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**Philanthropy & Nonprofits**

## Can corporate philanthropy play a role in revitalizing downtown S.F.?



San Francisco Director of SPUR Sujata Srivastava is working on a study to test the viability of converting downtown office into residential units.

ADAM PARDEE

By Elizabeth Moss

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It was zero to one hundred, and then back again.

Before March 2020, San Francisco was bursting at the seams. The streets were filled with people – too many, by most accounts. Grand office buildings, like the landmark Salesforce campus, were erected and there was a sense of optimism in the commercial real estate market.

Like many cities, the pandemic wrecked an unexpected havoc: Economic expansion seized up almost immediately, leaving the city in a scramble to reverse course on the policies and initiatives it had spent years winding up.

For the past few years, the companies that make up San Francisco have bemoaned its deflated state. Marc Benioff, CEO of Salesforce, told Bloomberg in December that the city needs “more diversity.”

“We need more residential downtown. We need more museums downtown. We need more clubs downtown. We need more universities downtown. Office space was maximized for the tech boom.”

While corporate CEOs like to air their grievances about the state of downtown, could corporations themselves be part of the solution in revitalizing it?

No one knows these problems better than city officials themselves. The revitalization of downtown S.F. isn't going to happen in one fell-swoop. Its recovery is dependent on a convergence of factors, from more affordable housing, to decreased unemployment, to tourism, all of which must coalesce in order to bring economic stability back to the area. And major companies are definitely seated at the table.

“It's a multipronged problem that requires a multipronged response,” said Jim Wunderman, president and CEO of Bay Area Council, a conglomerate of CEOs in the Bay Area guiding the region's response to the pandemic.

The city's goals are about more than bouncing back, he notes. They're a full-on course correction. Bay Area Council teamed up with CBRE to publish numbers that show how some of the largest cities in the country are faring with a post-pandemic economic recovery. The list ranks San Francisco 24th out of 25 comparable cities. Detroit is 25th.

“What was happening before is a lot of people would stay [after work] and go to a restaurant, go to a bar, go to some form of entertainment. But they’re not here to stick around,” he said. “One way companies can respond to this situation in San Francisco is to bring people back as much as they can without undermining their business, and having people who want to be remote workers go be one at another company.”

Wunderman says that while he doesn’t see corporate dollars flowing directly to initiatives to grow the city, companies in the Bay Area are very generous with their giving. It’s important to note that the council’s work is in public policy, and most of its support comes in the form of memberships from companies like Meta, Amazon and CBRE.

This form of corporate “philanthropy” stands out as a common denominator. Companies are donating money, yes, but overwhelmingly they are providing insight and direction on the issues plaguing the city.

That’s not to say there isn’t serious money being spent. The San Francisco Bay Area Planning and Urban Research Association relies on the financial good-will of larger organizations. SPUR, a public policy nonprofit that advocates for and consults on city policies, says that roughly one-third of their revenue is dependent on corporate philanthropy.

“We rely heavily on private industry to fund all of our efforts,” said Jackie Curran, SPUR’s corporate philanthropy director. “Most of that comes through unrestricted general funding, which means that they’re providing the trust in SPUR that we’ll spend those dollars where we think they’ll have the greatest impact.”

So how are some of these resources being used? Recently, JPMorgan Chase granted SPUR an undisclosed amount of money to conduct research on housing in the Bay Area. Their gift was “in-kind,” meaning it came with specific instructions. In this case, SPUR was tasked with figuring out how land use can be more equitable. The funding allowed SPUR to conduct research on converting office space into residential.

“It is really critical that corporations are playing a role in the solution so that they want to stay here,” Curran said. “That’s another doom loop that could potentially happen.”

### **A city in crisis**

For some, the doom loop is a horrifying cycle of declining tax revenue, slashed city budgets, and urban decay spawned by the exit of residents and businesses. But for most, it’s an

imaginary scenario meant to galvanize people to action.

“I don’t believe in the doom loop. I believe in the boom loop,” said Robbie Silver, executive director of Downtown SF Partnership. The boom loop, he said, is his idea of a new downtown San Francisco: expanding beyond its former boundaries, and diversifying economically, racially and socially.

DSFP is a nonprofit community benefit district, which means they work with the city to improve the downtown Financial District.

“Nonprofit work is the backbone of the economy,” Silver said. “For nonprofits doing the hard work in San Francisco, we are going to continue to have to rely on private dollars to get us through all the economic issues that have been caused by Covid.”

Money isn’t the only way companies are helping to shape up downtown. A key part of their giving comes in the form of civic engagement. For instance, SPUR relies on corporate executives to lend their time, expertise and networks towards issues that are reshaping the city. In turn, SPUR is able to push budget proposals and study the cause and effects of the biggest issues facing a post-pandemic SF.

This fall, the United States is chairing the Asia-Pacific Economic Cooperation inter-governmental forum. Its culminating event, the APEC CEO summit, will take place in San Francisco in November, and will bring leaders from 21 countries to our backyard. The city hopes to pull in \$20 million in corporate philanthropy over the course of the event.

“I really have a lot of confidence in the city,” said Sujata Srivastava, SPUR’s San Francisco director. “I think that the data shows that a lot of people want to be here and companies want to be here.”