



BUDGET UPDATE

June 22, 2023

Presented by the San Francisco Office of Economic & Workforce Development

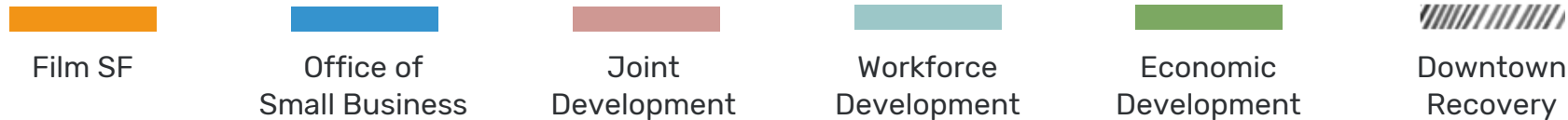
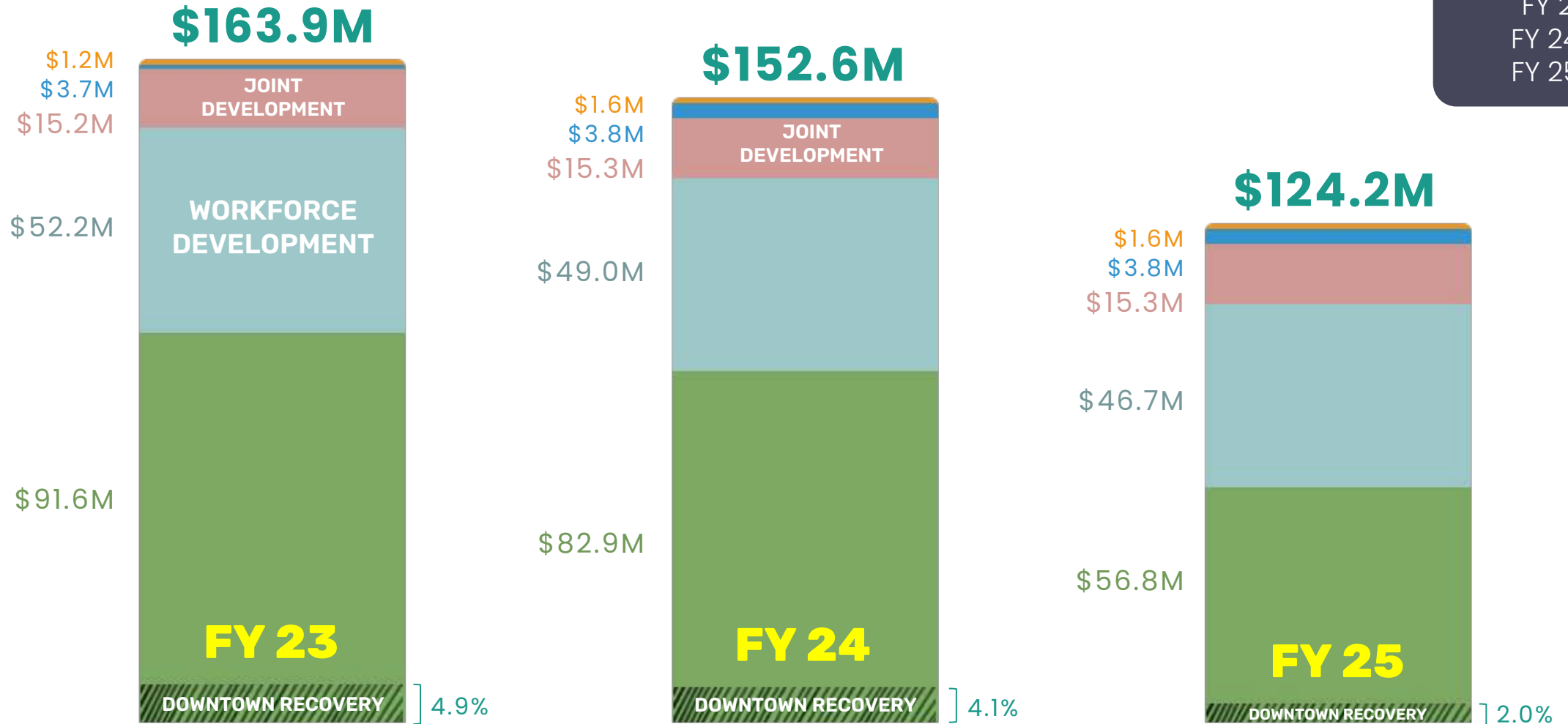
Sarah Dennis Phillips, Executive Director

BUDGETARY OVERVIEW AND BASELINE INVESTMENTS

Downtown Economic Recovery Investment

Downtown Recovery

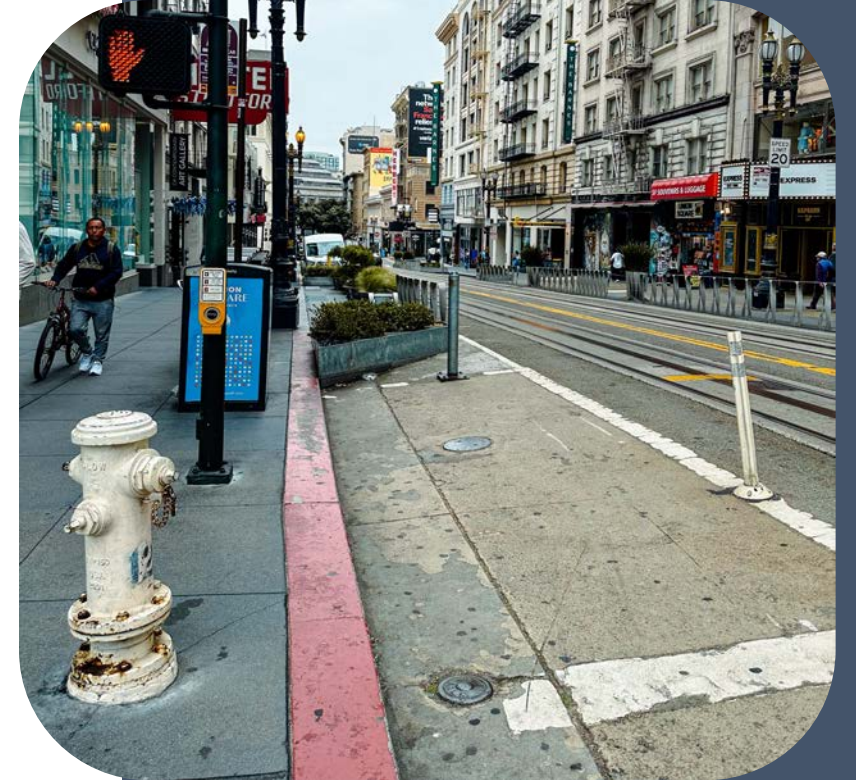
FY 23 = 8M
 FY 24 = 6.3M
 FY 25 = 2.5M



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

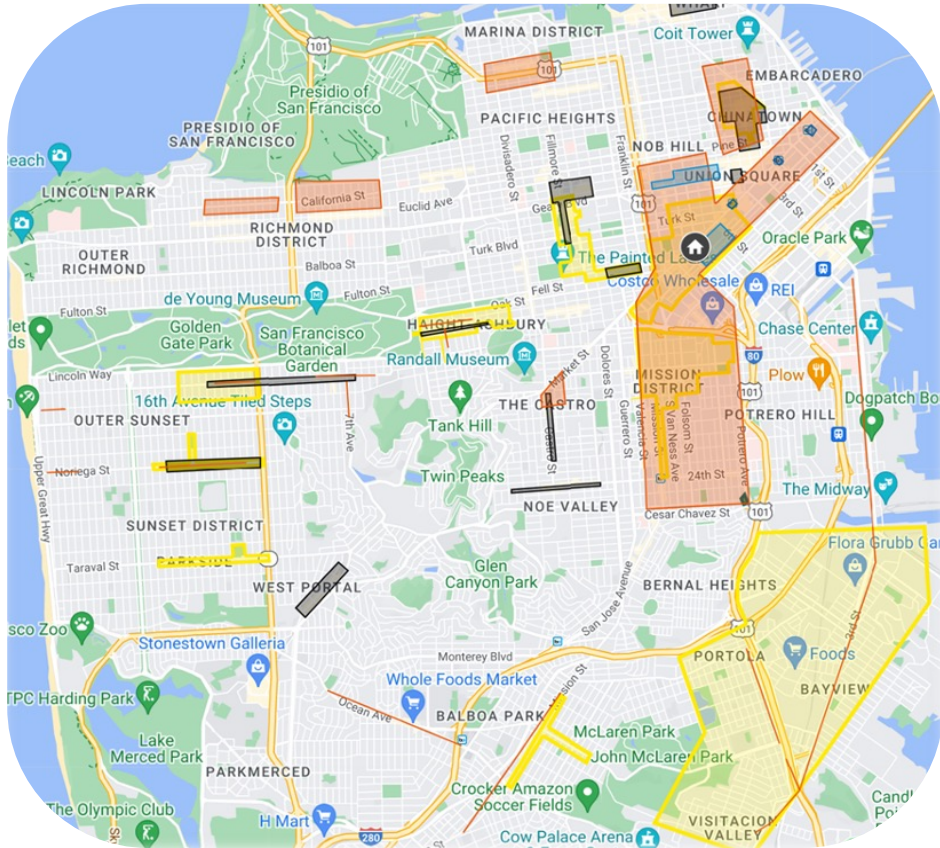
Welcoming, Clean, and Safe

| | 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 | \$.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

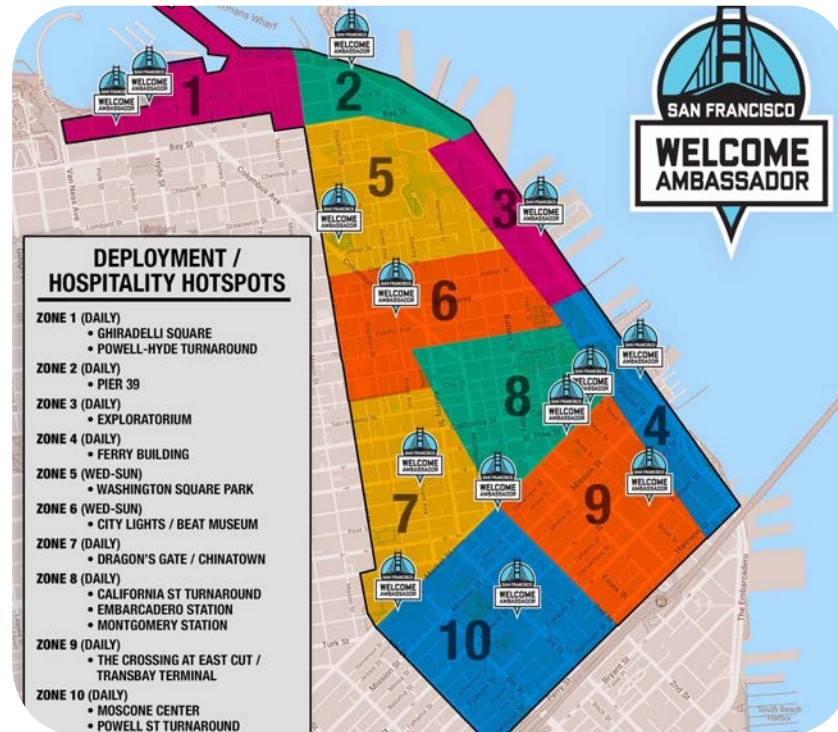


Extends Agreement between OEWD and SF Tourism Improvement District through FY 25 and increases NTE by \$5.15M

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)

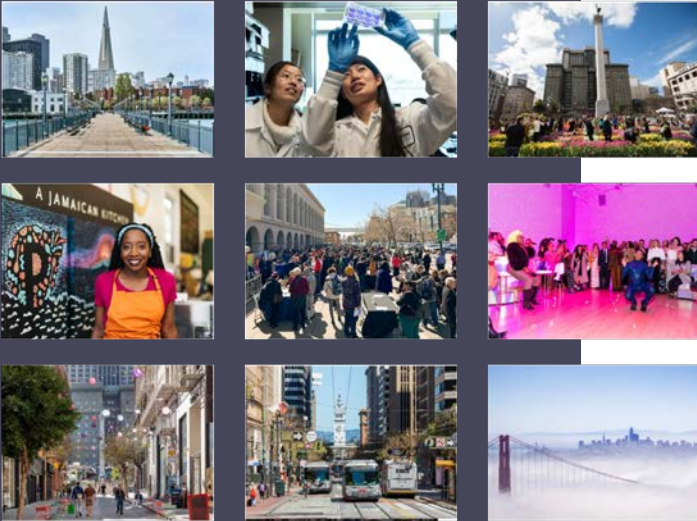
Downtown Welcome Ambassadors

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)

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

Ordinance

File No. 230155

Retail Trade Table

| | Current Timetable | Tax Rate | Gross Receipts | Proposed Timetable |
|--------------------|-------------------|----------|--------------------------------|--------------------|
| HOW IT WORKS TODAY | 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 | |

HOW IT IS PROPOSED TO WORK

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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