

File No. 250424

Committee Item No. 1

Board Item No. 11

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date May 19, 2025

Board of Supervisors Meeting

Date June 10, 2025

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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Completed by: Victor Young Date May 15, 2025

Completed by: _____ Date _____

[Administrative Code - Establishing the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District]

Ordinance to establish and define the membership and duties of the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings.

(a) The Board of Supervisors of the City and County of San Francisco ("City") is authorized to initiate the process to establish a downtown revitalization and economic recovery financing district pursuant to Division 8 of Title 6 of the California Government Code, commencing with Section 62450 ("Downtown Revitalization Law").

(b) A downtown revitalization and economic recovery financing district is a governmental entity separate and distinct from the City constituted for the sole purpose of financing commercial-to-residential conversion projects or other projects of community-wide significance in downtown San Francisco (as defined in Government Code Section 62450(h)) that support downtown revitalization and economic recovery.

(c) On June 3, 2025, the Board of Supervisors adopted a resolution declaring its intention to establish the San Francisco Downtown Revitalization and Economic Recovery

1 Financing District (“Downtown Revitalization District”) to finance commercial-to-residential
2 conversion projects of communitywide significance that provide significant benefits to the
3 Downtown Revitalization District or the City with incremental tax revenues generated by
4 commercial-to-residential conversion projects within Downtown Revitalization District. A copy
5 of said resolution is on file with the Clerk of the Board of Supervisors in Board File No.
6 250423.

7 (d) State law requires the Board of Supervisors to establish the governing board of the
8 Downtown Revitalization District at the same time that it adopts the resolution of intention to
9 create the Downtown Revitalization District.

10
11 Section 2. Chapter 5 of the Administrative Code is hereby amended by adding Article
12 XLIX, consisting of Sections 5.49-1 through 5.49-8, to read as follows:

13
14 **ARTICLE XLIX:**

15 **BOARD OF DIRECTORS OF THE SAN FRANCISCO DOWNTOWN REVITALIZATION AND**
16 **ECONOMIC RECOVERY FINANCING DISTRICT**

17
18 **SEC. 5.49-1. DEFINITIONS.**

19 *For purposes of this Article XLIX, the following words or phrases shall have the following*
20 *meanings:*

21 *“Board of Directors of the Downtown Revitalization District” or “Board of Directors” or*
22 *“District Board” shall mean the Board of Directors of the San Francisco Downtown Revitalization and*
23 *Economic Recovery Financing District, the governing board established to act as the governing board*
24 *for the Downtown Revitalization District.*

25 *“City” shall mean the City and County of San Francisco.*

1 "Downtown Revitalization District" shall mean the San Francisco Downtown Revitalization
2 and Economic Recovery Financing District.

3 "Downtown Revitalization Financing Plan" shall have the meaning given that term in Section
4 5.49-3.

5
6 **SEC. 5.49-2. CREATION OF THE BOARD OF DIRECTORS OF THE SAN FRANCISCO**
7 **DOWNTOWN REVITALIZATION AND ECONOMIC RECOVERY FINANCING DISTRICT.**

8 The Board of Supervisors hereby establishes the Board of Directors of the San Francisco
9 Downtown Revitalization and Economic Recovery Financing District in accordance with California
10 Government Code Section 62452(b).

11
12 **SEC. 5.49-3. PURPOSE.** The Board of Directors shall serve as the governing body for the
13 Downtown Revitalization District and, in that capacity, shall be responsible for the duties imposed by
14 California Government Code Sections 62450 et seq., as may be amended from time to time, (the
15 "Downtown Revitalization Law") including, but not limited to the following:

16 (a) Facilitating the preparation of, adopting, and implementing the downtown revitalization
17 financing plan described in California Government Code Section 62456 ("Downtown Revitalization
18 Financing Plan") for the Downtown Revitalization Financing District. The Downtown Revitalization
19 Financing Plan will describe, among other things, the allocation by the City to the Downtown
20 Revitalization Financing District of certain incremental property tax revenue generated by
21 commercial-to-residential conversion projects within Downtown Revitalization District for the purpose
22 of financing commercial-to-residential conversion projects of communitywide significance that provide
23 significant benefits to the Downtown Revitalization District or the City.

24 (b) Facilitating the timely preparation and delivery of the annual report required by California
25 Government Code Section 62453(e).

1
2 **SEC. 5.49-4. MEMBERSHIP.**

3 *The Board of Directors shall consist of five voting members and one alternate member, as*
4 *follows:*

5 *(a) Seats 1-3 shall be held by members of the Board of Supervisors appointed by the President*
6 *of the Board of Supervisors.*

7 *(b) Seat 4 shall be an alternate seat held by a member of the Board of Supervisors appointed by*
8 *the President of the Board of Supervisors. The alternate member may serve and vote in place of any*
9 *one of the three members in seats 1-3 who is unavailable to vote due to absence from a meeting,*
10 *recusal from a specific meeting agenda item, or a vacancy in the seat. The alternative member is*
11 *otherwise not authorized to vote.*

12 *(c) Seats 5 and 6 shall be held by members of the public, nominated by the President of the*
13 *Board of Supervisors and appointed by the Board of Supervisors. Appointment of members of the*
14 *public to seats 5 and 6 shall comply with California Government Code Section 54970 et seq., as may be*
15 *amended from time to time.*

16
17 **SEC. 5.49-5. ORGANIZATION AND TERMS OF OFFICE.**

18 *(a) The Board of Directors shall come into existence on the date that appointments have been*
19 *made to three of the five voting seats on the body.*

20 *(b) The President of the Board of Supervisors and the Board of Supervisors shall make initial*
21 *appointments to all five seats on the Board of Directors as specified in Section 5.49-4 above by no later*
22 *than 90 days following the effective date of this Article XLIX.*

23 *(c) The terms of all six members of the Board of Directors shall commence on the date the*
24 *Board of Directors comes into existence, as specified in Section 5.49-5(a), whether or not all members*
25 *have been appointed as of that date.*

1 (d) Members of the Board of Directors shall serve four-year terms, except that the initial
2 appointments to seats 3 and 5 shall be for two-year terms. Subsequent appointments to seats 3 and 5
3 shall be for four-year terms.

4 (e) Members in seats 1, 2, and 3, and the alternate member in seat 4 shall serve at the pleasure
5 of the President of the Board of Supervisors and may be removed by the President or by the Board of
6 Supervisors at any time. Members in seats 5 and 6 shall serve at the pleasure of the Board of
7 Supervisors and may be removed by the Board of Supervisors at any time.

8 (f) When a vacancy occurs on the Board of Directors, the President of the Board of Supervisors
9 and/or the Board of Supervisors shall fill the vacancy in accordance with Section 5.49-4. The
10 replacement appointee shall complete the term of the seat that was vacated, but is not precluded from
11 being appointed to the Board of Directors for an additional term or terms.

12 (g) If a member of the Board of Directors in seats 1-4 leaves the Board of Supervisors, then
13 that Supervisor's membership on the Board of Directors, or status as an alternate member, as the case
14 may be, expires by operation of law, creating a vacancy in the seat.

15 (h) Members of the Board of Directors shall receive no compensation, but they may receive
16 reimbursement for actual and necessary expenses incurred in the performance of official duties
17 pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5
18 of the California Government Code.

19 (i) Members of the Board of Directors are subject to Article 2.4 (commencing with Section
20 53234) of Chapter 2 of Part 1 of Division 2 of Title 5 of the California Government Code.

21 (j) The Board of Directors shall establish such rules and procedures as are necessary or
22 appropriate to ensure compliance with the Downtown Revitalization Law, to further the purposes of the
23 Downtown Revitalization Financing District, and to satisfy the requirements of Section 5.49-7 below.

24 (k) The Clerk of the Board of Supervisors shall provide administrative and clerical support to
25 the Board of Directors, unless and until that function is reassigned to another City department as part

1 of the annual budget process. Costs incurred in connection with administrative and clerical support to
2 the Board of Directors shall be paid by the Downtown Revitalization District as provided in the
3 Downtown Revitalization Law.

4 (l) The Office of Economic and Workforce Development shall provide analytical support to the
5 Downtown Revitalization Financing District as needed to fulfill the obligations and purposes described
6 in Section 5.49-3. Costs incurred in connection with such analytical support shall be paid by the
7 Downtown Revitalization District as provided in the Downtown Revitalization Law.

8 (m) As permitted by the Downtown Revitalization Law, all costs incurred by any
9 other City department in connection with the creation, management or other administrative
10 support for the Downtown Revitalization District shall be paid by the Downtown Revitalization
11 District.

12
13 **SEC. 5.49-6. POWERS AND DUTIES.**

14 (a) The Board of Directors shall have the powers and duties set forth in the Downtown
15 Revitalization Law.

16 (b) The Board of Directors shall have no authority to act on behalf of the City. The Downtown
17 Revitalization Financing District, once formed, shall be a governmental entity separate and distinct
18 from the City, and its sole purpose shall be to finance commercial-to-residential conversion projects or
19 other projects of communitywide significance in downtown San Francisco that support downtown
20 revitalization and economic recovery in accordance with the Downtown Revitalization Law.

21
22 **SEC. 5.49-7. MEETINGS AND PROCEDURES.**

23 (a) The Board of Directors shall hold its inaugural meeting no later than 120 days after the
24 effective date of the ordinance establishing this Article XLIX.

1 **(b) Following the inaugural meeting, and not counting the inaugural meeting, the Board of**
2 **Directors shall hold a regular meeting not less than one time per year.**

3 **(c) At least 10 days before each meeting of the Board of Directors, including the inaugural**
4 **meeting, the Board of Directors shall post notice of the public hearing as follows: (i) in an easily**
5 **identifiable and accessible location on the Board of Directors' website; (ii) at the San Francisco Public**
6 **Library; and (iii) in a newspaper of general circulation in San Francisco.**

7 **(d) The Board of Directors shall elect a chair, and in its discretion may establish such other**
8 **offices as it deems appropriate, to be filled by election.**

9 **(e) The Board of Directors may establish rules for its organization and procedures, as it deems**
10 **necessary or appropriate.**

11 **(f) Three voting members of the Board of Directors shall constitute a quorum.**

12 **(g) In accordance with Government Code Section 62452(e), the Board of Directors shall be**
13 **deemed a local public agency subject to the Ralph M. Brown Act (Title 5, Division 2, Part 1, Chapter 9**
14 **(commencing with Section 54950) of the California Government Code); the California Public Records**
15 **Act (Title 1, Division 10 (commencing with Section 7920.000) of the California Government Code);**
16 **and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the California**
17 **Government Code).**

18 **(h) The Downtown Revitalization Financing District shall also be subject to the requirements**
19 **of the San Francisco Sunshine Ordinance, Chapter 67 of the Administrative Code.**

20
21 **SEC. 5.49-8 SUNSET.**

22 **Unless the Board of Supervisors by ordinance extends the term of the Board of Directors, it**
23 **shall terminate on the date on which the Downtown Revitalization Financing District no longer**
24 **receives property tax revenues under the Downtown Revitalization Financing Plan. After that date, the**
25 **City Attorney is authorized to cause this Article XLIX to be removed from the Administrative Code.**

1 Section 2. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

5
6 APPROVED AS TO FORM:
7 DAVID CHIU, City Attorney

8 By: /s/ MARK D. BLAKE
9 MARK D. BLAKE
10 Deputy City Attorney
11 n:\legana\as2025\2500307\01845449.docx

REVISED LEGISLATIVE DIGEST

(6/3/2025, Amended in Board)

[Administrative Code - Establishing the Board of Directors - San Francisco Downtown Revitalization and Economic Recovery Financing District]

Ordinance amending the Administrative Code to establish and define the membership and duties of the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District.

Existing Law

This is new law.

Background Information

The Board of Supervisors ("Board ") is authorized to initiate the process to establish a Downtown Revitalization and Economic Recovery Financing district ("District") under the Division 8 of Title 6 of the California Government Code, commencing with Section 62450 ("Downtown Revitalization Law").

A Downtown Revitalization and Economic Recovery Financing District is a legally constituted governmental entity separate and distinct from the City, and will be established for the sole purpose of financing commercial-to-residential conversion projects or other projects of communitywide significance in downtown San Francisco that support downtown revitalization and economic recovery.

Under the Downtown Revitalization Law, the Board is required to establish a board of directors of the District at the same time that it adopts the resolution of intention to create such district. The proposed Ordinance amends the Administrative Code to provide for the Board of Directors of the District ("District Board").

The Board of Directors will consist of five members, Seats 1-3 being held by members of the Board of Supervisors appointed by the President of the Board. Seat 4 will also be a member of the Board of Supervisors but will serve as an alternate to any member in Seats 1-3 who is absent from a meeting of the District Board. Seats 5-6 will be held by members of the public. The public members will be nominated by the President of the Board for appointment to the District Board by the Board of Supervisors.

The Board of Directors will have, among others, the following duties (i) causing the preparation of, adopting, and implementing the downtown revitalization financing plan described in Downtown Revitalization Financing Plan for the Downtown Revitalization

Financing District, which will describe, among other things, the allocation by the City to the District of certain incremental property tax revenue for the purpose of financing commercial-to-residential conversion projects of communitywide significance that provide significant benefits to the District or the City with incremental tax revenues generated by commercial-to-residential conversion projects within Downtown Revitalization District, and (ii) causing the timely preparation and delivery of the annual report required by the Downtown Revitalization Law.

The District will sunset when it no longer receives tax increment under the Downtown Revitalization Financing Plan, unless extended by the Board of Supervisors.

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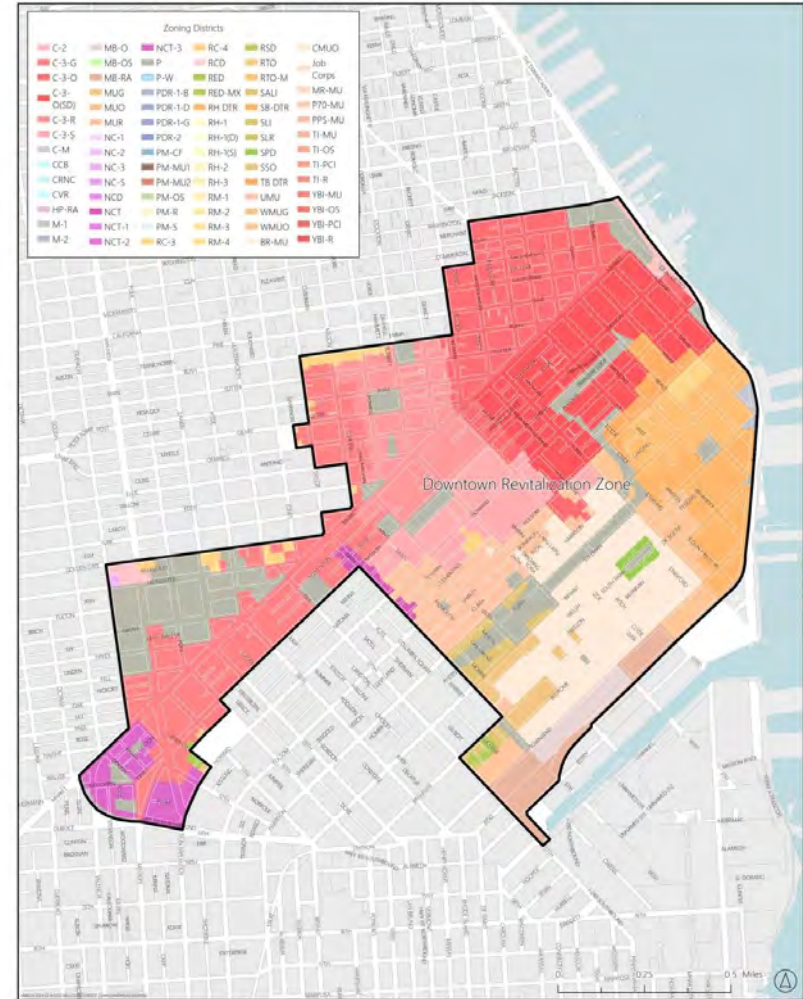
A wide-angle photograph of the San Francisco skyline, featuring the Transamerica Pyramid on the left and various other skyscrapers and buildings stretching across the frame under a clear sky.

Downtown Revitalization Financing District

Board File 250424

Revitalization District Overview

- Enabled by AB 2488, effective Jan 1, 2025
- San Francisco may establish one "Downtown Revitalization and Economic Recovery Financing District"
- Provides annual property tax increment payments to commercial-to-residential conversion projects for up to 30 years
- Projects must opt in to the program by December 31, 2032
- Governed by a District Board that is a separate legal entity from the City (BF 250424)
- Preliminary estimate: up to 50 commercial properties may convert to approx. 4,400 units





District Formation Process

- Board of Supervisors must adopt a **Resolution of Intention** (BF 250423) and an **Ordinance establishing the District Board** (BF 250424)
- **District Board** must be formed within 90 days and hold its first meeting within 120 days of Ordinance
- District Board must present a **District Financing Plan** to the Board of Supervisors after two public hearings
- **Board of Supervisors must approve** the Financing Plan before District Board may adopt it and form the District at a third public hearing



District Board of Directors

- 5 members and 1 alternate member:
 - 3 BOS members and 1 alternate BOS member appointed by President of the Board of Supervisors
 - 2 community members nominated by President and appointed by the Board of Supervisors
- 4-year terms, with 1 BOS member and 1 community member having initial 2-year terms
- Administered by the Clerk of the Board of Supervisors, supported by OEWD and Controller
- Subject to Brown Act and Sunshine Ordinance
- Responsibilities:
 - Adopt a District Financing Plan
 - Adopt other governing procedures
 - Meet once annually to adopt an annual report

A wide-angle photograph of the San Francisco skyline, featuring the Transamerica Pyramid on the left and various other skyscrapers and buildings stretching across the horizon under a clear sky.

THANK YOU



SAN FRANCISCO
OFFICE OF ECONOMIC &
WORKFORCE DEVELOPMENT

Jacob Bintliff, Project Manager
jacob.bintliff@sfgov.org

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: [Administrative Code - Establishing the Board of Directors of the San Francisco Downtown
Revitalization and Economic Recovery Financing District]
DATE: April 22, 2025

Ordinance amending the Administrative Code to establish and define the membership and duties of the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

MEMORANDUM

Date: May 14, 2025
To: The Honorable Members, Board of Supervisors
From: *ACC* Angela Calvillo, Clerk of the Board
Subject: Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District (File No. 250424)

Board of Supervisors Rules of Order 2.21 establishes certain criteria that must be included in legislation creating and establishing, or reauthorizing, new bodies (boards/commissions/task forces/advisory bodies) and requires the Clerk of the Board to advise the Board on certain matters. In order to fulfill these requirements, the following is provided:

File No. 240424 Administrative Code - Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District

- Does a current body address the same or similar subject matter?
(Pursuant to Board Rule 2.21, the Clerk of the Board shall advise the Board if there is a current body that addresses the same or similar subject matters.)

No. There are no bodies that address the same subject matter.

However, the Enhanced Infrastructure Financing District (EIFD) Public Financing Authority (Administrative Code, Article XLVIII) oversees all of the EIFDs in San Francisco, which is similar in nature.

- Language requiring the body to meet at least once four months:
(Pursuant to Board Rule 2.21, the enabling legislation must include language requiring the subordinate body to meet at least once every four months.)

No. Section 5.49-7(b) requires the Board of Directors to meet not less than one time per year since this body must be in existence while the Downtown Revitalization and Economic Recovery Financing District is active, but there may not be regular business for them to consider to warrant four meetings per year. The Office of Economic and Workforce Development has indicated they anticipate holding around four meetings a year on average, but did not want to tie the hands of the Board of Directors to meet unnecessarily.



- Language indicating members serve at the pleasure of the appointing authority
(Past practices have shown the need to ensure the appointing authority may remove an appointee at any time.)

Yes. Section 5.49-5(e) states "Members in seats 1, 2, and 3, and the alternate member in seat 4 shall serve at the pleasure of the President of the Board of Supervisors and may be removed by the President or by the Board of Supervisors at any time. Members in seat 5 and 6 shall serve at the pleasure of the Board of Supervisors and may be removed by the Board of Supervisors at any time."

- Language establishing attendance requirements
(Past practices have shown the need to ensure a process is in place to address attendance concerns and quorum issues.)

No. There is no language regarding attendance requirements. As suggested for other similar bodies, language may be added indicating that members of the Board of Directors shall be deemed to have resigned after the third unapproved absence. The Board of Directors shall inform the President of the Board of Supervisors of any such resignation.

- Number of seats and qualifications
(Pursuant to Board Rule 2.21, the enabling legislation must include a description of the qualifications for each member, the date on which the appointments commence, and the length of term of appointments.)

Yes. Section 5.49-5 provides the organization and terms of office, as follows:

The Board of Directors shall consist of five (5) voting members and one (1) alternate member as follows:

- Seats 1-3 shall be held by members of the Board of Supervisors appointed by the President of the Board of Supervisors.
 - Seat 4 shall be an alternate seat held by a member of the Board of Supervisors appointed by the President of the Board of Supervisors. The alternate may serve and vote in place of any one of the three members in Seats 1-3.
 - Seats 5-6 shall be held by members of the public, nominated by the President of the Board of Supervisors and appointed by the Board of Supervisors.
- Term limits (i.e., commencement date? staggered terms?)
(Pursuant to Board Rule 2.21, the enabling legislation shall include the commencement date and length of term of appointments.)

Yes. Section 5.49-5(d) states "Members of the Board of Directors shall serve four-year terms, except that the initial appointments to seats 3 and 5 shall be for two-years." This verbiage provides staggered terms for the members. There are no term limits indicated.



- **Administering department**

(Pursuant to Board Rule 2.21, the enabling legislation shall identify the City Department that will provide administrative services to the subordinate body.)

Yes. Section 5.49-5(k) states “The Clerk of the Board of Supervisors shall provide administrative and clerical support to the Board of Directors, unless and until that function is reassigned to another City department as part of the annual budget process. Costs incurred in connection with administrative and clerical support to the Board of Directors shall be paid by the Downtown Revitalization District as provided in the Downtown Revitalization Law.”

Section 5.49-5(l) states “The Office of Economic and Workforce Development shall provide analytical support to the Downtown Revitalization Financing District as needed to fulfill the obligations and purposes described in Section 5.49-3. Costs incurred in connection with such analytical support shall be paid by the Downtown Revitalization District as provided in the Downtown Revitalization Law.”

- **Reporting requirements**

(Past practices have shown the need to detail and codify the reporting requirements of a body.)

Yes. Section 5.49-3(b) states the body shall “Facilitat[e] the timely preparation and delivery of the annual report required by California Government Code Section 62453€,” which shall be fulfilled by the Office of Economic and Workforce Development.

- **Sunset date**

(Pursuant to Board Rule 2.21, the enabling legislation shall include a sunset clause not to exceed three years.)

Yes. Section 5.49-8 states “Unless the Board of Supervisors by ordinance extends the term of the Board of Directors, it shall terminate on the date on which the Downtown Revitalization Financing District no longer receives property tax revenues under the Downtown revitalization Financing Plan.”

The companion Resolution of Intention for this body (File No. 250243) indicates the Financing District may be active for a maximum of 30 years.

BOARD of SUPERVISORS



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Tel. No. (415) 554-5184
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TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Sarah Dennis-Phillips, Executive Director, Office of Economic Workforce Development

FROM: Victor Young, Assistant Clerk *Victor Young*

DATE: April 28, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following proposed Ordinance:

File No. 250424

Ordinance amending the Administrative Code to establish and define the membership and duties of the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District.

If you have comments or reports to be included with the file, please forward them to Victor Young at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: victor.young@sfgov.org.

c. Anne Taupier, OEWD
Alesandra Lozano, OEWD

May 14, 2025

Supervisor Shamann Walton
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102

**RE: Support for Establishing the Downtown Revitalization
and Economic Recovery Financing District Board of
Directors (BF 250424)**

Dear Chair Walton,

We are writing to express enthusiastic support for establishing a Board of Directors for the San Francisco Downtown Revitalization and Economic Recovery Financing District, which would provide critical financial support for commercial-to-residential conversion projects and other projects of community-wide significance in downtown San Francisco.

By bringing more housing to our downtown, the Financing District can both address our housing shortage and revitalize our downtown neighborhoods, which are suffering from a vicious cycle of high office vacancy, retail store closures, empty sidewalks and public spaces, deteriorating street conditions, and an insolvent transit system.

Given that office demand is not expected to fully rebound due to the rise of remote and hybrid work, filling our vacant office buildings with housing is our best hope for bringing people and activity back to San Francisco's core. An increased residential population can restore foot traffic, increase transit ridership, provide a lifeline to our remaining small businesses, and support new entrepreneurial endeavors including restaurants, shopping, and nightlife.

Wilson Meany has been developing in San Francisco for more than 35 years. Our work includes the rehabilitation and adaptive reuse of downtown historic buildings including the Ferry Building, the Flood Building, and the Pacific Telephone Building at 140 New Montgomery Street. We are also part of the team currently developing Treasure

WILSON MEANY

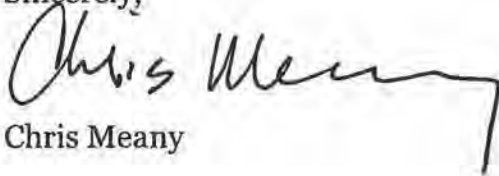
Island into a new residential district, with 1,000 housing units completed and 7,000 more to come.

In recent years, we have evaluated many potential office-to-residential conversion opportunities in downtown San Francisco, with a focus on historic buildings in the Union Square area. Under current market conditions, we have found that project costs would need to be reduced or offset by over \$200,000 per residential unit to become financially feasible for us to undertake.

The Financing District would significantly reduce this gap by reinvesting the increased property tax revenue generated by the conversion projects to offset their development costs. This funding would not draw from the General Fund or creating a new tax. Paired with the City's other efforts to reduce development costs for residential conversions, it would produce much-needed housing and restore our downtown neighborhoods' cultural and economic vitality.

For these reasons, Wilson Meany is in strong support of the Downtown Revitalization and Economic Recovery Financing District and ask for your "AYE" vote.

Sincerely,



Chris Meany

BOARD of SUPERVISORS



City Hall
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San Francisco, CA 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
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MEMORANDUM

Date: May 14, 2025
To: The Honorable Members, Board of Supervisors
From: *ACC* Angela Calvillo, Clerk of the Board
Subject: Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District (File No. 250424)

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File No. 240424 Administrative Code - Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District

- Does a current body address the same or similar subject matter?
(Pursuant to Board Rule 2.21, the Clerk of the Board shall advise the Board if there is a current body that addresses the same or similar subject matters.)

No. There are no bodies that address the same subject matter.

However, the Enhanced Infrastructure Financing District (EIFD) Public Financing Authority (Administrative Code, Article XLVIII) oversees all of the EIFDs in San Francisco, which is similar in nature.

- Language requiring the body to meet at least once four months:
(Pursuant to Board Rule 2.21, the enabling legislation must include language requiring the subordinate body to meet at least once every four months.)

No. Section 5.49-7(b) requires the Board of Directors to meet not less than one time per year since this body must be in existence while the Downtown Revitalization and Economic Recovery Financing District is active, but there may not be regular business for them to consider to warrant four meetings per year. The Office of Economic and Workforce Development has indicated they anticipate holding around four meetings a year on average, but did not want to tie the hands of the Board of Directors to meet unnecessarily.



- Language indicating members serve at the pleasure of the appointing authority
(Past practices have shown the need to ensure the appointing authority may remove an appointee at any time.)

Yes. Section 5.49-5(e) states "Members in seats 1, 2, and 3, and the alternate member in seat 4 shall serve at the pleasure of the President of the Board of Supervisors and may be removed by the President or by the Board of Supervisors at any time. Members in seat 5 and 6 shall serve at the pleasure of the Board of Supervisors and may be removed by the Board of Supervisors at any time."

- Language establishing attendance requirements
(Past practices have shown the need to ensure a process is in place to address attendance concerns and quorum issues.)

No. There is no language regarding attendance requirements. As suggested for other similar bodies, language may be added indicating that members of the Board of Directors shall be deemed to have resigned after the third unapproved absence. The Board of Directors shall inform the President of the Board of Supervisors of any such resignation.

- Number of seats and qualifications
(Pursuant to Board Rule 2.21, the enabling legislation must include a description of the qualifications for each member, the date on which the appointments commence, and the length of term of appointments.)

Yes. Section 5.49-5 provides the organization and terms of office, as follows:

The Board of Directors shall consist of five (5) voting members and one (1) alternate member as follows:

- Seats 1-3 shall be held by members of the Board of Supervisors appointed by the President of the Board of Supervisors.
 - Seat 4 shall be an alternate seat held by a member of the Board of Supervisors appointed by the President of the Board of Supervisors. The alternate may serve and vote in place of any one of the three members in Seats 1-3.
 - Seats 5-6 shall be held by members of the public, nominated by the President of the Board of Supervisors and appointed by the Board of Supervisors.
- Term limits (i.e., commencement date? staggered terms?)
(Pursuant to Board Rule 2.21, the enabling legislation shall include the commencement date and length of term of appointments.)

Yes. Section 5.49-5(d) states "Members of the Board of Directors shall serve four-year terms, except that the initial appointments to seats 3 and 5 shall be for two-years." This verbiage provides staggered terms for the members. There are no term limits indicated.



- **Administering department**

(Pursuant to Board Rule 2.21, the enabling legislation shall identify the City Department that will provide administrative services to the subordinate body.)

Yes. Section 5.49-5(k) states "The Clerk of the Board of Supervisors shall provide administrative and clerical support to the Board of Directors, unless and until that function is reassigned to another City department as part of the annual budget process. Costs incurred in connection with administrative and clerical support to the Board of Directors shall be paid by the Downtown Revitalization District as provided in the Downtown Revitalization Law."

Section 5.49-5(l) states "The Office of Economic and Workforce Development shall provide analytical support to the Downtown Revitalization Financing District as needed to fulfill the obligations and purposes described in Section 5.49-3. Costs incurred in connection with such analytical support shall be paid by the Downtown Revitalization District as provided in the Downtown Revitalization Law."

- **Reporting requirements**

(Past practices have shown the need to detail and codify the reporting requirements of a body.)

Yes. Section 5.49-3(b) states the body shall "Facilitat[e] the timely preparation and delivery of the annual report required by California Government Code Section 62453€,," which shall be fulfilled by the Office of Economic and Workforce Development.

- **Sunset date**

(Pursuant to Board Rule 2.21, the enabling legislation shall include a sunset clause not to exceed three years.)

Yes. Section 5.49-8 states "Unless the Board of Supervisors by ordinance extends the term of the Board of Directors, it shall terminate on the date on which the Downtown Revitalization Financing District no longer receives property tax revenues under the Downtown revitalization Financing Plan."

The companion Resolution of Intention for this body (File No. 250243) indicates the Financing District may be active for a maximum of 30 years.

May 19, 2025

Victor Young, Committee Clerk
Rules Committee
City and County of San Francisco

Re: BF 250424 – Administrative Code – Establishing the Board of Directors – San Francisco Downtown Revitalization and Economic Recovery Financing District

Dear Supervisors Walton, Sherrill, and Mandelman:

On behalf of SPUR, I am writing in support of the proposed ordinance to amend the Administrative Code to establish and define the membership and duties of the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District. We commend OEWD staff and the Board of Supervisors for their work developing a comprehensive policy strategy to accelerate downtown recovery. The new financing district would help make it feasible for developers to pursue expensive but transformative projects that will convert obsolete office buildings into housing for San Francisco families and bring new energy and activation to downtown streets.

SPUR is a public policy organization dedicated to making San Francisco and the Bay Area prosperous, equitable, and sustainable. Our research indicates that local property taxes and real estate transfer taxes, along with impact fees and inclusionary requirements, represent policy levers that the City can adjust to help make conversion projects financially feasible. We previously spoke in support of the recent legislation to reduce impact fees and transfer taxes on conversion projects.

Commercial to residential conversions, particularly redeveloping obsolete office buildings into housing, can help solve two issues that have hindered downtown San Francisco's recovery - the lack of diversity of land uses, and the lack of workforce housing near employment and transit. Other American and international cities have used office to residential conversions to transform

their central business districts into mixed-use, 24/7 social hubs with housing, restaurants, retail, entertainment, and cultural institutions. These cities have made this happen by providing incentives to offset project development costs. While policy tools and incentive programs vary across cities, tax increment financing has played a key role in accelerating office to residential conversions in New York, Chicago, and Denver.

Here, these conversion projects could create workforce housing in an area that already has high quality transit connections in place, and new residents will support the small businesses and cultural institutions that have been struggling with fewer people and less activity downtown. Therefore, SPUR supports creating the San Francisco Downtown Revitalization and Economic Recovery Financing District and empowering its Board of Directors to develop and implement a Downtown Revitalization Financing Plan.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Erika McLitus". The script is fluid and cursive, with the first letters of each name being capitalized and prominent.

Erika McLitus

Housing & Planning Policy Manager, SPUR

May 19, 2025

Victor Young
Committee Clerk
Rules Committee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

RE: Support for Board File #BF 250424

Dear Members of the Rules Committee,

I am writing to express my strong support for BF 250424. This initiative is an essential tool to enable a crucial strategy in transforming downtown San Francisco into a more activated, diversified, and resilient district – the conversion of functionally obsolete, commodity office buildings into homes.

The COVID-19 pandemic has fundamentally changed the way we work, leading to a decrease in demand for office space and a shift towards hybrid work models. Quality office buildings have gained an even greater share of office user demand, leaving functionally obsolete, commodity Class B/C office buildings to languish with decreasing levels of occupancy – unoccupied space is currently at an all-time high of 40%, or nearly 10 million square feet. Based on an analysis by SPUR, it could take 40-50 years for the 25 million square feet of Class B/C commodity office in downtown San Francisco to return to normal vacancy levels. These are the types of buildings that could be resurrected by conversion to residential. By supporting the conversion of underutilized commercial spaces into much-needed housing, we can make better use of existing infrastructure and contribute to creating vibrant, mixed-use communities in our downtown core.

As SPUR has noted in their report “From Workspace to Homebase”, cities throughout the country are proactively establishing policy platforms to enable the financial feasibility of such conversions. New York City, the leader in office-to-residential conversions, created approximately 30,000 homes from the initiative they enacted in the mid-1990s in response to a similar condition – large swaths of functionally obsolete, older office buildings with increasingly high vacancy rates. The policy platform that created the momentum for the conversions included the exact same policies as are proposed in BF 250424.

Finally, these languishing buildings neither currently contribute nor will contribute much property tax or foot traffic to support small businesses and retail downtown. So, in enacting this legislation, the City is not “giving up” anything that it has or would have otherwise gained. It is instead actively stimulating investment in the transformation of downtown to a place that will be more resilient, more active, and more lived in.

Sincerely,

A handwritten signature in cursive script that reads "Jack Sylvan".

Jack Sylvan
SPUR Board Member
Founder & Principal, SDG

19 MAY 2015

Victor Young
Rules Committee Clerk
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Support for Downtown Revitalization Financing District Legislation (BF 250424)

Dear Victor,

I am writing to express my strong support for the proposed legislation to establish a Downtown Revitalization Financing District in San Francisco. This innovative and timely proposal offers a powerful tool to help transform underutilized office space into the housing and mixed-use development our city urgently needs—while revitalizing the economic and cultural heartbeat of downtown.

This legislation aligns closely with our own work in this space. At Skidmore, Owings & Merrill, we have developed a city data analysis tool designed specifically to identify buildings well-positioned for commercial-to-residential conversion. Our tool leverages key metrics—such as building age, size, vacancy rates, zoning, and infrastructure capacity—to surface high-potential properties and assist both city agencies and private developers in targeting conversion opportunities efficiently and strategically. We believe that initiatives like the proposed financing district will further amplify the effectiveness of data-driven efforts like ours and help realize these projects faster.

The city's commitment to reinvesting incremental property tax revenue into eligible conversions is a smart and pragmatic approach. As the analysis shows, there are potentially thousands of residential units that could be realized through this strategy. And when paired with complementary efforts like PermitSF, the Vacant to Vibrant program, and the establishment of a Downtown Revitalization Financing District Board, this legislation forms a clear, coordinated roadmap toward long-term downtown recovery and reinvention.

Thank you to Mayor Lurie, President Mandelman, and Supervisors Dorsey, Mahmood, Sauter, and Sherrill for your leadership and vision. This kind of proactive, data-informed governance sets San Francisco apart as a model for urban innovation and resilience.

Sincerely,



Lisa Follman
Skidmore, Owings & Merrill