

File No. 240209

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: May 16, 2024

Board of Supervisors Meeting:

Date: _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- Annual Report 2022
- Financial Statements 123122
- Additional Financial Reporting
- OEWD Memo 012224
- FYI Referral 031224
- _____
- _____

Prepared by: Monique Crayton

Date: May 10, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Civic Center Community Benefit District - Annual Report - CY2022]

2

3 **Resolution receiving and approving an annual report for the Civic Center Community**
4 **Benefit District for Calendar Year (CY) 2022, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, et seq.), Section 36650, and the District’s Management Agreement with**
7 **the City, Section 3.4.**

8

9 WHEREAS, On May 28, 2019, pursuant to the Property and Business Improvement
10 District Law of 1994 (the “Act”), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 250-19, expressing the City’s intention to
13 renew and expand the Civic Center Community Benefit District (the “Civic Center CBD”); and

14 WHEREAS, On July 23, 2019, the Board of Supervisors adopted Resolution
15 No. 342-19 establishing (renewing and expanding) the Civic Center CBD ("Resolution to
16 Establish") for a period of 15 years, commencing Fiscal Year (FY) 2019-2020; and

17 WHEREAS, On December 10, 2019, the Board of Supervisors adopted Resolution
18 No. 533-19, authorizing an agreement with the owners' association for the
19 administration/management of the Civic Center CBD, and a management agreement (the
20 “Management Contract”) with the owners' association, the Civic Center Community Benefit
21 District, Inc., was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 191130; and

24 WHEREAS, On March 24, 2023, the Board of Supervisors approved the Civic Center
25 CBD’s annual report for calendar year (CY) 2020 in Resolution No. 116-23; and

1 WHEREAS, The Civic Center CBD has submitted for the Board’s receipt and approval
2 the Civic Center an annual report for CY 2022 as required by Section 36650 of the Act and
3 Section 3.4 of the Management Contract; and

4 WHEREAS, The annual report for CY 2022 is on file with the Clerk of the Board of
5 Supervisors in File No. 240209, and is incorporated herein by reference as though fully set
6 forth; and

7 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
8 memorandum report from the City's Office of Economic and Workforce Development, dated
9 January 22, 2024, and documentation from the Civic Center CBD for the annual report for CY
10 2022 are on file with the Clerk of the Board of Supervisors in File No. 240209; now, therefore,
11 be it

12 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
13 report for the Civic Center Community Benefit District for CY 2022.

It all happens in Civic Center.

| History | Culture | Government |

Annual Report 2022



Side By Side #2

SFJAZZ

BECOME A MEMBER TODAY



SAN FRANCISCO
CIVIC
CENTER



In Review

BOARD OF DIRECTORS

Erika Boulding

Redwood Credit Union

John Caldon

San Francisco War Memorial
and Performing Arts Center

Mary Conde

Another Planet Entertainment

Phil Ginsburg

San Francisco Recreation
and Parks Department

Patrice Griffith

California Department of General Services

James Haas

Resident & Historian

Pat Hanlon

Lendlease

Rainier Koeners

Broadway SF

Calen McEldowney

Asian Art Museum

Hank Mou

San Francisco Conservatory of Music

Janan New

San Francisco Apartment Association

Andrico Penick

San Francisco City & County
Real Estate Division

Maureen Singleton

San Francisco Public Library

Patricia Unterman

Hayes Street Grill

Tim Vabel

Emerald Fund

Bill Whitfield

Shorenstein

It is hard to believe that it has been almost three years since Mayor London Breed announced a shelter-in-place order for the City of San Francisco. In the past year there have been encouraging signs that our District is coming back to life — a busier stream of commuters emerging from the Civic Center BART/MUNI station on weekdays; more children playing at the Civic Center playgrounds; and tourists returning to the neighborhood to visit our many cultural institutions. While these are hopeful reminders of what the Civic Center area can be, we are still left to grapple with the impacts of the pandemic, and questions of what the future looks like for the District's commercial properties, our civic spaces, and the health and safety of our residents and visitors.

CCCBD has doubled down on the fundamentals — providing clean and safe services that are responsive to the needs of property owners, businesses, and community stakeholders. This means increased coordination with City partner agencies such as Public Works, the Department of Emergency Management and SFPD, to leverage public and private services. Establishing clean and safe sidewalks and reclaiming public spaces is a starting point from which we can begin to activate and beautify the District. The CBD has seized opportunities to continue programming and activation work where we can, with community traditions like the Holiday Tree Lighting festivities in Civic Center Plaza and new events such as the Halloween costume party for neighborhood pups in the UN Plaza dog park. The attendance at and enthusiasm for these events confirm people are eager to return to our public spaces and reconnect with the community.

While there are still questions about the future of downtown San Francisco post-pandemic, the Civic Center remains as the heart of the City, a hub of civic and cultural activity. CCCBD is committed to working in support of our constituents and in collaboration with City partners and community stakeholders to create a safe, healthy and thriving environment.



Clean Team Statistics for 2022

pounds of trash removed  129,525

needles disposed  34,000

hazardous waste removed  20,334

pressure washing hours  5,015

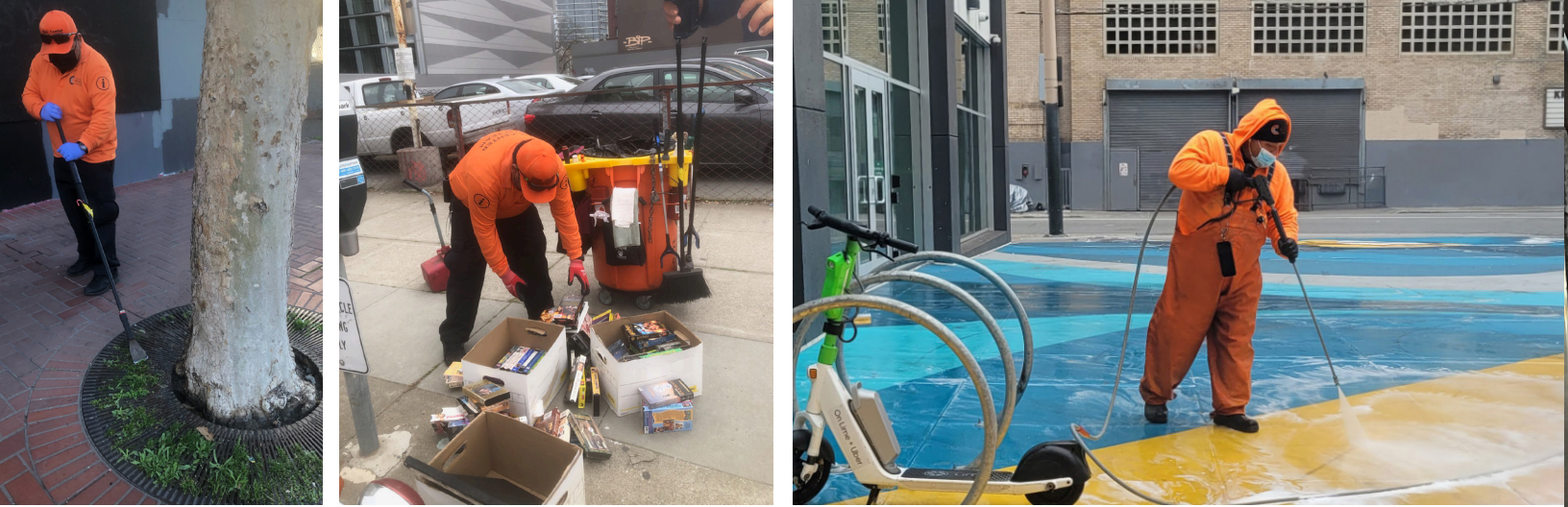
instances of graffiti removal, private + public  17,358

stickers & fliers removed  6,841

meet & greets  3,154

general information interactions  17,851

social service support referrals  498



CLEAN TEAM + PRESSURE WASHING

CBD Cleaners keep Civic Center clean by sweeping sidewalks, removing graffiti, weeding tree basins, and monitoring public trash receptacles and street furniture for necessary upkeep. This year the Clean Team pressure washed sidewalks for a total of 5,015 hours and removed over 17,358 instances of graffiti and over 129,525 pounds of litter from District sidewalks.

DAYTIME & EVENING AMBASSADORS + GARAGE GREETERS

CBD Ambassadors work to keep the District safe, serving as a helpful presence on the street by providing information and referrals, and addressing or reporting hazards and emergencies to City agency partners. They also assist in connecting those in need of medical attention or social service support with the proper agency. CBD evening Ambassadors provide essential support for the District's abundance of nighttime events and activities, keeping pedestrian paths of travel safe to venues, transit and parking. In 2022, CBD evening Ambassadors worked 200 nights, supporting events at District venues from Mr. Tipples and Rickshaw Stop to the Opera, Symphony, Ballet and SF Jazz.



PLAYGROUND SAFETY / URBAN ALCHEMY

The CBD playground safety team ensures that kids and families can safely enjoy the Helen Diller Civic Center Playgrounds in Civic Center Plaza, seven days a week. The playgrounds, made possible by the Helen Diller Family Foundation, The Trust for Public Land, and the San Francisco Recreation and Parks Department, now serve 1,000 users per day.



DOWNTOWN STREETS TEAM

The Downtown Streets Team members are unhoused neighbors or people at risk of experiencing homelessness, engaging in community clean-up, providing a welcoming presence in the District Monday through Friday. With a focus on the UN Plaza area, DST members removed a monthly average of almost 4,000 pounds of debris and 150 used needles in 2022.



Civic Center
Plaza
Lunchtime
Music Series

Civic Center
Plaza
Lunchtime
Music Series



CAFÉ RE-OPENING Re-Opening in March

Assembly Café and Beer Garden re-opened in Civic Center Plaza at 52 Grove, a welcome sign for the local workforce returning to the office and visitors alike. Focused on locally sourced offerings, diners can enjoy coffee, pastries, farmers' market soups, salads and sandwiches. The beer garden features rotating local San Francisco beers, and adjacent outdoor seating makes for an enjoyable dining experience.



UN PLAZA DOG PARK Grand Opening in April

The UN Plaza Dog Park provides a safe and enclosed play area for the many dogs and their owners that live in the neighborhood. Open daily and stewarded from 7am to 7pm, this new community gathering spot made SF Standard's list of Best Dog Parks in San Francisco and averages around 2,000 visitors a month. Seasonal events at the dog park include free treats and 'puppuccinos' for all our furry friends.



SAN FRANCISCO ROLLER RINK SUPPORT on FULTON PLAZA

Grand Opening in October

The San FranDISCO Roller Rink is 5,000-square feet of covered skating area with groovy music, lights and disco balls, turning Fulton Plaza into a fun and lively place for skaters of all ages. The rink is a collaboration between the Mayor's Office, Civic Center CBD and the Church of 8 Wheels. Hours of operation are Wednesday through Sunday, noon to 8pm, and the rink is also available for private parties.



LUNCHTIME MUSIC SERIES

September - October

Live music entertained the lunch crowd in Civic Center Plaza on Tuesdays, Wednesdays and Thursdays during the months of September and October. The live performance series, curated by Music City, featured blues, jazz, folk, and more. Lunch options were plentiful, from various food trucks to Assembly Cafe, with tables and chairs located under the shade of the trees.



CIVIC CENTER PLAZA TREE LIGHTING December

The annual Civic Center Plaza Holiday Tree Lighting brought its festive merriment to Civic Center Plaza, featuring a stellar lineup of live performances, led by emcee and Boxcar Theatre artistic director Nick Olivero. Holiday characters and event sponsor Redwood Credit Union's "Reddy" the redwood tree mingled with children as they enjoyed the toy giveaway from Another Planet Entertainment and the San Francisco Police Foundation. This year's Makers Village included free SF Etsy holiday crafting and a San Francisco Public Library book giveaway. The event was capped off with "snow" flurries and an appearance by the Grinch and Santa. Food and seasonal beverages were plentiful, from food trucks and Assembly Cafe & Beer Garden.

HOLIDAY FANFARE December

Holiday Fanfare Concerts popped up on Van Ness Avenue again this year throughout the month of December, enlivening the sidewalks as theater patrons made their way to and from various Civic Center performances. This year's performances included brass trios and quintets from the San Francisco Conservatory of Music



La Victoria
SF
danny@south.com
VictoriaSF.com

Delightful Foods Bakery
NOCOOKIE.COM

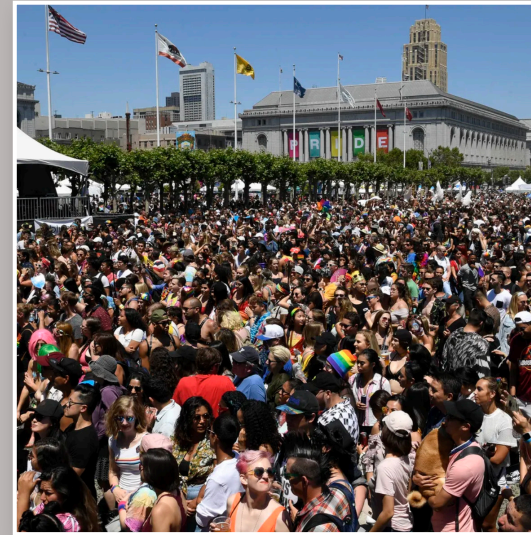


THE HUMMUS GUY
THE BEST HUMMUS EVER. LOCAL EST 2008 IN



CCCBD's Civic Star Awardee, Steve Pulliam

CCCBD's Civic Star Award is presented to individuals or organizations who support the mission of CCCBD by initiating projects, policies and programs that enhance the District. This year's award went to Heart of the City Farmers' Market manager Steve Pulliam for his continued dedication to the Market, its customers, and UN Plaza. Board Member and owner of Hayes Street Grill Patricia Unterman (image, left) presented the award to Pulliam (center), against the backdrop of City Hall with other CCCBD board members and supporters in attendance, including CCCBD Executive Director Tracy Everwine (right).



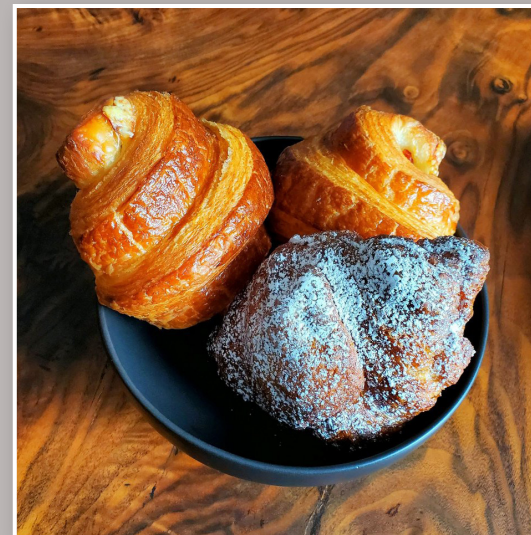
Pride Returns to Civic Center this June

The San Francisco LGBTQ+ Pride Celebration and Parade returned for its 52nd year to a fully in-person event, for the last weekend in June, capping a month of Pride festivities throughout San Francisco. Featuring over 200 parade contingents and exhibitors, and more than 20 community-run stages and venues, the San Francisco Pride Celebration and Parade remains the largest gathering of the LGBTQ+ community and allies in the nation. This year's theme was Love Will Keep Us Together.



Van Ness BRT Completed

It was no joke, on April 1, the VanNess BRT officially opened to the general public. In addition to the new BRT lane -- projected to cut down bus commute times by a third -- the project updates include: replacing more than 22,000 feet of 1800s-era underground water mains; building an earthquake-resistant sewer system; overhauling the emergency firefighting water supply system; repairing Muni's overhead contact system, which powers zero-emission buses, and updating streetlights and sidewalk lighting.



Dining News: Named Among the Best - Le Fantastique & Arsicault Bakery

The Michelin Guide's recent additions include a select few, and among them is newcomer Le Fantastique. The Michelin Guide notes, "Creativity and finesse are part and parcel of the cooking, and the too-cool vibe and vinyl soundtrack are matched by gracious hospitality." Meanwhile, Arsicault Bakery continues to rake in the accolades, being named among the best bakeries in the Bay Area in The San Francisco Chronicle. Time for a croissant!



New Business Openings

It's always exciting when new businesses open in the District! Uccello Lounge at the San Francisco Conservatory of Music's Bowes Center is now serving dinner and cocktails five nights a week, with live music performed by Conservatory musicians at 8pm. And on the other side of Van Ness Avenue, Rad Radish opened at the corner of Franklin and Hayes Streets, from restaurateur Adtiano Paganini (A Mano and Super Duper Burgers). The fast-casual vegan spot has quickly garnered praise.



2022 World Cup Viewing Party at Civic Center Plaza

Street Soccer USA and the Recreation and Parks Department hosted a free World Cup Village in Civic Center Plaza on December 9th, combining a public viewing party alongside food, entertainment, and family-friendly activities. Fans enjoyed an exciting game between Argentina and the Netherlands; congratulations to Argentina, winners of the FIFA 2022 World Cup!



2022 FINANCIALS

FY 2022 Budget

	ASSESSMENT	ASSESSMENT %
Cleaning / Safety / Activation	\$2,420,896	81.51%
Marketing / Communication	\$152,382	5.13%
Administration / Contingency	\$396,920	13.36%
Total	\$2,970,197	100.00%

NON-ASSESSMENT

Grants	\$15,000
Fee for Service	\$120,000
Other	\$4,131
Total	\$139,131

FY 2022 Actual

	ASSESSMENT	ASSESSMENT %
Cleaning / Safety / Activation	\$2,369,113	80.86%
Marketing / Communication	\$110,329	3.77%
Administration / Contingency	\$450,551	15.38%
Total	\$2,929,993	100.00%

NON-ASSESSMENT

Grants	\$1,608,995
Fee for Service	\$154,120
Other	\$37,469
Total	\$1,800,585

FY2022 Carryover Funds Used

Cleaning / Safety / Activation	\$397,031
Marketing / Communication	\$173,926
Total	\$570,957

CCCBD Statement of Financial Position

Assets	
Cash & Contingency	\$4,437,657
Receivables Net	\$623,269
Kiosk Net (donated asset)	\$1,741,665
Total Assets	\$6,802,591

Liabilities & Net Assets

Accounts Payable & Accrued Expenses	\$1,216,972
Deferred Revenues	\$2,233,375
Other Current Liabilities	\$53,892
Total Liabilities	\$3,504,238

Net Assets	\$3,298,353
Total Liabilities & Net Assets	\$6,802,591

2022 District Boundaries & New Developments



1. 311 Grove Street: DM Development - residential
2. 240 Van Ness Ave: The Kelsey Civic Center/Mercy Housing - residential
3. 30 Van Ness: Lendlease - mixed use
4. 1500-1540 Market St: BUILD Inc/1 Oak - residential
5. 1546-1564 Market St: Tru Mark Urban - residential
6. 98 Franklin St: French American School/Related CA - mixed use
7. 22 Franklin St: SST Investment - residential
8. 1601-1637 Market St: Strada Investment Group - mixed use
9. 10 South Van Ness Ave: Crescent Heights - 10 SVN - mixed use



**CIVIC CENTER COMMUNITY BENEFIT DISTRICT
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION

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CIVIC CENTER COMMUNITY BENEFIT DISTRICT

**Financial Statements
For the Year Ended December 31, 2022**

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CIVIC CENTER COMMUNITY BENEFIT DISTRICT

DECEMBER 31, 2022

BOARD OF DIRECTORS

Erika Boulding
John Caldon
Mary Conde
Phil Ginsburg
Patrice Griffith
James Haas
Pat Hanlon
Rainier Koeners
Calen McEldowney
Hank Mou
Janan New
Andrico Penick
Maureen Singleton
Patricia Unterman
Tim Vrabel
Bill Whitfield

EMERITUS MEMBERS

David Harrison
John Updike

MANAGEMENT

Tracy Everwine, Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Civic Center Community Benefit District
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Civic Center Community Benefit District (District), which comprises the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Pleasant Hill, California
August 11, 2023

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

ASSETS

Current Assets:

Cash and cash equivalents (Note 3)	\$4,437,656
Cash designated for contingencies and reserve (Note 3)	793,333
Accounts receivable (Note 2C)	<u>623,269</u>
Total Current Assets	<u>5,854,258</u>

Non-Current Assets:

Property and equipment, net of accumulated depreciation of \$517,660 (Note 2D & 4)	<u>1,741,665</u>
Total Non-Current Assets	<u>1,741,665</u>
Total Assets	<u><u>\$7,595,923</u></u>

LIABILITIES

Current Liabilities:

Accounts payable	\$1,216,972
Deposits payable	53,892
Deferred revenue (Note 2E & 5)	<u>2,233,375</u>
Total Liabilities	<u>3,504,239</u>

NET ASSETS (Note 2A)

Without Donor Restrictions	<u>4,091,684</u>
Total Net Assets	<u>4,091,684</u>
Total Liabilities and Net Assets	<u><u>\$7,595,923</u></u>

See accompanying notes to financial statements

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Support and Revenues

Local property assessments	\$3,060,509
General benefit non-assessment revenue:	
Grants	1,641,249
Contributions	9,958
Fee for services	202,425
Interest income	17,963
Rental income	<u>38,991</u>
Total Support and Revenues	<u>4,971,095</u>

Expenses

Program services	4,769,421
Support services:	
Administration	500,901
Fundraising	<u>39,025</u>
Total Support Services Expenses	<u>539,926</u>
Total Expenses	<u>5,309,347</u>

CHANGE IN NET ASSETS	(338,252)
Net Assets, beginning of year	<u>4,429,936</u>
Net Assets, end of year	<u><u>\$4,091,684</u></u>

See accompanying notes to financial statements

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Safety, Cleaning & Activation</u>	<u>Non- Assessment</u>	<u>Administration</u>	<u>Fundraising</u>	
FUNCTIONAL EXPENSES					
Personnel Costs:					
Salaries	\$129,150		\$296,991	\$29,670	\$455,811
Payroll taxes	9,465		24,841	2,462	36,768
Health and other fringe benefits	30,275		49,581	5,375	85,231
Worker's compensation	2,583		6,392	593	9,568
Payroll fees	1,610		11,554	925	14,089
Supplemental Staffing	115,020				115,020
Subtotal Personnel Costs	288,103		389,359	39,025	716,487
Public Safety	1,524,515				1,524,515
Cleaning and Maintenance	729,026				729,026
Activation and Beautification	315,815	8,356			324,171
Other operating expenses:					
Accounting and auditing fees			11,595		11,595
Bank and other fees			664		664
Consultants and contractors		145,765	6,752		152,517
Depreciation (Note 4)	34,367	107,811			142,178
Dues, membership and subscriptions			3,610		3,610
Insurance			20,862		20,862
Interest expense	953				953
Legal			875		875
Marketing and advertising	1,700		17,929		19,629
Office expense	144		10,988		11,132
Other equipment			6,090		6,090
Printing and reproduction	3,338		6,185		9,523
Program expense		1,608,995			1,608,995
Property taxes			3,264		3,264
Rent			9,844		9,844
Telephone and internet			5,400		5,400
Travel and meetings	533		7,484		8,017
Total Functional Expenses	\$2,898,494	\$1,870,927	\$500,901	\$39,025	\$5,309,347

See accompanying notes to financial statements

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	(\$338,252)
Adjustments to reconcile to net cash provided by (used for) operating activities:	
Depreciation	142,178
(Increase) in accounts receivable	(554,001)
Decrease in prepaids	12,386
Decrease in accounts payable	913,435
(Increase) in deposits payable	(5,800)
Increase in deferred revenue	<u>336,694</u>
Cash Flows Provided by Operating Activities	<u>506,640</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments made on capital loan	<u>(36,127)</u>
Cash Flows (Used) by Financing Activities	<u>(36,127)</u>
Net increase in cash and cash equivalents	470,513
Cash and cash equivalents, beginning of year	<u>4,760,476</u>
Cash and cash equivalents, end of year	<u><u>\$5,230,989</u></u>
Cash and cash equivalents as presented on the Statement of Financial Position:	
Cash and cash equivalents	\$4,437,656
Cash designated for contingencies and reserve	<u>793,333</u>
Total cash and cash equivalents	<u><u>\$5,230,989</u></u>

Supplemental cash flow information:

Property taxes paid	\$3,264
Interest paid	\$953

See accompanying notes to financial statements

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 1 – REPORTING ENTITY

A. General

The Civic Center Community Benefit District (District) was incorporated on June 1, 2011. The District is a 501(c)(3) nonprofit public benefit special assessment District conceived and organized by a group of concerned Civic Center property owners, arts organizations, government entities and other stakeholders (Members). Funding is provided primarily from special assessments from Members that are collected by the City and County of San Francisco and remitted to the District, pursuant to an administration agreement, dated December 20, 2019.

The Civic Center Community Benefit District improves and promotes San Francisco’s historic Civic Center through a host of planning, policy and public programming initiatives. In addition to focused and responsive neighborhood clean and safe programs, the District provides public open space beautification, activation and advocacy on behalf of the area’s diverse constituency.

B. Programs

Cleaning and Maintenance – The District provides essential services to supplement and compliment those provided by local government. The District’s supplemental maintenance support for Civic Center shows pride and stewardship of the District. Furthermore, addressing issues like litter, graffiti and general upkeep in a timely manner keeps acts of vandalism at bay creating an accessible, equitable and comfortable environment for everyone.

Community Ambassadors – Ambassadors assist the public in navigating the District with a welcoming and informed presence. Their presence is also a deterrent to criminal activity through proactive and immediate reporting of unsafe conditions. Ambassadors also connect those in need of medical attention or social service support with the proper agencies. Ambassadors also work on select evenings near arts venues, to enhance the pedestrian experience before and after evening performances and events. An Ambassador is also dedicated to the street-level entrance of the Civic Center Garage to provide support and guidance for garage patrons.

Activation and Beautification – Activation and Beautification efforts include outdoor musical performances, public art installations, street festivals, the Civic Center Plaza Holiday Tree Lighting, and oversight of the Civic Center Plaza cafe kiosk, decorative lighting and landscaping.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The District reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions on the net assets are reported as reclassifications between the applicable classes of net assets.

B. *Support and Revenues*

The District relies on member assessments which are invoiced in advance from San Francisco City and County. All contributions are recorded upon receipt, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The District and the City and County of San Francisco entered into an administration agreement whereby, on the District's behalf, the City and County of San Francisco will levy and collect the assessments from the Members through the Members' secured property tax bills. For payments received in conjunction with the first and second installment of secured property taxes, the City and County of San Francisco will remit those funds to the District on or before January 10th and May 10th, respectively. Delinquent assessments will be remitted to the District at least once during the final quarter of the fiscal year and from time to time, at the discretion of the Controller of the City and County of San Francisco.

C. *Receivables*

The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

D. *Property and Equipment*

Property and equipment acquisitions are recorded at cost or, if donated, at their estimated fair value at date of donation. Property and equipment with a useful life of more than one year and an acquisition cost of \$2,500 or more is capitalized. Depreciation is computed over the estimated useful lives of the respective assets, ranging from 2 to 3 years for furniture, and 20 years for buildings and improvements, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred.

E. *Deferred Revenue*

Deferred revenue consists of 2023 assessments of \$2,233,375 received from the City and County of San Francisco. As of December 31, 2022, deferred revenue totaled \$2,233,375, and is expected to be recognized in the subsequent fiscal year.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on management's estimates. Direct costs are allocated to Assessment and Non-Assessment Programs, or Management and General. A portion of Personnel Costs have been allocated to Fundraising based on management's estimate of time spent on general fundraising efforts.

G. Advertising Costs

Advertising costs, if any, are expensed as incurred.

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt investments purchased with an initial maturity of three months or less to be cash equivalents.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Income Taxes

The District is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the District qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the District does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the District's tax returns will not be challenged by the taxing authorities and that the District will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the District's tax returns remain open for federal income tax examination for three years from the date of filing.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fair Value Measurements

The District reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the district develops inputs using the best information available in the circumstances.

L. Subsequent Events

The District evaluated subsequent events for recognition and disclosure through August 11, 2023, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2022 that requires recognition or disclosure in such financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents of \$5,230,989 are comprised of cash in banks, which is insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 for each account, and is reported using the Level 1 fair value measurement. At December 31, 2022, the District had a balance of \$2,677,436 that was in excess of FDIC insurance. The District has not experienced any losses in such accounts. Management believes the District is not exposed to any significant risk related to the security of its cash.

Of the \$5,230,989 balance of cash and cash equivalents, \$793,333 has been set aside as designated for contingencies and reserve, in accordance with the District's management plan with the City and County of San Francisco.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended December 31, 2022**

NOTE 4 – PROPERTY AND EQUIPMENT

In February 2019, the District received a contribution from The Trust for Public Land of a 640 square foot food and beverage kiosk on the southwest corner of Civic Center Plaza, with a value of \$2,156,225 on the date of the contribution.

The District’s property and equipment consisted of the following as of December 31, 2022:

Depreciable Assets:	
Buildings (Kiosk)	2,156,225
Furniture and equipment	103,100
Sub-Total	2,259,325
Less: accumulated depreciation	(517,660)
Total Property and Equipment, net	\$1,741,665

Depreciation expense for the year ended December 31, 2022 was \$142,178.

NOTE 5 – ASSESSMENT REVENUE

The District receives member assessment revenue via the City and County of San Francisco property tax roll. Therefore, the District does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received. As of the year ended December 31, 2022, the District has yet to receive over \$53,456 in past due Assessments from District property owners since 2022.

As of December 31, 2022, the District received \$2,233,375 in 2023 assessment revenues that are included in Deferred Revenue on the Statement of Financial Position.

NOTE 6 – LOANS PAYABLE

As part of the agreement for services between the District and Streetplus Company, LLC (Streetplus), Streetplus purchased two pieces of equipment necessary for the cleaning and maintenance of the District’s area in the amounts of \$52,200 and \$50,900, totaling \$103,100. The equipment is exclusively used for the District, and at the end of the agreement, the equipment will be owned by the District. The District has two loans with Streetplus for the separate pieces of equipment. The loans bear interest at 14.24%, and are payable in monthly installments of \$1,564 and \$1,526, respectively. Both loans commenced on January 31, 2020 and matured on December 31, 2022.

During 2022, the District made payments on both loans totaling \$36,126 and as of December 31, 2022, the balance of the loans was \$0.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 7 – OUTSIDE SERVICE CONTRACTS

The District contracts with StreetPlus to provide cleaning, maintenance and ambassador services on the District’s behalf.

The District contracts with Mid Market Community Benefit District (MMCBD), a California nonprofit corporation, for the management of the District.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2022:

Total current financial assets:	
Cash and cash equivalents	\$5,230,989
Accounts receivable	623,269
	<hr/>
Total current financial assets	5,854,258
Amount set aside for contingencies and reserves	<hr/> (793,333)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<hr/> <hr/> \$5,060,925

CCCBD FY 2022 Budget

SERVICE CATEGORY EXPENSES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean / Safe / Activation	\$	2,420,896	\$ 135,000	2,555,896
Marketing / Communication	\$	152,382	\$ -	152,382
Administration / Contingency	\$	396,920	\$ 4,131	401,050
	\$	2,970,197	\$ 139,131	3,109,328

CCCBD FY 2022 Budget

SERVICE CATEGORY PERCENTAGES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean / Safe / Activation		81.51%	97.03%	82.20%
Marketing / Communication		5.13%	0.00%	4.90%
Administration / Contingency		13.36%	2.97%	12.90%
		100.00%	100.00%	100.00%

CCCBD FY 2022 Actual

SERVICE CATEGORY EXPENSES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean / Safe / Activation	\$	2,369,113	\$ 1,743,011	4,112,124
Marketing / Communication	\$	110,329	\$ -	110,329
Administration / Contingency	\$	450,551	\$ 57,574	508,125
	\$	2,929,993	\$ 1,800,585	4,730,578

CCCBD FY 2022 Actual

SERVICE CATEGORY PERCENTAGES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean / Safe / Activation		80.86%	96.80%	86.93%
Marketing / Communication		3.77%	0.00%	2.33%
Administration / Contingency		15.38%	3.20%	10.74%
		100.00%	100.00%	100.00%

CY 2022 Assessment (Special Benefit) Carryforward		As of 12/31/2022	Budgeted for 2023	Budgeted for Future Years
Clean / Safe / Activation	\$	884,664	\$ (738,827)	\$ 145,836
Marketing / Communication	\$	88,455	\$ (2,882)	\$ 85,572
Administration	\$	201,578	\$ (6,569)	\$ 195,009
Contingency and Reserve	\$	793,333	\$ 23,500	\$ 816,833
Total Assessment Carry Forward	\$	1,968,029	\$ (724,778)	\$ 1,243,251
Total Non-Assessment Carry Forward*	\$	2,123,657	\$ 57,007	\$ 2,180,664
Grand Total Carry Forward	\$	4,091,686	\$ (667,771)	\$ 3,423,915

* Non-Assessment Carry Forward includes non-cash net contribution of \$1,741,665.08 for Kiosk

MEMORANDUM

TO: Supervisor Matt Dorsey, District 6 Supervisor

CC: San Francisco Board of Supervisors

FROM: Jackie Hazelwood; Program Director, Community Benefit District Program, OEWD

DATE: January 22, 2024

SUBJECT: Civic Center Community Benefit District; CY 2022 Annual Report

This is a memo summarizing the performance of the Civic Center Community Benefit District, and an analysis of their financial statements (based on their audit) for the period between January 1, 2022 and December 31, 2022.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center Community Benefit District's Management Agreement with the City; and their Management Plan as approved by the Board of Supervisors in 2019.

Also attached to this memo are the following documents:

1. Annual Report
 - a. CY 2022
2. CPA Financial Review Report
 - a. CY 2022
3. Draft resolution from the Office of Economic and Workforce Development



Background

The District is located in the Civic Center area of the City. The Civic Center CBD consists of approximately 43 whole or partial blocks and approximately 715 parcels. The District is generally bounded by: Golden Gate Avenue and Turk Street to the North; Market Street to the South; 7th Street to the East; and Gough Street to the West.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).
- April 28, 2015, the Board of Supervisors approved the Annual Reports for FYs 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 162-15).
- August 2, 2016, the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution #347-16).
- May 9, 2017, the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution # 164-17).
- November 13, 2018, the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution # 385-18)
- July 23, 2019, the Board of Supervisors approved the resolution to renew and expand the Civic Center Community Benefit District for 15 years (Resolution #342-19)
- October 29, 2019, the Board of Supervisors approved the Annual Report for FY 2017-2018 (Resolution #466-19).
- January 26, 2021, the Board of Supervisors approved the Annual Report for FY 2018-2019 (Resolution #020-21).
- May 17, 2022, the Board of Supervisors approved the Annual Report for FY 2020 (Resolution #212-22).
- March 24, 2023, the Board of Supervisors approved the Annual Report for CY 2021 (Resolution #116-23).

Basic Info about Civic Center CBD

Year Established	2011
Year Renewed	2019
Assessment Collection Period	FY 2019-20 – FY 2033-34
Services Start and End Date	January 1, 2020 - December 31, 2034
Initial Estimated Annual Budget	\$3,161,454.78
FY20-21 Assessment Roll Submission	\$3,178,521.87
FY 21-22 Assessment Roll Submission	\$3,192,426.64
Calendar Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Civic Center Community Benefit District, Inc.



The current CBD website, <https://sfciviccenter.org/>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Annual Report and meeting schedules.

Summary of Civic Center CBD Program Areas

Clean/Safe/Activation

This service areas of the Civic Center CBD consist of:

- Clean Program
 - 1) Sidewalk Cleaning
 - a. Sidewalk Pressure Washing
 - b. Trash Collection
 - c. Graffiti Removal
 - d. Landscape Maintenance
 - 2) Pedestrian Safety
 - a. Daytime Ambassadors and/or stewards
 - b. Evening Ambassadors and/or stewards
- Activation & Beautification: Activation and Beautification may include, but is not limited to: oversight of the Civic Center Plaza café kiosk, the daily setup of tables, chairs, and games in public open space, public art installations, outdoor musical performances, block parties, and the annual Holiday Tree Lighting & Toy Giveaway.

Marketing/Communication

The programs may include, but are not limited to:

- 1) Destination Marketing
- 2) Branding
- 3) Events
- 4) Media Relations
- 5) Website
- 6) District Stakeholder Outreach
- 7) Social Media

Administration/Contingency

Administration oversees Civic Center CBD services, which are delivered seven days a week. Staff actively works on behalf of stakeholders to ensure City and County services and policies support the District. Expenses in this category may include: professional services, organizational expenses such as insurance, and the cost to conduct a yearly financial review. Civic Center CBD funds from Administration may be used for renewing the Civic Center CBD.



Summary of Delivery of Services and Accomplishments

CY2022

Clean/Safe/Activation

CCCBD Field crew members were comprised of CBD cleaners and ambassadors from StreetPlus, as well as vendors: Urban Alchemy, Marina Security, SFPD's 10B Officer Program and Downtown Streets Team. In addition to overseeing the CBD's Clean and Safe team, the CBD was awarded add-back funding from District 6 Supervisor's office to work with the Downtown Streets team to provide additional clean, safe and activation services.

CCCBD Clean Team Summary Statistics

- Disposed of 36,191 used syringes removed from the public right of way
- Provided 498 instances of social service support (doubled from prior year)
- Removed approximately 7,492 bags or 129,525 pounds of trash
- Addressed removal of 18,582 hazardous waste items on public property
- Removed 4,862 instances of graffiti on private property

Downtown Streets Team (DST) Summary Statistics

- DST members removed almost 4,000 pounds of debris and 150 used needles per month

Key Activations

- Staff supported via community outreach, strategy efforts, and clean/safe services for the following activities, programs and improvements:
 - the re-opening of the café in Civic Center Plaza (in March 2022)
 - a new dog park in UN Plaza (in April 2022)
 - the San FranDisco Roller Rink on Fulton Plaza (October 2022)
 - Civic Center Plaza Lunchtime music series (September – October 2022) -
 - Civic Center Holiday Tree Lighting (December 2022)
 - Holiday Fanfare pop-up concerts (December 2022)

Marketing/Communication

- Produced quarterly newsletters sharing District news and accomplishments for member
- CCCBD created short videos of district businesses for promotion on social media

Administration/Contingency

- CCCBD consistently managed its core programs
- Worked with Public Works, SFMTA and the Better Market Street Community Advisory Committee on the Better Market Street Project



Civic Center CBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for CCCBD:

- **BENCHMARK 1:** Whether the variance between the budget percentages for each service category were within 10 percentage points of the percentages in the Management Plan (Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 2:** Whether four and eight tenths percent (4.80%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.4 - Annual Reports).
- **BENCHMARK 3:** Whether the variance between the budget expenses and actual expenses within a calendar year was within 10 percent (Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 4:** Whether CCCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year (CA Streets & Highways Code, Section 36650(B)(5)).

CY 2022 Budget Analysis

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: Civic Center CBD met this requirement. See table below.

Service Category	Management Plan Budget (Percentage)	CY 2022 Asst. Budget (Percentage)	CY 2022 Total Budget (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points -- Total
Clean/Safe/Activation	\$2,583,768.86 (75.91%)	\$2,420,896.00 (81.51%)	\$2,560,027.00 (82.33%)	+5.60%	+6.42%
Marketing Communication	\$ 250,000.00 (7.34%)	\$152,382.00 (5.13%)	\$152,382.00 (4.90%)	-2.21%	-2.44%
Administration/Contingency	\$ 570,000.00 (16.75%)	\$396,920.00 (13.36%)	\$396,920.00 (12.77%)	-3.38%	-3.98%
TOTAL	\$3,403,768.00 (100.00%)	\$2,970,198.00 (100.00%)	\$3,109,329.00 (100.00%)		



BENCHMARK 2: Whether four and eight tenths percent (4.80%) of actuals came from sources other than assessment revenue.

ANALYSIS: *Civic Center CBD met this requirement. CCCBD received \$3,060,509.00 in assessment revenue including penalties, redemption, and redemption penalties, which was approximately 61.57% of their CY 2022 operating budget. The CBD received \$1,910,586.00 in non-assessment revenue which was approximately 38.43% of their CY 2022 revenue. See table below.*

Revenue Sources	CY 2022 Actuals	% of Actuals
Assessment Revenue	\$3,060,509.00	61.57%
Total Assessment (Special Benefit) Revenue	\$3,060,509.00	61.57%
Contributions & Sponsorships	\$9,958.00	0.20%
Grants	\$1,641,249.00	33.02%
Fees for Services	\$202,425.00	4.07%
Interest Earned	\$17,963.00	0.36%
Rental Income	\$38,991.00	0.78%
Total Non-Assessment (General Benefit) Revenue	\$1,910,586.00	38.43%
Grand Total (Assessment and Non-Assessment) Revenue	\$4,971,095.00	100.00%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses (for assessment funds) within a fiscal year was within 10 percentage points

ANALYSIS: *Civic Center CBD met this requirement. See table below.*

Service Category	CY 2022 Asst. Budget (Percentage)	CY 2022 Total Budget (Percentage)	CY 2022 Actuals – Asst. (Percentage)	CY 2022 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points -- Total
Clean/Safe/Activation	\$2,420,896.00 (81.51%)	\$2,555,896.00 (82.20%)	\$2,369,113.00 (80.86%)	\$4,112,124.00 (86.93%)	-0.65%	+4.73%
Marketing/Communication	\$152,382.00 (5.13%)	\$152,382.00 (4.90%)	\$110,329.00 (3.77%)	\$110,329.00 (2.33%)	-1.36%	-2.57%
Administration/Contingency	\$396,920.00 (13.36%)	\$401,050.00 (12.90%)	\$450,551.00 (15.38%)	\$508,125.00 (10.74%)	+2.01%	-2.16%
TOTAL	\$2,970,198.00 (100.00%)	\$3,109,328.00 (100.00%)	\$2,929,993.00 (100.00%)	\$4,730,578.00 (100.00%)		



BENCHMARK 4: Whether Civic Center CBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year.

ANALYSIS: Civic Center CBD met this requirement. See table below. Please note: There is a period between when the City collects the assessment payment and when the City disburses the funds to the CBD. As a result, BIDs/CBDs typically have a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.

CY 2022	As of 12/31/2022	Budgeted for 2023	Budgeted for Future Years
Clean/Safe/Activation	\$884,664.00	(\$738,827.00)	\$145,836.00
Marketing/Communication	\$88,455.00	(\$2,882.00)	\$85,572.00
Administration	\$201,578.00	(\$6,569.00)	\$195,009.00
Contingency & Reserve	\$793,333.00	\$23,500.00	\$816,833.00
Total Assessment (Special Benefit) Carry Forward	\$1,968,030.00	(\$724,778.00)	\$1,243,250.00
Total Non-Assessment (General Benefit) Carry Forward	\$2,123,657.00	\$57,007.00	\$2,180,664.00

Findings and Recommendations

The Civic Center CBD has met four of the four benchmarks as defined on page 4 to 5 of this memo as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Civic Center Community Benefit District.

While Civic Center CBD’s annual reporting to OEWD for 2022 was late, the CBD was compliant with legislation and the Agreement for the Administration of the organization. Following their late submission, the CBD was communicative with OEWD surrounding questions that arose as a part of this analysis and continues to work with OEWD to determine solutions on how to expedite report completion and review going forward.

During this review period, the CBD focused on its core services – providing clean and safe services that are responsive to the needs of property owners, businesses, and community stakeholders. The CBD crews focused on cleaning and supporting the paths of travel to places of employment and transit to support returning workers. CCCBD also provided personal escorts for pedestrians when needed, notably providing essential support for the District’s abundance of nighttime events and activities as the CBD’s evening ambassadors worked 200 nights in 2022, supporting events at District venues including the Opera, Symphony, Ballet, and SF Jazz.

In addition to its core Clean and Safe service provision throughout the district, CCCBD also implemented and partnered with district stakeholders on several activations by producing the annual Holiday Tree



Lighting and Toy Giveaway on Civic Center Plaza, and Holiday Fanfare outdoor musical concerts in partnership with the San Francisco Conservatory of Music along Van Ness Avenue also improving vibrancy and pedestrian safety. The CBD served as a vital partner and participant in City processes as the City's Safe Sleeping Site closed on Fulton Plaza during this reporting period. Their support in strategy and hyperlocal knowledge of the area resulted in their service as a key partner in the opening of the San FranDisco Roller Rink alongside the Mayor's Office and the Church of 8 Wheels.

CCCBD's Board of Directors currently meets requirements set forth by Article 15 of the Business and Tax Regulations Code and there have been no reports of Brown Act violations within the reporting period. The Civic Center CBD is in compliance with the Surveillance Technology Reporting requirements.

Conclusion

CCCBD performed well implementing its the service plan during the review period and was an invaluable asset to District members and the City. CCCBD also continued to seized opportunities to leverage and add value to its work through fundraising, grants, and collaborative partnerships in CY 2022. The organization has an active Board of Directors and committee members. OEWD believes that the CCCBD is well positioned to continue carrying out its mission.



BOARD of SUPERVISORS



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MEMORANDUM

TO: Sarah Dennis-Phillips, Executive Director, Office of Economic and Workforce Development
Greg Wagner, City Controller, Office of the City Controller

FROM: Monique Crayton, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: March 12, 2024

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Matt Dorsey on March 5, 2024.

File No. 240209

Resolution receiving and approving an annual report for the Civic Center Community Benefit District for Calendar Year (CY) 2022, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, *et seq.*), Section 36650, and the District's Management Agreement with the City, Section 3.4.

If you have any additional comments or reports to be included with the file, please forward them to Monique Crayton at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at monique.crayton@sfgov.org.

cc:
Anne Taupier, Office of Economic and Workforce Development
Alesandra Lozano, Office of Economic and Workforce Development
Todd Rydstrom, Office of the City Controller

1 [Civic Center Community Benefit District - Annual Report - CY2022]

2

3 **Resolution receiving and approving an annual report for the Civic Center Community**
4 **Benefit District for Calendar Year (CY) 2022, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, et seq.), Section 36650, and the District’s Management Agreement with**
7 **the City, Section 3.4.**

8

9 WHEREAS, On May 28, 2019, pursuant to the Property and Business Improvement
10 District Law of 1994 (the “Act”), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 250-19, expressing the City’s intention to
13 renew and expand the Civic Center Community Benefit District (the “Civic Center CBD”); and

14 WHEREAS, On July 23, 2019, the Board of Supervisors adopted Resolution
15 No. 342-19 establishing (renewing and expanding) the Civic Center CBD ("Resolution to
16 Establish") for a period of 15 years, commencing Fiscal Year (FY) 2019-2020; and

17 WHEREAS, On December 10, 2019, the Board of Supervisors adopted Resolution
18 No. 533-19, authorizing an agreement with the owners' association for the
19 administration/management of the Civic Center CBD, and a management agreement (the
20 “Management Contract”) with the owners' association, the Civic Center Community Benefit
21 District, Inc., was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 191130; and

24 WHEREAS, On March 24, 2023, the Board of Supervisors approved the Civic Center
25 CBD’s annual report for calendar year (CY) 2020 in Resolution No. 116-23; and

1 WHEREAS, The Civic Center CBD has submitted for the Board's receipt and approval
2 the Civic Center an annual report for CY 2022 as required by Section 36650 of the Act and
3 Section 3.4 of the Management Contract; and

4 WHEREAS, The annual report for CY 2022 is on file with the Clerk of the Board of
5 Supervisors in File No. 240209, and is incorporated herein by reference as though fully set
6 forth; and

7 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
8 memorandum report from the City's Office of Economic and Workforce Development, dated
9 January 22, 2024, and documentation from the Civic Center CBD for the annual report for CY
10 2022 are on file with the Clerk of the Board of Supervisors in File No. 240209; now, therefore,
11 be it

12 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
13 report for the Civic Center Community Benefit District for CY 2022.

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: