



ROADMAP TO DOWNTOWN SAN FRANCISCO'S FUTURE

WHY DOWNTOWN SAN FRANCISCO?

- Downtown is the engine of San Francisco's economy
 - Nearly **80% of San Francisco's GDP came from Downtown** companies in 2021
 - Downtown and office core was home to **70% of San Francisco jobs** pre-pandemic
 - Nearly **half of our sales tax revenue and 95% of business tax revenue** comes from Downtown
- Downtown offers unique advantages
 - Downtown's **transportation network** makes it more connected to the Bay Area's high-skilled workforce than anywhere else
 - Downtown's **built environment** features a dynamic public realm, cultural institutions, and millions of square feet of existing space

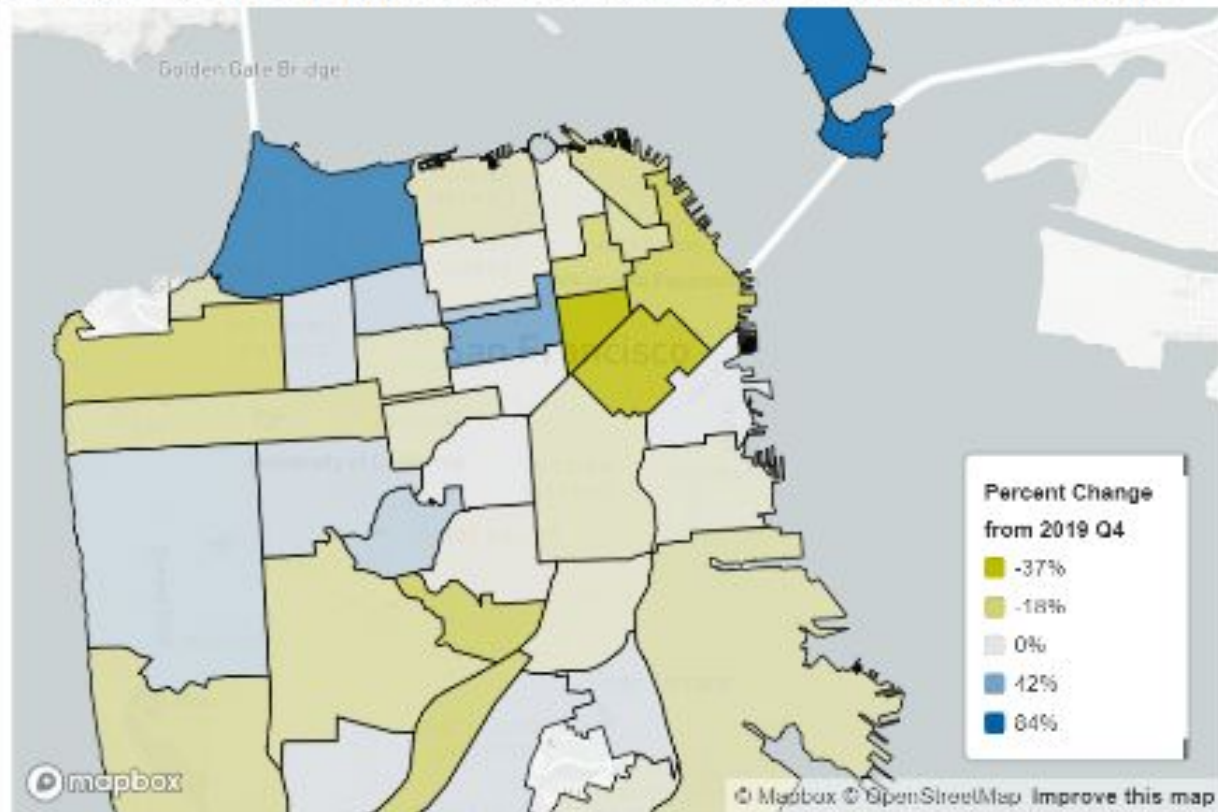


COVID ECONOMIC IMPACTS

- **Office attendance** remains at 40% of pre-pandemic levels, contributing to an **office vacancy rate** of 26% (vs 6% pre-pandemic)
- **Downtown BART exits** are 36% of pre-pandemic levels, but increasing
- **Air travel and hotel stays** began rebounding in 2022, but remain down
 - Air travel is at 80% of 2019 levels
 - Hotel occupancy is at 67% of 2019 levels
- These impacts are reflected in the **City's tax base**:
 - **Property tax** growth is projected to slow and some office property valuations are likely to be reassessed downward
 - **Business tax** is down 10% and not projected to recover until 2025
 - **Hotel tax** is down 37% and not projected to recover until 2027
 - **Sales tax** is down 12% and not projected to recover before 2028
- **Small businesses** are struggling, and business starts inconsistent



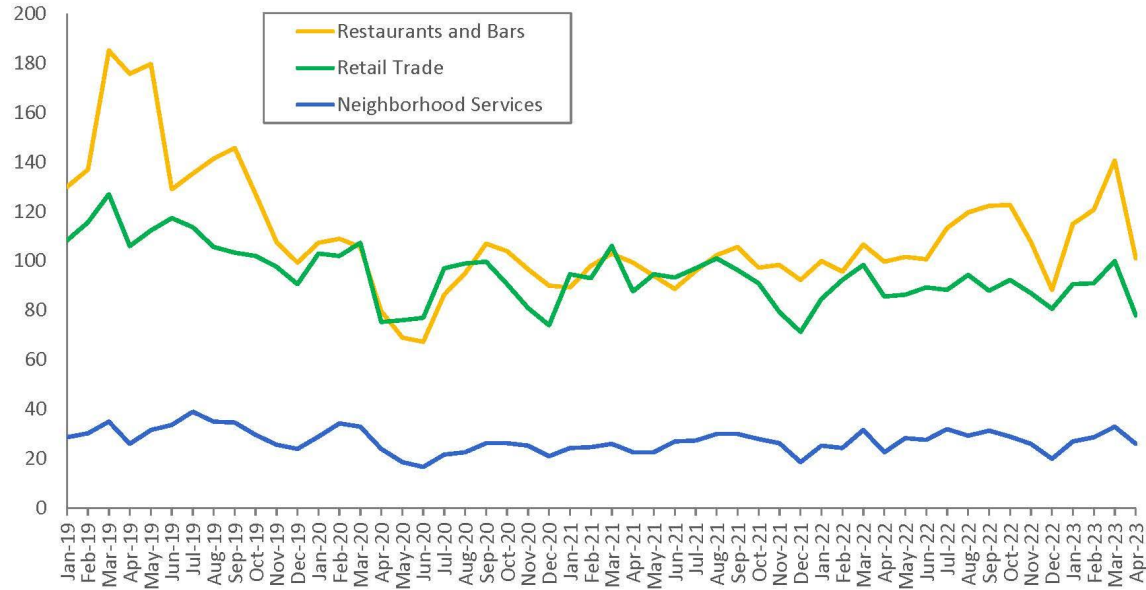
San Francisco neighborhood map of percent change in sales tax revenue of current quarter (2022 Q4) from same quarter in 2019 (Q4)



New Business Formation Pace Slipped in April

9

New Business Locations in San Francisco, 3-month Moving Average,
Selected Industries: January 2019 - April 2023



Source: Treasurer & Tax Collector, City and County of San Francisco

Note: "Restaurants and Bars" is equivalent to the NAICS Sector 722, "Food Services and Drinking Places". "Neighborhood Services" is equivalent to the NAICS sector 81, "Other Services (except Public Administration)".



MAYOR BREED'S VISION

Five priorities for Downtown



- An economically diverse and resilient job engine
- A welcoming, clean, and safe environment
- A dynamic destination active at all hours, every day
- A world-class transportation experience
- An equitable economy that supports full participation by all





Roadmap to Downtown San Francisco's future

"In San Francisco, we don't just face our challenges - we grow stronger in overcoming them."

— Mayor London N. Breed

[Learn more about the Mayor's vision](#)



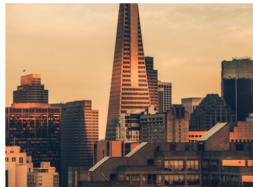
Our strategies



Ensure Downtown is clean, safe, and inviting

Investing in a clean and safe downtown is essential to attracting new businesses as well as workforce, visitors, and residents.

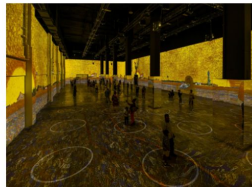
[Learn more](#)



Attract and retain a diverse range of industries and employers

Supporting long-standing sectors maintains the strength of San Francisco's economic core, while attracting new businesses and industries increases our economic resilience.

[Learn more](#)



Facilitate new uses and flexibility in buildings

Maximizing the variety of uses and flexibility in our buildings creates the spaces and services that a diverse industry base needs to succeed and will help San Francisco's Downtown recover faster.

[Learn more](#)

Our Strategies



ENSURE DOWNTOWN IS CLEAN, SAFE, AND INVITING



- Support businesses, residents, and visitors with an **enhanced public safety presence**.
- Continue and grow **Healthy Streets coordinated response** programs that connect people with services while keeping streets and sidewalks safe for everyone.
- Implement **street vending regulations** to discourage resale of stolen merchandise and keeping sidewalks accessible.
- Provide a welcoming gateway to Downtown attractions through increased **parking garage security** at City garages.
- Continue to partner with CBDs to keep sidewalks and plazas clean through the **311 Connected Worker App**.
- Continue to fund and expand **targeted cleaning crews** in key areas and hot spots.
- Welcome transit riders and visitors Downtown with **refurbished transit platforms, and shelters**.



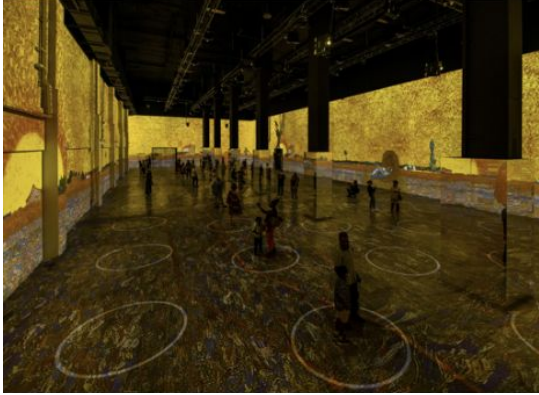
ATTRACT AND RETAIN A DIVERSE RANGE OF INDUSTRIES AND EMPLOYERS



- Support businesses recovery with ongoing **tax relief and incentives** in key sectors.
- **Explore business tax reform** to adapt to shifting work patterns and make our tax base more resilient and competitive.
- Complete a **Competitive Industries Assessment** to identify high-potential industries and supporting strategies.
- Launch a **business attraction campaign** to bring new ventures in high-potential industries to San Francisco.
- Continue attracting convention and business travel with the **Moscone Recovery Fund**.
- **Increase filming in Downtown** to promote San Francisco's image and develop the local film industry.



FACILITATE NEW USES AND FLEXIBILITY IN BUILDINGS



- Amend the Planning Code to ensure **flexible zoning Downtown** to accommodate the widest possible range of activities and uses.
- Prepare a **housing conversion analysis** to identify the feasibility of office-to-residential conversions and recommend supporting policy changes.
- Develop a **recovery entitlement program** that would allow time and flexibility for previously entitled development projects to adjust to market conditions.

MAKE IT EASIER TO START AND GROW A BUSINESS



- Provide direct **business recovery assistance** including grants and loans.
- Expanded the **First Year Free** program to reduce permit costs for new business ventures.
- **Right-size local employer healthcare contributions** under the Health Care Security Ordinance (HCSO).
- Connect new ventures to ground floor vacancies and provide support through a new **Vacant to Vibrant** program.
- Build on the Save Our Small Business Initiative and SBRA to deliver **smoother business permitting**.
- Modernize processes and add resources to **support businesses at the Permit Center**.
- **Streamline business inspections** to reduce delays and unexpected costs for new and existing businesses.



GROW AND PREPARE OUR WORKFORCE



- Implement the Mayor's Housing for All plan to **deliver housing for our workforce**.
 - Potrero Power Station IFD approved in March
 - Site permit reform legislation announced in March
 - Housing streamlining legislation introduced in April
- Provide **industry-informed training programs** that target resources to employers' shifting needs.
- **Expand outreach to grow the workforce** through programs that match new job seekers and those outside the labor force with emerging opportunities.
 - Hospitality & Small Business Job Fair in April
 - Committee on City Workforce Alignment launched in April



TRANSFORM DOWNTOWN INTO A LEADING ARTS, CULTURE, AND NIGHTLIFE DESTINATION



- Designate an **Arts, Culture and Entertainment (ACE) Zone** with targeted City programs and incentives to foster new arts and culture establishments.
- Continue supporting **public space events and activations** that showcase local talent, entrepreneurs and culture.
- **Permitting improvements for community events** to support neighborhood festivals and street fairs.
- Advocate for and implement state legislation to allow for **outdoor alcohol consumption in Entertainment Zones** in select areas.
- **Leverage the Moscone Visitor Center** as a point to connect guests to local arts, culture, and entertainment offerings.





Photo courtesy of Downtown SF

ENHANCE PUBLIC SPACES TO SHOWCASE DOWNTOWN



- Complete the transition of **Shared Spaces** to a permanent program allowing businesses to activate streets, plazas, and sidewalks.
- Continue adding **new design elements** in public spaces to showcase Downtown's environment and support community activities.
- Create **new points of interest** that attract visitors and encourage gatherings in public spaces like the Landing at Leidesdorff.
- **Reimagine transit stations** as platforms for local art and talent to support local artists and spark interest Downtown.

INVEST IN TRANSPORTATION CONNECTIONS



- Make it easy for workers, residents and visitors to travel Downtown with **improved Muni connections**.
- Provide **faster trips to Downtown** with ongoing Muni Forward improvements on key lines.
- Work with City and regional partners to **bring high-speed rail to the Salesforce Transit Center**.
- Pursue new strategies to ensure **long-term financial stability for Muni**.
- Ensure biking is safe and convenient with a more connected and protected **Downtown bike network**.
- Strategically deploy traffic control officers to **keep traffic moving Downtown**.
- Make Muni a more attractive option with **cellular service in the Metro**.
- Launch additional **fare pass programs** to boost Muni ridership.



TELL OUR STORY



- Promote a national **visitor attraction campaign** in targeted markets to remind potential visitors of San Francisco's unique allure. **Always San Francisco** campaign launching late May.
- Launched the **Heart of SF social media campaign** to amplify a cohesive narrative around Downtown's evolving identity.
- Launched the **Make Your Future San Francisco** campaign with business leaders to inspire entrepreneurs to locate Downtown.
- Develop a **San Francisco recovery campaign** to put forward overall positive stories of San Francisco.
- Update this Roadmap as our story evolves at **sf.gov/roadmap-downtown-san-franciscos-future**

