

MINUTE ITEM
This Calendar Item No. 37
was approved as Minute Item
No. 37 by the State Lands
Commission by a vote of 3
to 0 of its 7-15-91
meeting.

CALENDAR ITEM

A 16

S 3, 8

- 37

07/15/91
G11-01
J. Sekelsky

APPROVE A LEASE BETWEEN THE PORT OF SAN FRANCISCO
AND THE SAN FRANCISCO REDEVELOPMENT AGENCY
AND RELATED DOCUMENTS CONCERNING THE USE OF
GRANTED SOVEREIGN LANDS IN CONJUNCTION WITH THE
RINCON POINT-SOUTH BEACH REDEVELOPMENT PLAN,
PURSUANT TO STATUTES OF 1987, CHAPTER 310

PARTIES:

San Francisco Port Commission

San Francisco Redevelopment Agency

Bridge Housing Corporation

BACKGROUND

In 1981, the City and County of San Francisco approved the Rincon Point-South Beach Redevelopment Project which is to be undertaken by the San Francisco Redevelopment Agency. Certain of the lands included within the project area consist of filled and reclaimed tidelands and submerged lands ("tidelands") owned by the State in its sovereign capacity, and administered by the San Francisco Port Commission ("Port"), pursuant to the Burton Act (Statutes of 1968, Chapter 1333), as amended, subject to the terms of that act and the public trust. These granted sovereign lands are commonly referred to as Seawall Lots 331, 332, and 333. The redevelopment project contemplated use of those seawall lots for residential and general commercial purposes, each of which are uses inconsistent with the public trust conditions under which the Port holds the granted tidelands. By Chapter 310, Statutes of 1987, the Legislature expressly released Seawall Lots 331, 332, and 333 from the use restrictions of the public trust, to allow implementation of the redevelopment project, subject to the following:

- (a) Revenues derived from the property would be deposited in a trust fund created pursuant to the Burton Act and used solely for purposes authorized by that act;

-1-

(ADDED pgs. 124 - 124.2)

CALENDAR PAGE	<u>134</u>
MINUTE PAGE	<u>2161</u>

- (b) Leases of the subject property may not extend beyond September 26, 2050 in accordance with the Burton Act, and;
- (c) Leases of the subject property between the Port and the redevelopment agency, the redevelopment agency and any other entity, or the Port and any other entity, are subject to the approval of the State Lands Commission, in order to ensure that the consideration received is consistent with prudent land management practices.

The Port has entered into a lease agreement with the redevelopment agency for use of a portion of Seawall Lot 333 for lower income and low income rental housing. The leased premises have been subleased to Bridge Housing Corporation which will be constructing the housing project. The Port has asked Commission staff to review its lease to the redevelopment agency and the sublease through which Bridge Housing Corporation has obtained its leasehold interest, pursuant to the provisions of Chapter 310, Statutes of 1987. Staff has reviewed these documents and has found them consistent with the range of reasonable business judgments available, and thus in conformance with prudent land management practices as set forth in Chapter 310.

AB 884:
N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's Delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. FIND, PURSUANT TO STATUES OF 1987, CHAPTER 310, SECTION 2, THAT THAT LEASE DATED MAY 9, 1991, BETWEEN THE SAN FRANCISCO PORT COMMISSION AND THE SAN FRANCISCO REDEVELOPMENT AGENCY,

CALENDAR ITEM NO. 27 (CONT'D)

FOR A PORTION OF SEAWALL LOT 333, AND RELATED SUBLEASES ESTABLISHING A LEASEHOLD INTEREST IN BRIDGE HOUSING CORPORATION, COPIES OF WHICH ARE ON FILE AT THE OFFICES OF THE STATE LANDS COMMISSION, ARE CONSISTENT WITH THE RANGE OF REASONABLE BUSINESS JUDGMENTS AVAILABLE, AND THUS IN CONFORMANCE WITH PRUDENT LAND MANAGEMENT PRACTICES AS SET FORTH IN CHAPTER 310.

CALENDAR PAGE	<u>272</u> . 2
MINUTE PAGE	<u>2163</u>