



# BUDGET UPDATE

June 22, 2023

Presented by the San Francisco Office of Economic & Workforce Development

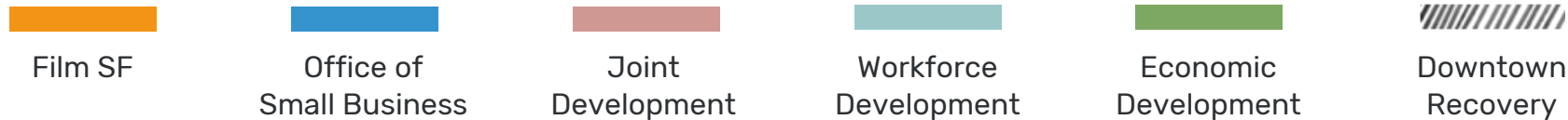
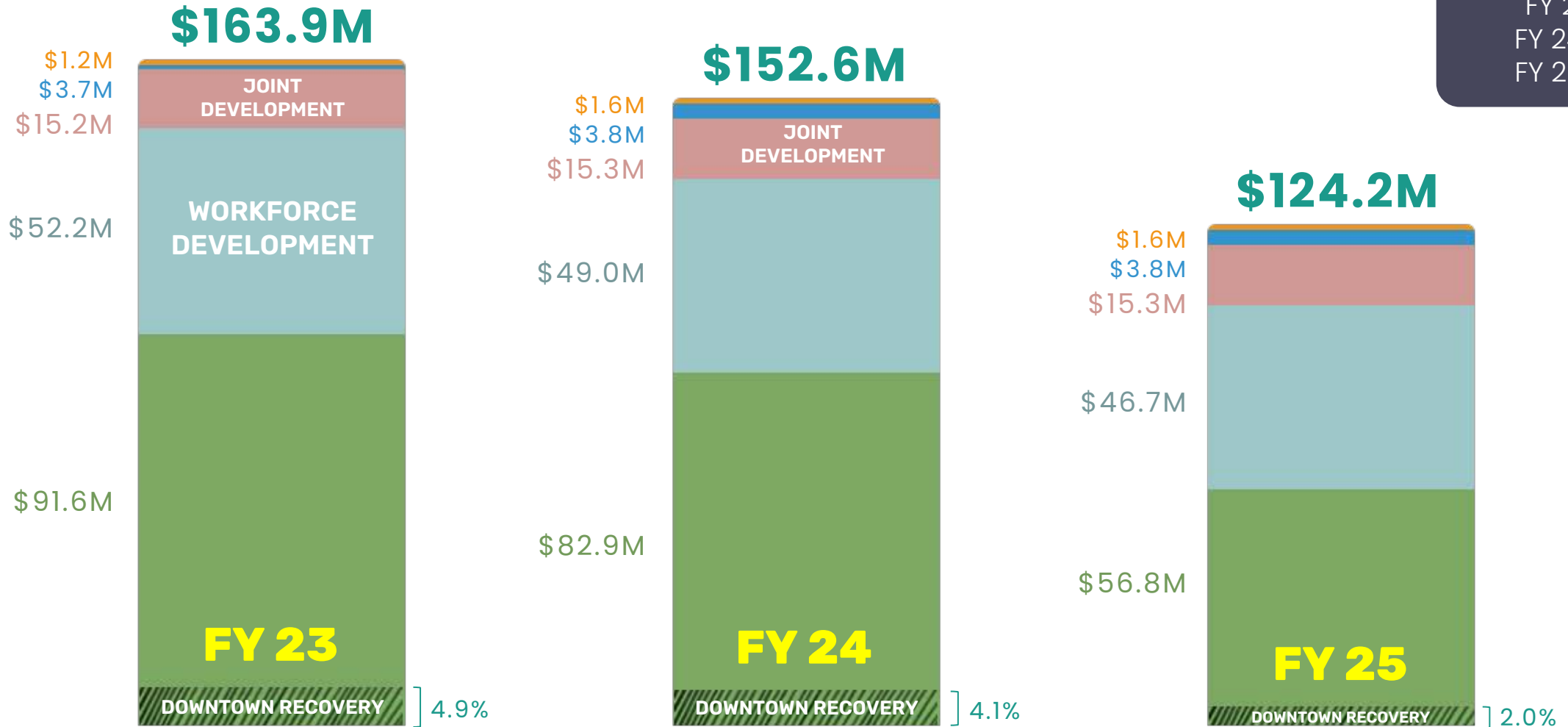
Sarah Dennis Phillips, Executive Director

# BUDGETARY OVERVIEW AND BASELINE INVESTMENTS

## Downtown Economic Recovery Investment

**Downtown Recovery**

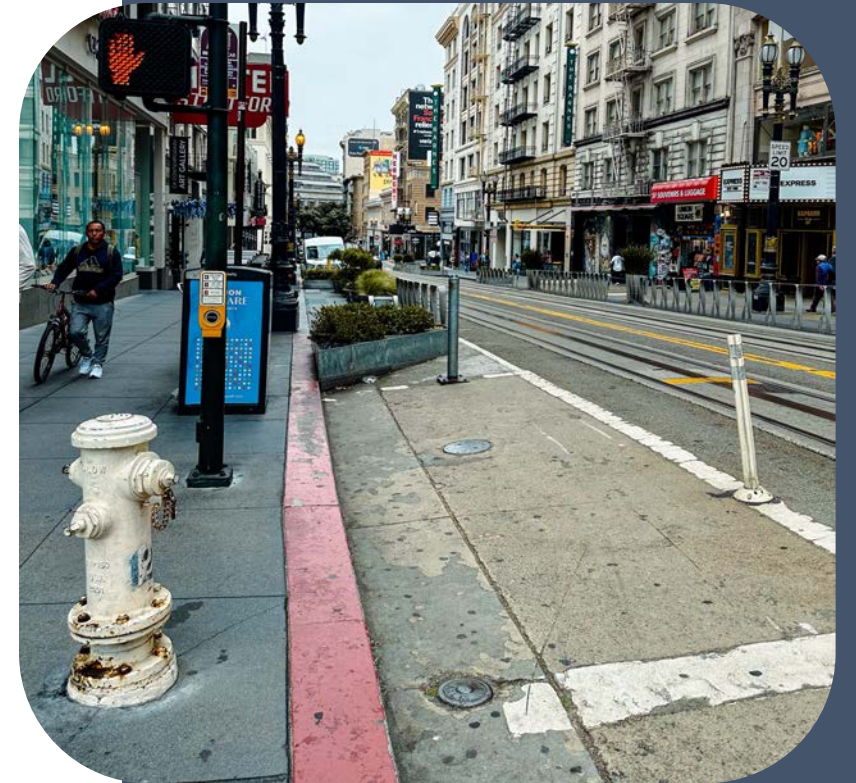
FY 23 = 8M  
 FY 24 = 6.3M  
 FY 25 = 2.5M



## DOWNTOWN ECONOMIC RECOVERY

# Dynamic Destination

	FY23	FY 24	FY 25
<b>Streetscape</b>	–	<b>\$2.0M</b>	–
Outreach and Design	–	\$.27M	–
Const. Drawings & Permitting	–	\$.21M	–
Construction	–	\$1.5M	–
<b>Biz Attraction / Support</b>	–	<b>\$1.8M</b>	–
<b>Activations</b>	<b>\$8.0M</b>	<b>\$2.5M</b>	<b>\$2.5M</b>
Pop Ups	\$.87M	\$.5M	\$.5M
Mid-Market	\$3.0M	\$.5M	\$.5M
Downtown	\$3.53M	\$1.5M	\$1.5M
Tourist Attraction	\$.6M	–	–
<b>Total</b>	<b>\$8.M</b>	<b>\$ 6.3M</b>	<b>\$ 2.5M</b>



## AMBASSADOR PROGRAMS

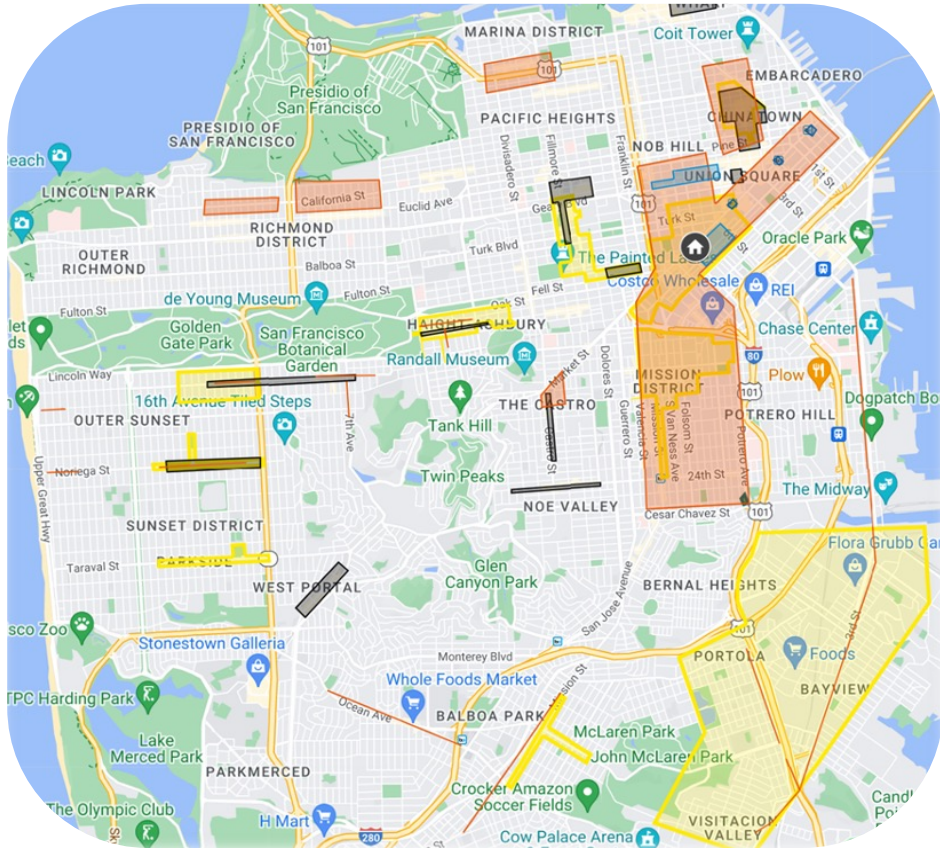
# Welcoming, Clean, and Safe

	FY 23	FY 24	FY 25	TOTAL
<b>MM/TL</b>	\$23.6M	\$21.5M	\$16.0M	\$61.1M
<b>Downtown</b>	\$6.6M	\$5.0M	\$3.15M	\$14.75M
<b>BART</b>	\$2.0M	\$3.0M	—	\$5.0M
<b>Mission</b>	\$.5M	\$2.0M	—	\$2.5M
<b>Total</b>	<b>\$32.7M</b>	<b>\$31.5M</b>	<b>\$19.15M</b>	<b>\$83.35M</b>



# 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

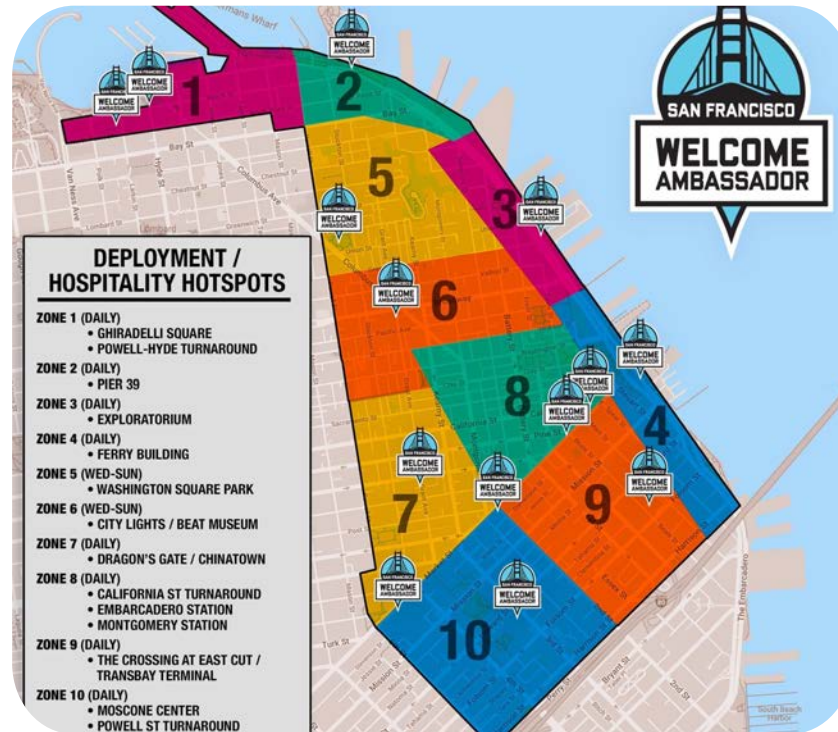


Extends Agreement between OEWD and SF Tourism Improvement District through FY 25 and increases NTE by \$5.15M

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
<b>250 FTE</b> 100 posts (peak)	<b>225 FTE</b> 90 posts (peak)	<b>168 FTE</b> 67 posts (peak)	<b>83 FTE</b> 45 posts (peak)	<b>69 FTE</b> 40 posts avg (peak)	<b>47 FTE</b> 23 posts (peak)	<b>27 FTE</b> 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)

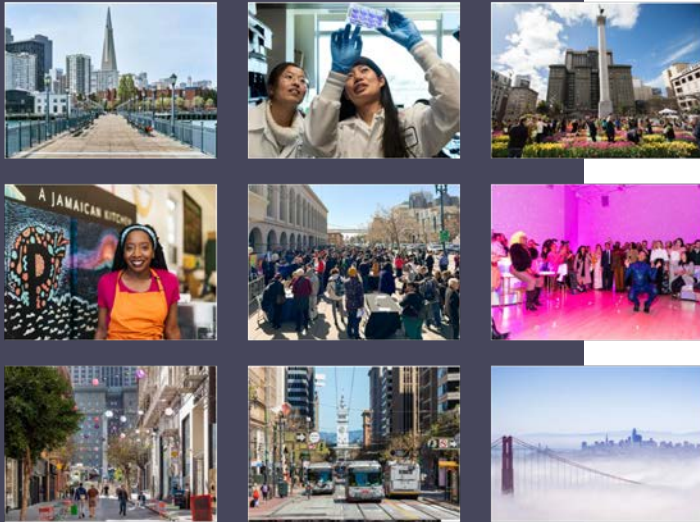
# Downtown Welcome Ambassadors

## 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
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 WORKS TODAY

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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