SAN FRANCISCO
PLANNING DEPARTMENT

Letter of Determination

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June 11, 2009

Jim Reuben
Reuben & Junius, LLP
One Bush Street, Suite 600
San Francisco, CA 94104

RE: One Nob Hill Circle (aka 850 Mason Street)
Mark Hopkins Tourist Hotel Conversion Application, Case No. 2008.0678U
Block: 0255 Lot: 002

Dear Mr. Rueben:

This letter is in response to your request for a Letter of Determination regarding the Large Tourist Hotel Conversion Application, Case No. 2008.0678U (the "Application"), for the Mark Hopkins Hotel (the "Hotel") located at One Nob Hill Circle. The Application requests approval of the conversion of 179 tourist hotel rooms into 66 residential condominiums pursuant to section 41F.3(f) of the Large Tourist Hotel Conversion Ordinance ("LTHCO"), Chapter 41F of the San Francisco Administrative Code. In your request, you asked that a determination be made that the Hotel's conversion request, the conversion of 179 tourist rooms, must be considered as a whole rather than considered as a portion of the request for which the Hotel is currently eligible as established by the LTHCO Conversion Credit Queue (the "Queue").

Pursuant to San Francisco Administrative Code Section 41F.3(b), the Queue established the eligibility of Large Tourist Hotel Conversion applicants to receive the first 550 Conversion Credits. Currently, the Mark Hopkins Hotel possesses 11 of the first 550 Conversion Credits. However, since the Application requested the conversion of 179 rooms, the Application must be considered as a whole, or at least a predominant portion of the whole Application, not merely as a partial, piecemeal conversion of 11 rooms. Therefore, I have determined that the Application must be considered as a whole, as the conversion of 179 tourist hotel rooms or as a predominant portion thereof, in the event the Hotel becomes eligible to convert the requested 179 tourist rooms as described in the Application, or in the event the Hotel becomes eligible to convert a majority of the 179 rooms.

The full 179 conversion credits currently have not been allocated for the Hotel to complete the requested conversion. However, if the Queue members located above the Hotel do not successfully complete their respective conversions as specified by Administrative Code Sections 41F.3(b) and 41F.3(e)(2), the Hotel may be eligible to convert its rooms provided that additional conversion credits become available and that the Hotel has used "diligent and good faith efforts" as described in Administrative Code Section 41F.3(e)(2) by filing the required Application on June 11, 2008, and by proceeding with and completing environmental review on February 13, 2009, with issuance of a Class 1 (a)(k) Categorical Exemption to complete conversion requirements. Please note that, all queue members must obtain Planning Commission approval for conversion prior to November 1, 2010, as required by Section 41F.3(b). Unused

credits that have not been approved for use by the Planning Commission as of November 1, 2010 will expire.

If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,

Lawrence B. Badiner
Zoning Administrator

cc: Gene Valla, Lurie-Mark Hopkins, Inc.
AnMarie Rodgers
Aaron Hollister