

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

RESOLUTION NO. 04 – 2020

Adopted September 28, 2020

**ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING AN
EIGHTH AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION
AGREEMENT WITH FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY
COMPANY, TO ALLOW ADDITIONAL HOTEL ROOMS ON BLOCK 1 IN THE
MISSION BAY SOUTH PROJECT AREA; PROVIDING NOTICE THAT THIS
APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT
PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT
ENVIRONMENTAL IMPACT REPORT (“FSEIR”), A PROGRAM EIR, AND IS
ADEQUATELY DESCRIBED IN THE FSEIR FOR THE PURPOSES OF THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH
REDEVELOPMENT PROJECT AREA**

WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Redevelopment Agency also conditionally authorized, by Resolution No. 193-98, the execution of the Mission Bay South Owner Participation Agreement (“South OPA”) and related documents with Catellus Development Corporation, a Delaware corporation (“Catellus”). On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), adopted, by Ordinance No. 335-98, the Redevelopment Plan; and,

WHEREAS, FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, assumed all of Catellus’ 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 the Redevelopment Agency and required the transfer of certain of its assets and obligations, including the South OPA, to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”). Cal. Health & Safety Code §§ 34170 et seq. (the “Redevelopment Dissolution Law”); and,

WHEREAS, Mission Bay South Block 1 is bounded by Mission Bay park P3 to the north, Third Street on the east, Fourth Street on the west, and Channel Street on the south in the Mission Bay South Redevelopment Project Area (“Project Area”); and,

- WHEREAS, Relevant portions of Mission Bay South Block 1 are currently owned by SOMA Hotel LLC (the “Developer”), which is bound by the terms of the South OPA pursuant to the terms of certain Assignment, Assumption and Release Agreements; and,
- WHEREAS, The Redevelopment Plan and South OPA allow for the construction of a 250-room hotel on Lot 8 Block 8715 (“Block 1 Hotel Parcel”), which is substantially constructed; and,
- WHEREAS, The Developer has proposed land use changes to the Redevelopment Plan increasing the maximum permitted number of hotel rooms on the Block 1 Hotel Parcel from 250 to up to 300 (“Redevelopment Plan Amendment”). Final approval of the Redevelopment Plan Amendment is pending before the Board of Supervisors of the City and County of San Francisco; and,
- WHEREAS, The Successor Agency has prepared a proposed eighth amendment to the South OPA (“OPA Amendment”), attached hereto as Attachment A, that would implement the Redevelopment Plan Amendment if it becomes effective. The OPA Amendment authorizes an additional 50 hotel rooms on the Block 1 Hotel Parcel within the existing hotel building that is substantially constructed, but not yet completed; and,
- WHEREAS, By allowing for this change to the hotel use, the OPA Amendment will support the full economic use of the Block 1 Hotel Parcel and will accelerate the completion of development under the Redevelopment Plan, the South OPA and the related enforceable obligations; and,
- WHEREAS, The Developer has provided information, attached hereto as Attachment B, to the Successor Agency indicating that the increase in hotel rooms would generate additional property tax revenues compared to a hotel with fewer hotel rooms and would generate additional sales and transient occupancy taxes; and,
- WHEREAS, The OPA Amendment does not increase the liabilities of the Successor Agency and does not propose any new capital expenditures by the Successor Agency or any change in the Successor Agency’s overall method of financing the redevelopment of the Project Area; and,
- WHEREAS, On January 9, 2020, the Mission Bay Citizens Advisory Committee considered the OPA Amendment and recommended approval by the Successor Agency; and,
- WHEREAS, On September 17, 1998, the Redevelopment Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) for Mission Bay North and South pursuant to the California Environmental Quality Act (“CEQA”) and CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Redevelopment Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Redevelopment Plan and other Mission Bay

project approvals (the “Mission Bay Project”). The San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Former Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project; and,

WHEREAS, The Successor Agency Commission considered and reviewed the FSEIR and, in Resolution 19-2020 attached hereto as Attachment C, made the necessary environmental findings, which determined that the approval of the OPA Amendment is within the scope of the Mission Bay Project analyzed in the FSEIR and requires no further environmental review beyond the FSEIR pursuant to CEQA and the CEQA Guidelines Sections 15180, 15162 and 15168. Copies of the environmental documents are on file with the Secretary to the Oversight Board; and,

WHEREAS, On July 21, 2020, the Commission adopted Resolution No. 19-2020, attached hereto as Attachment C, conditionally approving the OPA Amendment, subject to approval of the Redevelopment Plan Amendment by the Board of Supervisors, and subject further to review and approval by the Oversight Board and the Department of Finance; and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco will hold a public hearing on the Redevelopment Plan amendment scheduled for September 22, 2020 and September 29, 2020. If finally adopted, the ordinance approving the Redevelopment Plan Amendment will become effective ninety days later; now, therefore, be it:

WHEREAS, This Oversight Board now desires to approve the OPA Amendment as contemplated by Commission Resolution No. 19-2020; now, therefore, be it

RESOLVED, That this Oversight Board hereby finds that, for purposes of compliance with CEQA, the OPA Amendment is included in the actions identified in Commission Resolution No. 19-2020; and, be it further

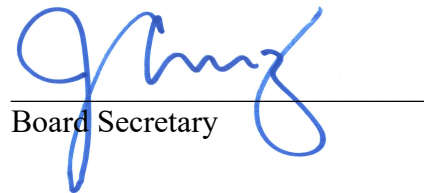
RESOLVED, That in Resolution No. 19-2020, the Successor Agency Commission adopted findings that the approval of the OPA Amendment complies with CEQA. Said findings, which are on file with the Secretary to the Oversight Board, are in furtherance of the actions contemplated in this Resolution, and are made part of this Resolution by reference herein; and be it further

RESOLVED, That this Oversight Board finds and determines that the OPA Amendment will benefit the taxing entities by increasing property tax revenues and other taxes, facilitating completion of the Redevelopment Plan, and accelerating the wind down of redevelopment affairs and therefore finds that approval of the OPA Amendment is in the best interests of the taxing entities; and be it further

RESOLVED, That this Oversight Board approves the OPA Amendment, substantially in the form lodged with the Secretary of the Oversight Board, subject to approval of the Redevelopment Plan Amendment by the Board of Supervisors and subject further to the approval of this Resolution by the Department of Finance or by the expiration of the five-day statutory review period under Redevelopment Dissolution Law without a request by the Department of Finance to review this Resolution; and be it further

RESOLVED, That this Oversight Board authorizes the Executive Director of the Successor Agency to take all actions as may be necessary or appropriate, in consultation with counsel for the Oversight Board and the Successor Agency, to effectuate the purpose of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of September 28, 2020.


Board Secretary

Attachment A: Eighth Amendment to Mission Bay South Owner Participation Agreement

Attachment B: Developer's Transient Occupancy, Sales Tax and Property Tax Forecast (Income Based and Cost Based Analysis)

Attachment C: Successor Agency Commission Resolution No. 19-2020

ATTACHMENT A

Eighth Amendment to Mission Bay South Owner Participation Agreement

[Attached]

Free Recording Pursuant to
Government Code Section 27383 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

Block 8715, Lot 008

**EIGHTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION
AGREEMENT (BLOCK 1)**

Dated _____, 2020

By and Among

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

And

FOCIL-MB, LLC

**EIGHTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION
AGREEMENT (BLOCK 1)**

This Eighth Amendment to the Mission Bay South Owner Participation Agreement (Block 1) (this “**Eighth Amendment**”), dated for reference purposes only as of [_____, 2020], is by and among the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body organized and existing under the laws of the State of California (the “**Successor Agency**”), commonly known as the Office of Community Investment and Infrastructure, FOCIL-MB, LLC, a Delaware limited liability company (the “**Owner**”). As used in this Amendment, “City” means the City and County of San Francisco, a charter city and county. All initially capitalized terms used herein shall have the meanings set forth in the South OPA (as defined below), unless otherwise specifically provided herein.

RECITALS

This Eighth 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 (“**Redevelopment Plan**”) and amended the Redevelopment Plan on July 9, 2013 by Ordinance No. 143-13 and on March 6, 2018 by Ordinance 032-18. The Redevelopment Plan establishes land use controls for the Mission Bay South Project Area (“**South Plan Area**”).

B. The former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) and Catellus Development Corporation, a Delaware corporation (“**CDC**”), entered into that certain Mission Bay South Owner Participation Agreement dated as of November 16, 1998 (the “**Original OPA**”) and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of San Francisco County (the “**Official Records**”), which was subsequently amended by (i) a First Amendment to Mission Bay South Owner Participation Agreement (the “**First OPA Amendment**”) dated as of February 17, 2004 and

recorded March 4, 2004 as Document No. 04-H669955-00 in the Official Records, (ii) a Second Amendment to Mission Bay South Owner Participation Agreement (the “**Second OPA Amendment**”) dated as of November 1, 2005 and recorded November 30, 2005 as Document No. 2005I080843 in the Official Records, (iii) a Third Amendment to Mission Bay South Owner Participation Agreement (the “**Third OPA Amendment**”) dated as of May 21, 2013 and recorded December 9, 2013 as Document No. 13-J802261-00 in the Official Records, (iv) a Fourth Amendment to Mission Bay South Owner Participation Agreement (the “**Fourth OPA Amendment**”) dated as of June 4, 2013 and recorded December 9, 2013 as Document No. 13-J802262-00 in the Official Records, (v) a Fifth Amendment to Mission Bay South Owner Participation Agreement (the “**Fifth OPA Amendment**”) dated as of April 29, 2014 and recorded August 15, 2014 as Document No. 2014J927657 in the Official Records, (vi) a Sixth Amendment to Mission Bay South Owner Participation Agreement (the “**Sixth OPA Amendment**”) dated as of July 26, 2018 and recorded August 13, 2018 as Document No. 2018-K654772-00 in the Official Records and (vi) a Seventh Amendment to Mission Bay South Owner Participation Agreement (Blocks 29-32) (the “**Seventh OPA Amendment**”) dated as of [] and recorded [] as Document No. [] in the Official Records. The Original OPA, as amended by the First OPA Amendment, Second OPA Amendment, Third OPA Amendment, Fourth OPA Amendment, Fifth OPA Amendment, Sixth OPA Amendment and Seventh Amendment shall be referred to in this Eighth Amendment as the “**South OPA**”. The South OPA establishes terms pursuant to which the private developer will develop improvements within the South Plan Area.

C. CDC’s rights, interests and obligations under the South OPA were transferred (i) to Catellus Operating Limited Partnership, as the successor by merger to CDC, then (ii) to Catellus Land and Development Corporation through an assignment and assumption agreement, and (iii) ultimately to Owner, through an assignment and assumption agreement.

D. On February 1, 2012, the Former Agency was dissolved pursuant to California State Assembly Bill No. IX 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session)

("AB 26"), codified in relevant part in California's Health and Safety Code Sections 34161 - 34168 and upheld by the California Supreme Court in *California Redevelopment Assoc. v. Matosantos*, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011 -12) ("**AB 1484**"), which among other things, provide that a successor agency is a separate public entity from the public agency that provides for its governance. (AB 26 and AB 1484, as amended from time to time, are primarily codified in Cal Health & Safety Code §§ 34170 et seq., and referred to as the "**Redevelopment Dissolution Law.**")

E. Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency's housing assets were transferred to the City, acting by and through the Mayor's Office of Housing and Community Development.

F. Under the Redevelopment Dissolution Law, a successor agency has the continuing obligation, subject to certain review by an oversight board and the State of California's Department of Finance ("**DOF**"), to implement "enforceable obligations" which were in place prior to the suspension of such redevelopment agency's activities on June 28, 2011, the date that AB 26 was approved. The Redevelopment Dissolution Law defines "enforceable obligations" to include bonds, loans, judgments or settlements, and any "legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy" (Cal. Health & Safety Code § 34171(d)(l)(e)), as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The South OPA meets the definition of "enforceable obligations" under the Redevelopment Dissolution Law.

G. Subsequent to the adoption of AB 1484, 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**" or "**OCII**"), the authority to (i) act in the place of the Redevelopment 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 OCII, consistent with the 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 OCII deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations.

H. The Board of Supervisors' delegation to the OCII includes authority to approve and amend all contracts and actions relating to assets transferred to the Successor Agency, including the Mission Bay South OPA, subject to Oversight Board approval and review by the Department of Finance, as allowed under the Redevelopment Dissolution Law.

I. Within the South Plan Area, Owner sold that certain property commonly known as Block 1 of Mission Bay South in the City and County of San Francisco, California ("Block 1") to Block 1 Associates LLC in 2012, pursuant to the Assignment, Assumption and Release Agreement ("ARRA") dated May, 17, 2012. Thereafter in 2013, Block 1 Associates LLC sold a portion of Block 1 commonly known as the hotel parcel (the "**Hotel Parcel**") following the processing of a subdivision map to separate Block 1 into two separate subdivided parcels, one that was retained by Block 1 Associates LLC, and the other, i.e. the Hotel Parcel, that was purchased by and transferred to SOMA Hotel LLC under that certain Assignment, Assumption and Release Agreement, dated as of December 20, 2013 and recorded on the same date, as Document No. 2013-J807647-00 in the Official Records. FOCIL consented to this transfer in a Consent to Transfer and Assignment and Assumption Agreement (Hotel Parcel – Portion of Block 1) dated December 17, 2013. SOMA Hotel LLC is the current owner of the Hotel Parcel.

J. To allow a zoning change for mixed-uses on Block 1, the Board of Supervisors approved, by Ordinance No. 143-13, an amendment to the Redevelopment Plan. The Successor Agency Commission and Oversight Board approved a Third OPA Amendment to authorize the

construction of up to 350 residential units and an up to 250-room hotel on Block 1, with up to 50,000 square feet of neighborhood-serving retail uses. Subsequently, the Department of Finance approved the Third OPA Amendment. Accordingly, SOMA Hotel LLC has obtained all required approvals to construct the planned hotel and retail project on the Hotel Parcel, which includes a 160-foot-tall, 250-room hotel, 4,000 square feet of neighborhood-serving retail, and podium parking at the intersection of Channel and Third Street. Construction of the project is underway and is anticipated to be complete in the first quarter of 2021.

K. SOMA Hotel LLC now proposes, wholly within the existing building envelope of the previously approved projects' existing, approved building, increasing the number of hotel rooms from 250 to 299 (with up to 300 to be permitted) (the "**Project**"). This room increase will be achieved through the conversion of some two-room suites and one-room suites, all with living rooms, on floors 5 through 16 into separate, one-room hotel rooms. The Project will not increase the hotel's floor area, nor will it necessitate any additional improvements or parking. The approved internal infrastructure plan allows this change to be made with minimal changes to construction. However, because the Project increases the number of permitted rooms, the Project requires this Eighth Amendment and amendments to the Basic Concept / Schematic Design and Major Phase for Block 1 and the Mission Bay South Redevelopment Plan. It also requires consent from the master developer, FOCIL-MB LLC.

L. The costs incurred by the Successor Agency and the City Agencies in connection with the negotiation of the Hotel Project and this Eighth Amendment and related documents, including, without limitation, the amendment to the Redevelopment Plan, a Basic Concept / Schematic Design and Major Phase amendment, and environmental review documentation to comply with the California Environmental Quality Act, shall be deemed, under Article 6 of the South OPA, to be Agency Costs.

M. The Owner and the Successor Agency wish to enter into this Eighth Amendment to the South OPA to implement the amendment to the Redevelopment Plan that the Board of

Supervisors approved, by Ordinance No _____ (_____), to allow an increase in the number of hotel rooms from 250 to up to 300 within the existing building envelope on the Hotel Parcel.

N. The increase in hotel rooms would fulfill the objectives of the Redevelopment Plan, including providing flexibility in the development of the South Plan Area to respond readily and appropriately to market conditions, providing opportunities for participation by owners in the redevelopment of their properties, strengthening the economic base of the South Plan Area and the community by strengthening hospitality options in the South Plan Area, and achieving these objectives in the most expeditious manner feasible. FOCIL and the Successor Agency (the “**Parties**”) now wish to enter this Eighth Amendment to implement the amended Mission Bay South Redevelopment Plan and the Project.

O. Under Redevelopment Dissolution Law, the Oversight Board of the City and County of San Francisco (“**Oversight Board**”) has the authority, subject to Department of Finance review, to “approve any amendments to [any contracts between the dissolved redevelopment agency and any private parties] if [the Oversight Board] finds that amendments . . . would be in the best interests of the taxing entities.” Cal. Health & Safety Code § 34181(e). For the reasons stated above, this Eighth Amendment meets this standard for amendment of an enforceable obligation.

P. The Oversight Board, consistent with its authority under Redevelopment Dissolution Law, determined, by Resolution No. _____, that an amendment to the South OPA that would allow up to 300 hotel rooms on Block 1, is in the best interests of the taxing entities.

Q. Under Redevelopment Dissolution Law, DOF must receive notice and information about all Oversight Board actions, which do not take effect until DOF has either not requested review within five days of the notice or requested review and approved the action within 40 days of its review request. On [_____, 2020], the Successor Agency provided a copy of Oversight Board Resolution No. [__-2020] to DOF, which did not object to the amendment to

the South OPA within the statutory time period for its review, or which approved the amendment to the South OPA within the statutory time period of the Successor Agency's review request.

AGREEMENT

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

1. Maximum Number of Hotel Guest Rooms. Wherever the South OPA (as amended and including without limitation any Attachment thereto) makes reference to the number of hotel guest rooms to be developed on Block 1, specifically "250" guest rooms, such phrases shall be deemed to refer to "up to 300" guest rooms, wherever the number "250" appears.

2. Scope of Development Section 1.B.3. Section 1.B.3 of the Scope of Development is hereby amended to read as follows:

1.B.3. On Block 1, an up to 300 room hotel and facilities such as banquet and conference rooms and associated facilities, with up to 25,000 Leasable square feet of retail and up to 350 Dwelling Units, which may include Owner Affordable Housing Units.

3. General Provisions.

3.1. South OPA in Full Force and Effect. Except as otherwise amended hereby and as previously revised to reflect various non-material changes, all terms, covenants, conditions and provision of the South OPA shall remain in full force and effect.

3.2. Successors and Assigns. This Eighth Amendment is binding upon and will inure to the benefit of the successors and assigns of the Former Agency, Successor Agency, the Owner, and, as applicable, the City, subject to the limitations set forth in the South OPA.

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

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

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

Authorized by Successor Agency Resolution
No. 19-2020, adopted July 21, 2020

SUCCESSOR AGENCY:

Successor Agency to the Redevelopment
Agency of the City and County of San
Francisco, a public body organized and
existing under the laws of the State of
California

By: _____
Name:
Title:

Approved as to Form:

By: _____
Name:
Title:

[Signatures continue on following page]

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 San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

OWNER:

FOCIL-MB, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

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 San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Hotel Parcel Legal Description

Real property in the City of San Francisco, County of San Francisco, State of California,
described as follows:

LOT 3 AS SHOWN ON THAT CERTAIN MAP ENTITLED "PHASE 3 FINAL MAP 8786"
RECORDED ON OCTOBER 27, 2015 IN BOOK FF OF MAPS, PAGES 146-148 AS
INSTRUMENT NO. 2015-K149659-00, IN THE OFFICE OF THE RECORDER OF THE
CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

APN: Lot 008, Block 8715

ATTACHMENT B

**Developer's Transient Occupancy, Sales Tax and Property Tax Forecast (Income Based
and Cost Based Analysis)**

[Attached]

ATTACHMENT B

Developer's Transient Occupancy, Sales Tax and Property Tax Forecast (Income Based and Cost Based Analysis)

As is shown on the following pages, due to the increase in number of hotel rooms and based on normalized operations in 2023, SOMA Hotel expects an annual increase of \$298,000 in Transient Occupancy Taxes which comprise the majority of funds flowing to the San Francisco General Fund. SOMA Hotel also expects a small amount of additional food and beverage sales with the conversion of suites, which in turn will generate small contributions to local and regional transportation funds through the State of California sales tax. Additional revenue may also increase relevant San Francisco business taxes, albeit in small amounts. In addition, SOMA Hotel expects to pay an increase of \$41,000 to \$118,000 a year to the taxing entities through increased property value (estimated at a range of \$3.5M to \$10M) and thus increased tax assessments⁽¹⁾. Any other taxes generated would be minimal due to the small increase in hotel rooms and relatively minor associated increase in revenues and value.

(1) This range represents two valuation methodologies, 1) the cost approach, representing the low end of the range and 2) the income approach, representing the high end of the range. The cost approach assumes the increase in property value is equal to the increase in construction costs of the project, which in this case, totals to about \$3.5 million. The income approach values the property by discounting a projected 2023 net operating income by a capitalization rate of 5.75%.



SOMA Hotel - Mission Bay

Select Taxes to City of San Francisco and other Taxing Entities

Increase from 250 Rooms to 299 Rooms

Annual Amounts in \$000s				
		250 Rooms	299 Rooms	Increase
Revenues				
Rooms		\$22,989	\$25,115	\$2,126
Food and Beverage		\$1,853	\$2,216	\$363
Other Operated Departments		\$896	\$1,072	\$176
Total Revenues		25,738	28,403	\$2,665
Increased Taxes ⁽¹⁾ - Transient Occupancy and Sales Taxes	Rate			
Rooms (ToT)	14.0%	\$3,218	\$3,516	\$298
Food and Beverage (Sales)	8.5%	\$158	\$188	\$30
Other Operated Departments (Sales)	8.5%	\$76	\$91	\$15
Subtotal - TOT and Sales		\$3,452	\$3,795	\$343
Property Taxes				
Increase in Assessed Value	\$10,000,000			
Property Tax Allocation County Wide Rate	1.0000%			\$100
City & County Debt ServiceRate	0.1167%			\$12
SFUSD Debt Service Rate	0.0416%			\$4
City CollegeDebt ServiceRate	0.0098%			\$1
Bart Debt ServiceRate	0.0120%			\$1
Increased Property Taxes				\$118
Total Increased Taxes ⁽²⁾				\$461

(1) Taxes shown represent the estimated highest tax revenues generated from the SOMA Hotel Project. Other taxes such as business registration, gross receipts and payroll taxes may also modestly increase due to the increase in rooms.

(2) Does not include Vehicle License Fee, which may also modestly increase due to the increase in rooms.



SOMA Hotel - Mission Bay

Select Taxes to City of San Francisco and other Taxing Entities

Increase from 250 Rooms to 299 Rooms

Alternative Version - Property Valuation based on Cost

	Annual Amounts in \$000s		
	250 Rooms	299 Rooms	Increase
Revenues			
Rooms	\$22,989	\$25,115	\$2,126
Food and Beverage	\$1,853	\$2,216	\$363
Other Operated Departments	\$896	\$1,072	\$176
Total Revenues	25,738	28,403	\$2,665

Increased Taxes ⁽¹⁾ - Transient Occupancy and Sales Taxes	Rate			
Rooms (ToT)	14.0%	\$3,218	\$3,516	\$298
Food and Beverage (Sales)	8.5%	\$158	\$188	\$30
Other Operated Departments (Sales)	8.5%	\$76	\$91	\$15
Subtotal - TOT and Sales		\$3,452	\$3,795	\$343

Property Taxes

Increase in Assessed Value, due to Increased Cost (Estimated)	\$3,500,000	
Property Tax Allocation County Wide Rate	1.0000%	\$35
City & County Debt ServiceRate	0.1167%	\$4
SFUSD Debt Service Rate	0.0416%	\$1
City CollegeDebt ServiceRate	0.0098%	\$0
Bart Debt ServiceRate	0.0120%	\$0
Increased Property Taxes		\$41
Total Increased Taxes ⁽²⁾		\$384

(1) Taxes shown represent the estimated highest tax revenues generated from the SOMA Hotel Project. Other taxes such as business registration, gross receipts and payroll taxes may also modestly increase due to the increase in rooms.

(2) Does not include Vehicle License Fee, which may also modestly increase due to the increase in rooms.

ATTACHMENT C

Successor Agency Commission Resolution No. 19-2020

[Attached]

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 19-2020

Adopted July 21, 2020

CONDITIONALLY AUTHORIZING AN EIGHTH AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (“FSEIR”), A PROGRAM EIR, AND IS ADEQUATELY DESCRIBED IN THE FSEIR FOR THE PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

- WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Redevelopment Agency also conditionally authorized, by Resolution No. 193-98, the execution of the Mission Bay South Owner Participation Agreement (“South OPA”) and related documents with Catellus Development Corporation, a Delaware corporation (“Catellus”). On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), adopted, by Ordinance No. 335-98, the Redevelopment Plan; and,
- WHEREAS, FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, assumed all of Catellus’ 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 the Redevelopment Agency and required the transfer of certain of its assets and obligations to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”) (Cal. Health & Safety Code §§ 34170 et seq., “Redevelopment Dissolution Law”). On June 27, 2012, the Redevelopment Dissolution Law was amended to clarify that successor agencies are separate public entities from the city or county that had originally established a redevelopment agency; and,
- WHEREAS, On October 2, 2012 the Board of Supervisors of the City, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that the Successor Agency

is a separate legal entity from the City, and (b) established this Successor Agency Commission (“Commission”) and delegated to it the authority to (i) act in place of the Redevelopment Commission to, among other matters, implement, modify, enforce and complete the Redevelopment 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, 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 any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, The Board of Supervisors’ delegation to this Commission includes the authority to grant approvals under specified land use controls for the Mission Bay Project consistent with the approved Redevelopment Plan and enforceable obligations, including amending an existing obligation as allowed by the Redevelopment Dissolution Law; 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. 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); and,

WHEREAS, Mission Bay South Block 1 is bounded by Mission Bay park P3 to the north, Third Street on the east, Fourth Street on the west, and Channel Street on the south; and,

WHEREAS, Relevant portions of Mission Bay South Block 1 are currently owned by SOMA Hotel LLC; SOMA Hotel LLC is bound by the terms of the South OPA pursuant to the terms of certain Assignment, Assumption and Release Agreements; and,

WHEREAS, More specifically, FOCIL-MB transferred its ownership interest in Mission Bay South Block 1 to Block 1 Associates LLC through an Assignment, Assumption and Release agreement dated May 17, 2012. The Redevelopment Plan and South OPA designated a 500 room hotel project to Block 1. In 2013, the Successor Agency and the Board of Supervisors approved amendments to the Redevelopment Plan and South OPA to allow for the construction of 350 dwelling units as a secondary use and a 250 room hotel based on the results of an economic feasibility analysis conducted by Block 1 Associates LLC. Later, Block 1 was subdivided into separate assessor’s parcels and Lot 8 Block 8715 (“Block 1 Hotel Parcel”) was transferred to SOMA Hotel LLC, its current owner; and,

- WHEREAS, The Successor Agency has prepared a proposed eighth amendment to the South OPA (“OPA Amendment”) in conjunction with an amendment to the Redevelopment Plan to allow an increase in the maximum permitted number of hotel rooms on the Block 1 Hotel Parcel from 250 to 300; and,
- WHEREAS, By allowing for this change to the hotel use, the OPA Amendment will support the full economic use of the Block 1 Hotel Parcel and will accelerate the completion of development under the Redevelopment Plan, the South OPA and the related enforceable obligations. The OPA Amendment does not propose any new capital expenditures by the Successor Agency or any change in the Successor Agency’s overall method of financing the redevelopment of the Mission Bay South Project Area, and will accelerate the completion of development under the Redevelopment Plan and the South OPA; and,
- WHEREAS, The OPA Amendment will benefit the taxing entities by increasing property tax revenues and accelerating the wind down of redevelopment affairs in the Plan Area; and,
- WHEREAS, Successor Agency staff has reviewed the OPA Amendment, and finds it acceptable and recommends approval thereof; and,
- WHEREAS, On January 9, 2020, the Mission Bay Citizens Advisory Committee considered the OPA Amendment and recommended approval of the OPA Amendment by the Successor Agency Commission; and,
- WHEREAS, Successor Agency staff has reviewed the OPA Amendment, and finds it acceptable and recommends approval thereof; and,
- WHEREAS, On September 17, 1998, the Redevelopment Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) for Mission Bay North and South pursuant to CEQA and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Redevelopment Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Redevelopment Plan and other Mission Bay project approvals (the “Mission Bay Project”). The San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Former Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project; and,
- WHEREAS, Subsequent to certification of the FSEIR, the Redevelopment Agency and the Successor Agency issued several addenda to the FSEIR (the “Addenda”). The Addenda do not identify any substantial new information or new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FSEIR; and,

WHEREAS, The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the OPA Amendment is consistent with the project analyzed in the FSEIR; and,

WHEREAS, OCII is making the necessary findings for the OPA Amendment contemplated herein, considered and reviewed the FSEIR, and has made documents related to the OPA Amendment and the FSEIR files available for review by the Commission and the public, and these files are part of the record before the Commission; and,

WHEREAS, The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Redevelopment Agency Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Redevelopment Agency, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in said resolutions are incorporated herein by reference as applicable to the OPA Amendment; and,

WHEREAS, Copies of the FSEIR, Addenda, and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference; and, now, therefore be it,

RESOLVED, The Commission has reviewed and considered the FSEIR and Addenda, and hereby adopts the CEQA findings set forth in Resolutions No. 182-98 and No. 183-98 and hereby incorporates such findings by reference as though fully set forth in this Resolution; and, be it further

RESOLVED, The Commission finds and determines that the approval of the OPA Amendment is within the scope of the Mission Bay Project analyzed in the FSEIR (as modified by the addenda) and requires no further environmental review beyond the FSEIR pursuant to CEQA and the CEQA Guidelines Sections 15180, 15162 and 15168 for the following reasons:

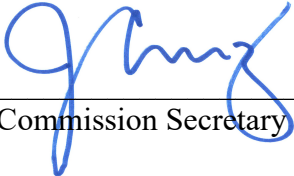
- (1) The implementation of the OPA Amendment does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
- (2) no substantial changes have occurred with respect to the circumstances under which the "Mission Bay Project" analyzed in the FSEIR will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR; and,
- (3) no new information of substantial importance to the project analyzed in the FSEIR has become available, which would indicate that (i) the project as modified by the OPA Amendment will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would

reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR; and, be it further

RESOLVED, That the Commission approves the OPA Amendment, substantially in the form lodged with the Commission Secretary, subject to the following conditions:

1. The Eighth Amendment to the Mission Bay South Owner Participation Agreement is conditioned on the final approval of amendment of the Redevelopment Plan by all legally required bodies.
2. The Eighth Amendment to the Mission Bay South Owner Participation Agreement is conditioned on the final approval by the Oversight Board and California Department of Finance.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of July 21, 2020.



Commission Secretary

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

Free Recording Pursuant to
Government Code Section 27383 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

Block 8715, Lot 008

**EIGHTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION
AGREEMENT (BLOCK 1)**

Dated _____, 2020

By and Among

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

And

FOCIL-MB, LLC

**EIGHTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION
AGREEMENT (BLOCK 1)**

This Eighth Amendment to the Mission Bay South Owner Participation Agreement (Block 1) (this “**Eighth Amendment**”), dated for reference purposes only as of [_____, 2020], is by and among the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body organized and existing under the laws of the State of California (the “**Successor Agency**”), commonly known as the Office of Community Investment and Infrastructure, FOCIL-MB, LLC, a Delaware limited liability company (the “**Owner**”). As used in this Amendment, “City” means the City and County of San Francisco, a charter city and county. All initially capitalized terms used herein shall have the meanings set forth in the South OPA (as defined below), unless otherwise specifically provided herein.

RECITALS

This Eighth 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 (“**Redevelopment Plan**”) and amended the Redevelopment Plan on July 9, 2013 by Ordinance No. 143-13 and on March 6, 2018 by Ordinance 032-18. The Redevelopment Plan establishes land use controls for the Mission Bay South Project Area (“**South Plan Area**”).

B. The former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) and Catellus Development Corporation, a Delaware corporation (“**CDC**”), entered into that certain Mission Bay South Owner Participation Agreement dated as of November 16, 1998 (the “**Original OPA**”) and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of San Francisco County (the “**Official Records**”), which was subsequently amended by (i) a First Amendment to Mission Bay South Owner Participation Agreement (the “**First OPA Amendment**”) dated as of February 17, 2004 and

recorded March 4, 2004 as Document No. 04-H669955-00 in the Official Records, (ii) a Second Amendment to Mission Bay South Owner Participation Agreement (the “**Second OPA Amendment**”) dated as of November 1, 2005 and recorded November 30, 2005 as Document No. 2005I080843 in the Official Records, (iii) a Third Amendment to Mission Bay South Owner Participation Agreement (the “**Third OPA Amendment**”) dated as of May 21, 2013 and recorded December 9, 2013 as Document No. 13-J802261-00 in the Official Records, (iv) a Fourth Amendment to Mission Bay South Owner Participation Agreement (the “**Fourth OPA Amendment**”) dated as of June 4, 2013 and recorded December 9, 2013 as Document No. 13-J802262-00 in the Official Records, (v) a Fifth Amendment to Mission Bay South Owner Participation Agreement (the “**Fifth OPA Amendment**”) dated as of April 29, 2014 and recorded August 15, 2014 as Document No. 2014J927657 in the Official Records, (vi) a Sixth Amendment to Mission Bay South Owner Participation Agreement (the “**Sixth OPA Amendment**”) dated as of July 26, 2018 and recorded August 13, 2018 as Document No. 2018-K654772-00 in the Official Records and (vi) a Seventh Amendment to Mission Bay South Owner Participation Agreement (Blocks 29-32) (the “**Seventh OPA Amendment**”) dated as of [] and recorded [] as Document No. [] in the Official Records. The Original OPA, as amended by the First OPA Amendment, Second OPA Amendment, Third OPA Amendment, Fourth OPA Amendment, Fifth OPA Amendment, Sixth OPA Amendment and Seventh Amendment shall be referred to in this Eighth Amendment as the “**South OPA**”. The South OPA establishes terms pursuant to which the private developer will develop improvements within the South Plan Area.

C. CDC’s rights, interests and obligations under the South OPA were transferred (i) to Catellus Operating Limited Partnership, as the successor by merger to CDC, then (ii) to Catellus Land and Development Corporation through an assignment and assumption agreement, and (iii) ultimately to Owner, through an assignment and assumption agreement.

D. On February 1, 2012, the Former Agency was dissolved pursuant to California State Assembly Bill No. IX 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session)

("AB 26"), codified in relevant part in California's Health and Safety Code Sections 34161 - 34168 and upheld by the California Supreme Court in *California Redevelopment Assoc. v. Matosantos*, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011 -12) ("**AB 1484**"), which among other things, provide that a successor agency is a separate public entity from the public agency that provides for its governance. (AB 26 and AB 1484, as amended from time to time, are primarily codified in Cal Health & Safety Code §§ 34170 et seq., and referred to as the "**Redevelopment Dissolution Law.**")

E. Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency's housing assets were transferred to the City, acting by and through the Mayor's Office of Housing and Community Development.

F. Under the Redevelopment Dissolution Law, a successor agency has the continuing obligation, subject to certain review by an oversight board and the State of California's Department of Finance ("**DOF**"), to implement "enforceable obligations" which were in place prior to the suspension of such redevelopment agency's activities on June 28, 2011, the date that AB 26 was approved. The Redevelopment Dissolution Law defines "enforceable obligations" to include bonds, loans, judgments or settlements, and any "legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy" (Cal. Health & Safety Code § 34171(d)(l)(e)), as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The South OPA meets the definition of "enforceable obligations" under the Redevelopment Dissolution Law.

G. Subsequent to the adoption of AB 1484, 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**" or "**OCII**"), the authority to (i) act in the place of the Redevelopment 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 OCII, consistent with the 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 OCII deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations.

H. The Board of Supervisors' delegation to the OCII includes authority to approve and amend all contracts and actions relating to assets transferred to the Successor Agency, including the Mission Bay South OPA, subject to Oversight Board approval and review by the Department of Finance, as allowed under the Redevelopment Dissolution Law.

I. Within the South Plan Area, Owner sold that certain property commonly known as Block 1 of Mission Bay South in the City and County of San Francisco, California ("Block 1") to Block 1 Associates LLC in 2012, pursuant to the Assignment, Assumption and Release Agreement ("ARRA") dated May, 17, 2012. Thereafter in 2013, Block 1 Associates LLC sold a portion of Block 1 commonly known as the hotel parcel (the "**Hotel Parcel**") following the processing of a subdivision map to separate Block 1 into two separate subdivided parcels, one that was retained by Block 1 Associates LLC, and the other, i.e. the Hotel Parcel, that was purchased by and transferred to SOMA Hotel LLC under that certain Assignment, Assumption and Release Agreement, dated as of December 20, 2013 and recorded on the same date, as Document No. 2013-J807647-00 in the Official Records. FOCIL consented to this transfer in a Consent to Transfer and Assignment and Assumption Agreement (Hotel Parcel – Portion of Block 1) dated December 17, 2013. SOMA Hotel LLC is the current owner of the Hotel Parcel.

J. To allow a zoning change for mixed-uses on Block 1, the Board of Supervisors approved, by Ordinance No. 143-13, an amendment to the Redevelopment Plan. The Successor Agency Commission and Oversight Board approved a Third OPA Amendment to authorize the

construction of up to 350 residential units and an up to 250-room hotel on Block 1, with up to 50,000 square feet of neighborhood-serving retail uses. Subsequently, the Department of Finance approved the Third OPA Amendment. Accordingly, SOMA Hotel LLC has obtained all required approvals to construct the planned hotel and retail project on the Hotel Parcel, which includes a 160-foot-tall, 250-room hotel, 4,000 square feet of neighborhood-serving retail, and podium parking at the intersection of Channel and Third Street. Construction of the project is underway and is anticipated to be complete in the first quarter of 2021.

K. SOMA Hotel LLC now proposes, wholly within the existing building envelope of the previously approved projects' existing, approved building, increasing the number of hotel rooms from 250 to 299 (with up to 300 to be permitted) (the "**Project**"). This room increase will be achieved through the conversion of some two-room suites and one-room suites, all with living rooms, on floors 5 through 16 into separate, one-room hotel rooms. The Project will not increase the hotel's floor area, nor will it necessitate any additional improvements or parking. The approved internal infrastructure plan allows this change to be made with minimal changes to construction. However, because the Project increases the number of permitted rooms, the Project requires this Eighth Amendment and amendments to the Basic Concept / Schematic Design and Major Phase for Block 1 and the Mission Bay South Redevelopment Plan. It also requires consent from the master developer, FOCIL-MB LLC.

L. The costs incurred by the Successor Agency and the City Agencies in connection with the negotiation of the Hotel Project and this Eighth Amendment and related documents, including, without limitation, the amendment to the Redevelopment Plan, a Basic Concept / Schematic Design and Major Phase amendment, and environmental review documentation to comply with the California Environmental Quality Act, shall be deemed, under Article 6 of the South OPA, to be Agency Costs.

M. The Owner and the Successor Agency wish to enter into this Eighth Amendment to the South OPA to implement the amendment to the Redevelopment Plan that the Board of

Supervisors approved, by Ordinance No _____ (_____), to allow an increase in the number of hotel rooms from 250 to up to 300 within the existing building envelope on the Hotel Parcel.

N. The increase in hotel rooms would fulfill the objectives of the Redevelopment Plan, including providing flexibility in the development of the South Plan Area to respond readily and appropriately to market conditions, providing opportunities for participation by owners in the redevelopment of their properties, strengthening the economic base of the South Plan Area and the community by strengthening hospitality options in the South Plan Area, and achieving these objectives in the most expeditious manner feasible. FOCIL and the Successor Agency (the “**Parties**”) now wish to enter this Eighth Amendment to implement the amended Mission Bay South Redevelopment Plan and the Project.

O. Under Redevelopment Dissolution Law, the Oversight Board of the City and County of San Francisco (“**Oversight Board**”) has the authority, subject to Department of Finance review, to “approve any amendments to [any contracts between the dissolved redevelopment agency and any private parties] if [the Oversight Board] finds that amendments . . . would be in the best interests of the taxing entities.” Cal. Health & Safety Code § 34181(e). For the reasons stated above, this Eighth Amendment meets this standard for amendment of an enforceable obligation.

P. The Oversight Board, consistent with its authority under Redevelopment Dissolution Law, determined, by Resolution No. _____, that an amendment to the South OPA that would allow up to 300 hotel rooms on Block 1, is in the best interests of the taxing entities.

Q. Under Redevelopment Dissolution Law, DOF must receive notice and information about all Oversight Board actions, which do not take effect until DOF has either not requested review within five days of the notice or requested review and approved the action within 40 days of its review request. On [_____, 2020], the Successor Agency provided a copy of Oversight Board Resolution No. [__-2020] to DOF, which did not object to the amendment to

the South OPA within the statutory time period for its review, or which approved the amendment to the South OPA within the statutory time period of the Successor Agency's review request.

AGREEMENT

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

1. Maximum Number of Hotel Guest Rooms. Wherever the South OPA (as amended and including without limitation any Attachment thereto) makes reference to the number of hotel guest rooms to be developed on Block 1, specifically "250" guest rooms, such phrases shall be deemed to refer to "up to 300" guest rooms, wherever the number "250" appears.

2. Scope of Development Section 1.B.3. Section 1.B.3 of the Scope of Development is hereby amended to read as follows:

1.B.3. On Block 1, an up to 300 room hotel and facilities such as banquet and conference rooms and associated facilities, with up to 25,000 Leasable square feet of retail and up to 350 Dwelling Units, which may include Owner Affordable Housing Units.

3. General Provisions.

3.1. South OPA in Full Force and Effect. Except as otherwise amended hereby and as previously revised to reflect various non-material changes, all terms, covenants, conditions and provision of the South OPA shall remain in full force and effect.

3.2. Successors and Assigns. This Eighth Amendment is binding upon and will inure to the benefit of the successors and assigns of the Former Agency, Successor Agency, the Owner, and, as applicable, the City, subject to the limitations set forth in the South OPA.

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

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

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

Authorized by Successor Agency Resolution
No. 19-2020, adopted July 21, 2020

SUCCESSOR AGENCY:

Successor Agency to the Redevelopment
Agency of the City and County of San
Francisco, a public body organized and
existing under the laws of the State of
California

By: _____
Name:
Title:

Approved as to Form:

By: _____
Name:
Title:

[Signatures continue on following page]

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 San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

OWNER:

FOCIL-MB, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

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 San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Hotel Parcel Legal Description

Real property in the City of San Francisco, County of San Francisco, State of California,
described as follows:

LOT 3 AS SHOWN ON THAT CERTAIN MAP ENTITLED "PHASE 3 FINAL MAP 8786"
RECORDED ON OCTOBER 27, 2015 IN BOOK FF OF MAPS, PAGES 146-148 AS
INSTRUMENT NO. 2015-K149659-00, IN THE OFFICE OF THE RECORDER OF THE
CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

APN: Lot 008, Block 8715