

1 [Resolution to Establish - Downtown Community Benefit District]

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3 **Resolution to establish the property-based business improvement district known as**
4 **the “Downtown Community Benefit District,” ordering the levy and collection of**
5 **assessments against property located in that district for 10 years commencing with**
6 **Fiscal Year 2026-2027, subject to conditions as specified, and making environmental**
7 **findings.**

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9 WHEREAS, Pursuant to the Property and Business Improvement Law of 1994,
10 California Streets and Highways Code, Sections 36600 *et seq.* (“1994 Act”), as augmented by
11 Article 15 of the San Francisco Business and Tax Regulations Code (“Article 15”), collectively,
12 the “Business Assessment Law,” the Board of Supervisors adopted Resolution No. 295-26,
13 entitled “Resolution declaring the intention of the Board of Supervisors to renew and expand
14 the property-based business improvement district, known as the Downtown Community
15 Benefit District (District), and to levy a multi-year assessment on all parcels in the District;
16 approving the management district plan and engineer’s report and proposed boundaries map
17 for the District; ordering and setting a time and place for a public hearing of the Board of
18 Supervisors, sitting as a Committee of the Whole, on July 21, 2026 at 3:00 p.m.; approving
19 the form of the Notice of Public Hearing and Assessment Ballot Proceeding, and Assessment
20 Ballot; directing environmental findings; and directing the Clerk of the Board of Supervisors to
21 give notice of the public hearing and balloting, as required by law” (the “Resolution of
22 Intention,” (Board File No. 260466); and

23 WHEREAS, The Resolution of Intention to renew and expand the Downtown
24 Community Benefit District (the “Downtown CBD” or “District”), among other things, approved
25 the Downtown CBD Management District Plan (the “District Management Plan”), a detailed

1 District Assessment Engineer’s Report, a Boundaries Map, and the form of the Notice of
2 Public Hearing and Assessment Ballot Proceeding, that are all on file with the Clerk of the
3 Board of Supervisors in File No. 260466; and

4 WHEREAS, The Board of Supervisors caused notice of a public hearing concerning
5 the proposed renewal and expansion of the Downtown CBD, and the proposed levy of
6 assessments against property located within the District for a period of 10 years, from Fiscal
7 Years (“FYs”) 2026-2027 through 2035-2036; and

8 WHEREAS, The Board of Supervisors has caused ballots to be mailed to the record
9 owner of each parcel proposed to be assessed within the District, as required by law; and,

10 WHEREAS, A District Management Plan was filed with the Board on April 28, 2026,
11 containing information about the proposed district and assessments, as required by California
12 Streets and Highways Code § 36622; and

13 WHEREAS, A detailed Engineer’s Report dated April 2026 was filed with the Clerk of
14 the Board on April 28, 2026, as prepared by Terrance E. Lowell, State of California,
15 Registered Professional Engineer, No. 13398, entitled “Downtown Community Benefit District
16 Engineer’s Report,” supporting the assessments within the proposed District; and

17 WHEREAS, A Proposed Boundaries Map was submitted to the Clerk of the Board of
18 Supervisors pursuant to California Streets and Highways Code Section 3110 on April 28,
19 2026; and

20 WHEREAS, A public hearing concerning the proposed formation of the Downtown CBD
21 and the proposed levy of assessments within such District was held pursuant to the notice on
22 July 21, 2026, at 3:00 p.m., in the Board’s Legislative Chambers located on the Second Floor
23 of City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California; and

24 WHEREAS, At the public hearing, the testimony of all interested persons for or against
25 the proposed expansion and renewal of the District, the levy of assessments on property

1 within the District, the extent of the District, and the furnishing of specified types of
2 improvements, services and activities within the District, was heard and considered, and a full,
3 fair and complete meeting and hearing was held; and

4 WHEREAS, The Board of Supervisors heard and considered all objections or protests
5 to the proposed assessments and the Director of the Department of Elections tabulated the
6 assessment ballots submitted and not withdrawn, in support of or in opposition to the
7 proposed assessments, and the Clerk of the Board determined that a majority of the ballots
8 cast (weighted according to the proportional financial obligations of the property) by the
9 owners of record of the property located within the proposed District did not oppose
10 establishing the proposed District; and

11 WHEREAS, The public interest, convenience and necessity require the establishment
12 of the renewed and expanded District; and

13 WHEREAS, In the opinion of the Board of Supervisors, the property within the District
14 will be specially benefited by the improvements, services and activities funded by the
15 assessments; and no assessment has been imposed on any parcel which exceeds the
16 reasonable cost of the proportional special benefit conferred on that parcel; now, therefore, be
17 it

18 RESOLVED, That the Board of Supervisors declares as follows:

19 **Section 1. MANAGEMENT DISTRICT PLAN, DISTRICT ASSESSMENT**

20 **ENGINEER'S REPORT, AND BOUNDARIES MAP.** The Board hereby approves the April
21 2026 Management District Plan and April 2026 District Assessment Engineer's Report,
22 including the estimates of the costs of the property-related services, activities and
23 improvements set forth in the plan, and the assessment of said costs on the properties that
24 will specially benefit from such services, activities and improvements. The Board also hereby
25 approves the April 2026 Boundaries, showing the exterior boundaries of the District, and

1 ratifies and approves the Assessment Ballot and the City’s use of such ballot, which
2 Assessment Ballot is on file with the Clerk of the Board of Supervisors in File No. 260466 and
3 is hereby declared to be a part of the Resolution as if set forth fully herein. A copy of the April
4 2026 Management District Plan, the District Assessment Engineer's Report, and the
5 Boundaries Map are on file with the Clerk of the Board of Supervisors in File No. 260468
6 which is hereby declared to be a part of this Resolution as if set forth fully herein.

7 **Section 2. FINDING OF NO MAJORITY PROTEST.** The Board of Supervisors
8 hereby finds that a majority protest does not exist as defined in Section 4(e) of Article XIID of
9 the California Constitution and Section 53753 of the California Government Code with respect
10 to the formation of the Downtown Community Benefit District. All objections or protests both
11 written and oral, are hereby duly overruled.

12 **Section 3. ESTABLISHMENT OF DISTRICT.** Pursuant to the 1994 Act and Article
13 15, the property-based business improvement district designated as the “Downtown
14 Community Benefit District” is hereby established.

15 **Section 4. DESCRIPTION OF DISTRICT.** The Downtown Community Benefit
16 District shall include all parcels of real property within the district. The proposed District
17 contains approximately 840 identified parcels located on approximately 70 whole or partial
18 blocks.

19 The Downtown CBD generally comprises those properties from:

- 20 • Kearny Street from Market Street to Sacramento Street
- 21 • Montgomery Street from Sacramento Street to Broadway
- 22 • Broadway from Montgomery Street to Front Street
- 23 • Jackson Street from Columbus Avenue to Front Street
- 24 • Washington Street from Montgomery Street to The Embarcadero
- 25 • The Embarcadero from Broadway to Howard Street

- 1 • Market Street from Kearny Street to The Embarcadero
- 2 • Howard Street from The Embarcadero to Spear Street
- 3 • Spear Street from Howard to Market Street

4 Reference should be made to the detailed maps and the lists of parcels identified by
5 Assessor Parcel Number that are contained in the April 2026 Management District Plan, in
6 order to determine which specific parcels are included in the Downtown Community Benefit
7 District.

8 **Section 5. FINDING OF BENEFIT.** The Board of Supervisors hereby finds that the
9 property within the District will be benefited by the improvements and activities funded by the
10 assessments proposed to be levied.

11 **Section 6. SYSTEM OF ASSESSMENTS.** (a) Annual assessments will be levied to
12 pay for the activities to be provided within the District, commencing with FY 2026-2027, and
13 continuing for 10 years, ending with FY 2035-2036. For purposes of levying and collecting
14 assessments within the District, a fiscal year shall commence on each July 1st and end on the
15 following June 30th.

16 (b) The amount of the proposed assessments to be levied and collected for FY
17 2026-2027 shall be a maximum of \$11,052,168 (as shown in the Management District Plan
18 dated April 2026 and the Engineer's Report dated April 2026). The amount of the total annual
19 assessments to be levied and collected for years two through ten (FYs 2027-2028 through
20 2035-2036) may be increased from one year to the next to address changes in the cost of
21 providing services. Assessments may also increase based on development in the Renewed
22 and Expanded District, or if the Park Overlay is implemented following completion of the
23 contemplated Embarcadero Park project. The determination of annual adjustments in
24 assessment rates will be subject to the approval of the Downtown Community Benefit District
25 Owners' Association. Assessment rates may not increase more than 5%. Assessments may

1 also increase over time if changes to the parcels result in the parcels being assigned
2 additional benefit points.

3 (c) The method and basis of levying and collecting the assessment shall be as set
4 forth in the District Management Plan.

5 (1) The levy of the assessments shall commence with FY 2026-2027. Each year
6 the assessment shall be due and payable in two equal installments. The first installment shall
7 be due on November 1 of each fiscal year during the life of the District, and shall become
8 delinquent on December 10 of that fiscal year. The second installment shall be due on
9 February 1 of each fiscal year during the life of the District, and shall become delinquent on
10 April 10 of that fiscal year.

11 (2) Nonpayment of the assessment shall have the same lien priority and delinquent
12 payment penalties and be subject to the same enforcement procedures and remedies as the
13 ad valorem property tax. All delinquent payment of assessments shall be subject to interest
14 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and
15 penalties and collection of delinquent assessments pursuant to the Business Assessment Law
16 and City Business and Tax Regulations Code Article 6, as each may be amended from time to
17 time.

18 **Section 7. USE OF REVENUES.** The proposed property-related services,
19 improvements and activities for the District include:

20 **Clean, Safe & Placemaking:** Clean, Safe & Placemaking includes, but is not limited to,
21 Clean and safe ambassadors, power washing, and implementation of homeless outreach,
22 security camera network, and overnight patrols, and implementing the Public Realm Action Plan
23 to fund, design, install, activate, and maintain streetscape improvements and beautification
24 efforts.

25 **District Identity, Economic Development, & Advocacy:** District Identity, Economic

1 Development, & Advocacy, includes, but is not limited to, economic recovery activities through
2 business attraction, retention, and technical assistance; programming and special events;
3 district branding, storytelling, advertising, and public relations; advocacy, public affairs, and
4 coalition building.

5 **Management, Administration & Contingency:** Management, Administration &
6 Contingency includes, but is not limited to, program management to support implementation
7 and includes contingency funding to support special projects and new initiatives.

8 **Potential Park Overlay Services:** If Embarcadero Park is completed, the potential Park
9 Overlay Services includes, but is not limited to, additional supplemental services including
10 security, maintenance, activation, and special events.

11 **Section 8. AUTHORITY TO CONTRACT.** The Board of Supervisors may contract
12 with a separate private entity to administer the improvements, services and activities set forth
13 in Section 7, as provided in California Streets and Highways Code Sections 36612 and 36650.
14 Any such entity shall hold the funds it receives from the City and County of San Francisco
15 (“City”) in trust for the improvements, services and activities set forth in Section 7. Any such
16 entity that holds funds in trust for purposes related to the contract shall deliver, at no expense
17 to the City, a balance sheet and the related statement of income and cash flows for each
18 fiscal year, all in reasonable detail acceptable to City, reviewed by a Certified Public
19 Accountant (CPA); this review shall include a statement of negative assurance from the CPA.
20 In addition, or alternatively, the Controller in his or her discretion or the Office of Economic
21 and Workforce Development in its discretion, may require the private entity to deliver, at no
22 expense to the City, an annual independent audit report by a Certified Public Accountant of all
23 such funds. The CPA review and/or audit may be funded from assessment proceeds as part
24 of the general administration of the District. At all times the Board of Supervisors shall
25 reserve full rights of accounting of these funds. The Office of Economic and Workforce

1 Development shall be the City agency responsible for coordination between the City and the
2 District.

3 **Section 9. AMENDMENTS.** The properties in the District established by this
4 Resolution shall be subject to any amendments to the 1994 Act, and City Business and Tax
5 Regulations Code Article 6 and Article 15.

6 **Section 10. RECORDATION OF NOTICE AND DIAGRAM.** The County Clerk is
7 hereby authorized and directed to record a notice and an assessment diagram pursuant to
8 Section 36627 of the California Streets and Highways Code, following adoption of this
9 Resolution.

10 **Section 11. LEVY OF ASSESSMENT.** The adoption of this Resolution and
11 recordation of the notice and assessment diagram pursuant to Section 36627 of the California
12 Streets and Highways Code constitutes the levy of an assessment in each of the fiscal years
13 referred to in the District Management Plan. Each year, the Assessor shall enter on the
14 County Assessment Roll opposite each lot or parcel of land the amount of the assessment
15 and such assessment shall be collected in the same manner as the County property taxes are
16 collected.

17 **Section 12. BASELINE SERVICES.** To ensure that assessment revenues from the
18 District are used to enhance the current level of services provided by the City within the
19 District, the establishment of the District will not affect the City's policy to continue to provide
20 the same level of service to the areas encompassed by the District as it provides to other
21 similar areas of the City for the duration of the District, provided, however, that in the event of
22 a significant downturn in citywide revenues, the Board of Supervisors may reduce the level of
23 municipal services citywide, including within the District.

Section 13. ENVIRONMENTAL FINDINGS. The Planning Department has determined that the actions contemplated in this Resolution are in compliance with the California Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 260466, which is hereby declared to be a part of this Resolution as if set forth fully herein.

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