



BUDGET UPDATE

June 22, 2023

Presented by the San Francisco Office of Economic & Workforce Development

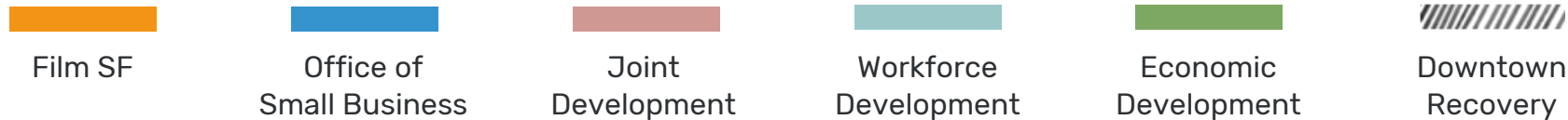
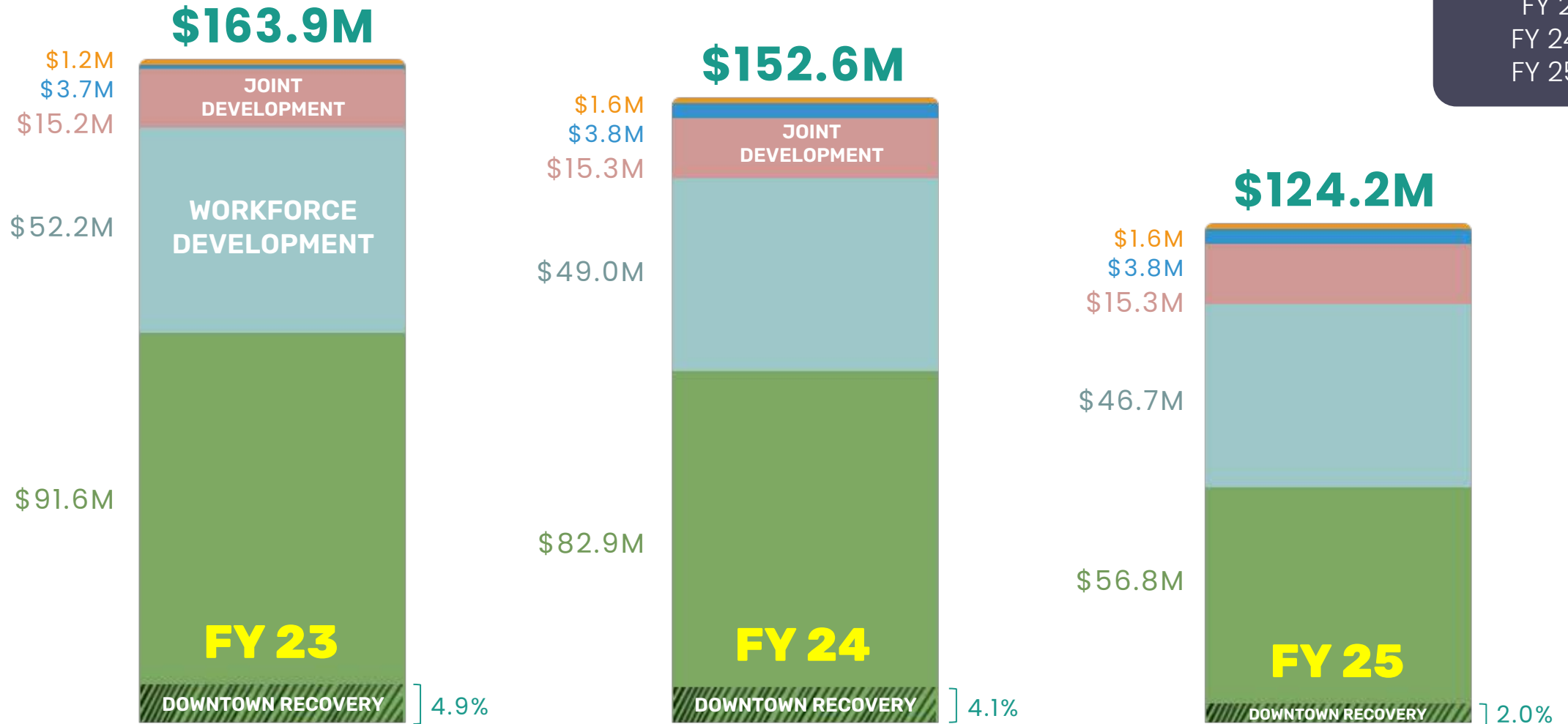
Sarah Dennis Phillips, Executive Director

BUDGETARY OVERVIEW AND BASELINE INVESTMENTS

Downtown Economic Recovery Investment

Downtown Recovery

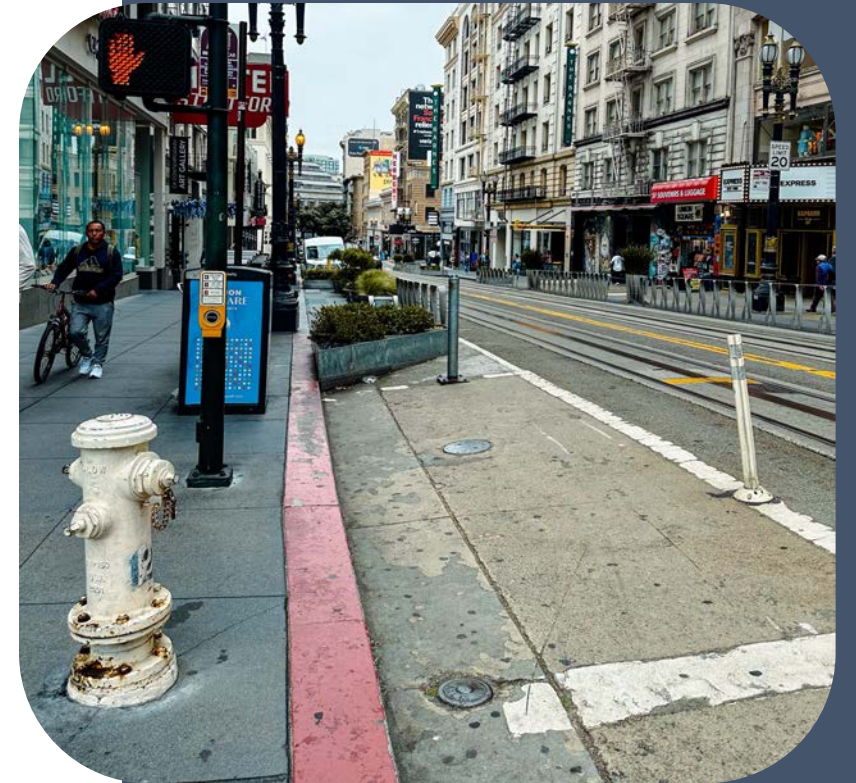
FY 23 = 8M
 FY 24 = 6.3M
 FY 25 = 2.5M



DOWNTOWN ECONOMIC RECOVERY

Dynamic Destination

	FY23	FY 24	FY 25
Streetscape	–	\$2.0M	–
Outreach and Design	–	\$.27M	–
Const. Drawings & Permitting	–	\$.21M	–
Construction	–	\$1.5M	–
Biz Attraction / Support	–	\$1.8M	–
Activations	\$8.0M	\$2.5M	\$2.5M
Pop Ups	\$.87M	\$.5M	\$.5M
Mid-Market	\$3.0M	\$.5M	\$.5M
Downtown	\$3.53M	\$1.5M	\$1.5M
Tourist Attraction	\$.6M	–	–
Total	\$8.M	\$ 6.3M	\$ 2.5M



AMBASSADOR PROGRAMS

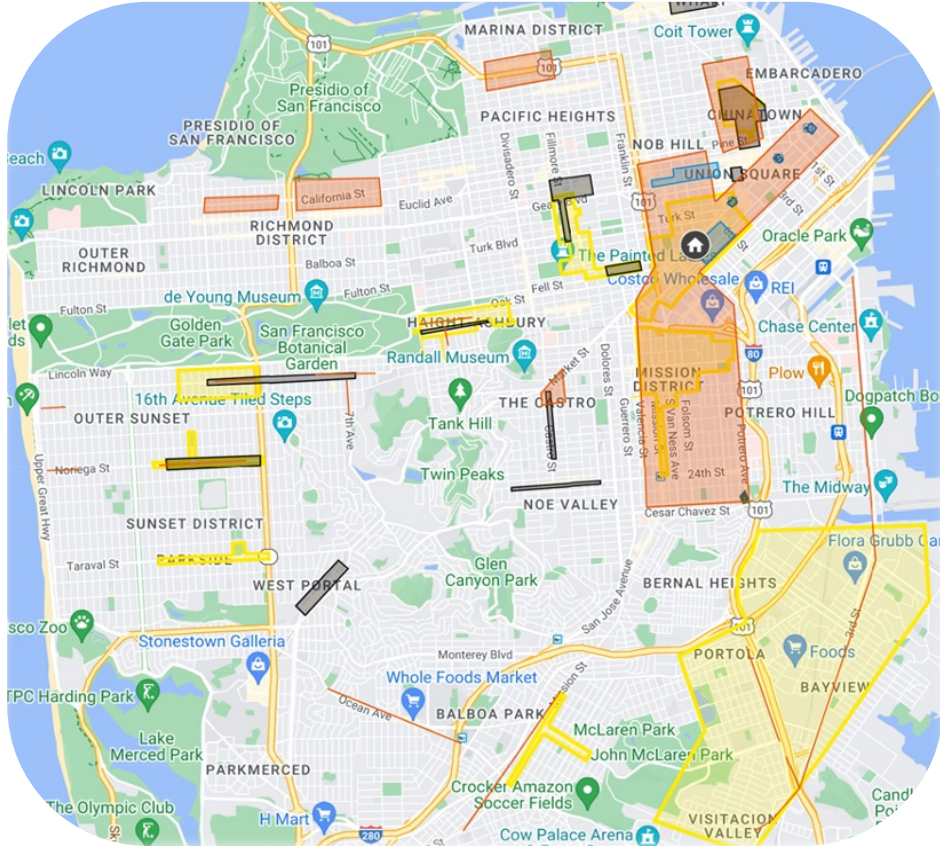
Welcoming, Clean, and Safe

	FY 23	FY 24	FY 25	TOTAL
MM/TL	\$23.6M	\$21.5M	\$16.0M	\$61.1M
Downtown	\$6.6M	\$5.0M	\$3.15M	\$14.75M
BART	\$2.0M	\$3.0M	—	\$5.0M
Mission	\$0.5M	\$2.0M	—	\$2.5M
Total	\$32.7M	\$31.5M	\$19.15M	\$83.35M



AMBASSADOR PROGRAMS CITYWIDE

DEM Coordination



Total Programs

34

**Public Agency staffed /
grant-funded programs**

19

CBD Programs

15

Total FTE equivalents

981.33

Hours

Varying hours

daily/weekday programs typically operate between 8 to 14 hrs/day to cover early mornings and evenings

Daily presence

32 programs

provide daily coverage (7 days/week) or weekday coverage (Mon-Fri)

Supervisor District Coverage

All Supervisor districts have ambassador presence

AMBASSADOR PROGRAM CITYWIDE DEM Coordination

Workplan

- Document the landscape
- Coordinate and manage resources
- Support programming and build capacity
- Measure impact



Extends Agreement between OEWD and Mid-Market Foundation through FY25 and increases NTE by \$31M

Resolution
File No. 230681

RESOLUTION (FILE NO. 230681)

Mid-Market/Tenderloin Community Safety

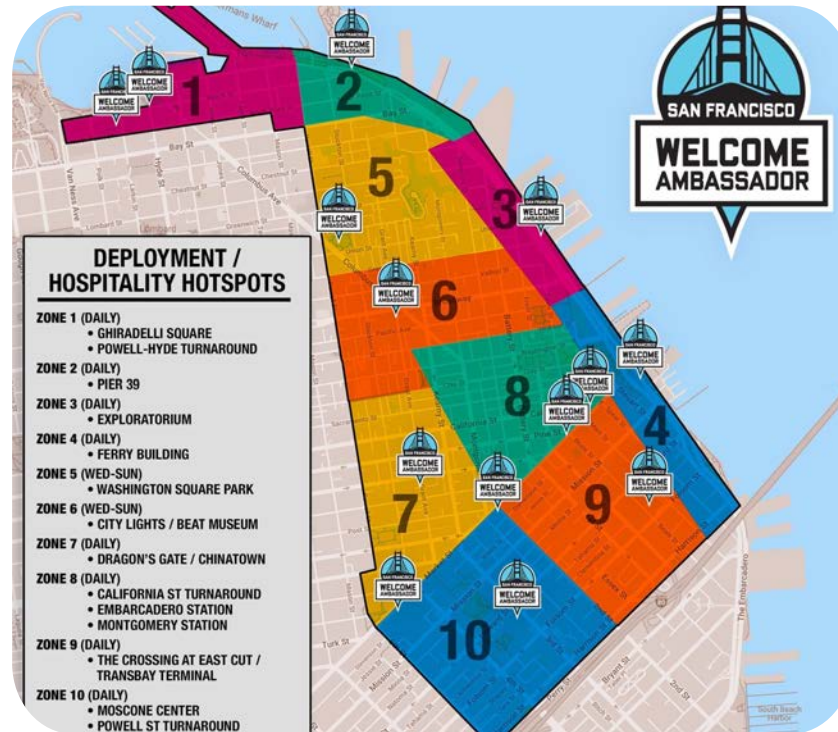


Extends Agreement between OEWD and SF Tourism Improvement District through FY 25 and increases NTE by \$5.15M

Resolution
File No. 230680

RESOLUTION (FILE NO. 230680)

Downtown Welcome Ambassadors



Program Overview

Mid-Market/Tenderloin Safety Ambassadors			Downtown Welcome Ambassadors			
FY 23	FY 24	FY 25	FY 22*	FY 23	FY 24	FY 25
\$23,590,570	\$21,500,000	\$16,000,000	\$6,627,000	\$6,600,000	\$5,000,000	\$3,150,000
250 FTE 100 posts (peak)	225 FTE 90 posts (peak)	168 FTE 67 posts (peak)	83 FTE 45 posts (peak)	69 FTE 40 posts avg (peak)	47 FTE 23 posts (peak)	27 FTE 12 posts (peak)
Monday – Sunday 7 AM – 7 PM			Monday – Sunday 8 AM – 8 PM			
\$21-26/hour			\$25-27/hour			
Safety, Wellness, Cleanliness			Hospitality, Wellness			
Feedback goes direct to agency and/or to City. MMF proactively conducts merchant and resident outreach and surveys			Feedback goes direct to agency and/or to City. SFTID proactively conducts merchant and resident outreach and surveys			



RESOLUTION (FILE NO. 230681)

Mid-Market/Tenderloin Safety Ambassadors

Outcomes (July 2022 – May 2023)

- **900,000** positive engagements
- **28,000** de-escalation interventions
- **1,500** reports to 311
- **129** calls to 911
- **87** overdose reversals
- **63,500** needle disposals and **33,074** trash bags collected

Bi-Annual Community Survey Findings

- **88% were familiar** with program
- **80% feel safer** during program hours
- **77% report good experiences** with ambassadors



RESOLUTION (FILE NO. 230680)

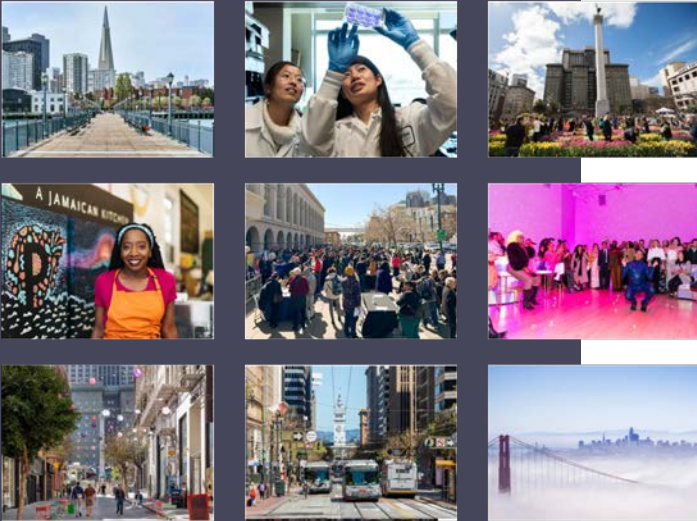
Downtown Welcome Ambassadors

Outcomes (July 2022 – May 2023)

- **4,679,259** public greetings
- **7,544** welfare checks
- **457** 311 calls
- **80** 911 calls
- **1,041** translation services provided
- **234,395** directions provided
- **18,289** hospitality escorts
- **99,737** museum/attractions referrals
- **13,013** restaurant recommendations
- **6** overdose reversals

Bi-Annual Community Survey Findings

- **96% were familiar** with program
- **56% feel safer** during program hours
- **80%** reported **feeling welcome** in the city
- **97%** report **helpful or extremely helpful assistance**



ECONOMIC RECOVERY = **Multi-Pronged Effort**

Supported by

- **Budget Funding**
- **Future pursuit of State, Federal, and other grants**
- **Shared Programs**
- **Tax Legislation**

ORDINANCE (FILE NO. 230660)

Commercial Rent Tax Measure

Proposes pause on the back-to-back taxation of subleases under the Commercial Rent Tax.

Sublease examples	How it works today	How it works under this proposal
Company A leases space for \$100/sq ft	Tax collected on \$100/sq ft	No change
Company A subleases space to Company B for \$30/sq ft	Tax collected on \$130/sq ft (\$100 base lease + \$30 sublease)	Tax collected on \$100/sq ft
Company A subleases space to Company C for \$150/sq ft	Tax collected on \$250/sq ft (\$100 base lease + \$150 sublease)	Tax collected on \$150/sq ft (\$100 base lease + \$50 profit on sublease)

Ordinance

File No. 230660



Ordinance
File No. 230155

ORDINANCE (FILE NO. 230155)

Gross Tax Receipts Measure

Gross Receipts Tax Rate Increase Postponement and Credits for Opening City Location

- **In 2020 Prop F, created a two-year tax break for:**
 - Retail trade
 - Certain services
 - Manufacturing
 - Food services
 - Accommodations
 - Arts, entertainment and recreation
- **Rates in these categories are going up 70%** over the 2023 and 2024 tax years
- **This proposal delays those increases** to the 2025 and 2026 tax years

Retail Trade Table

HOW IT WORKS TODAY	Current Timetable	Tax Rate	Gross Receipts	Proposed Timetable	HOW IT IS PROPOSED TO WORK
	2021-2022	0.056%	\$0 - \$1,000,000	2021-2024	
		0.07%	\$1,000,000.01 to \$2,500,000		
		0.095%	\$2,500,000.01 to \$25,000,000		
		0.224%	\$25,000,000.01 and over		
	2023	0.079%	\$0 - \$1,000,000	2025	
		0.105%	\$1,000,000.01 to \$2,500,000		
		0.142%	\$2,500,000.01 to \$25,000,000		
		0.224%	\$25,000,000.01 and over		
	2024 and beyond	0.105%	\$0 - \$1,000,000	2026 and beyond	
		0.14%	\$1,000,000.01 to \$2,500,000		
		0.189%	\$2,500,000.01 to \$25,000,000		
0.224%		\$25,000,000.01 and over			

Offer a 0.45% credit to taxable gross receipts for:

- Information
- Admin & support services
- Financial services
- Insurance
- Professional, scientific, & technical services
- Admin office tax*

Ordinance

File No. 230155

ORDINANCE (FILE NO.230155)

Credits for Opening City Location

Sample tax rate table – Information

Tax Rate	Gross Receipts	Rate under credit
0.573%	\$0 - \$1,000,000	0.123%
0.655%	\$1,000,000.01 to \$2,500,000	0.215%
0.751%	\$2,500,000.01 to \$25,000,000	0.301%
0.832%	\$25,000,000.01 and over	0.382%



ORDINANCE (FILE NO. 230660)

Mechanics of the credit

- ✓ Can claim for 3 years or until 2028
whichever is first
- ✓ Must be new
defined as not in SF for 3 years
- ✓ Must have a physical space
no credit for solely having remote workers who live in SF
- ✓ Credit capped at \$1M annually
for qualifying business

THANK YOU



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