

# Roadmap to Downtown San Francisco's Future



## May 2023 Update

As the implications of the pandemic on economic patterns began to emerge, Mayor London N. Breed and her administration began the work to develop a plan for economic recovery. The Mayor put forward a vision for San Francisco's future Downtown that consisted of five key priorities:

- 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

Through broad coordination across City departments and input from representatives from employers, small businesses, tourism, developers, the arts and culture community, along with other Downtown stakeholders, Mayor Breed launched the **Roadmap to Downtown San Francisco's Future** in February, a comprehensive plan that positions Downtown San Francisco for its next chapter.

In the first three months, the City has already made significant progress in fulfilling this vision.

## Why Downtown San Francisco?

San Francisco is the economic hub for the Bay Area, which was the fastest growing regional economy in the country in 2022. With a \$250 billion annual Gross Domestic Product (2022), San Francisco accounts for more than one quarter of the nine-county Bay Area economy – 79% of which stems from office-based industries concentrated in Downtown (2021) areas including the Financial District, Embarcadero waterfront, East Cut, SoMa, Yerba Buena, Mid-Market, and Union Square, as well as the emerging office cluster in the Mission Bay.

Despite the negative impact of remote work on Downtown's businesses and cultural institutions, San Francisco companies continue to generate investment and employment opportunities for the region's highly skilled workforce. The city continues to receive more venture capital funding than any other city in the world, with the Bay Area receiving deal value equivalents to \$15.5 billion in the first quarter of 2023, and San Francisco's unemployment rate remains one of the lowest in the country at 3.0%.

As the gateway to the Asia-Pacific, Downtown San Francisco serves as a global anchor for national and international companies. Currently the city is at 80% of pre-pandemic tourism levels. With countries such as China and Japan now relaxing pandemic travel restrictions, the city expects to see a return of tourism from Asia later this year. At the same time, the city will be hosting over 35 events this year at Moscone Center for visitors who will stay in our hotels, eat at our restaurants, and enjoy the nightlife San Francisco has to offer.

**The Roadmap to Downtown San Francisco's Future** responds to San Francisco's current economic context to advance a new vision for Downtown's role in the city's future. As of **May 2023**, the City has already made significant progress in fulfilling this vision including the following key milestones.

**Strategy 1: Ensure Downtown is clean, safe, and inviting** with smart and strategic investments that increase public safety and improve street conditions in a coordinated, efficient, and effective manner.

- Passed legislation providing **\$25 million for police overtime** to maintain an adequate level of public safety response and approved a **new police contract** to improve officer recruitment and retention.
- Extended contracts for **Mid-Market Safety Ambassadors** to provide non-police responses to street conditions and **Downtown Welcome Ambassadors** to help visitors throughout FiDi, Union Square, and the waterfront.
- Announced the **Home by the Bay Plan** to reduce unsheltered homelessness by half over the next five years.

**Strategy 2: Attract and retain a diverse range of industries and employers** by identifying and recruiting strategic sectors that support San Francisco's resilience.

- Introduced **new tax policy legislation** to **pause previously scheduled business tax increases** for struggling businesses and create an **Office Attraction Tax Credit** for new office-based businesses through 2028.
- Explored a **business tax reform** process to make the City's tax structure more resilient and attractive.

**Strategy 3: Facilitate new uses and flexibility in buildings** by maximizing the ability to update and adapt buildings to meet the needs of new interested tenants.

- Introduced **Downtown zoning legislation** to allow **new uses and activities**, support new businesses in **Union Square**, and create an **Adaptive Reuse Program** for the conversion of underutilized office buildings to housing.

**Strategy 4: Make it easier to start and grow a business** by creating transparency, streamlining processes, and building out systems to support new businesses opening in San Francisco.

- Launched the **Vacant to Vibrant** program to match aspiring entrepreneurs and artists with vacant ground floor space Downtown, start-up grants, and permitting assistance.
- Announced legislation to simplify **small business permitting** by removing barriers and allowing more flexibility.

**Strategy 5: Grow and prepare our workforce** by preparing San Franciscans for growing industry sectors, as well as new ways to unlock housing production to meet the demands of a growing labor force.

- Implementing the **Mayor's Housing for All** plan by creating **new infrastructure financing tools**, announcing **site permit process reforms**, and introducing comprehensive **housing streamlining legislation**.
- Expanding outreach to grow our workforce with **hospitality sector, small business, and City job fairs**.

**Strategy 6: Transform Downtown into a leading arts, culture, and nightlife destination** by creating an entertainment zone and seeding new businesses, events, activities, and experiences for a more vibrant Downtown.

- Supporting activations and events like the **Yerba Buena Art & Makers Market**, **Union Square in Bloom**, **Bhangra & Beats Night Market** in the Financial District and the **Our Place in the Park** AAPI film festival in SOMA.

**Strategy 7: Enhance public spaces to showcase Downtown** by investing in enhancing and expanding plazas, alleyways, and other public spaces to improve people's experience of Downtown.

- Funding the **Powell Street Promenade** to refresh a key gateway to Union Square and help fill retail vacancies.
- Completed the transition of the emergency **Shared Spaces** program to a permanent tool for street activation.

**Strategy 8: Invest in transportation connections** to maintain access to Downtown by every mode of transportation available while continuing to improve the reliability, efficiency, and quality of service.

- Launched the **1X California Express** pilot connecting the Outer Richmond to the Financial District.
- Completed **protected bike lanes on Battery and Sansome** between Market and Broadway.

**Strategy 9: Tell our story** through proactive marketing to emphasize our strengths and reclaim our brand.

- Launched a national **Always San Francisco** campaign to remind visitors of our unique allure.
- Released the **Make Your Future San Francisco** campaign to invite entrepreneurs and innovators Downtown.