

1 [Economic Development Plan and Fund.]

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3 **Ordinance amending the San Francisco Administrative Code to (1) require the Office of**  
4 **Economic Development to prepare and annually update an Economic Development**  
5 **Plan, (2) create a San Francisco Economic Development Fund to promote economic**  
6 **and business development and attract and retain jobs within the City, (3) create an**  
7 **economic development committee to administer the fund, and (4) require, as part of the**  
8 **local legislative process, that the Office of Economic Development prepare an analysis**  
9 **of the potential impacts of proposed legislation upon the San Francisco economy and**  
10 **tax revenues prior to enactment by the Board of Supervisors.**

11 Note: Additions are single-underline italics Times New Roman;  
12 deletions are ~~strikethrough italics Times New Roman~~.  
13 Board amendment additions are double underlined.  
14 Board amendment deletions are ~~strikethrough normal~~.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. The San Francisco Administrative Code is hereby amended by adding  
17 Article 93, to read as follows:

18 Article 93

19 Economic Development Plan

20  
21 Sec. 93.1. Economic Development Plan.

22 (a) Within six months of the effective date of this Article, and annually thereafter, the Office of  
23 Economic Development shall promulgate and present to the Mayor and Board of Supervisors the San  
24 Francisco Economic Development Plan pursuant to the provisions of this Article.

25 (b) The plan and annual updates shall include, but are not limited to, the following:

1                   (1) An analysis of employment in the City by industry and job classification;

2                   (2) An analysis of the City's tax revenues broken down by industry type and firm size,  
3 including but not limited to the amount of taxes and fees attributable to the payroll expense tax,  
4 sales tax, business registration fees, property tax, property transfer tax, utility users tax, and  
5 development impact fees;

6                   (3) An analysis of which industries are likely to create significant numbers of jobs in the  
7 City in the succeeding three years, together with an assessment of the skills and education  
8 typically required to obtain such jobs. The Office of Economic Development shall solicit input  
9 from public and private entities in the compilation of data and analyses for this survey of  
10 industries likely to create jobs, including but not limited to the Federal Reserve Bank for this  
11 district, Chamber of Commerce, Convention and Visitors Bureau, Urban Institute of San  
12 Francisco State University, SPUR, San Francisco Labor Council, Small Business Commission,  
13 Small Business Network, San Francisco Building and Construction Trades Council, Service  
14 Employees International Union, and Workforce Investment Board;

15                   (4) Proposed goals, based on the research compiled in the plan, for job and revenue  
16 generation, describing the industries, wage levels, skills and education required for the jobs the  
17 City would like to attract, and the anticipated tax revenue these new jobs would create. The  
18 Office of Economic Development shall solicit the input of the Treasurer and Controller in the  
19 formulation of such goals; and

20                   (5) A survey of areas and sites within the City suitable for development. The Office of  
21 Economic Development, with assistance from the Office of Real Estate, San Francisco  
22 Redevelopment Agency, Port of San Francisco, Department of City Planning, and other  
23 appropriate City offices, shall develop, maintain and make publicly available on the internet a  
24 database of areas and sites within the City in which firms desiring to create jobs described in  
25 the plan may locate, together with a summary of the City permits, licenses and other approvals

1 necessary for such prospective employers to locate in these identified areas and sites. The  
2 Office of Economic Development shall utilize studies from the Department of City Planning to  
3 evaluate how the City's land use policies impact short-term and long-term economic  
4 development goals and opportunities for the City and the business community.

5 (6) Goals, strategies, and process and outcome objectives for reducing poverty  
6 in San Francisco, including a map of the City's low- and moderate-income areas and  
7 trends in economic development in these areas. The Office of Economic Development  
8 shall solicit input from the Mayor's Office of Community Development, nonprofit and  
9 for-profit organizations combating poverty and members of the Board of Supervisors  
10 whose districts include low- and moderate-income areas. The Office of Economic  
11 Development shall compile a list of city, state, federal and private sector programs that  
12 provide educational opportunities, job training and vocational rehabilitation to low- and  
13 moderate-income residents. The Office of Economic Development shall compile an  
14 "Investment in Our Future" Survey in accordance with Sec. 93.4.

15 (7) Goals, strategies, process and outcome objectives for protecting small  
16 businesses and neighborhood-serving businesses from displacement. The Office of  
17 Economic Development shall report on the number of small businesses that have  
18 closed or been forced to relocate in the last three years, including how many have  
19 been forced to relocate out of San Francisco. The Office of Economic Development  
20 shall conduct a survey of City services such as street cleaning and public works  
21 improvements in the City's neighborhood commercial districts, and assess how chain  
22 stores impact these small businesses and neighborhood character. The Office of  
23 Economic Development shall assess how neighborhood movie theatres contribute to  
24 the economic vitality of neighborhood commercial districts. The Office of Economic  
25 Development shall develop benchmarks for neighborhood serving businesses such as

1 supermarkets, dry cleaners, grocery stores, restaurants and the like, and shall report  
2 by neighborhood on the needs for neighborhood-serving businesses.

3 (c) In addition to the requirements set forth in subsection (b), the Office of Economic  
4 Development shall include the following in the plan and annual updates required by this Article:

5 (1) A summary and synthesis of the existing body of work on economic opportunities  
6 and strategies for economic development and job attraction and retention;

7 (2) An analysis of the office and industrial markets in the City;

8 (3) A review of the physical, financial, market and organizational factors impacting the  
9 City's ability to attract, retain and increase office and industrial jobs;

10 (4) The identification and analysis of, and where appropriate integration with, other  
11 significant public and private sector economic plans and initiatives intended to promote  
12 economic development within the City and the region;

13 (5) An assessment of the City's competitive strengths and weaknesses with respect to  
14 other regional, state and national commercial real estate markets;

15 (6) The identification of best practices that other jurisdictions have successfully  
16 implemented to create jobs, with particular emphasis on office and industrial jobs, within their  
17 respective communities;

18 (7) The application of commonly accepted statistical methods, such as cluster analysis  
19 or location quotient analysis, to support recommended strategies for attracting commercial  
20 tenants; and

21 (8) Recommendations for specific strategies, tools, techniques and resources required to  
22 successfully implement strategies for economic development and to achieve specific economic  
23 development and job creation and retention goals set forth in the plan.

24 (d) As part of the initial plan required by this Article, and not less than once every three years  
25 thereafter, the Office of Economic Development shall conduct a survey of key industries and significant

1 employment generators that identifies impediments to business and employment retention in and  
2 attraction to the City, such as zoning, permitting, taxes and fees, regulatory schemes and other City  
3 policies, requirements and other matters that may inhibit economic development and job creation  
4 within the City. The Office of Economic Development shall publish the survey, to be entitled “The  
5 Survey on Barriers to Employment Retention and Attraction,” in conjunction with and at the same time  
6 as promulgation of the first Economic Development Plan required by this Article.

7 (e) Prior to enactment of any legislation proposed by the Board of Supervisors relating to a  
8 subject area described in the then-current version of The Survey on Barriers to Employment Retention  
9 and Attraction, the Office of Economic Development shall prepare for the Board of Supervisors and  
10 Mayor an economic impact report for the subject legislation. The Office of Economic Development  
11 shall solicit assistance from the Board of Supervisors’ Budget Analyst, the Controller’s Office, and  
12 such public or private economists or other academicians as may be appropriate to analyze the likely  
13 impacts of the legislation on business attraction and retention, revenues and employment creation, tax  
14 and fee revenues to the City and other matters relating to the overall economic health of the City.

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16 Sec. 93.2. Assistance from Other City Departments. All departments, offices and employees of  
17 the City, including but not limited to the Office of the Treasurer/Tax Collector, Controller’s Office,  
18 Department of Real Estate, San Francisco Redevelopment Agency, Port of San Francisco, Small  
19 Business Commission and Department of City Planning, shall assist the Office of Economic  
20 Development in the compilation of data, analyses, and preparation of the plans, surveys and annual  
21 updates required by this Article.

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23 Sec. 93.3. Establishment of Economic Development Committee; Approval of Expenditures from  
24 Economic Development Fund.

1           (a) There is hereby established the San Francisco Economic Development Committee  
2 consisting of the Mayor, President of the Board of Supervisors, Treasurer and Controller, or their  
3 designees, and the Director of the Department of City Planning, Director of the Office of Economic  
4 Development, and Director of the Office of Community Development. The members of the committee  
5 shall not be compensated for their service upon the committee.

6           (b) The committee shall adopt by May 1<sup>st</sup> of each year for the subsequent fiscal year an annual  
7 budget for the San Francisco Economic Development Fund established under Section 10.100-296 of  
8 this code. The committee may only include funding in the budget for projects, business incentives and  
9 programs designed to attract and retain jobs within in the City, promote economic and business  
10 development in the City, and achieve related goals, that are identified in the Economic Development  
11 Plan required by this Article.

12           (c) Notwithstanding Sections 93.3(a) and (b), all appropriations to and expenditures  
13 from the San Francisco Economic Development Fund shall be made by Mayor and the Board  
14 of Supervisors pursuant to Sec. 9.100 et seq. of the City Charter. The Board of Supervisors  
15 and Mayor shall endeavor to use at least 25% of the fund for improvements to neighborhood  
16 commercial districts, and at least 25% of the fund for programs that help San Franciscans  
17 receiving county assistance achieve economic self-sufficiency and lift themselves out of  
18 poverty.

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20           Sec. 93.4 “Investment in Our Future” Survey. (a) Within six months of the effective  
21 date of this Article, and annually thereafter, the Office of Economic Development shall  
22 promulgate and present to the Mayor, Treasurer, Assessor, and the Board of Supervisors the  
23 “Investment in Our Future” Survey pursuant to the provisions of this Article.

24           (b) The survey and annual updates shall include, but are not limited to, the following:  
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1                   (1) An analysis of poverty in the City by neighborhood and demographic  
2 categories;

3                   (2) An analysis of which industries are likely to create significant numbers of  
4 jobs in the City for low-and moderate-income in the succeeding three years, together  
5 with an assessment of the skills and education typically required to obtain such jobs.  
6 The assessment of skills and education typically required to obtain such jobs shall be  
7 compared to the skills and education common among low- and moderate-income San  
8 Franciscans. The survey shall include a resource inventory of existing City, state and  
9 federal programs that help people attain skills and education and a gaps analysis of  
10 needed programs.

11                   (c) As part of the initial survey required by this Article, and not less than every three  
12 years thereafter, the Office of Economic Development shall conduct a survey of low- and  
13 moderate-income people and organizations serving them that identifies impediments to  
14 employment attainment and retention. The Office of Economic Development shall publish the  
15 results, to be entitled "The Survey on Barriers to Employment Attainment and Retention," in  
16 conjunction with and at the same time as promulgation of the first Economic Development  
17 Plan required by this Article.

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19                   Section 2. The San Francisco Administrative Code is hereby amended by adding  
20 Section 10.100-296, to read as follows:

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22                   Sec. 10.100-296. San Francisco Economic Development Fund.

23                   (a) Establishment of Fund. The San Francisco Economic Development Fund is established  
24 as a category two fund to receive all monies appropriated therefor, and any other monies transferred  
25 into the fund, pursuant to this section and Article 93 of this code. Each year, the Mayor shall propose

1 and the Board of Supervisors shall enact an annual budget for the City that includes an appropriation  
2 from the general fund in an amount necessary to establish a July 1 fund balance of not less than one  
3 hundred percent (100%) of the anticipated revenue for such year derived from the business registration  
4 fees imposed under Article 12 of the Business and Tax Regulations Code.

5 (b) Use of Fund. The fund shall be used solely for the purpose of developing and improving  
6 employment and business opportunities in San Francisco and promoting the economic development of  
7 San Francisco, as identified in the San Francisco Economic Development Plan promulgated by the  
8 Office of Economic Development and approved by the San Francisco Economic Development  
9 Committee pursuant to Article 93 of this code, and related administrative costs pursuant to Section  
10 10.194 et seq. of this code.

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14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

16 By: \_\_\_\_\_  
17 Dorji Roberts  
18 Deputy City Attorney