Docusign Envelope ID: C7050751-BF1B-8F84-82FB-BF35100D4603

108-0052026-002

Agenda Item **Nos. 5(B & C)**
Meeting of October 28, 2026

MEMORANDUM

TO: Oversight Board

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Directing the Successor Agency to transfer, under Section 34181 (a) of the California Health & Safety code, its beneficial interests in restrictive covenants to the City and County of San Francisco ("City") as a real estate asset used for a governmental purpose; and authorizing an assignment and assumption agreement to convey to the City the beneficial interests in the restrictive covenants as set forth in the disposition and development agreement and grant deed both dated April 20, 2010, by and between Former Redevelopment Agency of the City and Tenant's and Owner's Development Corporation, inc. ("TODCO") and the declaration of site restrictions executed by TODCO on April 20, 2010

Directing the Successor Agency to transfer, under Section 34181 (a) of the California Health & Safety code, its beneficial interests in restrictive covenants to the City and County of San Francisco ("City") as a real estate asset used for a governmental purpose; and authorizing an assignment and assumption agreement to convey to the city the beneficial interests in the restrictive covenants as incorporated into the grant deed, dated June 27, 2006, by and between Former Redevelopment Agency of the City and County of San Francisco and the Contemporary Jewish Museum

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EXECUTIVE SUMMARY

Redevelopment Dissolution Law requires successor agencies to "dispose of assets and properties of the former redevelopment agency as directed by the oversight board." Cal. Health and Safety Code § 34177 (e). An oversight board may "direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, . . . to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset." Cal. Health & Safety Code § 34181 (a). Recently, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency," commonly known as the Office of Community Investment and Infrastructure or "OCII") became aware of certain restrictive covenants running with the land on real property that was formerly owned by the Redevelopment Agency of the City and County of San Francisco ("Former Agency") and that was transferred to private parties. OCII has beneficial interests in these restrictive covenants that limit the owners' uses of the properties and run with the land in perpetuity.

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Two sites possessing separate restrictive covenants are: 1) the Alice Street Community Gardens ("Alice Gardens Site") owned by the Tenants and Owners Development Corporation, Inc. ("TODCO"); and 2) the Contemporary Jewish Museum site (the "Museum Site," further described below), which is owned by the Contemporary Jewish Museum, a California nonprofit public benefit corporation ("CJM"). The Alice Gardens Site is restricted to community open space, but TODCO is considering developing affordable housing at the site. The Museum Site is restricted to a museum and is considering related uses.

Due to dissolution, OCII must transfer its beneficial interests in these separate restrictions to the City and County of San Francisco (the "City"), as real property assets "used for a governmental purpose," Cal. Health & Safety Code § 34181 (a) (1). If the transfers are approved through Assignment and Assumption Agreements, the City would assume control of the beneficial interests in the restrictions and then separately work with TODCO and CJM on the next steps for the properties under City policy and zoning.

Staff recommends the approval of the Assignment and Assumption of the Agreements for the Alice Gardens Site and the Museum Site.

DISCUSSION

Alice Street Community Gardens

As part of the Yerba Buena Center Redevelopment Plan (the "YBC Plan"), the former San Francisco Redevelopment Agency ("Former Agency") leased the Alice Gardens Site to TODCO in 1983 for the development of a community garden as a replacement for the Clementina Gardens in the Yerba Buena Center Redevelopment Project Area ("Project Area"). The Clementina Gardens were demolished to accommodate construction of the Ceatrice Polite Apartments, a 90-unit affordable project for low-income seniors.

Prior to the expiration of the YBC Plan on January 1, 2011, the Former Agency entered into a Disposition and Development Agreement dated April 20, 2010 (the "Alice Gardens Agreement") with TODCO transferring land to TODCO for the Alice Gardens Site at Lot 173 of Assessor's Block 3751 located in the Project Area.

Section 5.02 of the Alice Gardens Agreement states: "[t]he Site and the Improvements thereon shall be devoted only for use as a community garden or other form of community open space for use by the Project Area residents and visitors." In Alice Gardens Agreement's "Declaration of Site Restrictions" ("Declaration"), Section 6, "[t]he Site and the Improvements thereon shall be devoted only to use as a community… garden or other form of community open space for use by Project Area residents." In addition, the Alice Gardens Grant Deed transferred the Alice Gardens Site from the Former Agency to TODCO, subject to a land use restriction that required TODCO "not [to] devote any portion of the [Alice Gardens Site]…to any use other than a community garden or other form of community open space." The land use restrictions set forth in the Alice Gardens

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Agreement, the Alice Gardens Grant Deed, and the Declaration are collectively referred to in this memorandum as the "Alice Gardens Restrictions." Earlier this year, a representative of TODCO sought information about removing or amending the Alice Gardens Restrictions in order to build affordable housing at the Alice Gardens Site.

The Project Area is expired, and the zoning is under the jurisdiction of the San Francisco Planning Department. TODCO and the Mayor's Office of Housing and Community Development ("MOHCD") have been discussing the possibility of developing affordable housing on the Alice Gardens Site, but the Alice Gardens Restrictions would need to be removed by amending or terminating the Alice Gardens Restrictions. Under Dissolution Law, OCII has determined that it does not have the authority to amend or terminate the Alice Gardens Restrictions. However, OCII can transfer its interests in Alice Gardens Restrictions to the City. Then, the City, through MOHCD, if it so desires and on its own, would be able to amend the Alice Gardens Agreement, the Alice Gardens Grant Deed, and Alice Gardens Restrictions as necessary as it continues to work with TODCO to explore the option of developing affordable housing on the Alice Gardens Site.

Contemporary Jewish Museum

Prior to the expiration of the YBC Plan, the Former Agency and CJM entered into an Amended and Restated Disposition and Development Agreement dated August 2, 2005 (the "CJM Agreement") for sale and development of the site known as Parcel CB-1-JSS, located on a portion of Lot 117 of Assessor's Block 3706 on the portion of the Project Area known as Central Block I ("CB-I"), bounded by Market Street, Third Street, Mission Street and Fourth Street ("Museum Site"). The disposition of the Museum Site to the CJM included the disposition of Jessie Street Substation building ("Substation") for rehabilitation, seismic strengthening and adaptive reuse as a high-quality museum facility, including ancillary components ("Museum Building"). The Museum Building opened in 2008 but unfortunately closed in 2025.

The CJM Agreement contains restrictive covenants requiring the Museum Building to remain as a museum. These covenants include those set forth in Section 7.01.3 of the Agreement, which states that "[f]ollowing the issuance of a Certificate of Completion by the Agency, the Site and the Improvements thereon shall be used only as a Museum with ancillary and incidental commercial/retail uses related to the Museum…" The covenants set forth in the CJM Agreement were incorporated into the Grant Deed entered into on August 2, 2005 by CJM and the Former Agency (the "CJM Grant Deed"). The CJM Grant Deed transferred ownership of the Museum Parcel to CJM subject to the covenants set forth in the CJM Agreement. Section 3.2 of the CJM Grant deed explicitly states that the Former Agency and its successors and assigns were to be considered beneficiaries of the covenants set forth in the CJM Agreement and the CJM Grant Deed (collectively, the **"**CJM Restrictions").

Similar to the situation with Alice Gardens Restrictions, OCII does not have the authority to remove or amend the CJM Restrictions due to the limitations on its ability to modify or terminate its real property interests as a result of redevelopment dissolution. Moreover, as noted above, OCII has the obligation to dispose of the real estate assets of the Former Agency.

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Long Range Property Management Plan

Dissolution Law required OCII to prepare a Long-Range Property Management Plan ("PMP") describing the proposed disposition of the Former Agency's real property assets. In late 2015, the Oversight Board and DOF reviewed and approved the PMP's detailed list of the Former Agency's properties to be sold, retained, or transferred due to dissolution. Once DOF approved the PMP, the actions to implement the PMP do not need subsequent review or approval.

OCII's PMP did not include the Alice Gardens Restrictions or the CJM Restrictions. Dissolution Law does not allow for PMP amendments once the PMP is approved. It does, however, provide an alternative method for disposing of the Former Agency's real estate assets under Section 34181 (a) (1) of the Health and Safety Code: "The oversight board shall direct the successor agency to . . . dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose . . . to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset." See also Cal. Health & Safety Code § 34177 (e) (providing that the oversight board may "direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181").

ENVIRONMENTAL REVIEW

The authorization of the separate Assignment and Assumption Agreements to transfer OCII's beneficial interest in the Alice Gardens Restrictions and CJM Restrictions to the City is not subject to environmental review under the California Environmental Quality Act ("CEQA") because it is an administrative activity of government and therefore not a "project" as defined under CEQA Guidelines Section 15378(b)(5). The City will conduct any necessary environmental review once the specific nature of future activities related to the Alice Gardens Site and Museum Site are determined.

NEXT STEPS

Upon Oversight Board approval, OCII will submit the Assignment and Assumption Agreements to the DOF for its review and, if DOF approves or does not object, OCII will work with the City to transfer the assets under the Assignment and Assumption Agreements.

(Originated by Marc Slutzkin, Deputy Executive Director)

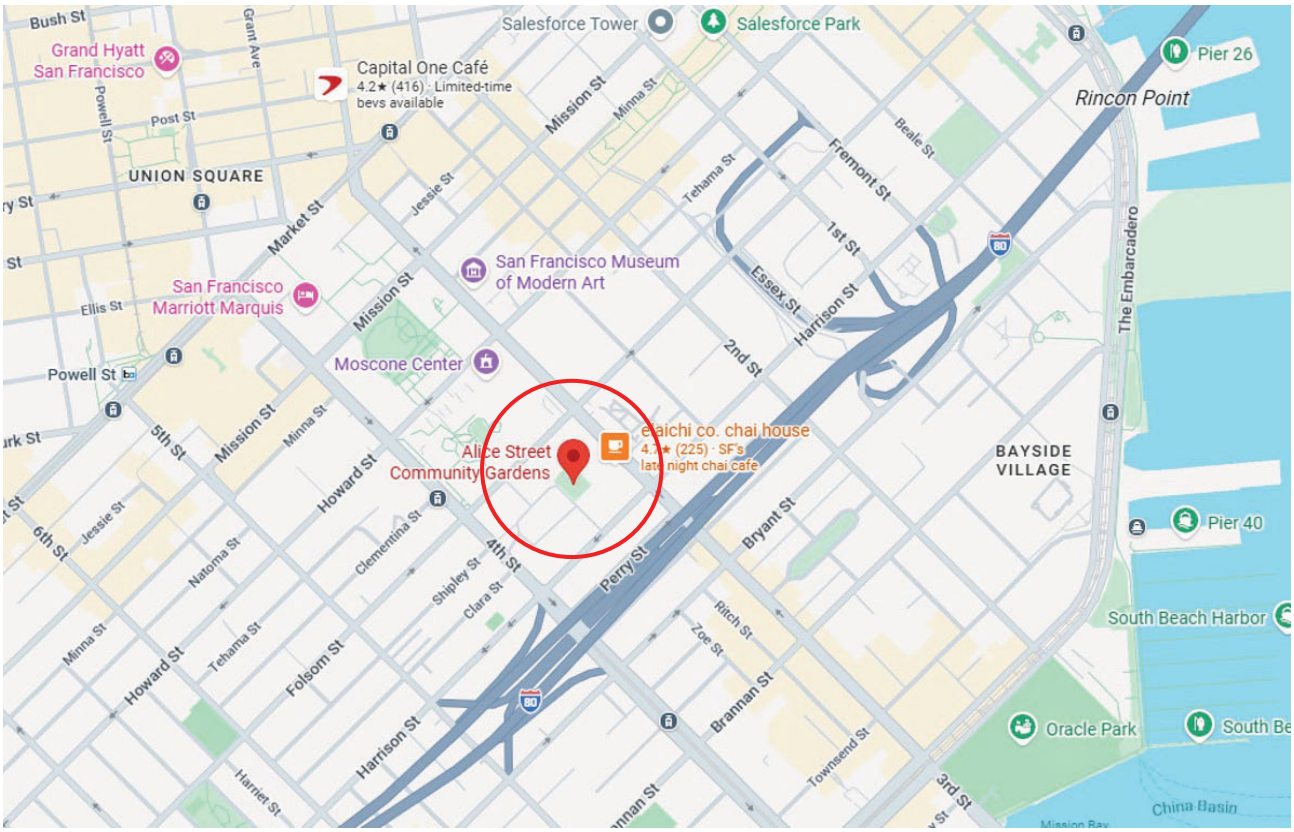
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Thor Kaslofsky
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Thor Kaslofsky
Executive Director

Attachment A – Alice Gardens Site Maps
Attachment B – Museum Site Maps

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Attachment A
Alice Street Community Gardens



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REVISED '75
" '77
" '79
" '87
" '88
" '90

THIRD

LOTS ~~174~~, 175, & 176
SEE SHTS 2 & 3 '90

~~172~~

LOT 174 INTO 177/409
'90 SEE SHEET 4

157
S. B. E.

158

173

170

169

167
S.F.R.A.

168
S.F.R.A.

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112
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162 33
161 34

LAPU - LAPU

FOLSOM

HARRISON

MABINI

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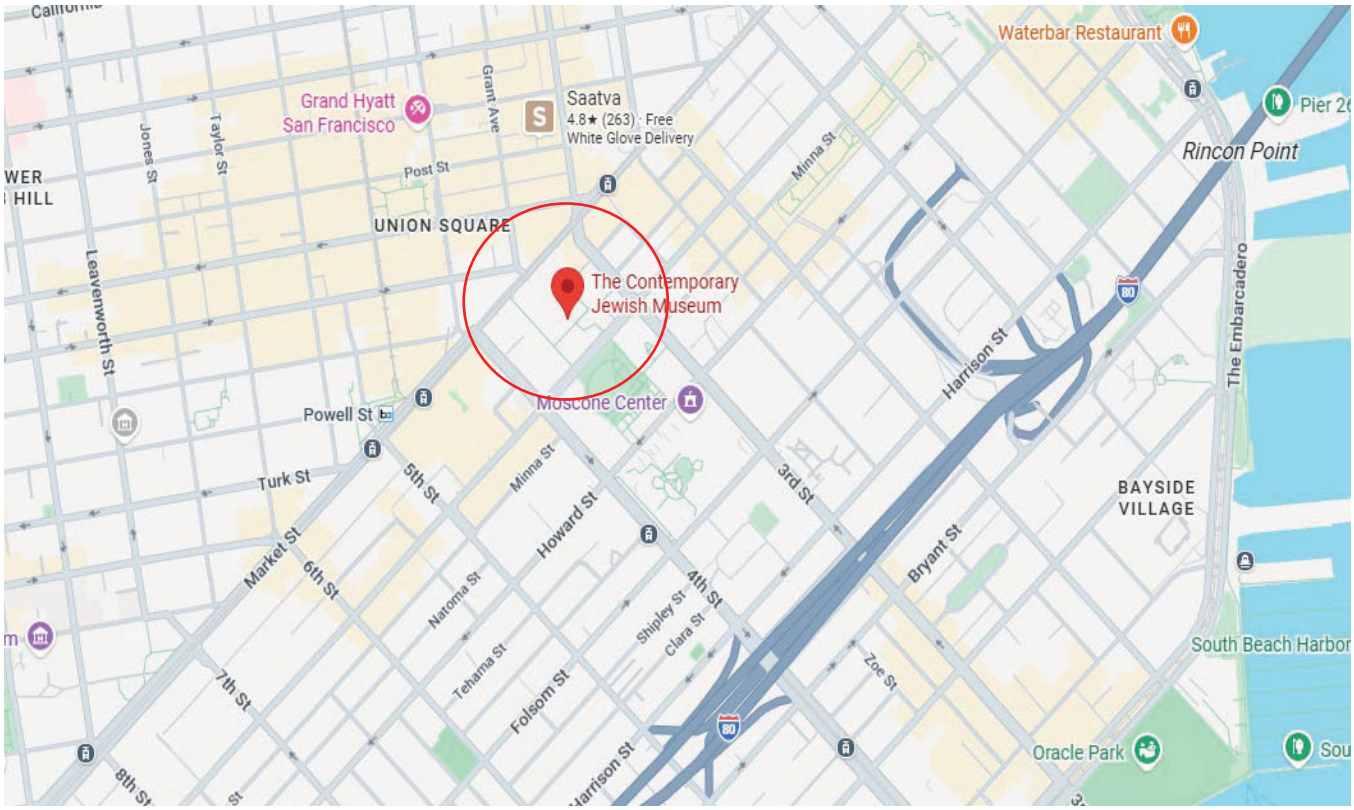
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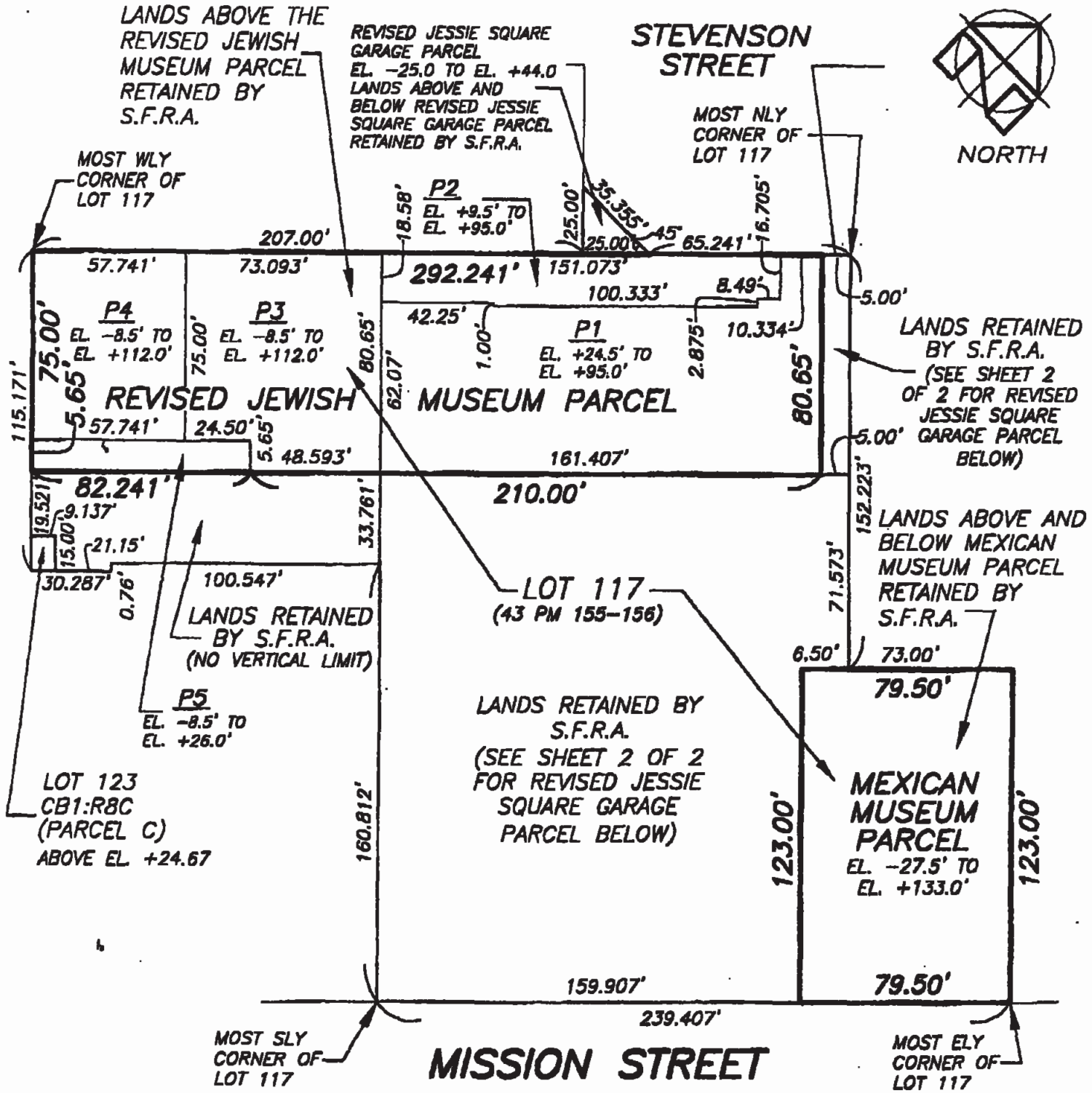
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Attachment B
Contemporary Jewish Museum



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REVISED JEWISH MUSEUM, MEXICAN MUSEUM AND REVISED JESSIE SQUARE GARAGE PARCELS

SUBJECT:

ELEVATION NOTE: ELEVATIONS ARE ON SAN FRANCISCO CITY DATUM.

ASSESSOR'S BLOCK 3706
SAN FRANCISCO, CA.

BY JP	CHKD. BR	DATE 3-17-05	SCALE 1"=50'±	SHEET 1 OF 2	JOB NO. S-4503

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

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