative financing that is not tax increment financing authorized under this South OPA, subject to and in accordance with the Housing Program and the Redevelopment Requirements, as amended.

3. Amendments to the Mission Bay South Housing Program, Attachment C to South OPA ("Housing Program").

- A. The DEFINITIONS section of the Housing Program is hereby amended to add the following defined term as Section 1.0:

1.0 Additional Affordable Units means approximately 250 Affordable Housing Units on Mission Bay South Block 4 East that will be developed as replacement housing units funded under Senate Bill No. 593 (2023) (codified at Cal. Health & Safety Code Section 34177.7 (a) (1) (C)) or under alternative financing that is not tax increment financing authorized under the South OPA.

- B. Section 3.1 of the Housing Program is hereby amended and restated as follows:

3.1. Agency Development of Affordable Housing Units. The Residential Units to be developed by the Agency sponsored Qualified Housing Developers on the Agency Affordable Housing Parcels or Advance Delivery Affordable Housing Parcels contributed by Owner satisfy all Affordable Housing Requirements for the South Plan Area. The Agency may construct or cause to be constructed by Qualified Housing Developers (which may, at the Agency's election, include UCSF) up to one thousand two hundred eighteen (1,218) Affordable Housing Units, (plus such Additional Affordable Units permitted under section 3.6). The mix of For-Sale and For-Rent Residential Units and the allocations of Affordable Housing Units among affordability levels shall be determined by the Agency in the exercise of its sole and absolute discretion in accordance with applicable state law. Notwithstanding the limit on the maximum number of Affordable Housing Units described above or elsewhere in the Mission Bay South Housing Program or the South OPA, the Agency may fund and cause

the construction of the Additional Affordable Units, provided, however, that the Agency does not use tax increment financing authorized under the South OPA for the Additional Affordable units, but instead uses the financing for replacement housing units authorized under Senate Bill No. 593 (2023) (codified at Cal. Health & Safety Code Section 34177.7 (a) (1) (C)) or other financing available for affordable housing development.

C. Section 3.6 of the Housing Program is hereby amended and restated as follows:

3.6. Approvals for Additional Agency Sponsored Affordable Housing Units.

The Agency may construct or cause the construction of Additional Affordable Units in excess of the 1,218 Affordable Housing Units described in Section 3.1, provided that it does not use tax increment financing authorized under this South OPA to construct the Additional Affordable Units but instead uses the financing for replacement housing units authorized under Senate Bill No. 593 (2023) (codified at Cal. Health & Safety Code Section 34177.7 (a) (1) (C)) or other financing available for affordable housing development; and provided further that the construction of the Additional Affordable Units shall not increase the Owner's obligations to provide Infrastructure to the Affordable Housing Parcels or to remedy the sites, as described in Section 2.5 of the Housing Program or elsewhere in the South OPA. As used in this Section 3.6, "Owner" shall have the same meaning as "Owner's Representative" as set forth in the Interagency Cooperation Agreement.

4. General Provisions.

4.1. South OPA in Full Force and Effect. Except as otherwise amended by this Amendment and as previously revised under instruments signed by the Successor Agency and the Owner to reflect various non-material changes, all terms, covenants, conditions and provisions of the South OPA shall remain unmodified, and in full force and effect.

4.2. Authority and Enforceability. The Parties represent and warrant to each other that each party has the power and authority to enter into this Amendment. This Amendment, when executed and delivered by each of the Parties, will be valid and binding and enforceable against each signatory party in accordance with its terms.

4.3. Successors and Assigns. This Amendment is binding upon and will inure to the benefit of the successors and assigns of the Parties, subject to the limitations on assignment set forth in the Mission Bay South OPA.

4.4. No Third Party Beneficiaries. This Amendment is made and entered into for the sole protection and benefit of the Parties to this Amendment and their successors and assigns. No other Person shall have or acquire any right or action based upon any provisions of this Amendment.

4.5. Entire Agreement. This Amendment (together with the South OPA) constitutes the entire agreement between the Parties with respect to the subject matter of this Amendment and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the terms and conditions mentioned in or incidental to this Amendment. No parol evidence of any prior draft of this Amendment shall be permitted to contradict or vary the terms of this Amendment.

4.6. Capitalized Terms. The capitalized terms used in this Amendment have the meanings as defined in the South OPA, as amended, unless specifically defined in this Amendment.

4.7. Further Assurances. The Parties will execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the Parties or otherwise effectuate the terms of this Amendment. Subject to approvals required by law, the Successor Agency's Executive Director is authorized to execute on behalf of the Successor Agency any contracts, agreements, memoranda or similar documents with state, regional or local entities or other persons that are necessary or proper to achieve the purposes and objectives of this Amendment.

4.8. Cooperation. In connection with this Amendment, FOCIL, on the one hand, and the Successor Agency, on the other hand, shall reasonably cooperate with one another to achieve the objectives and purposes of this Amendment.

4.9. Interpretation of Amendment.

4.9.1. Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such term, statement or matter.

4.9.2. No Presumption Against Drafter. This Amendment has been negotiated at arm's length and amongst Parties sophisticated and knowledgeable in the matters dealt with in this Amendment. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, this Amendment shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Amendment (including, but not limited to, California Civil Code Section 1654).

4.9.3. Recitals. The Recitals in this Amendment are included for convenience of reference only and are not intended to create or imply covenants under this Amendment. In the event of any conflict or inconsistency between the Recitals and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall control.

4.10. Counterparts. This Amendment may be executed in any number of counterparts, all of which together shall constitute the original agreement hereof.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Successor Agency has caused this Amendment to be duly executed on its behalf and Owner has signed or caused this Amendment to be signed by duly authorized persons, all as of the day first above written.

Authorized by Successor Agency Resolution

No. _____, adopted November 18, 2025.

SUCCESSOR AGENCY: Successor Agency to the Redevelopment Agency of the City and County of San Francisco By: _____ Name: Thurston Kaslofsky Title: Executive Director Approved as to Form: By: _____ Name: James Morales Title: General Counsel	OWNER: FOCIL-MB, LLC A Delaware limited liability company By: FOCIL Management, LLC A California limited liability company its Manager By: _____ Name: Seth Hamalian Title: Managing Member
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EXHIBIT A
Legal Description of Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 29, AS DESCRIBED AND DELINEATED UPON THAT CERTAIN MAP ENTITLED, "FINAL MAP TRACT NO. 3936", WHICH MAP WAS FILED FOR RECORD FEBRUARY 22, 2006 IN BOOK "BB" OF MAPS, PAGES 54-58, INCLUSIVE.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, BY THAT CERTAIN DEED RECORDED DECEMBER 16, 2010, AS INSTRUMENT NO. 2010-J103738-00, REEL K591, IMAGE 0409 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF ASSESSOR'S BLOCK 8711 LOT 29 AS SAID LOT IS SHOWN ON THAT CERTAIN MAP ENTITLED "FINAL MAP TRACT NO. 3936-FOR RESIDENTIAL AND COMMERCIAL CONDOMINIUM PURPOSES, MISSION BAY (2-7 AND 13)" RECORDED ON FEBRUARY 22, 2006 IN BOOK BB OF MAPS AT PAGES 54 THROUGH 58 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT, THENCE PROCEEDING CLOCKWISE THE FOLLOWING COURSES AND DISTANCES: SOUTH 03°10'56" EAST, 275.03 FEET ALONG THE EASTERLY LINE OF SAID LOT TO THE SOUTHERLY LINE OF SAID LOT; THENCE SOUTH 86° 49' 04" WEST, 5.00 FEET ALONG SAID SOUTHERLY LINE; THENCE NORTH 03°10' 56" WEST, 275.03 FEET TO THE NORTHERLY LINE OF SAID LOT; THENCE NORTH 86° 49' 04" EAST, 5.00 FEET ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

APN: LOT 029B, BLOCK 8711 (FORMERLY PORTION OF LOT 029, BLOCK 8711)