



BUDGET UPDATE

June 15, 2023

Presented by the San Francisco Office of Economic & Workforce Development

Sarah Dennis Phillips, Executive Director

MISSION

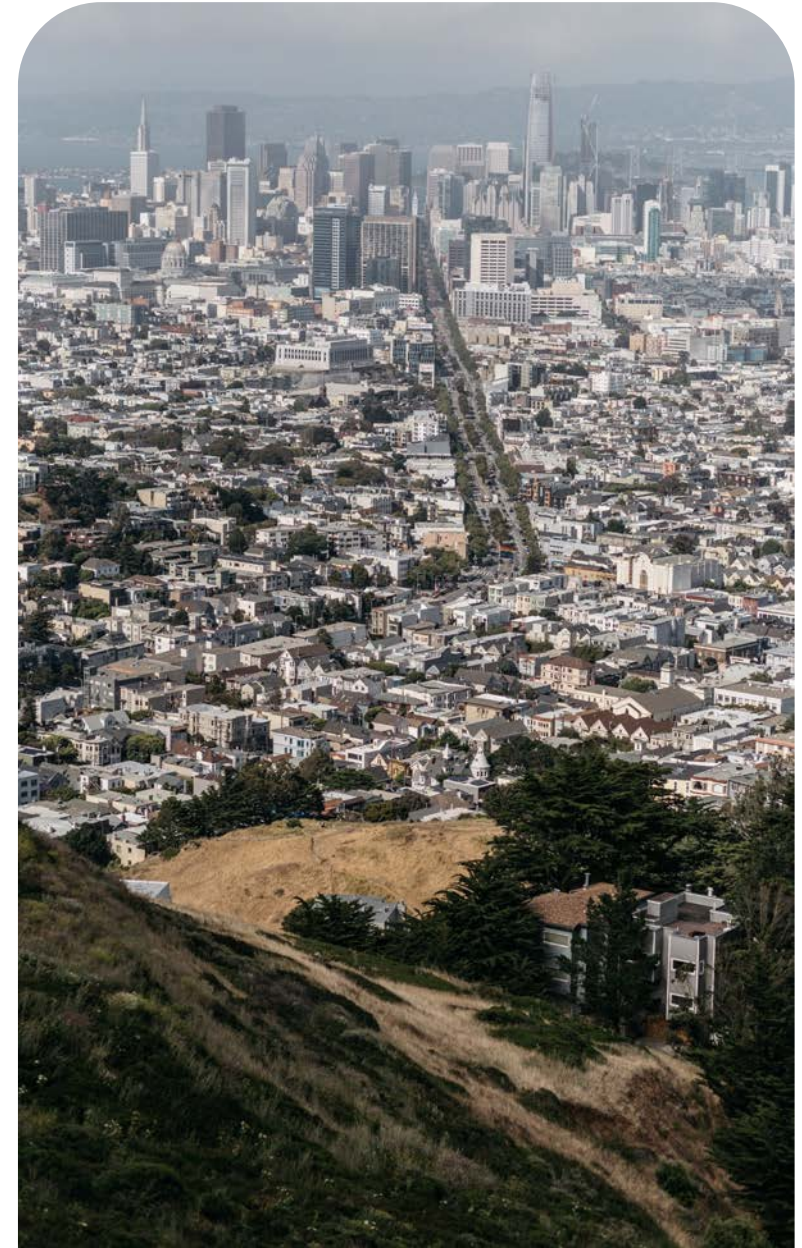
Equitable and Shared Prosperity

The Office of Economic & Workforce Development

advances equitable and shared prosperity for San Franciscans by growing sustainable jobs, supporting businesses of all sizes, creating great places to live and work, and helping everyone achieve economic self-sufficiency.

GOALS

1. Facilitate a resilient, diverse, and robust economy where businesses can start, stay, and grow in San Francisco
2. Create and connect residents to good jobs and strong career pathways
3. Support vibrant neighborhoods by strengthening small businesses and community organizations
4. Create space for jobs, affordable housing, recreation, and public use





ECONOMIC RECOVERY PRIORITIES

Be Nimble, Flexible and Available to Address Needs as They Arise

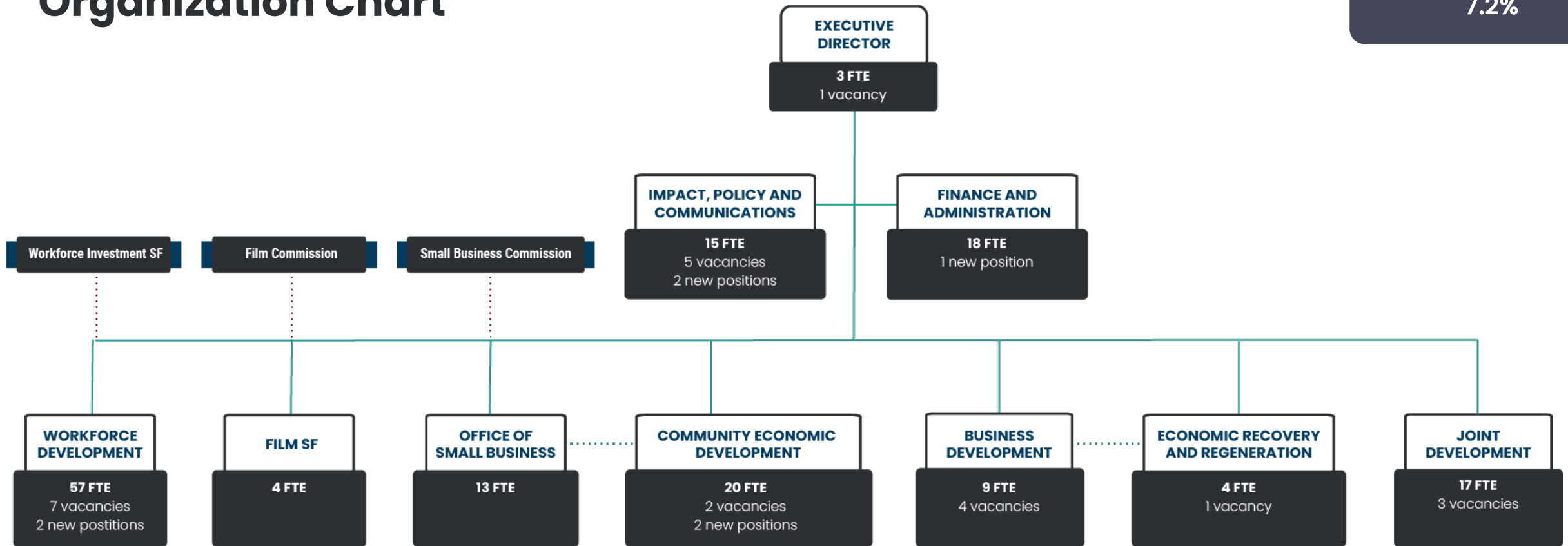
Jobs, activation, and public safety continue to be key priorities. We need to continue our successful work and growing & increasing access to sustainable jobs, supporting and expanding small businesses, and supporting critical neighborhood needs. We also need to restore and broaden our economic base by increasing the range of industries and jobs locating here, towards a diverse & sustainable economy.

- ✓ **Focus on Downtown economic recovery**
- ✓ **Extend recovery efforts to all our neighborhoods**
- ✓ **Leverage resources and partners**

OEWD FY 2023-24

Organization Chart

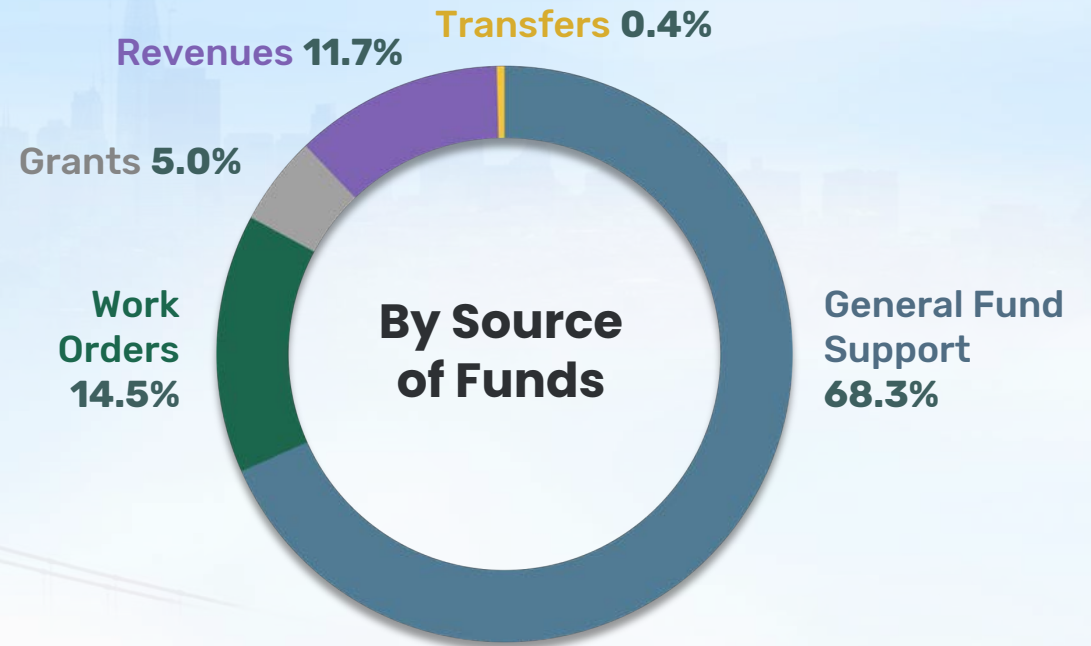
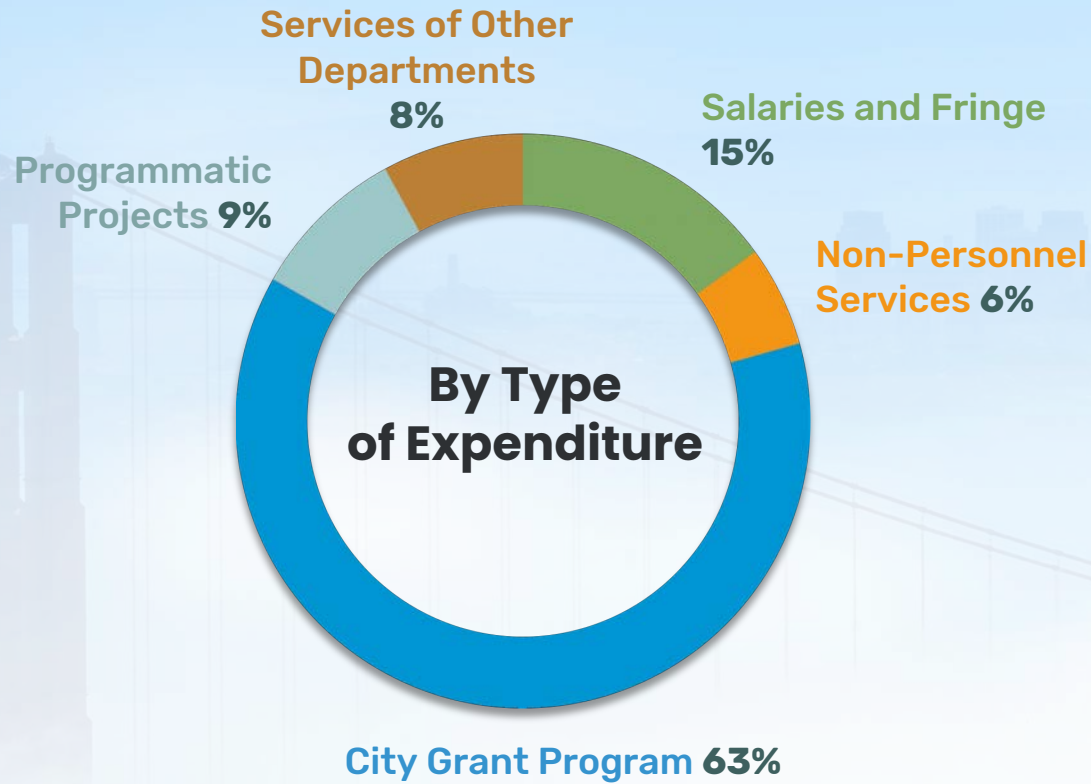
FY 22-23
Vacancy Rate
7.2%



BUDGETARY OVERVIEW AND BASELINE INVESTMENTS

Division	FY 2022-2023	FY 2023-2024	Change from FY 2022-2023	FY 2024-2025	Change from FY 2023-2024
Economic Development	\$ 91.6M	\$ 82.9M	\$ (8.7)M	\$ 56.8M	\$ (26.1)M
Film SF	\$ 1.2M	\$ 1.6M	\$ 0.4M	\$ 1.6M	0.0
Office of Small Business	\$ 3.7M	\$ 3.8M	\$ 0.1M	\$ 3.8M	0.0
Joint Development	\$ 15.2M	\$ 15.3M	\$ 0.1M	\$ 15.3M	0.0
Workforce Development	\$ 52.2M	\$ 49.0M	\$ (3.2)M	\$ 46.7M	\$ (2.3)M
TOTAL	\$ 163.9M	\$ 152.6M	\$ (11.3)M	\$ 124.1M	\$ (28.4)M

FY 2023-24



OUTCOMES AND CHALLENGES

Results and the Road Ahead



Employment Assistance

Enrolled **6,268** job seekers in employment assistance and training programs, resulting in **2,619** placements through March.



Small Business Support

Supported the creation, retention and growth of small businesses by assisting **5,694** small businesses with grants, loans, and technical assistance.



Economic Recovery

Launched Mayor's Economic Recovery Roadmap. Deployed **\$5.2M** to support **20** activations attracting over **96K** visitors to Downtown.



Dream Keeper Initiative

Trained over **700** participants resulting in over **200** new business registrations and securing **34** new retail locations.

Outcomes through March 31, 2023

Operational Challenges

Increasing volume of legal contracts

Increasing compliance and regulatory requirements for both OEWD and CBOs

Shifting economic landscape

NEIGHBORHOOD INVESTMENTS

Equitable Economic Recovery

- **\$5M**
Small Business Grants
- **\$2M**
Neighborhood Activations
- **\$2.2M**
Economic Recovery Initiatives



COMMUNITY RECOVERY RESOURCE HUBS

\$2M investment will promote equity and recovery for San Franciscans



Mission Hub



Bayview Hub



Excelsior Hub

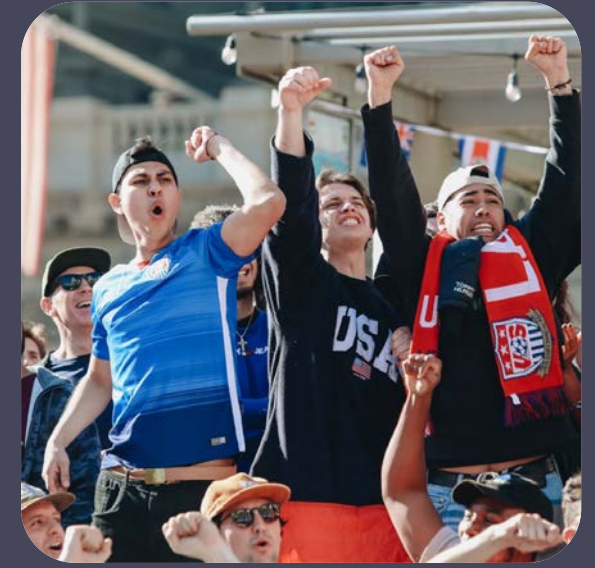


Vis Valley Hub

DOWNTOWN ECONOMIC RECOVERY

Dynamic Destination

- **\$2.5M**
Downtown activations
- **\$3.8M**
Powell Street improvements

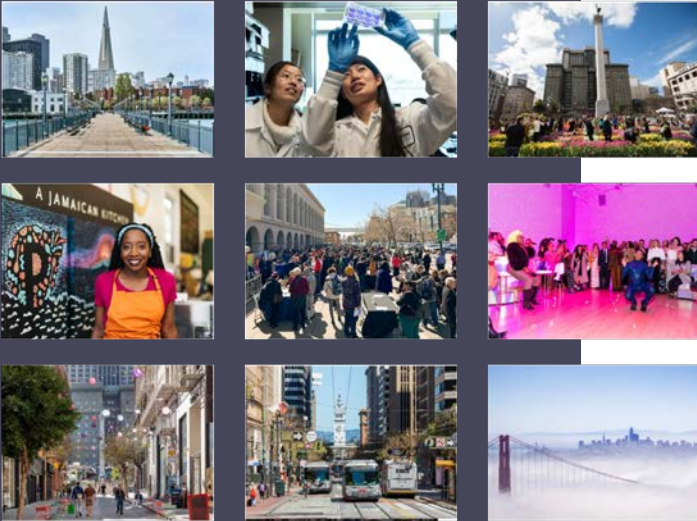


AMBASSADOR PROGRAMS

Welcoming, Clean, and Safe

	FY 24	FY 25	TOTAL
MM/TL	\$ 21.5M	\$ 16M	\$ 37.5M
Downtown	\$ 5.0M	\$ 3.15M	\$ 8.15M
BART	\$ 3.0M	—	\$ 3.0M
Mission	\$ 2.0M	—	\$ 2.0M
Total	\$ 31.5M	\$ 19.15M	\$ 50.65M





ECONOMIC RECOVERY = **Multi-Pronged Effort**

Supported by

- **Budget Funding**
- **Future pursuit of State, Federal, and other grants**
- **Shared Programs** (interagency and CBOs)
- **Legislation** (such as First Year Free)

ORDINANCE (FILE NO. 230155)

Gross Tax Receipts Measure**Contains two components****1. Delays tax increases until 2025 and 2026 for:**

retail trade; certain services; manufacturing; food services; accommodations; and arts, entertainment, and recreation

2. Creates a 0.45% credit to taxable gross receipts for:

information; administrative and support services; financial services; insurance; professional scientific and technical services; and 0.7% credit toward taxable payroll for administrative office taxpayers



Ordinance

File No. 230155

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.230651)

Chapter 57 Amendments

Proposed changes

- Clarifies that filming a **news event does not require a film permit**
- Clarifies the Film SF **Executive Director appointment process**
- Authorizes the Film SF **Executive Director to approve use of Film SF Logo**
- Allows use of the **Film Rebate Project Account to be used for administration and marketing** of the Film Rebate Program
- Increases **film permit fees**



FILMING

Proposed Fee Increases

Permit Fees	Current	Proposed
Student, PSA, nonprofits	Waived	Waived
Still photography	\$ 100	\$ 200
Commercial, corporate, web content, music video	\$ 200	\$ 300
TV/Web Series, Feature, Documentary, and Short Subject	—	—
For a production with a budget less than \$100,000	\$ 50	\$ 100
For a production with a budget of \$100,000 to less than \$500,000	\$ 100	\$ 300
For a production with a budget of \$500,000 or greater	\$ 300	\$ 500



THANK YOU



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