



Executive Directive 25-04

Heart of the City: Mayor Lurie's Vision for Accelerating San Francisco's Economic Engine

Downtown is San Francisco's front door to the world, the Bay Area's primary transit nexus, and our economic engine. Downtown has historically accounted for more than 40% of the city's resident employment, tax revenue, and number of small businesses. Since the city's earliest days, renowned cultural institutions, hotels, parks, restaurants, shops, and leading companies in diverse industries have made downtown San Francisco a global innovation and cultural capital. Today, homegrown companies leading in many traditional industries and now artificial intelligence continue to elevate downtown San Francisco's global standing. When downtown thrives, it powers our city's services and employs San Franciscans from every neighborhood.

We began with urgency and clarity about downtown San Francisco's importance and need for our attention, and we have launched several initiatives to deliver a more vibrant downtown. These include:

- Creation of the SFPD Hospitality Zone Task Force to more strategically deploy police and public safety personnel between Union Square and Moscone Center. Since the Hospitality Zone was announced in February 2025, reported crime in the three downtown precincts (Central, Southern, and Tenderloin) is down almost 20% year over year. We expect to see continued improvements thanks to the Embarcadero & Market Plan, a newly formed public-private partnership to improve safety and conditions at one of our city's most iconic public spaces.
- Delivery of Permit SF reforms to make it easier to start or run a business. Tables and chairs on the sidewalk no longer require a \$2,500 annual fee or a permit, nor does most window signage or an awning or security gate. As of August 2025, in-house building permit processing times were down by more than 30% year over year.
- Launch of five Entertainment Zones, as well as the introduction of state legislation to add 20 liquor licenses downtown to support 24-hour neighborhood vibrancy. As of July 2025, visits to downtown were up 11% year over year.
- Completion and launch of the Downtown Gateway, a public realm improvement project with seating and an iconic sign at the end of California Cable Car Line.
- Two pieces of legislation to make office to residential conversions financially feasible through fee waivers and a new financing district. The financing district is projected to support new housing downtown for approximately 10,000 additional residents.
- Collaboration with new private sector institutions, including the Partnership for San Francisco and the Downtown Development Corporation.

We are seeing early signs of success. Convention hotel room nights are up by more than 60% compared to last year. Conference booking is up by more than 50% compared to last year. More office space is being leased than vacated. Crime has dropped to the lowest level in 20 years, and is down more than 30% in Union Square alone year over year. We are making significant progress.

But we must do more to address challenges created or accelerated by the COVID-19 pandemic and an era of politics that took our economic vitality, unrivaled beauty, and rich culture for granted. People expect more from their shopping, tourist, or office districts, and we have not evolved with their expectations. Office and retail vacancy rates downtown peaked over 30% and 20% respectively, and they remain elevated, while foot traffic and transit usage show signs of improvement but remain depressed.

San Franciscans will meet these challenges as we do every other one that comes our way: with ingenuity, creativity, and hard work. We have a generational opportunity to rethink downtown. We can make it easier to start or run a business. We can have clean, safe streets. We can have more people living,

shopping, learning, working, and playing downtown. Expectations for what makes a downtown vibrant have evolved; at this critical moment in San Francisco's history, our downtown must evolve, too.

This Executive Directive serves as a guidepost for City Departments as well as corporate and nonprofit partners to ensure an effective, coordinated and comprehensive downtown recovery effort. The Required Actions laid out in this Directive must happen urgently, and work must begin on each of the Actions simultaneously.

All City Departments shall be responsible for achieving the Required Actions set forth:

100-Day Actions

- Encourage private investment to accelerate downtown recovery, including tens of millions in commitments secured by the Downtown Development Corporation to activate and beautify downtown
- Finalize plans and timeline for placemaking projects on Powell Street, Stockton & 4th Streets, and Embarcadero Plaza
- Attract five new retailers downtown through the Vacant to Vibrant program, bringing vibrancy to downtown streets
- Adopt the Family Zoning Plan, creating new housing opportunities for individuals and families throughout the city who may work downtown
- Explore and align on a sufficient, fair and supportable Parcel Tax structure to fund Muni while continuing to make transit safe, reliable, affordable, accountable and efficiently budgeted

Six-Month Actions

- Begin implementation of selected ideas from the Market Street design competition
- Continue process improvements through Permit SF to significantly accelerate permitting for new commercial spaces, including over the counter permits for commercial tenant improvements
- Install lighting and placemaking elements on Front Street
- Support activations around major events and redesign the outdoor event permitting process for greater efficiency
- Support delivery of new private funding tools to help small businesses cover permitting and buildout costs, and sustain themselves while we attract more visitors
- Secure commitments from academic institutions to open or expand campuses and programs downtown
- Open the Downtown Revitalization Financing District program to applications from commercial-to-residential conversion projects
- Direct Permit SF to consider actions that will accelerate development projects downtown
- Prioritize development projects that make downtown's office stock more appealing
- Launch new Entertainment Zones on Ellis Street, Maiden Lane, Jackson Square, and Claude Lane to encourage foot traffic and business activity
- Catalyze development of East Cut Park
- Pass implementing legislation for 20 new liquor licenses in our Hospitality Zone

One-Year Actions

- Break ground on placemaking projects including Powell Street, Stockton & 4th Streets, and Embarcadero Plaza
- Introduce new legislation to support economic prosperity
- Assess city-owned properties and align them with downtown revitalization goals

As a result of these and other initiatives, we should see the following improvements in downtown's key performance indicators:

- An increase in transit usage and foot traffic

- Improvements in hotel, office and retail occupancy rates
- More San Francisco residents who call downtown home

These improvements should have a tangible effect over time. Market Street will be an active, vibrant thoroughfare connecting the key neighborhoods that comprise downtown. People will come from around the city and region to convene and do their best work, joined by thousands of downtown neighbors and students who live in new buildings or office-to-residential conversions. Retail will evolve, blending commerce with unique immersive experiences. Sidewalk tables and chairs will enable energy from a flourishing restaurant scene to organically spill over into the streets. Arts, culture and nightlife experiences that can't be found anywhere else in the world will be the pride of San Francisco residents and a key attraction for visitors from around the region and world. Residents will linger as long as visitors.

My administration will create the conditions to help San Franciscans make this bright future a durable reality. Together, we can realize a generational opportunity to re-imagine downtown San Francisco as a vibrant, modern urban district for residents and visitors alike.



Daniel Lurie
Mayor
City and County of San Francisco

9/9/2025
Date