



# BUDGET UPDATE

June 15, 2023

**Presented by the San Francisco Office of Economic & Workforce Development**

Sarah Dennis Phillips, Executive Director

## MISSION

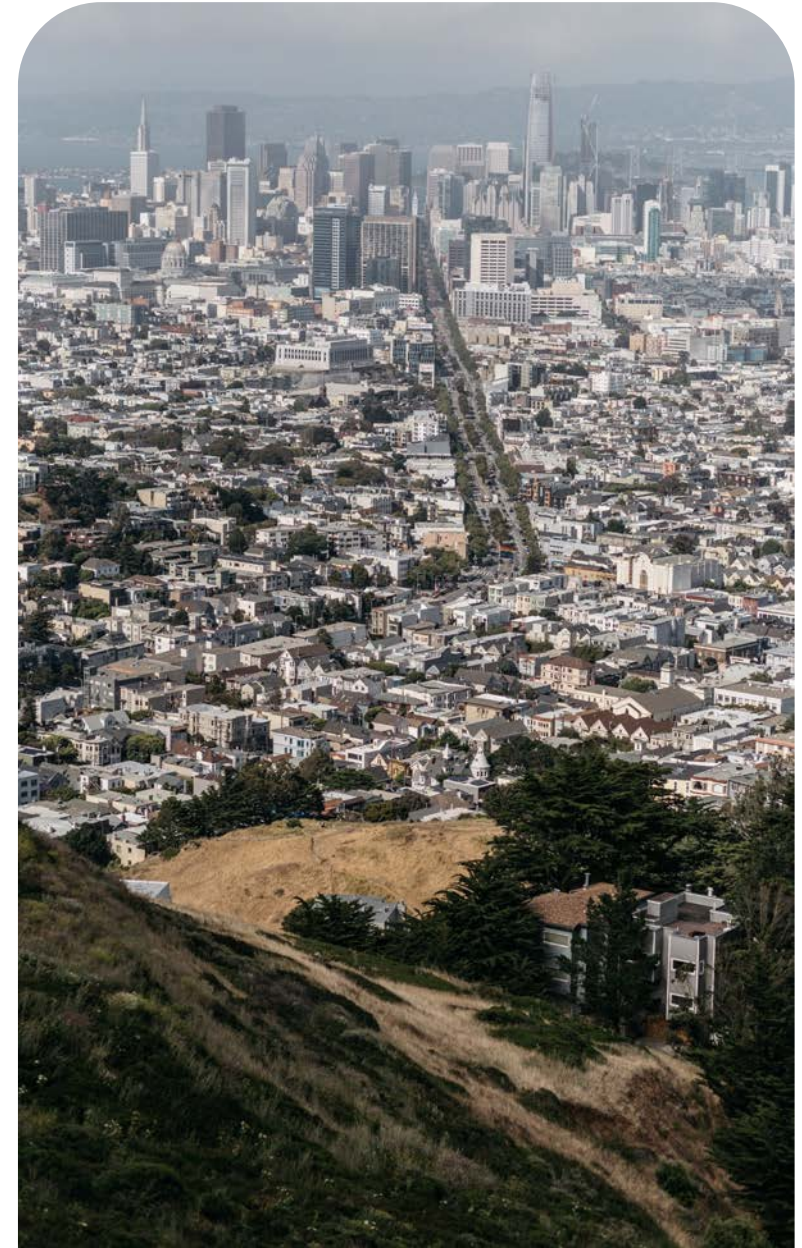
# Equitable and Shared Prosperity

### **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

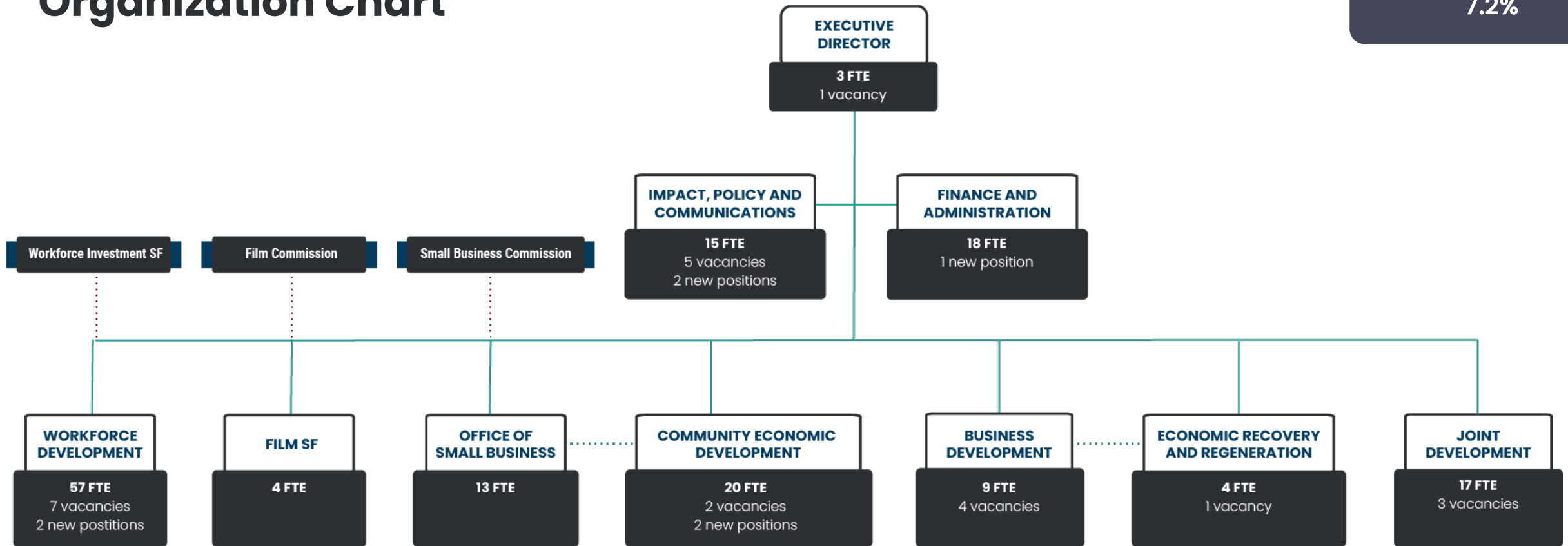
Jobs, activation, and public safety continue to be key priorities. We need to continue our successful work and growing & increasing access to sustainable jobs, supporting and expanding small businesses, and supporting critical neighborhood needs. We also need to restore and broaden our economic base 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

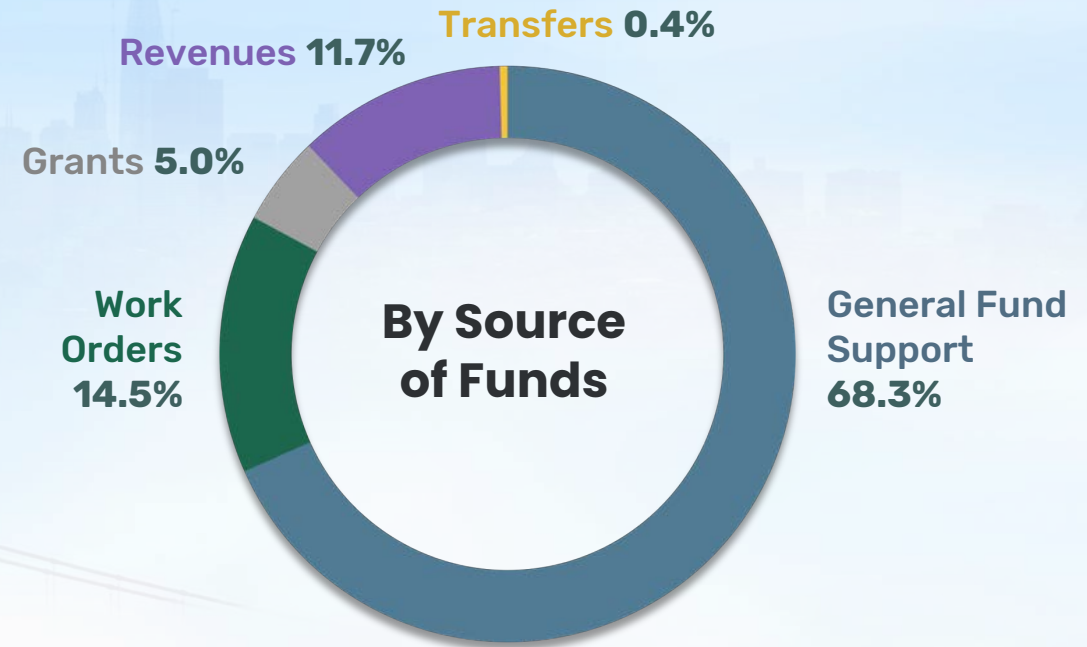
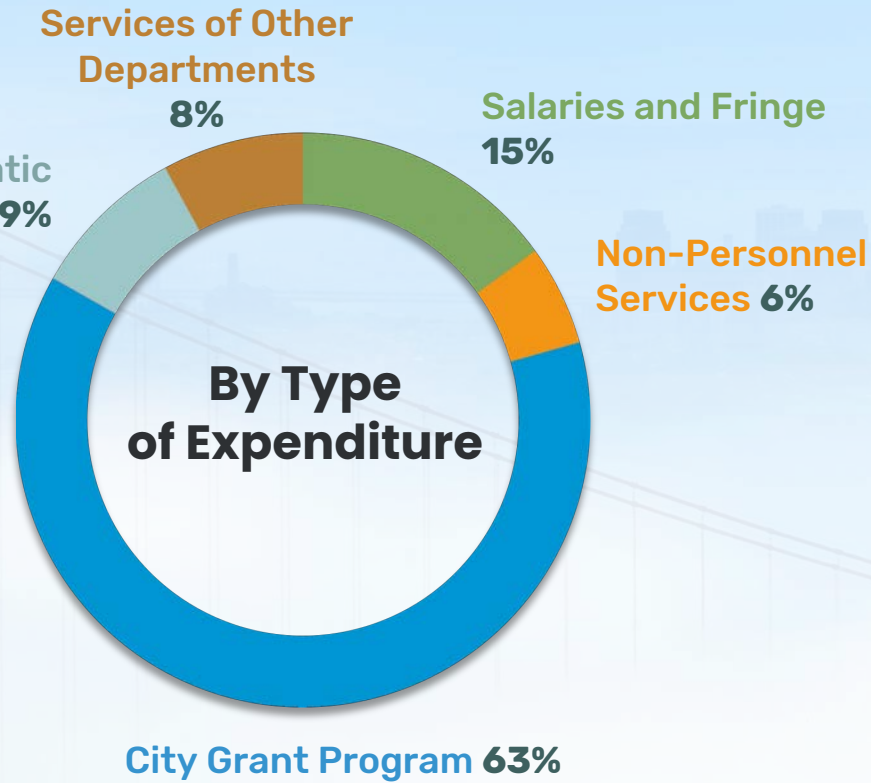
FY 22-23  
Vacancy Rate  
**7.2%**



## BUDGETARY OVERVIEW AND BASELINE INVESTMENTS

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

# 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



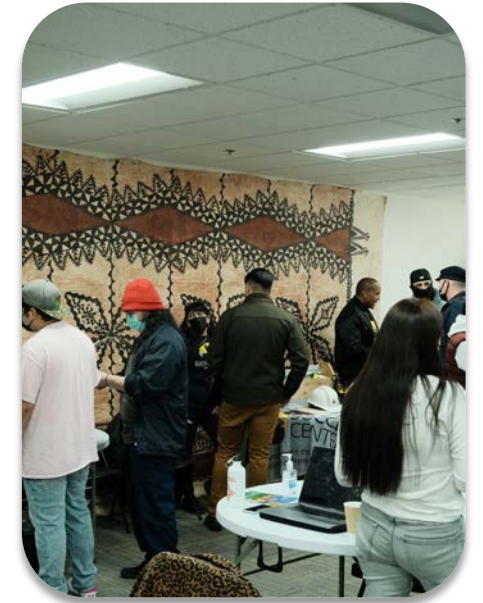
Mission Hub



Bayview Hub



Excelsior Hub

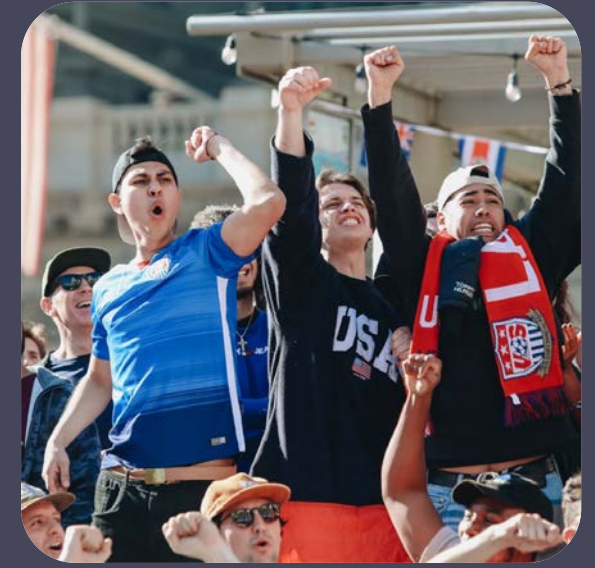


Vis Valley Hub

## DOWNTOWN ECONOMIC RECOVERY

# Dynamic Destination

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





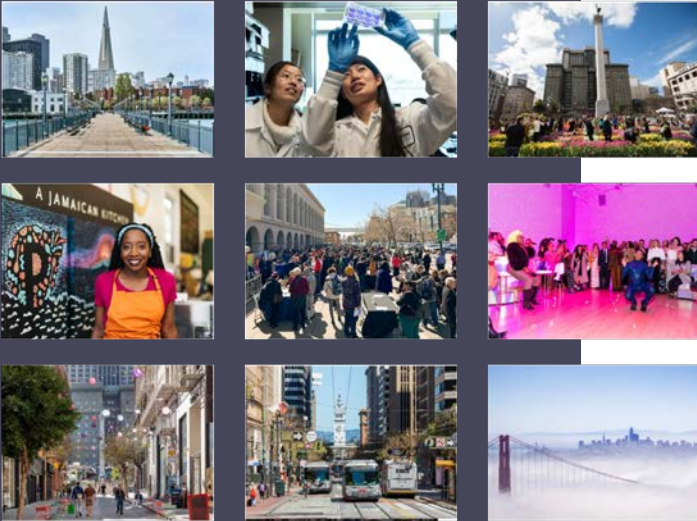
## AMBASSADOR PROGRAMS

# Welcoming, Clean, and Safe

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







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



# THANK YOU



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