

San Francisco Downtown Revitalization Financing District

Draft 2026 Annual Report

April 14, 2026

San Francisco Downtown Revitalization Financing District
 2026 Annual Report

Summary of Contents

This report includes, for February 12, 2026 through March 31, 2026, the following required information pursuant to CA Govt. Code Sections 62453(e) and 62462:

Project Information

- a. A description of the projects undertaken by the district in the fiscal year, including any rehabilitation of structures, and a comparison of the progress expected to be made on those projects compared to the actual progress [Sec. 62453(e)(2)(A)].

Summary: No projects have been financed by the District, including any rehabilitation of structures, during the reporting period.

- b. A description of each commercial-to-residential conversion project within the district that opted in and the amount of tax increment revenues received [Sec. 62453(e)(2)(D)].

Summary: No commercial-to-residential conversion projects opted in to the District, and no tax increment revenues were received by the District, during the reporting period.

- c. An assessment of the status regarding completion of the district’s projects [Sec. 62453(e)(2)(E)].

Summary: As of March 31, 2026, projects are expected to begin reaching completion and receiving tax increment distributions as soon as Fiscal Year 2028-29 and to have received the full 30 years of tax increment distributions by Fiscal Year 2064-65.

Revenues and Expenses

- d. A chart comparing the actual revenues and expenses, including administrative costs, of the district to the budgeted revenues and expenses [Sec. 62453(e)(2)(B)].
- e. The amount of tax increment revenues received by the district [Sec. 62453(e)(2)(C)].
- f. The amount of revenues expended by the district to assist private businesses [Sec. 62453(e)(2)(F)].

Summary:

District Year	Fiscal Year		Allocated Tax Revenue	District Admin Fee Revenue	Allocated Tax Revenue Expended	District Admin Fee Expended
1	2025/26	Projected	\$0	\$0	\$0	\$0
		Actual	\$0	\$0	\$0	\$0
		Variance	\$0	\$0	\$0	\$0

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Overview

The San Francisco Downtown Revitalization and Economic Recovery Financing District (“Downtown Revitalization Financing District” or “District”) was established effective February 12, 2026 pursuant to Division 8 of Title 6 of the California Government Code (“Downtown Revitalization Law”) enacted by AB 2488 in 2024. The District is governed by a Board of Directors (“District Board”) under San Francisco Administrative Code Article XLIX, and will implement the District’s Downtown Revitalization Financing Plan (“Downtown Revitalization Plan”) in accordance with the District’s Program Guidelines. The Downtown Revitalization Plan and the Program Guidelines are available at sf.gov/drfd.

This report for Fiscal Year 2025-26 (July 1, 2025 – June 30, 2026) covers the period from the District’s establishment on February 12, 2026 to March 31, 2026, the end of the third quarter of the fiscal year. In subsequent years, the annual report will cover the 12-month period from April 1 to March 31, corresponding to the fourth quarter of the preceding fiscal year and the first three quarters of the fiscal year in which the report is issued. This staggered reporting schedule is intended to accommodate the statutory requirement [CA Govt. Code Sec. 62453(e)] to post in an easily identifiable and accessible location on the District’s internet website a draft report 30 days prior to an annual public hearing of the District Board, and to hold the public hearing and adopt the annual report by June 30 of each year.

Pursuant to District Board Resolution No. 2025-02, the District Board’s annual hearing shall take place the second Thursday of May of each year, unless specified otherwise by resolution of the Board, with the first annual hearing scheduled for May 14, 2026.

Pursuant to CA Govt. Code Sec. 62462, the City and County of San Francisco (“City”) must develop and submit in accordance with CA Gov. Code Sec. 9795 an annual report regarding the commercial-to-residential conversions projects financed by the District, and the City’s annual report must be submitted to the State Legislature in compliance with CA Govt. Code Sec. 9795.

Pursuant to San Francisco Board of Supervisors Resolution No. 038-26, the City delegated its annual reporting requirement under the Downtown Revitalization Law to the District Board of Directors. Accordingly, this report is intended to satisfy the District’s annual report requirement under CA Govt. Code Sec. 62453(e) and the City’s annual report requirement under CA Govt. Code Sec. 62462.

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2026 Annual Report

Project Information

This report for Fiscal Year 2025-26 covers the period from the District's establishment on February 12, 2026 to March 31, 2026, the end of the third quarter of the fiscal year.

Description of Projects Undertaken by the District

No projects have been financed by the District, including any rehabilitation of structures, during the reporting period.

This conforms with the progress expected in the Downtown Revitalization Plan, which does not anticipate any project completions until fiscal year 2028-29 at the earliest. This also conforms to the timeline anticipated in the Program Guidelines, which provide for up to 18 months from the time a project application is submitted to receive Final Approval from the City, the earliest point at which a project may opt in to the District.

Description of Individual Projects

No commercial-to-residential conversion projects have opted in to the District, and no tax increment revenues have been received by the District, during the reporting period.

Assessment of Project Status

The Downtown Revitalization Plan projected that approximately 48 properties totaling approximately 3.7 million square feet and yielding approximately 4,300 residential units would constitute the likely full build out of conversion projects within the District.

The Financing Plan projected that projects would begin reaching completion and receiving tax increment distributions as soon as Fiscal Year 2028-29 and that all projects would have received the full 30 years of tax increment distributions by Fiscal Year 2064-65.

As of March 31, 2026 the status regarding completion of the projects financed by the District conform with these projections.

Revenues and Expenses

This report for Fiscal Year 2025-26 covers the period from the District’s establishment on February 12, 2026 to March 31, 2026, the end of the third quarter of the fiscal year.

Actual District Tax Increment Revenues and Expenses

The Downtown Revitalization Law requires that all costs incurred by the City in connection with the annual division of taxes to the District be paid by the District. The Downtown Revitalization Law allows the City and District to recoup additional administrative costs to implement the District program, provided that such administrative costs may not exceed 5 percent of the tax revenues allocated to the District. Table 1 compares the actual revenues and expenses, including administrative costs, of the District to the projected revenues and expenses. As shown, no revenue was received or expended during the reporting period.

District Year	Fiscal Year		Allocated Tax Revenue	District Admin Fee Revenue	Allocated Tax Revenue Expended	District Admin Fee Expended
1	2025/26	Projected	\$0	\$0	\$0	\$0
		Actual	\$0	\$0	\$0	\$0
		Variance	\$0	\$0	\$0	\$0

CONTACT

Address 1 Dr Carlton B Goodlett Place, Room 448
 San Francisco, CA 94102

Phone 415-554-6969

Website sf.gov/drfd

Email drfd@sfgov.org