

1 **Resolution establishing a process for eligible commercial-to-residential conversion**
2 **projects to opt into receiving incremental tax revenue from the San Francisco**
3 **Downtown Revitalization and Economic Recovery Financing District pursuant to the**
4 **Downtown Revitalization Financing Plan and determining other matters and approving**
5 **related documents in connection therewith.**

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7 WHEREAS, Division 8 of Title 6 of the California Government Code, commencing with
8 Section 62450 ("Downtown Revitalization Law") authorizes the Board of Supervisors of the
9 City and County of San Francisco ("City") to establish a downtown revitalization and economic
10 recovery financing district; and

11 WHEREAS, A downtown revitalization and economic recovery financing district is a
12 legally constituted governmental entity separate and distinct from the City established for the
13 sole purpose of financing commercial-to-residential conversion projects or other projects of
14 communitywide significance in downtown San Francisco (as defined in Government Code
15 Section 62450(h)) that support downtown revitalization and economic recovery; and

16 WHEREAS, The California Legislature has determined that a downtown revitalization
17 and economic recovery district is a district within the meaning of Section 1 of Article XIII A of
18 the California Constitution (see Government Code Section 62450(f)(2)); and

19 WHEREAS, On June 3, 2025, the Board of Supervisors adopted Resolution No. 279-
20 25, signed by the Mayor on June 12, 2025, declaring its intention to establish the San
21 Francisco Downtown Revitalization and Economic Recovery Financing District ("Downtown
22 Revitalization District") to finance commercial-to-residential conversion projects of
23 communitywide significance that provide significant benefits to the Downtown Revitalization
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1 District or the City with incremental tax revenues generated by commercial-to-residential
2 conversion projects within the Downtown Revitalization District; and

3 WHEREAS, The Board of Supervisors established the Board of Directors of the San
4 Francisco Downtown Revitalization and Economic Recovery Financing District ("Board of
5 Directors") to act as the governing board for the Downtown Revitalization District pursuant to
6 Ordinance No. 82-25, adopted on June 10, 2025, and signed by the Mayor on June 12, 2025;
7 and

8 WHEREAS, The Board of Directors caused preparation of a downtown revitalization
9 financing plan for the Downtown Revitalization District ("Downtown Revitalization Plan") in
10 accordance with the Downtown Revitalization Law; and

11 WHEREAS, On February 3, 2026, in accordance with Government Code Section
12 62451(d), the Board of Supervisors adopted Resolution No. 38-26, signed by the Mayor on
13 February 11, 2026, pursuant to which it approved the Downtown Revitalization Plan prepared
14 at the direction of the Board of Directors, including the division of taxes specified therein, in
15 the form on file with the Clerk of the Board of Supervisors, and established the Downtown
16 Revitalization District for the purposes set forth in the Downtown Revitalization Law and the
17 Downtown Revitalization Plan; and

18 WHEREAS, On February 12, 2026, in accordance with Government Code Section
19 62458, the Board of Directors adopted its Resolution. No. 2026-01, pursuant to which it
20 approved the Downtown Revitalization Plan and ratified the establishment of the Downtown
21 Revitalization District for the purposes set forth in the Downtown Revitalization Law and the
22 Downtown Revitalization Plan; and

23 WHEREAS, Government Code Section 62459 requires the Downtown Revitalization
24 District to establish a process for each eligible commercial-to-residential conversion project to
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1 opt into receiving incremental tax revenues generated by that same commercial-to-residential
2 conversion project, and the Board of Directors wishes to approve the process outlined in
3 written guidelines on file with the Secretary ("Guidelines"); now, therefore, be it

4 RESOLVED, That the Board of Directors hereby finds that the recitals are true and
5 correct; and, be it

6 FURTHER RESOLVED, That the Board of Directors hereby approves the Guidelines in
7 the form on file with the Secretary; and, be it

8 FURTHER RESOLVED, That the Guidelines may be revised from time to time by the
9 Board of Directors in a manner consistent with the Downtown Revitalization Law and the
10 Downtown Revitalization Plan; and, be it

11 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Executive
12 Director, after consultation with the General Counsel, to revise the Guidelines without the
13 approval of the Board of Directors from time to time as necessary in a manner that is
14 consistent with the Downtown Revitalization Law and the Downtown Revitalization Plan, does
15 not materially change the eligibility requirements of projects to enroll in the District or the
16 allocable share of tax increment available to a project, or increase the risk to the District or the
17 City; and, be it

18 FURTHER RESOLVED, That the Board of Directors hereby directs and authorizes the
19 Executive Director (or designee) to establish and implement the process detailed in the
20 Guidelines, as amended in accordance with this Resolution; and, be it

21 FURTHER RESOLVED, in connection with the process established by the Executive
22 Director (or designee), the Board of Directors hereby authorizes and approves the execution
23 and delivery of one or more agreements between the City, the Downtown Revitalization
24 District or an owner of a commercial-to-residential conversion project ("Project Owner"),
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1 including agreements providing for deposits to be made by the Project Owner to pay for costs
2 related to the Downtown Revitalization District and agreements specifying the conditions to be
3 satisfied by a Project Owner in order to receive incremental tax revenue, in such forms
4 acceptable to the Executive Director (or designee), after consultation with the General
5 Counsel, and the Executive Director is hereby authorized and directed to execute each such
6 agreement; and, be it

7 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
8 word of this Resolution, or any application thereof to any person or circumstance, is held to be
9 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
10 shall not affect the validity of the remaining portions or applications of this Resolution, the
11 Board of Directors hereby declaring that it would have passed this Resolution and each and
12 every section, subsection, sentence, clause, phrase, and word not declared invalid or
13 unconstitutional without regard to whether any other portion of this Resolution or application
14 thereof would be subsequently declared invalid or unconstitutional; and, be it

15 FURTHER RESOLVED, That the Chair, the Vice Chair, the Executive Director, the
16 Treasurer and the Secretary, or designees of each of the foregoing, are hereby authorized, for
17 and in the name of and on behalf of the Downtown Revitalization District, to do any and all
18 things and take any and all actions which they, or any of them, may deem necessary or
19 advisable in order to effectuate the purposes of this Resolution; provided however that any
20 such actions be solely intended to further the purposes of this Resolution, and are subject in
21 all respects to the terms of the Resolution; and, be it

22 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
23 consistent with any documents presented herein, and heretofore taken are hereby ratified,
24 approved and confirmed by the Board of Directors; and, be it

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FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

Director Wang, seconded by Director Tolentino, moved to APPROVE the Resolution establishing a process for eligible commercial-to-residential conversion projects to opt into receiving incremental tax revenue from the San Francisco Downtown Revitalization and Economic Recovery Financing District pursuant to the Downtown Revitalization Financing Plan and determining other matters and approving related documents in connection therewith.

Ayes: 3 - Sauter, Tolentino, Wang

Excused: 3 - Dorsey, Mahmood, Sherrill

I hereby certify that the forgoing Resolution was adopted on February 12, 2026, by the Board of Directors of the San Francisco Downtown Revitalization and Economic Recovery Financing District.

Danny Sauter, Chairperson
San Francisco Downtown Revitalization and
Economic Recovery Financing District

Erica Major, Clerk
San Francisco Downtown Revitalization and
Economic Recovery Financing District