



## MEMORANDUM

DATE: June 25, 2021

TO: Mayor London Breed and Members of the Board of Supervisors

FROM: Carmen Chu, City Administrator & Capital Planning Committee Chair

Andrico Q. Penick, Director of Property

SUBJECT: Resolution Authorizing the Director of Real Estate to sell up to 1,200,000 gross square feet of transferable development rights ("TDR") from City Hall, located at 1 Dr Carlton B Goodlett Pl, at or above fair market value

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The City owns certain real property located at 1 Dr. Carlton B. Goodlett Place in San Francisco at Block 0787 Lot 001 ("City Hall"). On behalf of the City Administrator, the Real Estate Division ("RED") intends to seek authorization from the Board of Supervisors to sell transferrable development rights ("TDR") from City Hall at fair market value.

City Hall has 1,317,480 total units of TDR available. However, the Director of Real Estate is only seeking authorization to sell 1,200,000 units of TDR. The remaining TDRs will be held off market in reserve in case of future development.

With the start of the City Hall TDR program, we are building upon the success of the War Memorial. Under the War Memorial TDR program, we successfully sold approximately 1,100,000 TDR units and generated approximately \$32 million dollars in gross revenue. We anticipate that the City hall TDR program could generate approximately \$41 - \$50 million dollars. All funds from the sale of City Hall TDRs shall be placed into the segregated account established by the Controller as a trust asset to be used solely for the rehabilitation and restoration of City Hall, (which may include payment of debt service in furtherance of said rehabilitation and restoration) in accordance with the Secretary of the Interior Standards.