

File No. 141312

Committee Item No. 3

Board Item No. 2

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date January 22, 2015

Board of Supervisors Meeting Date FEBRUARY 3, 2015

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral from Board to Small Business Commission - 12/22/2014</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral from Board to Various Depts - 12/22/2014</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Board Resolution No. 246-08</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Board Resolution No. 330-08</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Board Resolution No. 44-09</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Board Resolution No. 161-11</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Yerba Buena Annual Reports - FYs 2010-2014</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Yerba Buena CPA Financial Review Reports - FYs 2010-2014</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo - 121014</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD POWERPOINT - 01/22/2015</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | |

Completed by: Erica Major Date January 16, 2015
Completed by: ERICA MAJOR Date JANUARY 30, 2015

1 [Yerba Buena Community Benefit District - Annual Reports to the City - FYs 2010-2014]

2
3 **Resolution receiving and approving annual reports for the Yerba Buena Community**
4 **Benefit District for FYs 2010-2014, submitted as required by the Property and Business**
5 **Improvement District Law of 1994 (California Streets and Highways Code, Sections**
6 **36600, et seq.), Section 36650, and the District's Management Agreement with the City,**
7 **Section 3.4.**

8
9 WHEREAS, On June 10, 2008, pursuant to the Property and Business Improvement
10 District Law of 1994 (the Act), California Streets and Highways Code Sections 36600 *et seq.*,
11 as augmented by Article 15 of the San Francisco Business and Tax Regulations Code, the
12 Board of Supervisors adopted Resolution No. 246-08, expressing the City's intention to
13 establish the Yerba Buena Community Benefit District (the Yerba Buena CBD); and

14 WHEREAS, On July 29, 2008, the Board of Supervisors adopted Resolution
15 No. 330-08 establishing the Yerba Buena CBD (Resolution to Establish) for a period of 7
16 years, commencing FY2008-2009; and

17 WHEREAS, On February 10, 2009, the Board of Supervisors adopted Resolution
18 No. 44-09, authorizing an agreement with the owners' association for the
19 administration/management of the Yerba Buena CBD, and a management agreement (the
20 Management Contract) with the owners' association, the Yerba Buena Community Benefit
21 District Corporation, 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. 090027; and

24 WHEREAS, In 2011, the Board of Supervisors approved the Yerba Buena CBD's
25 annual reports for FYs 2008-2009 and 2009-2010 in Resolution No. 161-11; and

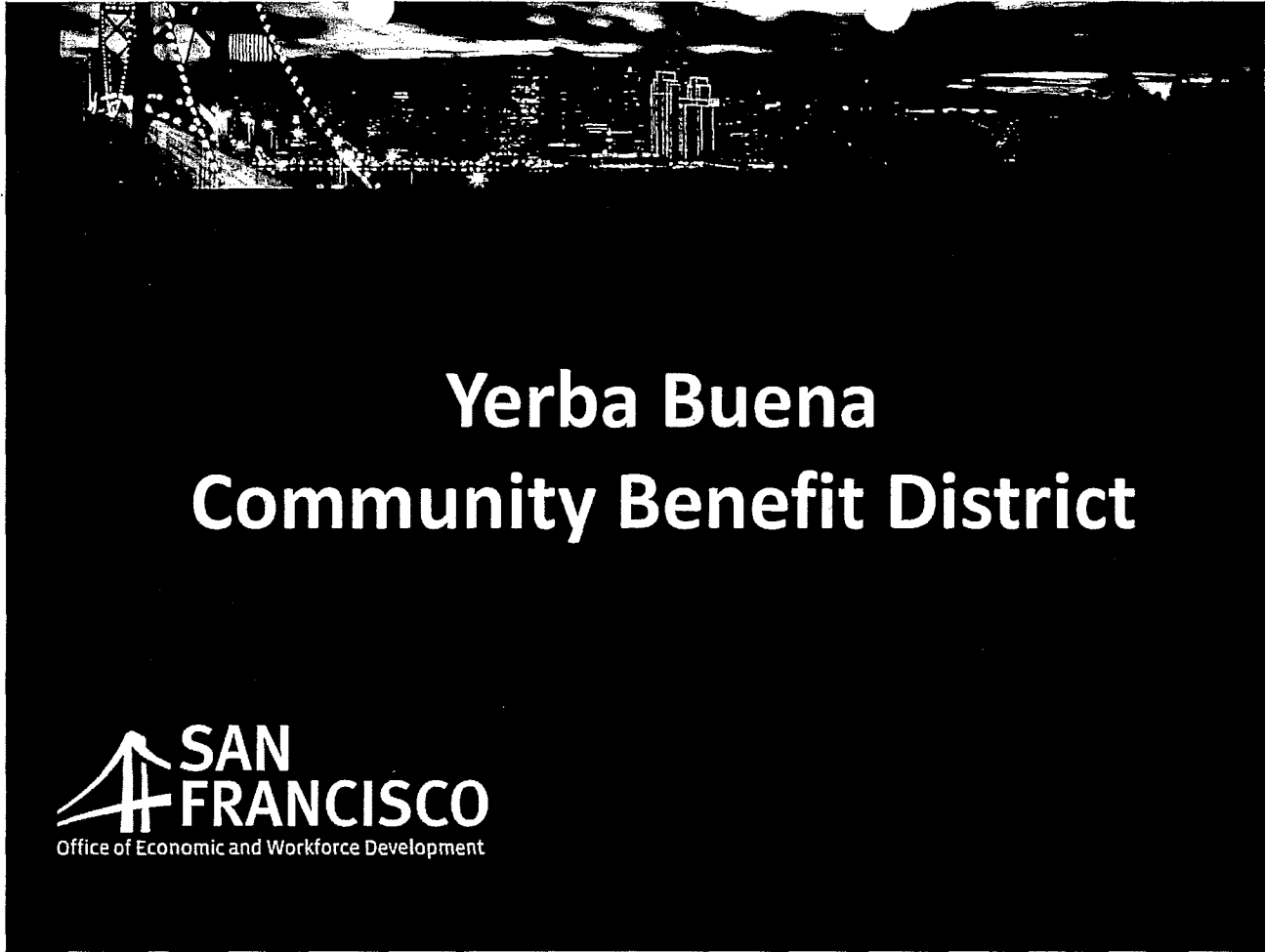
1 WHEREAS, The Yerba Buena CBD has submitted for the Board's receipt and approval
2 the Yerba Buena CBD's annual reports for FYs 2010-2011, 2011-2012, 2012-2013, and 2013-
3 2014 (collectively, Annual Reports) as required by Section 36650 of the Act and Section 3.4 of
4 the Management Contract; and

5 WHEREAS, The Annual Reports are on file with the Clerk of the Board of Supervisors
6 in File No.141312, and are incorporated herein by reference as though fully set 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 December 10, 2014, and documentation from the Yerba Buena CBD for the Annual Reports
10 are on file with the Clerk of the Board of Supervisors in File No. 141312; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
12 reports for the Yerba Buena Community Benefit District for FYs 2010-2011, 2011-2012, 2012-
13 2013, and 2013-2014.

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15 n:\egana\as2014\1500360\00976357.doc
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Yerba Buena Community Benefit District



Legislative Overview

**Community Benefit Districts (CBDs) /
Business Improvement Districts (BIDs) are
governed by:**

- State law
 - “1994 Act”
- Local law
 - “Article 15”

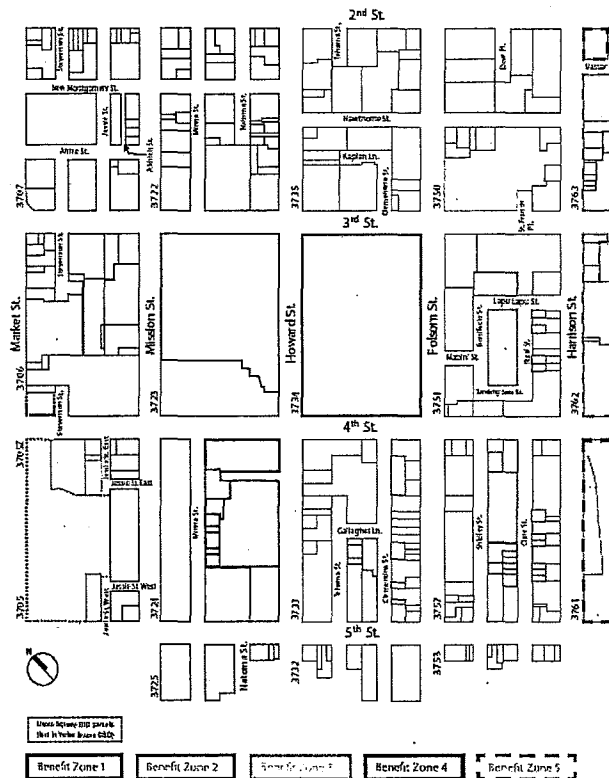
Review Process

This resolution covers Annual Reports for FY 2010-2011, 2011-2012, 2012-2013, and 2013-2014

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of Annual Reports and CPA Financial Reviews.
- OEWD provides the Board Supervisors with a summary memo.



Parcel Map



YBCBD Formation

YBCBD	Type	Assessment Budget*	Year Established	Expires
	Property-Based	\$ 2,509,521	2008	June 30, 2015

**budget identified in management plan*



YBCBD Operations

- **Staff**

- Executive Director – Cathy Maupin; Director of Neighborhood Partnerships – Andrew Robinson; Events and Administration Manager - Kim Mercado

- **Service Areas**

- **Street Operations, Beautification and Order (SOBO)**

- This program includes street maintenance, beautification, and safety services.
 - Contracts with MJM Management Group to staff a “Clean Team” and Community Guides.
 - Hires 10 SFD 10B Officers.

- **District Identity and Street Improvements (DISI)**

- This service marketing, public relations and street enhancements in the Yerba Buena area. This program area also offers small grants twice a year for public art, greening/streetscape, public safety, youth engagement and mini-grants for resident projects.

- **Administration and Corporate Operations**

- Admin and operations includes oversight of service contract, implementation of major projects, staffing the Board of Directors and Committees, and general day to day operations.



BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for YBCBD:

Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

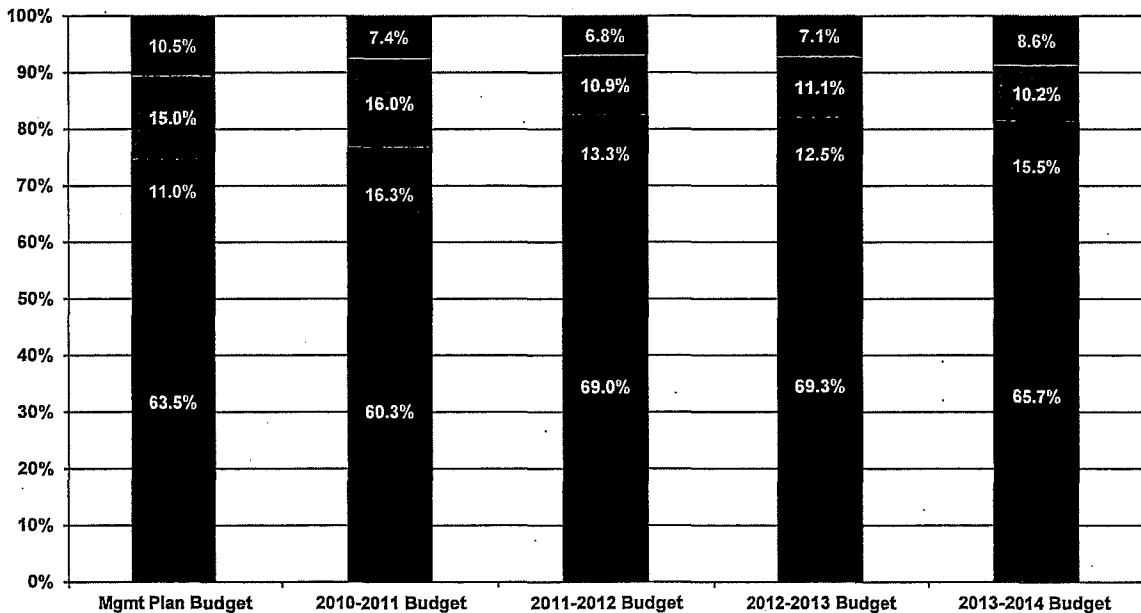
Benchmark 2 – Whether five percent (5%) of YBCBD's actuals came from sources other than assessment revenue.

Benchmark 3 - Whether the variance between the budget amounts for each service category was within 10 percentage points from the actuals.

Benchmark 4 - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

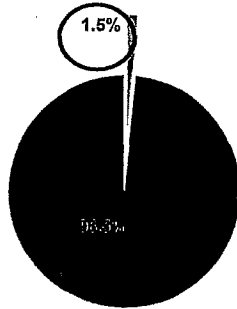


Management Plan vs. Annual Budgets

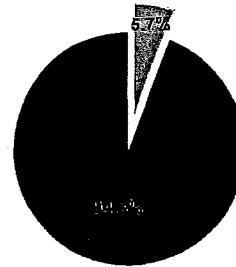


Assessment Revenue & Other Income

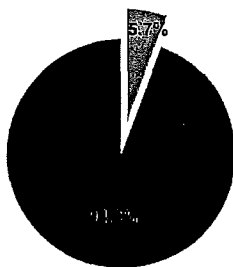
FY 2010 - 2011



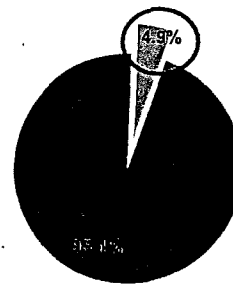
FY 2011 - 2012



FY 2012 - 2013



FY 2013 - 2014



■ Non-Assessment Revenue

■ Special Benefit Assessments

Budget vs Actuals

Service Category	FY 2010-2011 Variance % Points	FY 2011-2012 Variance % Points	FY 2012-2013 Variance % Points	FY 2013-2014 Variance % Points
Sidewalk Operations & Beautification	+1.5	+3.7	-2	+2.5
District Identity and Street Improvements	+0.3	-0.2	+6	+1.5
Administrative Expenses	+5.6%	+3.3	+2	+4.6



Carryover

FY 2010-11 Carryover Disbursement	\$2,287,873 *	To be used in FY 2011-2012	To be used in Future Years	FY 2011-12 Carryover Disbursement	\$2,460,680*	To be used in FY 2012-2013	To be used in Future Years
Designated Projects				Designated Projects			
Administration	-	-	-	Administration	\$120,187	-	\$120,187
SOBO	\$158,5209	\$563,116	\$102,2093	SOBO	\$1,397,795	\$516,659	\$881,136
DISI	\$278,201	\$213,648	\$64,553	DISI	\$226,605	\$72,500	\$154,105**
General Fund	\$424,463	-	\$424,463	General Fund	\$716,093	-	\$716,093
Total Designated Amount	\$2,287,873	\$776,764	\$1,511,109	Total Designated Amount	\$2,460,680	\$589,159	\$1,871,521

FY 2012-13 Carryover Disbursement	\$2,688,027 *	To be used in FY 2013-2014	To be used in Future Years	FY 2013-14 Carryover Disbursement	\$2,772,610 *	To be used in FY 2014-2015	To be used in Future Years
Designated Projects				Designated Projects			
Administration	\$284,980	\$8,600	\$276,380	Administration	\$366,917	\$104,449	\$262,468
SOBO	\$1,358,442	\$523,780	\$834,662	SOBO	\$1,256,560	\$524,220	\$732,340
DISI	\$83,424	\$55,985	\$27,439	DISI	-	-	-
General Fund	\$961,181	\$50,000	\$911,181	General Fund	\$1,149,133	\$170,712	\$978,421
Total Designated Amount	\$2,688,027	\$638,365	\$2,049,662	Total Designated Amount	\$2,772,610	\$799,381	\$1,973,229



Recommendations for YBCBD

- YBCBD should work diligently to meet their annual 5% general benefit requirement
- YBCBD should identify how much of carryover funds are assessment dollars as these monies will need be allocated and spent down by December 2015. OEWD will work closely with YBCBD to map out a spending plan.

Conclusion

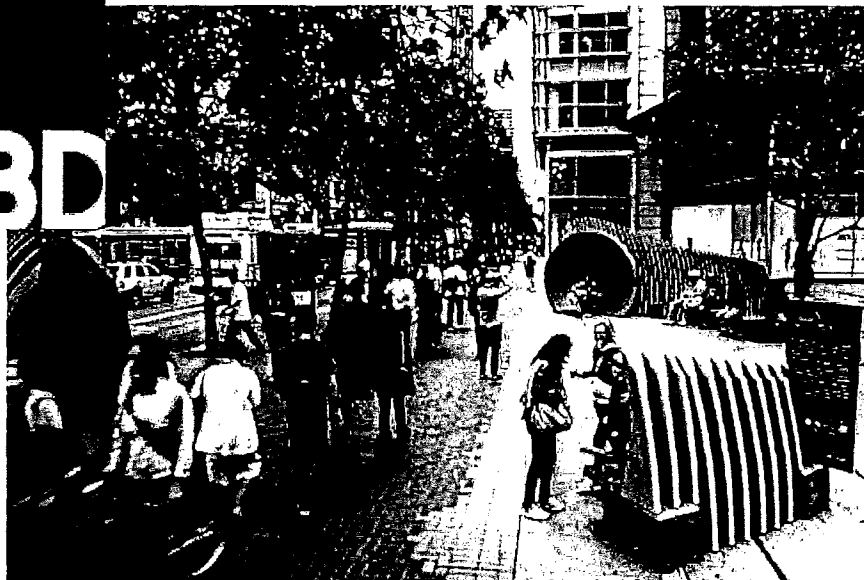
Yerba Buena CBD has performed well in implementing the service plan in the district:

- Marketed and produced neighborhood events - Yerba Buena Neighborhood Fair, Yerba Buena Family Day, and Yerba Buena Night.
- Increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund.
- Maintained an active board of directors and several sub committees



YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD



Partner Organizations/Affiliations

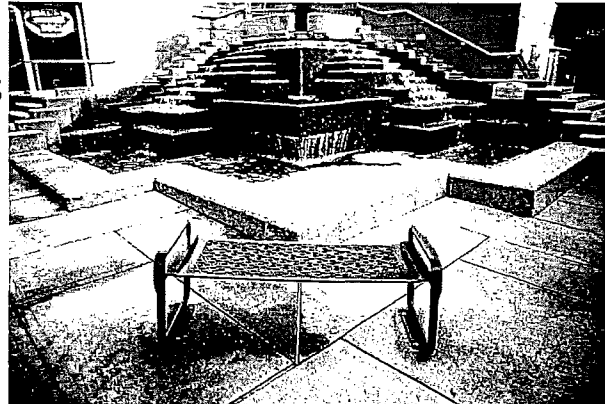
- MJM Management
- CMG Landscape Architecture
- Lowercase Productions
- Tomorrow Partners
- Profile Strategies
- San Francisco Police Department
- Moscone Expansion SAG
- Better Market Street CAC
- Southern Station Community Police Advisory Board
- Central SOMA Eco-District Task Force
- San Francisco Arts Commission Moscone Art Panel



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Grants

- Community Challenge Grant (2)
 - Parkmobiles
 - Yerba Buena Benches
- OEWD
 - Intercept Survey



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Services Highlights

Clean Team



- 36,258 Extra Sweep Requests
- 8,698 Graffiti Tags Removed
- 2,426 Illegal Dumping Incidents
- 1,863 Extra Steam Cleaning Requests



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Services Highlights

The YCBCD Community Guides and 10B Bike-Patrol Officer responded to:

- 51,393 Visitors/Merchants
- 13,261 Sleeper/Campers
- 6,349 Aggressive Panhandlers



Community Guides



10B Police Officer



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Services Highlights

- Released the "YBCBD Assist" App
- Unveiled a Neighborhood Clean and Safe Campaign

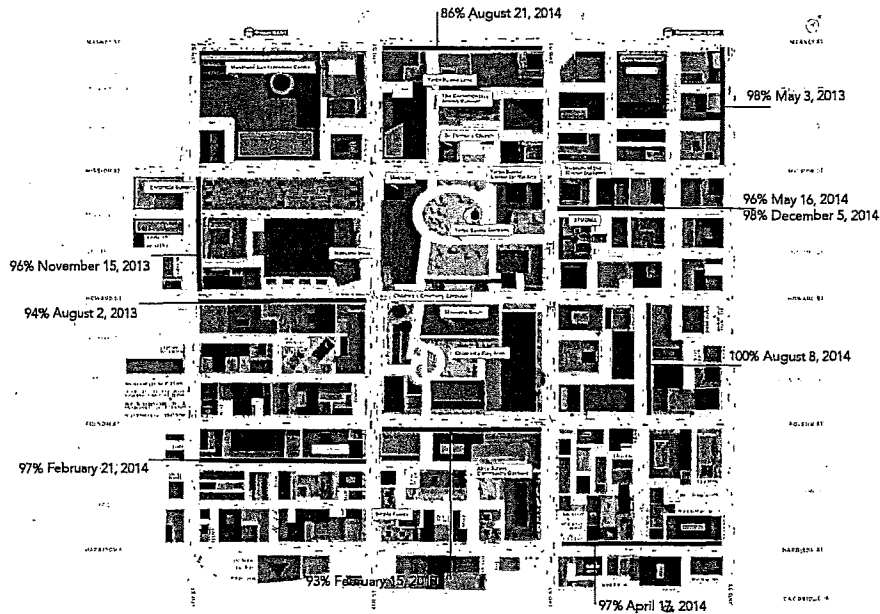


PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Services Highlights

YBCBD Performance Walk Scores

Red lines indicate locations of performance walks



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Streets & Public Space Highlights

YERBA BUENA STREET LIFE PLAN

A COMMUNITY DESIGN INITIATIVE: 10 YEARS OF PROJECTS



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Streets & Public Space Highlights



City's 1st Parkmobiles

Community Design for Annie Street Plaza

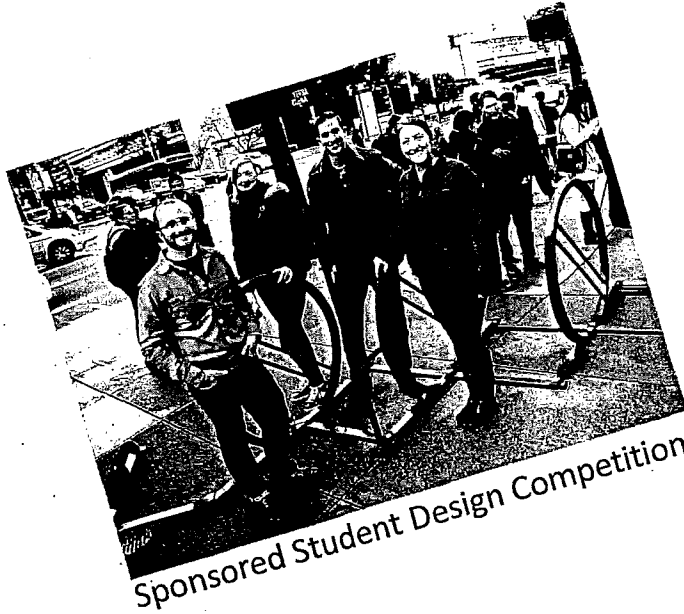


Designed/Fabricated Custom Bike Racks



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Streets & Public Space Highlights



Sponsored Student Design Competition



Living Innovation Zone



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

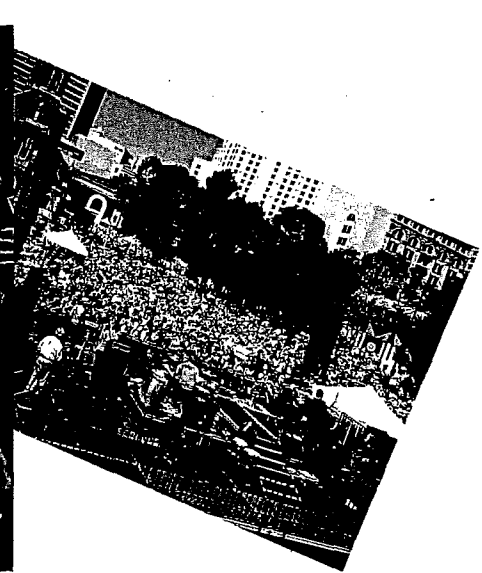
Marketing and Branding Highlights



Yerba Buena Night



Yerba Buena Family Day



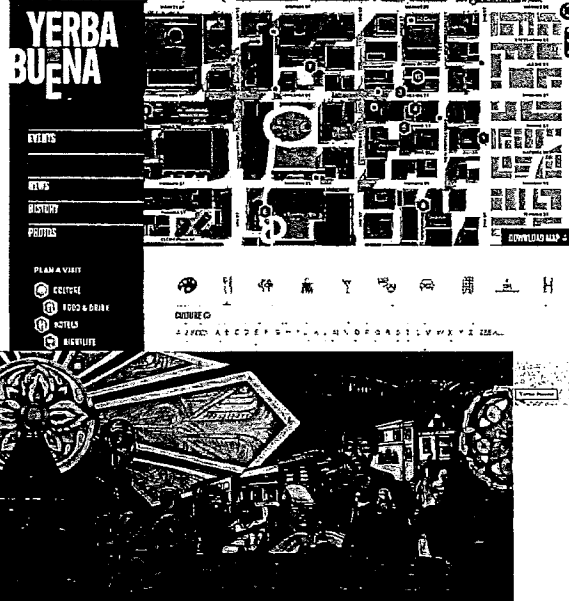
PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Marketing and Branding Highlights

Neighborhood-Branded Banners



Created Neighborhood Website



Established Community Benefit Fund



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Marketing and Branding Highlights



Launched Third Thursdays



Arts and Dialogue



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Challenges

- Balancing the Needs of a Diverse Set of Constituents and Usages
- Traffic – Pedestrian, Bike, and Vehicular – Increases Demand for Services
- Addressing Challenging Street Behaviors
- The Future of the Yerba Buena Gardens



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Opportunities

- The Renewal of the YBCBD
- Maintaining an Amazing Yerba Buena Gardens
- Developing Public Art
- Leveraging Development to Include Neighborhood Amenities



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Projects + Visions

- Secure the “Yes” Vote
- Big Belly Trash Cans
- More Bike Racks and Benches
- Responding to Dog Needs
- Implementation of Public Art Plan
- 5th Anniversary of Yerba Buena Night
- Update Street Banners
- Mobile Map



PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Thank You

PRESENTATION TO THE SAN FRANCISCO BOARD OF SUPERVISORS' GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Erica Major, Assistant Committee Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: December 22, 2014

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Government Audit and Oversight Committee

The Board of Supervisors' Government Audit and Oversight Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 141312

Resolution receiving and approving annual reports for the Yerba Buena Community Benefit District for FYs 2010-2014, 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.

Please return this cover sheet with the Commission's response to me at the Clerk of the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: 1/7/15

<input checked="" type="checkbox"/> No Comment	The Small Business Commission does not hear and provide comment on Community Benefit Annual Reports.
<input type="checkbox"/> Recommendation Attached	

Chairperson, Small Business Commission

From: [Dick-Endrizzi, Regina \(MYR\)](#)
To: [Major, Erica](#)
Cc: [Murdock, Christian](#); [Somera, Alisa \(BOS\)](#)
Subject: RE: REFERRAL - BOS File No. 141312 - Yerba Buena Community Benefit District - Annual Reports to the City - FYs 2010-2014
Date: Wednesday, January 07, 2015 5:21:55 PM

Please find the response to BOS File No. 141312. The Small Business Commission will not be hearing this matter.

Please remove Christian Murdock from you list. The Small Business Commission does not have a commission secretary at the moment.

Kindly,

Regina Dick-Endrizzi | Executive Director | Office of Small Business
regina.dick-endrizzi@sfgov.org | D: 415.554.6481 | O: 415.554.6134 | c: 415.902-4573
www.sfgov.org/osb | businessportal.sfgov.org | [facebook](#) | [twitter](#)

From: Major, Erica
Sent: Monday, December 22, 2014 2:06 PM
To: Dick-Endrizzi, Regina (MYR)
Cc: Murdock, Christian; Somera, Alisa (BOS)
Subject: REFERRAL - BOS File No. 141312 - Yerba Buena Community Benefit District - Annual Reports to the City - FYs 2010-2014

Greetings:

This matter is being referred to the Small Business Commission for comment and recommendation. Please forward the Commission's response as soon it is available.

Thank you.

Erica Major
Assistant Committee Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163

BOARD of SUPERVISORS



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Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
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Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

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Small Business Commission, City Hall, Room 448

FROM: Erica Major, Assistant Committee Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: December 22, 2014

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Government Audit and Oversight Committee

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Please return this cover sheet with the Commission's response to me at the Clerk of the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

- No Comment**
- Recommendation Attached**

Chairperson, Small Business Commission

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ben Rosenfield, Controller, Office of the Controller
Todd Rufo, Director, Office of Economic and Workforce Development

FROM: Erica Major, Assistant Committee Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: December 22, 2014

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Kim on December 16, 2014:

File No. 141312

Resolution receiving and approving annual reports for the Yerba Buena Community Benefit District for FYs 2010-2014, 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 me at the Clerk of the Board of Supervisors, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

c:
Todd Rydstrom, Office of the Controller
Ken Rich, Office of Economic Workforce Development

Major, Erica

From: Major, Erica
Sent: Monday, December 22, 2014 1:24 PM
To: Rosenfield, Ben (CON); Rufo, Todd (MYR)
Cc: Rich, Ken (MYR); Rydstrom, Todd (CON); Somera, Alisa (BOS)
Subject: REFERRAL - BOS File No. 141312 - Yerba Buena Community Benefit District - Annual Reports to the City - FYs 2010-2014
Attachments: 141312 FYI.pdf

Greetings:

This matter is being forwarded to your department for informational purposes. If you have any comments or reports to be included with the file, please forward them to me at the Clerk of the Board of Supervisors, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102.

Thank you.

Erica Major

Assistant Committee Clerk

Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102

Phone: (415) 554-4441 | Fax: (415) 554-5163

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Crezia Tano, OEWD Senior Project Manager

RE: Yerba Buena Community Benefit District

Date: December 10, 2014

This is a memo summarizing the performance of the Yerba Buena Community Benefit District (YBCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2009, and June 30, 2014.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Yerba Buena CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, 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 Yerba Buena's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2008.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2010-2011
 - b. FY 2011-2012
 - c. FY 2012-2013
 - d. FY 2013-2014
2. CPA Financial Review Reports
 - a. FY 2010-2011
 - b. FY 2011-2012
 - c. FY 2012-2013
 - d. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development

Background

YBCBD has close to 2,000 parcels and five benefit zones. Benefit zones are determined by the property owners who have specified the level of special services they desire.

- July 29, 2008: the Board of Supervisors approved the resolution that established the property-based district called the Yerba Buena Community Benefit District (Resolution # 330-08).
- February 10, 2009: the Board approved the contract for the administration and management of the Yerba Buena Community Benefit District (Resolution # 44-09).
- The CBD began receiving assessment funds in April 2009 and started providing cleaning and security services in June 2009

Basic Info about Yerba Buena CBD

Year Established	June 2008
Assessment Collection Period	FY 2008-2009 to FY 2014-2015 (July 1, 2008 to June 30, 2015)
Services Start and End Date	January 1, 2009 – December 31, 2015
Initial Estimated Annual Budget	\$2,509,521
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

The current CBD website, <http://www.ybcbd.org/>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

Summary of Service Area Goals

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance, beautification, and safety services. YBCBD contracts with MJM Management Group to staff a “Clean Team” and Community Guides. The “Clean Team” (11 team members) provides services seven days a week, year round including but not limited to: sidewalk and gutter sweeps, graffiti abatement, and street furniture painting. “Community Guides” (six to eight employees) offer information on local businesses and report maintenance and safety concerns. The CBD also hires 10-12 SFPD 10B officers who provide 10 hrs/day (70 hrs/week) of extra security in the district. The YBCBD Management Plan calls for 63.5% of the budget to be spent on SOBO.

District Identity and Street Improvements (DISI)

The District Identity and Street Improvements service includes marketing, public relations and street enhancements in the Yerba Buena area. This program area also offers small grants twice a year for public art, greening/streetscape, public safety, youth engagement and mini-grants for resident projects. The YBCBD Management Plan allocates 11% of their funds to this service area.

Administration and Corporate Operations

YBCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Yerba Buena CBD as well as a Director of Neighborhood Partnerships and an Administrative Manager. The YBCBD Management Plan calls for 15% of the budget to be spent on administration and corporate operations.

The YBCBD board has twenty-eight (28) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. Board member seats are determined using the following guidelines: At-Large (14%), Community Organizations (14%), Government or Education Institutions (14%), Non-Profit Arts (14%), Residents (14%), Commercial (30%). Board members are all required to actively participate in committees including Executive, Finance, Services, Marketing, Greening, Community Benefit Fund and Fundraising. The YBCBD also has Ad Hoc Nominating and Audit Committees that were formed to accomplish specific tasks for a shorter period of time each year. The full board meets five times a year. The ten committees and meeting times are detailed below:

- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the month
- **Fund Development** - as needed
- **Marketing** - the third Thursday of the month
- **Nominating** – as needed
- **Services** - the third Thursday of the month
- **Renewal Steering Committee** - the first Thursday of the month
- **Streets and Public Space** –the third Wednesday of the month. Committee works with the community, City agencies, CMG Landscape Architecture and the community to create a vision and road map for public space in Yerba Buena that will be used by YBCBD over the next decade to direct projects that facilitate vibrant social interaction and promote pedestrian life, safety, beauty and community pride.
- **Community Benefit Fund** – as needed. Grant program that provides small grants twice a year for public art, greening/streetscape, public safety, youth engagement and mini-grants for resident projects. The grant fund is one of the unique aspects of YBCBD.
- **Audit Committee Meeting** –as needed

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2010-2011

Street Operations, Beautification and Order (SOBO)

- Formed a new committee, the Streets & Public Space Committee, to work collaboratively with the community, City agencies and CMG Landscape Architecture on the creation of the Yerba Buena Street Life Plan.
- Placed the City's first Parkmobiles— mobile gardens with landscaping and seating.
- Developed performance measures for neighborhood cleanliness, and began the development of a public safety plan.

District Identity and Street Improvements (DISI)

- Installed 100 banners identifying the neighborhood with the tagline “See What Comes Together.”
- Hosted the first annual Yerba Buena Neighborhood Fair.
- Established a Community Benefit Fund - They completed two grant cycles and made nine grants totaling \$171,000. Grantees included: Clemetina Cares, Filipino American Development Foundation, Intersection for the Arts, St. Patrick’s Church, South of Market Child Care Center, TODCO, Yerba Buena Arts & Events, Yerba Buena Center for the Arts, and Zeum.

Administration and Corporate Operations

- Hired an Executive Director and a Director of Neighborhood Partnerships.
- Developed performance measures for neighborhood cleanliness and began the development of a public safety plan.
- Co-hosted a District 6 Supervisorial Candidate Forum.

FY 2011-2012

Street Operations, Beautification and Order (SOBO)

- The Streets & Public Space Committee, unveiled the Yerba Buena Street Life Plan.
- Clean Team:
 - Responded to more than 8,200 requests for sidewalk sweeping, steam cleaning and spot cleaning.
 - Removed more than 2,600 graffiti tags, stickers and flyers.
 - Addressed more 900 overflowing trashcans.
- Community Guides:
 - Conducted meet and greets with more 5,700 business people and residents.
 - Assisted nearly 4,000 visitors.
 - Reported almost 2,000 incidents of aggressive panhandling

District Identity and Street Improvements (DISI)

- Launched a new neighborhood website focused on being accessible to a diverse set community members and tourists. The site offers information on events, programs, shopping, dining and recreation in the district.
- Partnered with neighborhood businesses and museums to host Yerba Buena Family Day.
- Hosted the first annual Yerba Buena Night, an outdoor event featuring art, music, dance and performance.
- The Community Benefit Fund provided fourteen grants. Grantees included: Children’s Creativity Museum, Renaissance Entrepreneurship Center, Urban Table, Market Street Association, Filipino-American Development Foundation.

Administration and Corporate Operations

- Developed and initiated a Non-Assessment Revenue Plan.
- Secured a Community Challenge Grant to support the Parkmobiles.
- Hired a third staff person as Administration Manager.

FY 2012-2013

Street Operations, Beautification and Order (SOBO)

- The YCBCD designed and fabricated custom neighborhood benches, sponsored a student-design competition that resulted in the fabrication of a portable bicycle corral, and collaborated with the City and the Exploratorium to design and installed the first Living Innovation Zone.
- Clean Team:
 - Responded to more than 7,500 requests for sidewalk sweeping, steam cleaning and spot cleaning.
 - Removed more than 2,500 graffiti tags, stickers and flyers.
 - Addressed more 675 overflowing trashcans.
- Community Guides:
 - Conducted meet and greets with more 7,300 business people and residents.
 - Assisted nearly 3,300 visitors.
 - Reported almost 1,600 incidents of aggressive panhandling.

District Identity and Street Improvements (DISI)

- Attracted 8,000 attendees to Yerba Buena Night.
- Successfully negotiated the new Central Subway stop to be named “Yerba Buena/Moscone Station.”
- The Community Benefit Fund provided eleven grants. Grantees included: Yerba Buena Gardens Festival, the SOMA Family Resource Center, San Francisco SAFE (Safety Awareness for Everyone), the Contemporary Jewish Museum, and Alice Street Community Gardens.
- Received the 2013 Golden Wheel Award from the San Francisco Bicycle Coalition.

Administration and Corporate Operations

- Secured a Community Challenge Grant to support neighborhood benches.

FY 2013-2014

Street Operations, Beautification and Order (SOBO)

- Worked with the City to incorporate many of our Street Life Plan projects into the Central SoMa Plan reducing implementation time and costs.
- Approved a public art plan to inspire more public art and guide that process, including a focus on neighborhood alleys and adding an iconic art piece at Moscone Center.
- Clean Team:
 - Responded to more than 7,500 requests for sidewalk sweeping, steam cleaning and spot cleaning.
 - Removed more than 3,500 graffiti tags, stickers and flyers.
 - Addressed more 675 overflowing trashcans.
- Community Guides:
 - Conducted meet and greets with more 10,600 business people and residents.
 - Reported almost 1,700 incidents of aggressive panhandling.

District Identity and Street Improvements (DISI)

- Attracted more than 9,000 attendees to the third annual Yerba Buena Night.
- The Community Benefit Fund Provided grants that supported 13 exhibits and programs, such as the Yerba Buena Lane farmer’s market, Halloween Hoopla family event and a Museum of the African Diaspora exhibit.

Administration and Corporate Operations

- Requested public realm improvements on the Moscone Expansion Project, advised developers on neighborhood needs, and advocated for Yerba Buena Gardens to ensure that it continues as a neighborhood centerpiece.

YBCBD Annual Budget Analysis

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

- **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 (*Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether five percent (5%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*).

FY 2010-2011

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: YBCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2010-2011 Budget	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$1,596,700	63.5%	\$1,998,862	60.3%	-3.2
District Identity and Street Improvements	\$279,597	11.0%	\$542,108	16.3%	+5.3
Administrative Expenses	\$370,000	15.0%	\$529,564	16.0%	+1.0
Contingency Reserve	\$263,224	10.5%	\$245,224	7.4%	-3.1
TOTAL	\$2,509,521	100%	\$3,315,758	100%	

BENCHMARK 2: Whether five percent (5%) of actuals came from sources other than assessment revenue

ANALYSIS: *YBCBD did not meet this requirement. Assessment revenue was \$2,255,659 or 98.5% of actuals and non-assessment revenue was \$33,687 or 1.5% of actuals. See table below.*

Revenue Sources	FY 2010-2011 Actuals	% of Actuals
Special Benefit Assessments	\$2,255,659	
Total assessment revenue	\$2,255,659	98.5%
Fundraising/In-Kind	\$26,342	
Interest Earned	\$7,345	
Total non-assessment revenue	\$33,687	1.5%
Total	\$2,289,346	100%

Non-assessment revenue applied to 5% General Benefit requirement

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

ANALYSIS: *YBCBD met this requirement. See table below.*

Service Category	FY 2010-2011 Budget	% of Budget	FY 2010-2011 Actuals	% of Actuals	Variance Percentage Points
Sidewalk Operations & Beautification	\$1,998,862	60.3%	\$1,426,743	61.7%	+1.5
District Identity and Street Improvements	\$542,108	16.3%	\$385,434	16.7%	+0.3
Administrative Expenses	\$529,564	16.0%	\$498,573	21.6%	+5.6
Contingency Reserve	\$245,224	7.4%			
TOTAL	\$3,315,758	100%	\$2,310,750	100%	

BENCHMARK 4: Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

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

FY 2010-11 Carryover Disbursement	\$2,287,873*	To be used in FY 2011-2012	To be used in Future Years
Designated Projects			
Administration	-	-	-
SOBO	\$1,585,209	\$563,116	\$1,022,093
DISI	\$278,201	\$213,648	\$64,553
General Fund Contingency	\$424,463		\$424,463
Total Designated Amount	\$2,287,873	\$776,764	\$1,511,109

*As of 6/30/11

FY 2011-2012

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: YBCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2011-2012 Budget	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$1,596,700	63.5%	\$2,244,909	69.0%	+5.5
District Identity and Street Improvements	\$279,597	11.0%	\$433,373	13.3%	+2.3
Administrative Expenses	\$370,000	15.0%	\$354,586	10.9%	-4.1
Contingency Reserve	\$263,224	10.5%	\$220,224	6.8%	-3.7
TOTAL	\$2,509,521	100%	\$3,253,092	100%	

BENCHMARK 2: Whether five percent (5%) of actuals came from sources other than assessment revenue

ANALYSIS: YBCBD met this requirement. Assessment revenue was \$2,405,445 or 94.3% of actuals and non-assessment revenue was \$146,122 or 5.7% of actuals. See table below.

Revenue Sources	FY 2011-2012 Actuals	% of Actuals
Special Benefit Assessments	\$2,405,445	
Total assessment revenue	\$2,405,445	94.3%
Fundraising/In-Kind	\$99,831	
Grants	\$40,500	
Interest Earned	\$4,304	
Special Events Income	\$1,487	
Total non-assessment revenue	\$146,122	5.7%
Total	\$2,551,567	100%

Non-assessment revenue applied to 5% General Benefit requirement

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

ANALYSIS: YBCBD met this requirement. See table below.

Service Category	FY 2011-2012 Budget	% of Budget	FY 2011-2012 Actuals	% of Actuals	Variance Percentage Points
Sidewalk Operations & Beautification	\$2,244,909	69.0%	\$1,739,033	72.7%	+3.7
District Identity and Street Improvements	\$433,373	13.3%	\$313,197	13.1%	-0.2
Administrative Expenses	\$354,586	10.9%	\$340,937	14.2%	+3.3
Contingency Reserve	\$220,224	6.8%			
TOTAL	\$3,253,092	100%	\$2,393,167	100%	

BENCHMARK 4: Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

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

FY 2011-12 Carryover Disbursement	\$2,460,680*	To be used in FY 2012-2013	To be used in Future Years
Designated Projects			
Administration	\$120,187	-	\$120,187
SOBO	\$1,397,795	\$516,659	\$881,136
DISI	\$226,605	\$72,500	\$154,105**
General Fund Contingency	\$716,093	-	\$716,093
Total Designated Amount	\$2,460,680	\$589,159	\$1,871,521

*As of 6/30/12

**Due to a formatting error number was omitted from annual report. Also as a result of this error the numbers in "To be used in future years" have been shifted to reflect the accurate funds allocated to each service area.

FY 2012-2013

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: YBCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2012-2013 Budget	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$1,596,700	63.5%	\$2,149,364	69.3%	+5.6
District Identity and Street Improvements	\$279,597	11.0%	\$388,216	12.5%	+1.4
Administrative Expenses	\$370,000	15.0%	\$344,938	11.1%	-3.6
Contingency Reserve	\$263,224	10.5%	\$220,224	7.1%	-3.4
TOTAL	\$2,509,521	100%	\$3,102,742	100%	

BENCHMARK 2: Whether five percent (5%) of actuals came from sources other than assessment revenue

ANALYSIS: YBCBD met this requirement. Assessment revenue was \$2,403,916 or 94.3% of actuals and non-assessment revenue was \$144,509 or 5.7% of actuals. See table below.

Revenue Sources	FY 2012-2013 Actuals	% of Actuals
Special Benefit Assessments	\$2,403,916	
Total assessment revenue	\$2,403,916	94.3%
Fundraising/In-Kind	\$81,785	
Grants	\$50,000	
Interest Earned	\$11,405	
Special Events Income	\$1,319	
Total non-assessment revenue	\$144,509	5.7%
Total	\$2,548,425	100%

Non-assessment revenue applied to 5% General Benefit requirement

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

ANALYSIS: YBCBD met this requirement. See table below.

Service Category	FY 2012-2013 Budget	% of Budget	FY 2012-2013 Actuals	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$2,149,364	69.3%	\$1,623,607	67%	-2
District Identity and Street Improvements	\$388,216	12.5%	\$457,084	19%	+6
Administrative Expenses	\$344,938	11.1%	\$326,322	14%	+2
Contingency Reserve	\$220,224	7.1%			
TOTAL	\$3,102,742	100%	\$2,407,013	100%	

*Contingency Reserve is redeployed throughout the year to meet the needs of the CBD

BENCHMARK 4: Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

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

FY 2012-13 Carryover Disbursement	\$2,688,027*	To be used in FY 2013-2014	To be used in Future Years
Designated Projects			
Administration	\$284,980	\$8,600	\$276,380
SOBO	\$1,358,442	\$523,780	\$834,662
DISI	\$83,424	\$55,985	\$27,439
General Fund Contingency	\$961,181	\$50,000	\$911,181
Total Designated Amount	\$2,688,027	\$638,365	\$2,049,662

*As of 6/30/13

FY 2013-2014

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: *YBCBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$1,596,700	63.5%	\$2,071,172	65.7%	+2.1
District Identity and Street Improvements	\$279,597	11.0%	\$489,177	15.5%	+4.4
Administrative Expenses	\$370,000	15.0%	\$321,355	10.2%	-4.5
Contingency Reserve	\$263,224	10.5%	\$270,224	8.6%	-1.9
TOTAL	\$2,509,521	100%	\$3,102,742	100%	

BENCHMARK 2: Whether five percent (5%) of actuals came from sources other than assessment revenue

ANALYSIS: *YBCBD did not meet this requirement.* Assessment revenue was \$2,406,463 or 95.1% of actuals and non-assessment revenue was \$124,583 or 4.9% of actuals. See table below.

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$2,406,463	
Total assessment revenue	\$2,406,463	95.1%
Fundraising/In-Kind	\$88,949	
Other	\$23,001	
Interest Earned	\$12,433	
Special Events Income	\$200	
Total non-assessment revenue	\$124,583	4.9%
Total	\$2,531,046	100%

Non-assessment revenue applied to 5% General Benefit requirement

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

ANALYSIS: *YBCBD met this requirement.* See table below.

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$2,071,172	65.7%	\$1,659,757	68.2%	+2.5
District Identity and Street Improvements	\$489,177	15.5%	\$413,489	17.0%	+1.5
Administrative Expenses	\$321,355	10.2%	\$360,982	14.8%	+4.6
Contingency Reserve	\$270,224	8.6%			
TOTAL	\$3,102,742	100%	\$2,434,228	100%	

Contingency Reserve is redeployed throughout the year to meet the needs of the CBD

BENCHMARK 4: Whether YCBCD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

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

FY 2013-14 Carryover Disbursement	\$2,772,610*	To be used in FY 2014-2015	To be used in Future Years
Designated Projects			
Administration	\$366,917	\$104,449	\$262,468
SOBO	\$1,256,560	\$524,220	\$732,340
DISI	-	-	-
General Fund Contingency	\$1,149,133	\$170,712	978,421
Total Designated Amount	\$2,772,610	\$799,381	\$1,973,229

*As of 6/30/14

Findings and Recommendations

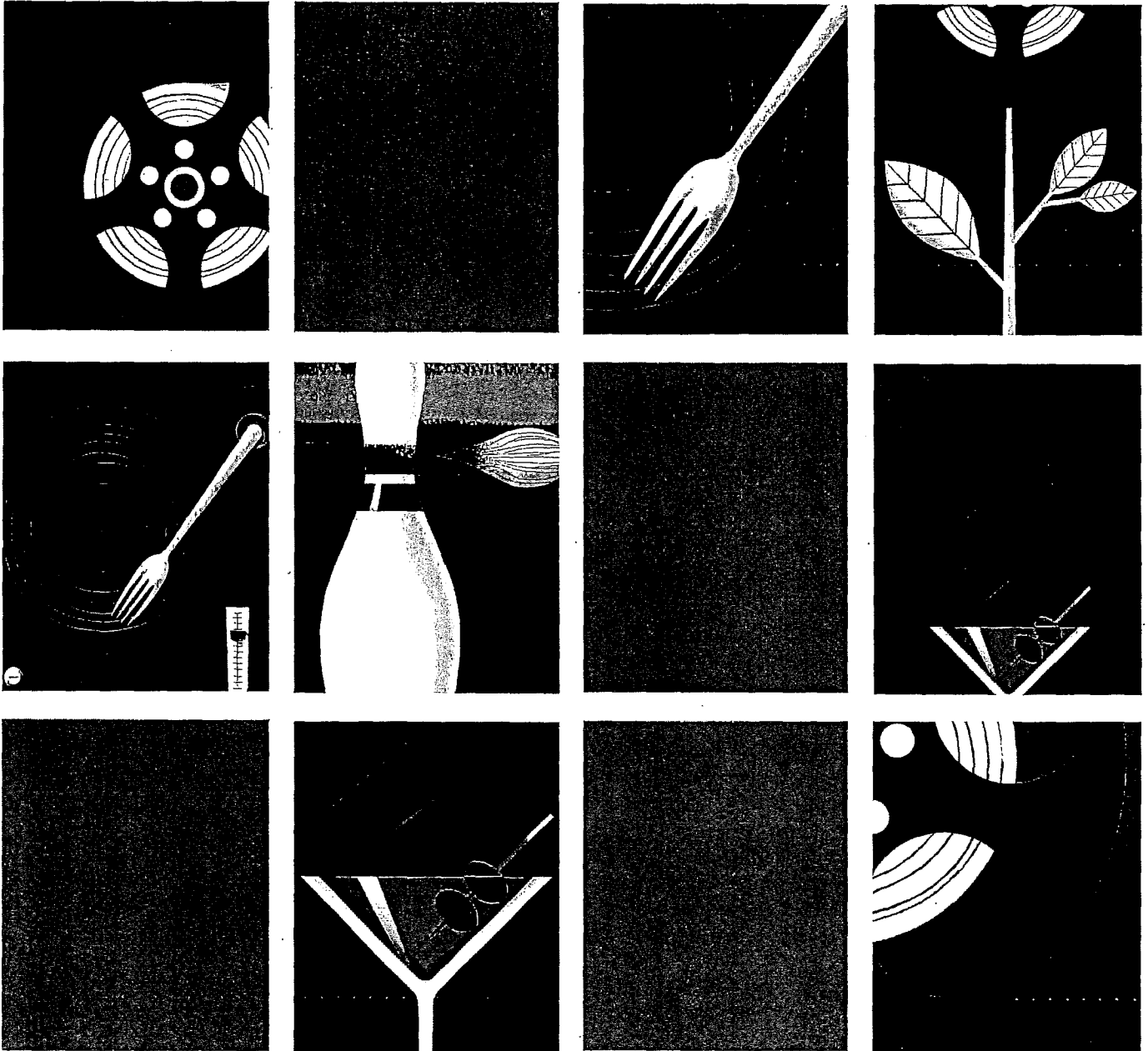
Within the review periods of FY 2010-11, FY 2011-12, FY 2012-13, and FY 2013-14, the Yerba Buena CBD generally met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the "Yerba Buena Community Benefit District; and the Agreement for the Administration of the "Yerba Buena Community Benefit District."

Per their management plan YCBCD's non-assessment revenue must be at least five percent (5%) of their total revenue. In FY 2010-2011 assessment revenue was \$2,255,659 or 98.5% of actuals and non-assessment revenue was \$33,687 or 1.5% of actuals. We recommend that the YCBCD works diligently to meet their 5 percent (5%) general benefit requirement.

As delineated in their FY 2013-2014 Annual Report, Yerba Buena CBD has a total carryover amount of \$2,772,610. YCBCD should identify how much of those funds are assessment dollars as these monies will need be allocated and spent down by December 2015. OEWD will work closely with YCBCD to map out a spending plan.

Conclusion

Yerba Buena CBD has performed well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events such as Yerba Buena Neighborhood Fair host Yerba Buena Family Day, and Yerba Buena Night. Yerba Buena CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund. Yerba Buena CBD has an active board of directors and committee members; and OEWD believes the Yerba Buena CBD will continue to successfully carryout their mission and service plans.



2010-2011 ANNUAL REPORT

YERBA BUENA COMMUNITY BENEFIT DISTRICT

SEE WHAT COMES TOGETHER



When I joined the YBCBD Board of Directors I made a commitment to represent everyone who lives, works and visits Yerba Buena. It has been gratifying to see the progress made to improve the quality of life in our neighborhood for all segments of our district since we began implementing programs two years ago.

Our ability to advance our mission is a direct result of the collaborative effort between our residents, community leaders, local businesses and the YBCBD team. Thank you to the more than 70 volunteers who have given their time and expertise to our Board and committees; to YBCBD's Executive Director Cathy Maupin and staff, and to the many community members involved in our programs to improve Yerba Buena.

By harnessing our shared enthusiasm for and commitment to the district, YBCBD achieved several milestones last year. We provided our first contributions to nonprofit organizations that improve our district through our Community Benefit Fund. We launched our neighborhood branding strategy to establish Yerba Buena as a destination — like North Beach, Union Square and the Castro. This program included a new neighborhood logo, website (www.visityerbabuena.org), map and banners featuring our See What Comes Together campaign depicting the diversity of offerings in Yerba Buena. We also unveiled the Yerba Buena Street Life Plan — a community-based vision and road map for improving 36 public spaces in Yerba Buena during the next decade.

We implemented programs to bring our community together. Our first Neighborhood Fair was held at Yerba Buena Gardens. We hosted block parties and kept the district informed about neighborhood news with our monthly e-newsletter, quarterly updates, services brochures and other communications.

Ongoing efforts by our Clean Team, Community Guides and bike patrol officers are contributing to a cleaner, friendlier, safer and more enjoyable neighborhood.

As a proud resident of Yerba Buena, I look forward to an exciting year as we continue to build neighborhood connections, strengthen our business and cultural foundation, and improve district safety and our public spaces. Our See What Comes Together campaign not only highlights Yerba Buena's dynamic character, it sends a determined message that by working together we can continue to take our neighborhood to new heights.

Sincerely,

A handwritten signature in black ink that reads 'Regina Flanagan'. The signature is fluid and cursive.

Regina Flanagan
Chair, YBCBD Board of Directors



MISSION

YBCBD will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

SERVICES + PROGRAMS

- **DISPATCH SERVICES.** Call 415-543-9223 for non-emergency services, such as public area cleaning and maintenance issues, and social services outreach. Staffed every day, 24 hours a day.
- **COMMUNITY GUIDES.** Our goodwill ambassadors help tourists, provide information on local businesses, and report maintenance and safety concerns. Up to six guides work every day from 6 a.m. to midnight.
- **POLICE DEPARTMENT BIKE PATROL.** An officer dedicated to the area supplements existing police services for 10 hours daily.
- **CLEAN TEAM.** Our team steam cleans and sweeps sidewalks, removes graffiti, and paints poles, mail boxes and fire plugs. We sweep gutters, weed tree wells, and empty overflowing public trash receptacles. The Clean Team is staffed every day from 6:30 a.m. to 9:00 p.m.
- **MARKETING AND BRANDING.** Programs promote the neighborhood to create a sense of place to support our economic base and help improve quality of life.
- **COMMUNITY SUPPORT AND CONNECTIONS.** Grants from our Community Benefit Fund are awarded biannually to support nonprofits that improve quality of life in the district.
- **BEAUTIFICATION.** The Streets & Public Space Committee focuses on short- and long-term neighborhood streetscape improvements.
- **DISTRICT MANAGEMENT.** A non-profit management corporation administers the YBCBD and is governed by a Board that represents a diversity of stakeholders and areas of the neighborhood.

2010-2011 FISCAL YEAR HIGHLIGHTS

BUILDING COMMUNITY

Yerba Buena is an amazing tapestry of contrasts and connections coming together in one neighborhood. The YBCBD stretches from Second to Fifth and Market to Harrison Streets with world-class museums, shopping, dining, convention space, hotels, nightlife, and educational institutions. Senior housing blends with live/work lofts and luxury condominiums. During the last fiscal year, we introduced plans and programs to build a sense of community for residents, workers, students, businesses and visitors.

YERBA BUENA STREET LIFE PLAN.

YBCBD formed the Streets & Public Space Committee. This group, working with the community, City agencies and CMG Landscape Architecture, led the creation of the Yerba Buena Street Life Plan. The plan is a vision and road map for public space in Yerba Buena that will be used by YBCBD during the next decade to direct projects that facilitate vibrant social interaction and promote pedestrian life, safety, beauty, and community pride. In 2011, the YBCBD placed the City's first Parkmobiles— mobile gardens with landscaping and seating — in our neighborhood.

NEIGHBORHOOD BRANDING.

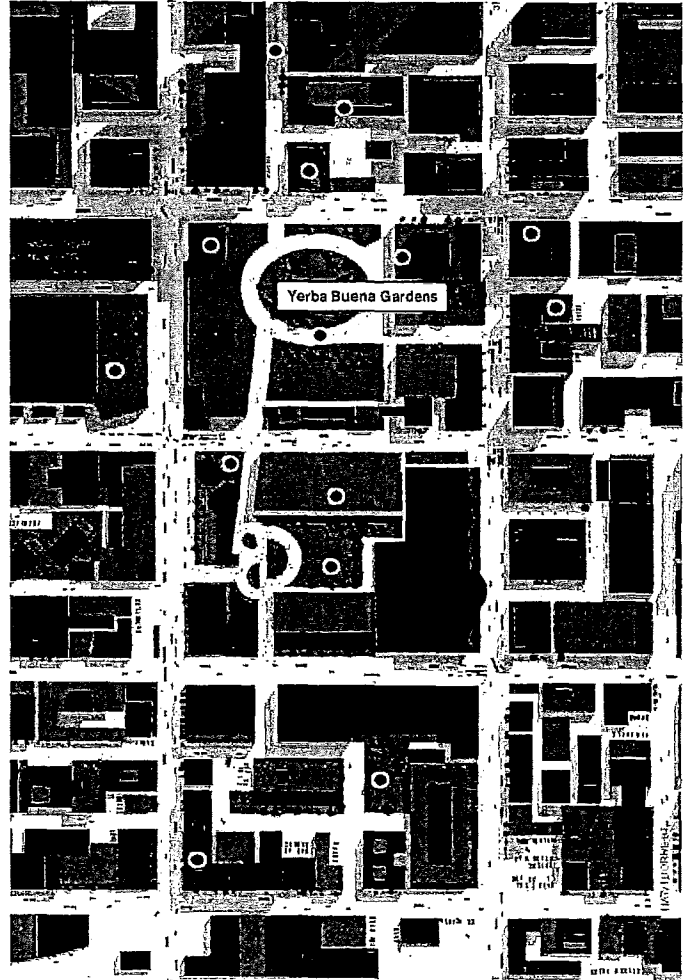
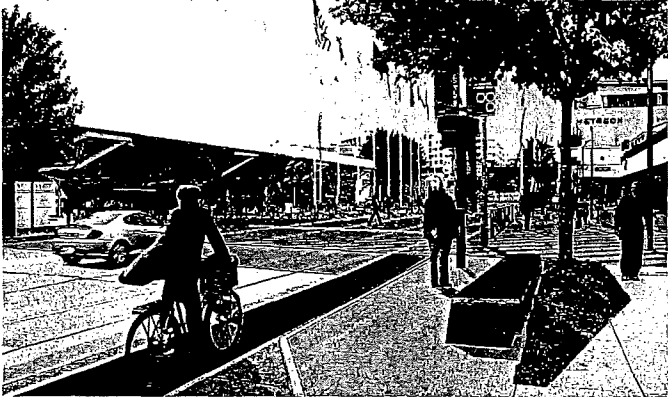
By promoting Yerba Buena, we create an identifiable destination to support our business base and improve quality of life in the district. Our campaign elements include a new neighborhood logo, website (www.visityerbabuena.org), and map. Also, 100 banners identify the neighborhood and tout its diversity of activities with the tagline of See What Comes Together.

COMMUNITY CONNECTIONS.

YBCBD hosted its first annual Yerba Buena Neighborhood Fair in October, held four neighborhood block parties, sponsored neighborhood events and co-hosted a District 6 Supervisorial Candidate Forum. We established and promoted the Community Benefit Fund grant program focused on public art, greening/streetscape, public safety, youth engagement, and mini-grants for resident projects. News bulletins, promotional rack cards about our services and programs, and a monthly e-newsletter kept people informed and encouraged them to use and participate in YBCBD offerings.

IMPROVING OUR CAPABILITIES.

In addition to our ongoing services described on page two of this report, we implemented programs to improve our operations. We developed performance measures for neighborhood cleanliness, and began the development of a public safety plan. The YBCBD completed an organizational audit and implemented a new investment policy, fundraising plan, and annual budget. Cathy Maupin was retained as executive director. We hired a new Administrative Manager and we engaged summer interns. We also hired a new Director of Neighborhood Partnerships.



BUDGET + BALANCE SHEET

JULY 2010-JUNE 2011 ACTUALS

INCOME	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Assessments	\$2,345,842	\$2,412,952	\$(67,110)
Fundraising/In-Kind	\$37,911	\$125,476	\$(87,565)
Interest Income	\$1,721	\$5,000	\$(3,279)
Released From Restriction	\$101,197	\$772,330	\$(671,133)
TOTAL INCOME	\$2,486,671	\$3,315,758	\$(829,087)
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Administration	\$405,184	\$529,564	\$(124,380)
SOBO	\$1,564,006	\$1,998,862	\$(434,856)
DISI	\$372,257	\$542,108	\$(169,851)
Contingency	\$145,224	\$245,224	\$(100,000)
TOTAL EXPENSES	\$2,486,671	\$3,315,758	\$(829,087)
NET INCOME	—	—	—

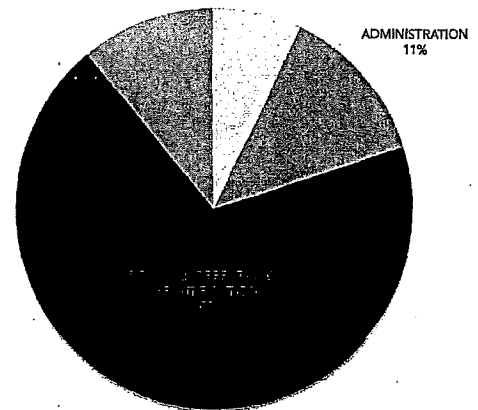
JULY 2010-JUNE 2011 BALANCE SHEET

ASSETS	
Cash In Bank	\$2,077,697
Accounts Receivable, Net	\$358,454
Other	\$8,607
TOTAL ASSETS	\$2,444,758
LIABILITIES	
Accounts Payable	\$6,091
Other Liabilities	\$150,794
TOTAL LIABILITIES	\$156,885
TOTAL NET ASSETS (CARRYOVER)	\$2,287,873
TOTAL LIABILITIES & EQUITY	\$2,444,758

JULY 2011-JUNE 2012 BUDGET

INCOME	
Assessments	\$2,345,852
Fundraising/In-Kind	\$125,476
Interest Income	\$5,000
Release from Restriction	\$776,764
TOTAL INCOME	\$3,253,092
EXPENSES	
Administration	\$354,586
Sidewalk Operations & Beautification	\$2,244,909
District Identity & Streetscape Improvement	\$433,373
Contingency/Reserve	\$220,224
TOTAL EXPENSES	\$3,253,092

DISTRICT IDENTITY + STREETScape IMPROVEMENTS 13% CONTINGENCY RESERVE 7%



FY 2011-2012 BUDGET

PROJECTED CARRYOVER DISBURSEMENT

CARRYOVER	TOTAL	TO BE USED IN FY 2011-2012	TO BE USED IN FUTURE YEARS
Administration	—	—	—
Sidewalk Operations & Beautification	\$1,585,209	\$563,116	\$1,022,093
District Identity & Streetscape Improvement	\$278,201	\$213,648	\$64,553
Contingency/Reserve	\$424,463	—	\$424,463
TOTAL CARRYOVER DISBURSEMENT	\$2,287,873	\$776,764	\$1,511,109

ASSESSMENT ANALYSIS

ASSESSMENT METHODOLOGY

YBCBD is funded through an annual assessment from business and property owners. Annual assessments are based on one or more of the following four property factors:

- Linear frontage (sidewalk frontage)
- Gross building square footage
- Location in a particular benefit zone
- Property usage

There are five benefit zones in the YBCBD. The creation of the benefit zones was based upon the level of special services desired by property owners by use, the type of special services needed in the zone, and the intensity of use in the public right of way in the specific zone.

ASSESSMENT CALCULATION

The annual assessment is calculated by multiplying the gross square footage of the property by the square footage fee for a property's zone and use (condominium or commercial). If the property has linear frontage an additional fee is calculated by taking the total linear frontage of the property and multiplying by the frontage fee for the property's zone.

For example, a commercial property in Zone 1 of 1,000 gross square feet and with 10 feet of linear frontage would calculate their assessment as follows:

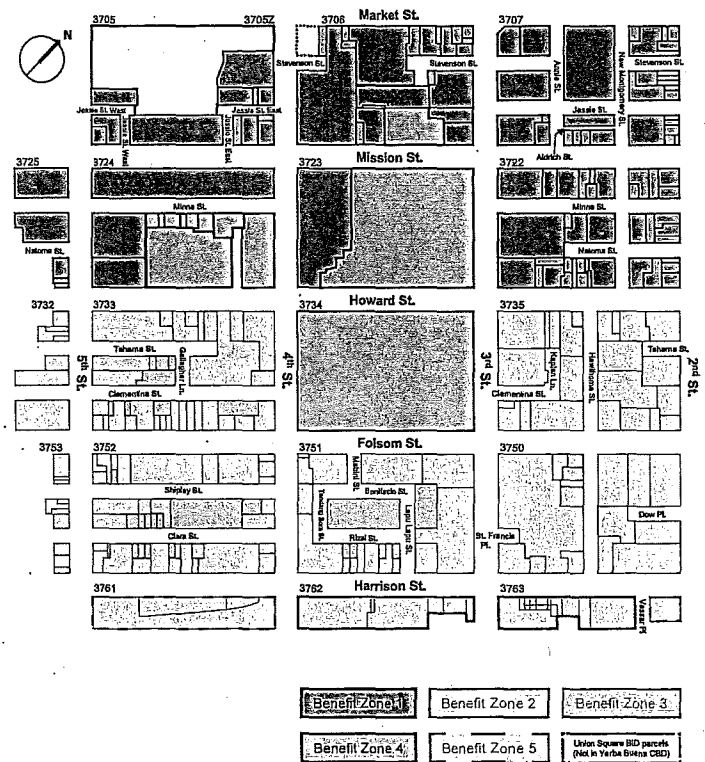
Zone 1 Commercial property fee (\$0.076) x 1,000 square feet = \$76.00

Zone 1 Frontage fee (\$15.30) x 10 linear feet = \$153.00

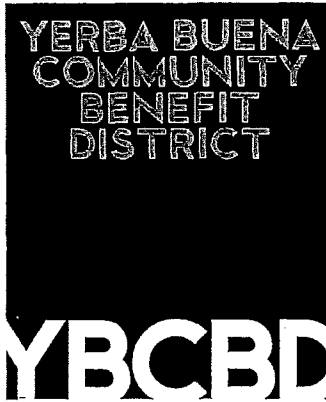
Add the two together to get the total assessment of \$229.00.

AREA MAP OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and luxury condominiums. It is the most dynamic neighborhood in the City – a celebration of San Francisco's eclectic backbone stretching from Second to Fifth and Market to Harrison Streets.



	CONDO FEE / FT ²	COMMERCIAL PROP. FEE / FT ²	FRONTAGE FEE / LINNEAR FT.
Zone 1	\$0.215	\$0.076	\$15.30
Zone 2	\$0.215	\$0.045	\$10.30
Zone 3	\$0.215	\$0.022	\$5.20
Zone 4	—	—	\$38.40
Zone 5	—	—	\$10.30



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San Francisco, CA 94103
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e info@ybcdbd.org
w www.ybcdbd.org

**IMPORTANT NUMBERS
AND LETTERS**

YBCBD DISPATCH:
415-543-9223. Contact us
for non-emergency services,
public area cleaning and
maintenance issues, and
social services outreach.

EMERGENCY SERVICES:
Call 9-1-1.

Learn more about YBCBD
programs and services at
www.ybcd.org and about
our neighborhood
offerings at
www.visityerbabuena.org.

YBCBD BOARD OF DIRECTORS

BOARD CHAIR:
Regina Flanagan, Resident

BOARD VICE-CHAIR:
Matt Field, TMG Partners

SECRETARY/TREASURER:
Lawrence Li, SPUR

- Heather Almond**, Westfield San Francisco Centre
- Ray Bobbitt**, City Nights
- John Brown**, Fifth and Mission Garage
- Joe Brennan**, SFMOMA
- Denise Childs**, Contemporary Jewish Museum
- Geoffrey Cousineau**, San Francisco Marriott Marquis
- David Crosson**, California Historical Society
- Carolyn Diamond**, Market Street Association
- John Elberling**, TODCO
- Saul Feldman**, Resident
- Paul Lamb**, Rocket Postcards & Nomad Printing
- Tim Leonoudakis**, City Park
- Rhiannon MacFadyen**, Catharine Clark Gallery
- Noushin Mofakham**, South of Market Child Care Center
- John Noguchi**, The Moscone Center
- Carol Perry**, San Francisco Travel Association
- Herman Perez**, W Hotel
- Cathy Pickering**, San Francisco Redevelopment Agency
- Rick Smith**, Resident
- Eric Tao**, AGI Capital
- Audrey Yamamoto**, ZEUM
- Benjamin Yu**, Forest City Development

YBCBD COMMITTEES

Audit, Community Benefit Fund, Executive, Finance, Marketing,
Nominating, Services, Streets & Public Space

YBCBD STAFF

- Cathy Maupin**, Executive Director
- Paolo Cosulich-Schwartz**, Director of Neighborhood Partnerships
- Richard Ciccarone**, Administration Manager

THANK YOU!

Paolo Cosulich-Schwartz, our Director of Neighborhood Partnerships, left YBCBD in August for a new adventure overseas. A special thank you to Paolo for his infectious optimism, dedication and professionalism as a major contributor to launching and building the YBCBD during the past two years.

YERBA BUENA COMMUNITY
BENEFIT DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

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www.amllp.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yerba Buena Community Benefit District
San Francisco, California

We have audited the accompanying statements of net assets of Yerba Buena Community Benefit District (the "District") ("YBCBD") (a California nonprofit, public benefit corporation) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2011 and 2010 and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis ("MD&A") on pages 2 through 7 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Armanino McKenna LLP
ARMANINO MCKENNA LLP

September 20, 2011



YERBA BUENA COMMUNITY BENEFIT DISTRICT
Management's Discussion and Analysis
June 30, 2011

This section of Yerba Buena Community Benefit District's ("YBCBD") annual financial report includes some of management's insights and analysis of YBCBD's financial performance for the year.

Introduction to the Basic Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board ("GASB") statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This standard is applicable to YBCBD which acts as the "Owners' Association" to implement, administer and provide the property related services, improvements and activities to be funded by special assessments that the City of San Francisco (the "City") has levied on identified parcels of real property included within the property-based business improvement district. YBCBD was created based on majority vote by the residents and businesses within the district.

The financial statements include: the Statement of Net Assets, the Statement of Activities and the Statement of Cash Flows. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain a complete understanding of the financial picture of YBCBD.

Statement of Net Assets: The statement of net assets includes all assets, liabilities and net assets. Assets and liabilities are reported on an accrual basis, as of the statement date.

Statement of Activities: The statement of activities presents the revenues earned and expenses incurred during the year ended on an accrual basis.

Statement of Cash Flows: The statement of cash flows presents the inflows and outflows of cash, summarized by operating, capital and related financing and investing activities. The statements are prepared using the direct method of cash flows, and therefore, present gross rather than net amounts for the year's operating activities.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Management's Discussion and Analysis
June 30, 2011

Analytical Overview

A summary of key financial statement information is used as a basis for reviewing current year results in comparison with the prior year.

Net Assets
As of June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
ASSETS				
Current assets	\$2,491,530	\$2,521,520	\$(29,990)	(1%)
Other non-current assets	2,210	2,210	-	0%
Capital assets	<u>44,102</u>	<u>2,617</u>	<u>41,485</u>	1585%
Total assets	<u>\$2,537,842</u>	<u>\$2,526,347</u>	<u>\$ 11,495</u>	0%
LIABILITIES				
Current liabilities	\$ 168,456	\$ 137,278	\$31,178	23%
FUND BALANCE/NET ASSETS				
Total liabilities and net assets	<u>\$2,537,842</u>	<u>\$2,526,347</u>	<u>\$11,495</u>	0%

Current assets at June 30, 2011 decreased to \$2,491,530 from \$2,521,520 due to a decrease in assessments receivable of \$124,000 as a result of the Districts increased collection efforts offset by an increase in cash of \$94,000. Capital assets increased due to the capitalization of website development costs offset by depreciation. The increase in liabilities is due to timing of invoices and payments. Net assets at June 30, 2011 decreased to \$2,369,386 from \$2,389,069 in 2010 due to expenses in excess of revenue of \$21,404 and interest income of \$1,721. Of note is a decrease in the total amount of assessments due to the organization as a result of parcels being reclassified, re-conveyed, and/or corrected. Refer to the statement of activities discussion below for more information on the changes in net assets.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Management's Discussion and Analysis
June 30, 2011

Operating Results
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenues	\$2,289,346	\$2,299,866	\$ (10,520)	(0%)
Less expenses	<u>2,310,750</u>	<u>1,775,525</u>	<u>535,225</u>	30%
Excess of revenue over expenses (expenses over revenue)	<u>(21,404)</u>	<u>524,341</u>	<u>(545,745)</u>	(104%)
Non-operating revenue				
Interest income	<u>1,721</u>	<u>692</u>	<u>1,029</u>	149%
Change in net assets	(19,683)	525,033	(544,716)	(104%)
Net assets, beginning of year	<u>2,389,069</u>	<u>1,864,036</u>	<u>525,033</u>	28%
Net assets, end of year	<u>\$2,369,386</u>	<u>\$2,389,069</u>	<u>\$ (19,683)</u>	(1%)

Total revenues decreased \$10,520 and total expenses increased \$535,225. The result was a net decrease in operating results of \$545,745 from 2010. Assessment revenue decreased slightly from \$2,269,640 in 2010 to \$2,255,659 in fiscal year 2011 due to parcels being reclassified, re-conveyed, or corrected. Expenses increased significantly as several programs were put into place and up and running most of fiscal year 2011. These included a neighborhood-wide event, the neighborhood branding campaign, the development of a long-term plan to improve the streets and public space in the neighborhood, and the addition of two staff members.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Management's Discussion and Analysis
June 30, 2011

Revenues
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenues				
Assessments, net	\$2,255,659	\$2,269,640	\$(13,981)	(1%)
Contributed services	26,342	30,226	(3,884)	(13%)
Other revenues	<u>7,345</u>	<u>-</u>	<u>7,345</u>	100%
Total revenues	<u>\$2,289,346</u>	<u>\$2,299,866</u>	<u>\$(10,520)</u>	(0%)

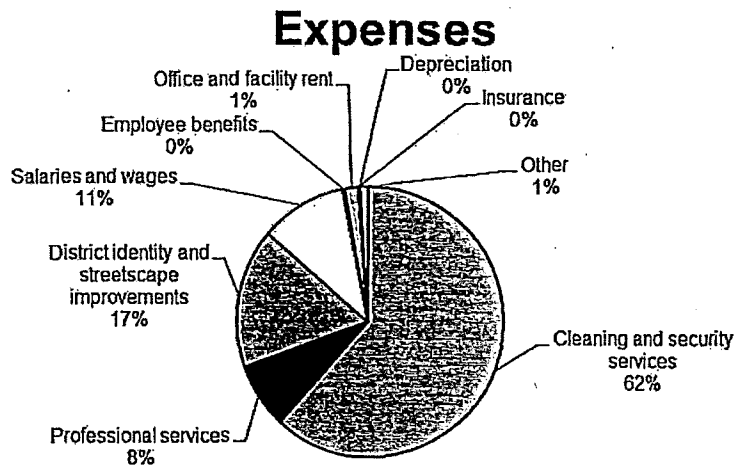
Total revenue decreased by \$10,520 from fiscal year 2010 to June 30, 2011. Assessment revenue decreased \$13,981 as a result of parcels being reclassified, re-conveyed, or corrected. All in-kind contributions in fiscal year June 30, 2011 were related to operational activities, such as donated meeting space, donated food for meetings, and donated furniture and equipment.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
 Management's Discussion and Analysis
 June 30, 2011

Expenses
For the Years Ended June 30, 2011 and 2010

Expenses	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Cleaning and security services	\$1,426,743	\$1,301,194	\$125,549	10%
District identity and streetscape improvements	385,434	121,077	264,357	218%
Salaries and wages	242,402	51,931	190,471	367%
Employee benefits	4,133	2,286	1,847	81%
Professional services	180,611	219,310	(38,699)	(18%)
Office and facility rent	37,457	50,177	(12,720)	(25%)
Insurance	4,840	5,851	(1,011)	(17%)
Depreciation	782	1,309	(527)	(40%)
Other	28,348	22,390	5,958	27%
Total expenses	<u>\$2,310,750</u>	<u>\$1,775,525</u>	<u>\$535,225</u>	30%

The following is a graphic illustration of expenses:



Expenses during June 30, 2011 for YBCBD were \$535,225 or 30% over 2010. The biggest change from 2010 was in District Identity as the organization developed and launched the neighborhood brand and held a neighborhood-wide one-day fair. Administratively, the organization hired two more staff.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Management's Discussion and Analysis
June 30, 2011

Cash Flows
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Cash provided by				
Operating activities	\$ 135,103	\$ 367,260	\$(232,157)	(63%)
Capital and related financing activities	(42,267)	(2,255)	(40,012)	(1774%)
Investing activities	<u>1,721</u>	<u>692</u>	<u>1,029</u>	149%
Net change in cash and cash equivalents	<u>94,557</u>	<u>365,697</u>	<u>(271,140)</u>	(74%)
Cash and cash equivalents				
Beginning of year	<u>1,983,140</u>	<u>1,617,443</u>	<u>365,697</u>	23%
End of year	<u>\$2,077,697</u>	<u>\$1,983,140</u>	<u>\$ 94,557</u>	5%

Cash provided by operating activities was \$232,157 or 63% below fiscal year 2010. The decrease is due to the fact that YBCBD increased its activities during fiscal year 2011 as discussed above.

Capital Assets, Net
As of June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Capital assets				
Equipment	\$ 1,823	\$1,823	\$ -	0%
Computer hardware	2,255	2,255	-	0%
Website development costs	<u>42,267</u>	<u>-</u>	<u>42,267</u>	100%
Total	46,345	4,078	42,267	1036%
Less accumulated depreciation	<u>(2,243)</u>	<u>(1,461)</u>	<u>(782)</u>	(54)%
Net capital assets	<u>\$44,102</u>	<u>\$2,617</u>	<u>\$41,485</u>	1585%

As of June 30, 2011, YBCBD had recorded \$46,325 in gross capital assets, \$2,243 in accumulated depreciation and \$44,102 in net capital assets. The increase in net capital assets was due to website development costs being capitalized during the current year.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Statements of Net Assets
June 30, 2011 and 2010

	2011			2010		
	General Fund	Adjustments	Statement of Net Assets	General Fund	Adjustments	Statement of Net Assets
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,077,697	\$ -	\$ 2,077,697	\$ 1,983,140	\$ -	\$ 1,983,140
Assessment receivables, net	409,271	-	409,271	533,990	-	533,990
Prepaid expenses	4,562	-	4,562	4,390	-	4,390
Total current assets	<u>2,491,530</u>	<u>-</u>	<u>2,491,530</u>	<u>2,521,520</u>	<u>-</u>	<u>2,521,520</u>
Capital assets						
Equipment	-	1,823	1,823	-	1,823	1,823
Computer hardware	-	2,255	2,255	-	2,255	2,255
Website development	-	42,267	42,267	-	-	-
	-	46,345	46,345	-	4,078	4,078
Less accumulated depreciation	-	(2,243)	(2,243)	-	(1,461)	(1,461)
Net capital assets	-	<u>44,102</u>	<u>44,102</u>	-	<u>2,617</u>	<u>2,617</u>
Deposit	2,210	-	2,210	2,210	-	2,210
Total assets	<u>\$ 2,493,740</u>	<u>\$ 44,102</u>	<u>\$ 2,537,842</u>	<u>\$ 2,523,730</u>	<u>\$ 2,617</u>	<u>\$ 2,526,347</u>
LIABILITIES						
Current liabilities						
Accounts payable	\$ 163,552	\$ -	\$ 163,552	\$ 121,708	\$ -	\$ 121,708
Accrued expenses	4,904	-	4,904	15,570	-	15,570
Total liabilities	<u>168,456</u>	<u>-</u>	<u>168,456</u>	<u>137,278</u>	<u>-</u>	<u>137,278</u>
FUND BALANCES AND NET ASSETS						
Fund balances						
Unreserved	2,325,284	(2,325,284)	-	2,386,452	(2,386,452)	-
Total fund balances	<u>2,325,284</u>	<u>(2,325,284)</u>	<u>-</u>	<u>2,386,452</u>	<u>(2,386,452)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,493,740</u>			<u>\$ 2,523,730</u>		
Net assets						
Unrestricted		2,325,284	2,325,284		2,386,452	2,386,452
Invested in capital assets		44,102	44,102		2,617	2,617
Total net assets		<u>2,369,386</u>	<u>2,369,386</u>		<u>2,389,069</u>	<u>2,389,069</u>
Total liabilities and net assets		<u>\$ 44,102</u>	<u>\$ 2,537,842</u>		<u>\$ 2,617</u>	<u>\$ 2,526,347</u>

The accompanying notes are an integral part of these financial statements.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
 Statements of Activities
 For the Years Ended June 30, 2011 and 2010

	2011			2010		
	General Fund	Adjustments	Statement of Activities	General Fund	Adjustments	Statement of Activities
Revenues						
Assessments, net	\$ 2,255,659	\$ -	\$ 2,255,659	\$ 2,269,640	\$ -	\$ 2,269,640
Other revenue	33,687	-	33,687	30,226	-	30,226
Total revenues	<u>2,289,346</u>	<u>-</u>	<u>2,289,346</u>	<u>2,299,866</u>	<u>-</u>	<u>2,299,866</u>
Expenditures/expenses						
Cleaning and security services	1,426,743	-	1,426,743	1,301,194	-	1,301,194
Professional services	180,611	-	180,611	219,310	-	219,310
District identity and streetscape improvements	385,434	-	385,434	121,077	-	121,077
Salaries and wages	242,402	-	242,402	51,931	-	51,931
Employee benefits	4,133	-	4,133	2,286	-	2,286
Office and facility rent	37,457	-	37,457	50,177	-	50,177
Insurance	4,840	-	4,840	5,851	-	5,851
Capital outlay	42,267	(42,267)	-	2,255	(2,255)	-
Depreciation	-	782	782	-	1,309	1,309
Other	28,348	-	28,348	22,390	-	22,390
Total expenditures/expenses	<u>2,352,235</u>	<u>(41,485)</u>	<u>2,310,750</u>	<u>1,776,471</u>	<u>(946)</u>	<u>1,775,525</u>
Excess of revenues over expenditures (expenditures over revenue) / operating income (loss)	<u>(62,889)</u>	<u>41,485</u>	<u>(21,404)</u>	<u>523,395</u>	<u>946</u>	<u>524,341</u>
Non-operating revenues						
Interest income	1,721	-	1,721	692	-	692
Change in net assets	(61,168)	41,485	(19,683)	524,087	946	525,033
Fund balances/net assets, beginning of year	<u>2,386,452</u>	<u>2,617</u>	<u>2,389,069</u>	<u>1,862,365</u>	<u>1,671</u>	<u>1,864,036</u>
Fund balances/net assets, end of year	<u>\$ 2,325,284</u>	<u>\$ 44,102</u>	<u>\$ 2,369,386</u>	<u>\$ 2,386,452</u>	<u>\$ 2,617</u>	<u>\$ 2,389,069</u>

The accompanying notes are an integral part of these financial statements.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
 Statements of Cash Flows
 For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Receipts from assessments	\$ 2,402,910	\$ 2,080,514
Payments to suppliers	(2,002,738)	(1,662,634)
Payments to employees	(242,537)	(52,531)
Other cash flow	(22,532)	1,911
Net cash provided by operating activities	135,103	367,260
Cash flows from capital and related financing activities		
Acquisition of capital assets	(42,267)	(2,255)
Net cash used in capital and related financing activities	(42,267)	(2,255)
Cash flows from investing activities		
Interest income	1,721	692
Net cash provided by investing activities	1,721	692
Net change in cash and cash equivalents	94,557	365,697
Cash and cash equivalents, beginning of year	1,983,140	1,617,443
Cash and cash equivalents, end of year	\$ 2,077,697	\$ 1,983,140
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	\$ (21,404)	\$ 524,341
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	782	1,309
Changes in assets and liabilities		
Accounts receivable	124,719	(187,215)
Prepaid expenses and other	(172)	(1,786)
Accounts payable	41,844	32,297
Accrued liabilities	(10,666)	(1,686)
Net cash provided by operating activities	\$ 135,103	\$ 367,260

The accompanying notes are an integral part of these financial statements.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Notes to Financial Statements
June 30, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies

Organization

The Yerba Buena Community Benefit District (the "District") ("YBCBD") is a California nonprofit public benefit corporation whose purpose is to create an ideal place for people to live, work, study and visit the District through programs that 1) improve safety and security, 2) enhance cleanliness and neighborhood greening and 3) increase economic vitality.

The District entered into an agreement with the City and County of San Francisco ("City") by and through the Office of Economic and Workforce Development ("OEWD") and pursuant to Sections 36614.5 and 36651 of the California Streets and Highways Code, to implement, administer and provide the property-related services, improvements and activities to be funded by special assessments the City has levied on identified parcels of real property included within the property-based business improvement district known as the Yerba Buena Community Benefit District.

The agreement commenced with the levy and collection of assessments on the properties located within the district with the fiscal year 2008-2009 and will terminate with the fiscal year 2014-2015.

Basis of presentation

The financial statement presentation, required by the Governmental Accounting Standards Board ("GASB") Statements No. 34, 37 and No. 38 provides a full accrual basis, comprehensive, entity-wide perspective of the District's assets and liabilities, results of operations and cash flows. YBCBD follows the single governmental program reporting requirements of GASB Statement No. 34 and as such presents a combined institutional wide and governmental fund statement of net assets.

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those are reported as expenditures in the general fund. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Assessment revenue recognition

The District's operating revenue consists primarily of special assessments levied by the City. In accordance with GASB 33, revenue is recognized on the assessment date, net of any uncollectable amounts and refunds. The estimated uncollectable amount charged to revenue was \$106,227 and \$145,224 for the years ended June 30, 2011 and 2010, respectively.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Notes to Financial Statements
June 30, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (continued)

Contributed services

As allowed under GASB, contributed services are donated goods and services that would typically need to be purchased if not donated and are recognized in the accompanying financial statements as contributed service revenue at their estimated fair value. The District's 2011 and 2010 contributed service revenue primarily relates to the donated use of facilities.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and related disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates and estimates can change in light of new circumstances.

Cash and cash equivalents

The District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The District places its cash and temporary cash investments with high credit quality institutions. Periodically, such investments may be in excess of federally insured limits.

Assessment receivables

Assessment receivables are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is maintained, based on past experiences and other circumstances. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is considered remote. The allowance for doubtful accounts was \$267,916 and \$290,448 at June 30, 2011 and 2010, respectively.

Capital assets

Furniture, fixtures and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of three years. Depreciation and amortization expense amounted to \$782 and \$1,309 for June 30, 2011 and 2010, respectively.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Notes to Financial Statements
June 30, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (continued)

Advertising and promotion expenses

The District expenses advertising costs as incurred. Advertising expense totaled \$52,512 and \$513 for the years ended June 30, 2011 and 2010, respectively.

Income taxes

The District is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and from California Franchise taxes under Revenue and Taxation Code Section 23701d. The District has evaluated its current tax positions and has concluded that as of June 30, 2011 and 2010, the District does not have any significant uncertain tax positions for which a reserve would be necessary.

2. Commitments

The District has entered into operating leases for its office space that expire in August 2015. Rent under the agreements is expensed as incurred to operations over the terms of the leases. Future minimum lease payments under these leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2012	\$ 23,728
2013	24,622
2014	25,569
2015	<u>26,516</u>
	<u>\$100,435</u>

3. Contributed Services

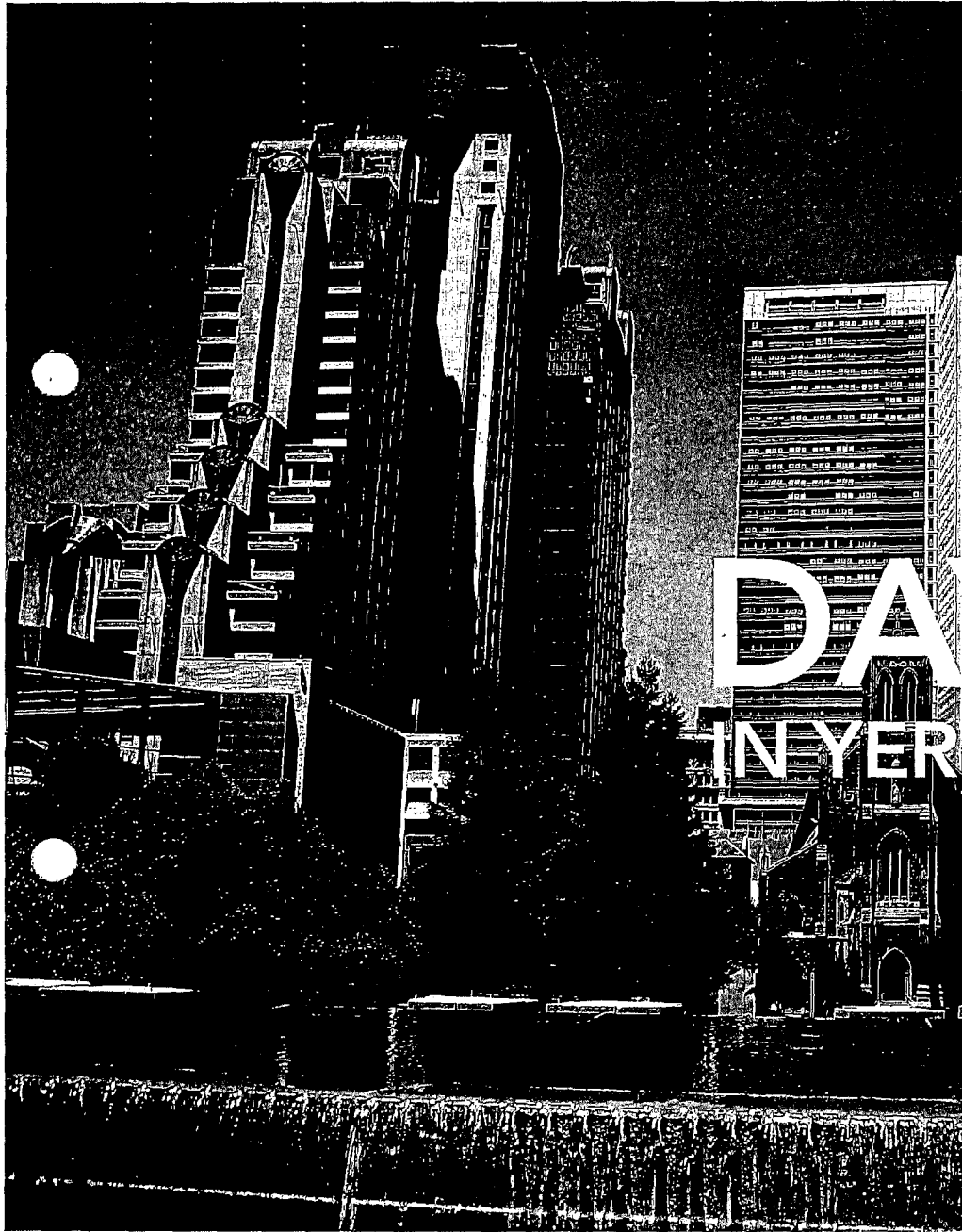
The corresponding expenses relate to donated services for the year ended June 30:

	<u>2011</u>	<u>2010</u>
Facility rental	\$16,547	\$26,151
Accounting services	9,795	-
Legal consultation	<u>-</u>	<u>4,075</u>
Total	<u>\$26,342</u>	<u>\$30,226</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
Notes to Financial Statements
June 30, 2011 and 2010

4. Grants Expense

The District's Management Plan requires the distribution of annual grants to community organizations providing services in the District that support the improvement and activities of the YBCBD. The District awards up to \$175,000 per year to projects that benefit the neighborhood and support the goals of the YBCBD. The District recognizes the expense in the period the grant becomes unconditional. The District recognized grants expense of \$165,000 and \$0 during the years ended June 30, 2011 and 2010, respectively, and is included in district identity and streetscape improvements expense in the statements of activities.



2011-2012 ANNUAL REPORT

DAY & NIGHT

IN YERBA BUENA



YERBA BUENA IS A 24/7 NEIGHBORHOOD
ENJOYED BY ALL AGES DAY AND NIGHT.

IN YERBA BUENA

Yerba Buena is a 24/7 neighborhood enjoyed by all ages day and night. As the City's most dynamic neighborhood continues to evolve, grow and excite, the Yerba Buena Community Benefit District (YBCBD) works tirelessly to make the district even better. Our commitment to improving the district requires constant meticulous attention. Our core cleaning and safety services continue to be important to attract business, residents and visitors who support our amazing collection of cultural, retail, dining, hotel, education and other entities that make Yerba Buena the place to be in San Francisco.

In addition to delivering core services, our accomplishments in other areas for this fiscal year were significant. In the past 12 months, we have implemented new programs that add vibrancy, livability and interest to the experience here day and night.

We unveiled our award-winning Yerba Buena Street Life Plan — a vision and road map for public spaces in Yerba Buena to direct projects that facilitate vibrant social interaction and promote pedestrian life, safety, beauty, and community pride. As part of this plan, we designed and installed six mobile parklets to add greenery to the neighborhood. We are debuting new bicycle racks and benches this year to continue to improve the neighborhood experience for residents and visitors.

Marketing and branding efforts encouraged people to support our diverse offerings and to create a sense of neighborhood. Building upon our See What Comes Together campaign to highlight Yerba Buena's dynamic character, we launched our neighborhood website to attract visitors and draw attention to events, businesses, news and history. We partnered with neighborhood businesses and museums to host Yerba Buena Family Day. The YBCBD held its first annual

Yerba Buena Night, an outdoor event of free art, music and food enjoyed by more than 5,000 people. We kicked off two monthly events to bring people together in the neighborhood – Arts in Dialogue, a series of performances, discussions, and workshops; and Third Thursday's, featuring special events at galleries and museums as well as special offers at restaurants.

I'm also proud of the contributions made through our Community Benefit Fund to organizations that improve Yerba Buena, including 14 nonprofits in the last fiscal year. This support is in keeping with the spirit and culture of Yerba Buena and helps us to achieve our mission of improving the quality of life here.

The positive momentum in our neighborhood is occurring because of the invaluable support and collaboration of our staff, dozens of volunteers who give their time and immense talent to our Board and committees, and a community that cares deeply about its neighborhood. Our commitment to improve Yerba Buena has never been stronger and the year ahead holds great promise for continued progress in what has become one the City's most dynamic neighborhoods — during the day and at night. Thank you for supporting the Yerba Buena Community Benefit District.



Sincerely,

A handwritten signature in black ink, appearing to read 'M. Field', written in a cursive style.

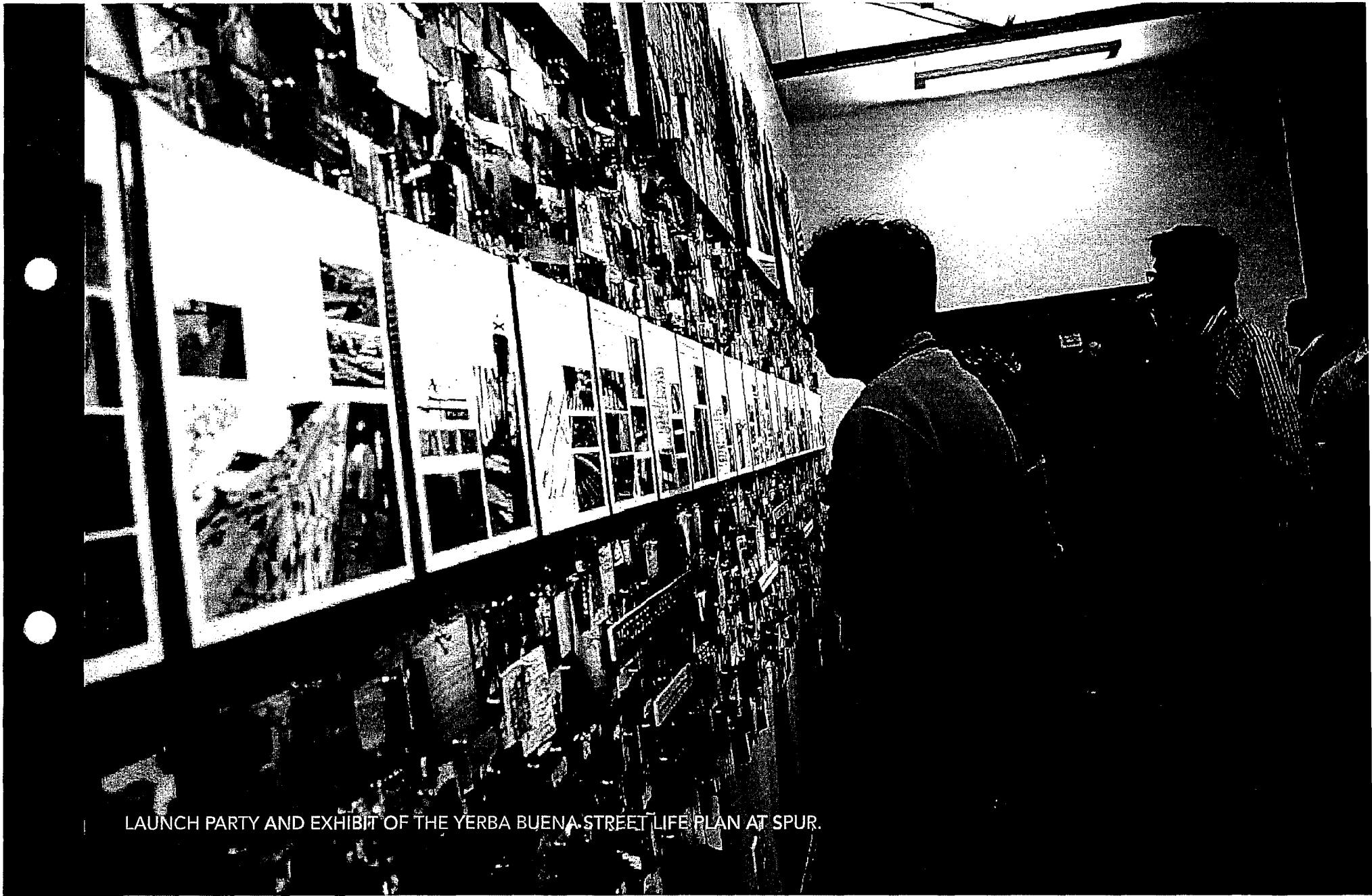
Matt Field

Managing Director, TMG Partners
Chair, YBCBD Board of Directors



DAY

FAMILY SCIENCE FAIR SPONSORED BY THE YCBCD



LAUNCH PARTY AND EXHIBIT OF THE YERBA BUENA STREET LIFE PLAN AT SPUR.

MISSION

The YBCBD will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

SERVICES + PROGRAMS

DISPATCH SERVICES. Call 415-543-9223 for non-emergency services, such as public area cleaning and maintenance issues, and social services outreach. Staffed every day, 24 hours a day.

COMMUNITY GUIDES. Our goodwill ambassadors help tourists, provide information on local businesses, and report maintenance and safety concerns. Up to six guides work weekdays 6 a.m. to midnight, 7 days a week.

POLICE DEPARTMENT BIKE PATROL. An officer dedicated to the area supplements existing police services for 10 hours daily.

CLEAN TEAM. Our team steam cleans & sweeps sidewalks, removes graffiti, and paints poles, mail boxes & fire plugs. We sweep gutters, weed trees and empty overflowing trash receptacles. The team is staffed every day from 6:30 a.m. 9:00 p.m.

MARKETING AND BRANDING. Programs promote the neighborhood to create a sense of place to support our economic base and help improve quality of life.

COMMUNITY SUPPORT AND CONNECTIONS. Grants from our Community Benefit Fund support nonprofits that improve the quality of life in the district are awarded biannually.

BEAUTIFICATION. The Streets & Public Space Committee focuses on short- and long-term neighborhood streetscape improvements.

DISTRICT MANAGEMENT. A non-profit management corporation administers the YBCBD and is governed by a Board that represents a diversity of stakeholders and areas of the neighborhood.



THE YCBCD SPONSORS PROGRAMS THAT OFFER SAFETY,
ART, AND COMMUNITY IDENTITY.

2011-2012 FISCAL YEAR ACCOMPLISHMENTS

YERBA BUENA – A 24/7 NEIGHBORHOOD

Day and night, Yerba Buena is the City's most dynamic neighborhood. The district stretches from Second to Fifth and Market to Harrison Streets with world-class museums, shopping, dining, convention space, hotels, nightlife, and educational institutions. Senior housing blends with live/work lofts and luxury condominiums. During the last fiscal year, YBCBD projects and programs improved the neighborhood and established the foundation of an even better place for residents, workers, students, businesses and visitors.

BRINGING PEOPLE TOGETHER

The more reasons we give to bring people together in Yerba Buena during the day and night, the more it will thrive. We launched a dynamic new neighborhood website VisitYerbaBuena.org to help people of all ages find events, programs, shopping, dining and recreation in the district. The site also connects people through Facebook and Twitter. We partnered with neighborhood businesses and museums to host Yerba Buena Family Day, which brings thousands of children to the area. YBCBD's first annual Yerba Buena Night, an outdoor event of free art, music and food, brought the neighborhood alive from Market to Howard and adjacent streets. We kicked off Arts in Dialogue, a monthly series presenting performances, discussions and workshops. Our Third Thursday's program draws attention to special events

at galleries and restaurants every month. These programs are helping reinforce the district as a vibrant destination and place to live. Monthly e-newsletter and quarterly news bulletins encourage participation in YBCBD offerings.

IMPROVING OUR STREETSCAPES

YBCBD's Streets & Public Space Committee, working with the community, City agencies and CMG Landscape Architecture, unveiled the Yerba Buena Street Life Plan. The plan is a vision and road map for public space in Yerba Buena that will be used by YBCBD during the next decade to direct projects that facilitate vibrant social interaction and promote pedestrian life, safety, beauty, and community pride throughout the day and in the evening.

The plan includes more than 30 ideas for projects. As part of the plan six Parkmobiles— mobile gardens with landscaping and seating — were placed in parts of our neighborhood. Artful new bike racks and new seating were designed and will begin appearing in 2012. The plan also received the American Society of Landscape Architects Northern California Chapter 2012 Merit Award for Research, Planning, Analysis and Communication.

SUPPORTING LOCAL NONPROFITS

To support nonprofit projects and events that improve Yerba Buena, we merged our event sponsorship program with the Community Benefit Fund to create one grant mechanism for the organization. The fund provides small grants to groups that help achieve the YBCBD's mission. Fourteen grants were provided in the last fiscal year to a diversity of groups that conduct activities that add vibrancy to Yerba Buena day and night. For example, the Children's Creativity Museum received a grant for its Creative Inspiration Through Youth (CITY) Teen Program, a leadership, mentoring and life skills effort. Funds supported the design and installation of a mural by Renaissance Entrepreneurship Center on Fifth Street. Grants went to Urban Table to support a Farmer's Market on Yerba Buena Lane, to the Market Street Association for snowflake lighting during the holidays and to the Filipino-American Development Foundation for the Parol Lantern Festival & Parade — an evening event celebrating Filipino folk and art.

KEEPING YERBA BUENA CLEAN AND SAFE

A variety of coordinated services improve Yerba Buena's cleanliness and safety from early morning to late in the evening. Our Clean Team is on the job from 6:30 a.m.-9:00 p.m. every day. In the last fiscal year, they responded to more than 8,200 requests for sidewalk sweeping, steam cleaning and spot cleaning. The Clean Team also removed more than 2,600 graffiti tags, stickers and flyers, and addressed more than 900 overflowing trashcans. Our Community Guides, who work from 6:00 a.m.-midnight, report maintenance and security issues and are goodwill ambassadors in the neighborhood to connect individuals in need to social services, help tourists and provide information on local businesses. In the fiscal year, they conducted meet and greets with more than 5,700 business people and residents, assisted nearly 4,000 visitors and residents and addressed more than 2,000 incidents of aggressive panhandling. The additional San Francisco Police Department bike patrol officers we fund work 10-hour shifts daily and provide an important responder and reassuring presence in the district. These service providers collaborate to address issues that impact the well being of the people and economic viability of the district.

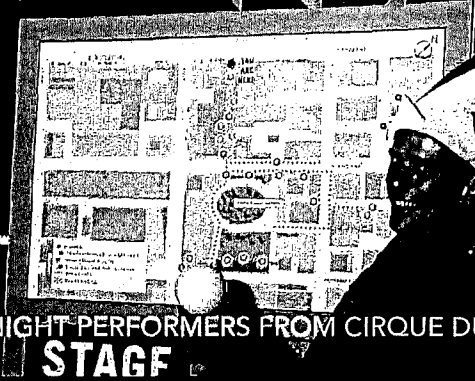


NIGHT

YERBA BUENA NIGHT ARTIST GRUPO SAMBA RIO.

The Yerba Buena Community Benefit District Presents

YERBA BUENA NIGHT



YERBA BUENA NIGHT PERFORMERS FROM CIRQUE DU SOLEIL.
STAGE

YERBA BUENA NIGHT HOSTED 3 MAIN STAGES,
6 PERFORMANCE AREAS, AND A NEW MEDIA LOUNGE.

LADY CHI FROM SUPPERCLUB SF LIGHTS UP
THE YERBA BUENA NIGHT.



ARTS IN DIALOGUE PANEL DISCUSSION ON
"HOW WE DATE NOW" AT THE W HOTEL.



PERFORMER FROM SUPPERCLUB SF IN ANNIE ALLEY FOR
THE ARTS IN DIALOGUE SERIES.



ARTS IN DIALOGUE
DANCE PERFORMANCE FEATURING
THEATRE FLAMENCO ON MINNA STREET



EVERY DAY & NIGHT

THE YERBA BUENA DISTRICT OFFERS A WIDE RANGE OF RESTAURANTS, MUSEUMS, SHOPS,
AND GALLERIES AVAILABLE FOR ALL TO ENJOY – EVERY DAY.

BUDGET + BALANCE SHEET

JULY 2011-JUNE 2012 ACTUALS

INCOME	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Assessments	\$2,387,107	\$2,345,852	\$41,255
Fundraising/In-Kind	\$162,813	\$125,476	\$37,337
Interest Income	\$1,647	\$5,000	-\$3,353
Carryover	—	\$776,762	—
TOTAL INCOME	\$2,551,567	\$3,253,090	\$75,239
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Administration	\$336,513	\$354,585	-\$18,072
SOBO	\$1,739,034	\$2,244,908	-\$505,874
DISI	\$339,726	\$433,373	-\$93,647
Contingency	\$45,000	\$220,224	-\$175,224
TOTAL EXPENSES	\$2,460,272	\$ 3,253,090	\$(792,818)
NET INCOME	\$91,295	—	—

JULY 2011-JUNE 2012 BALANCE SHEET

ASSETS	
Cash In Bank	\$2,553,515
Accounts Receivable, Net	\$37,065
Other	\$41,544
TOTAL ASSETS	\$2,632,124
LIABILITIES	
Accounts Payable	\$122,142
Other Liabilities	\$49,302
TOTAL LIABILITIES	\$171,444
TOTAL NET ASSETS (CARRYOVER)	\$2,460,680
TOTAL LIABILITIES & EQUITY	\$2,632,124

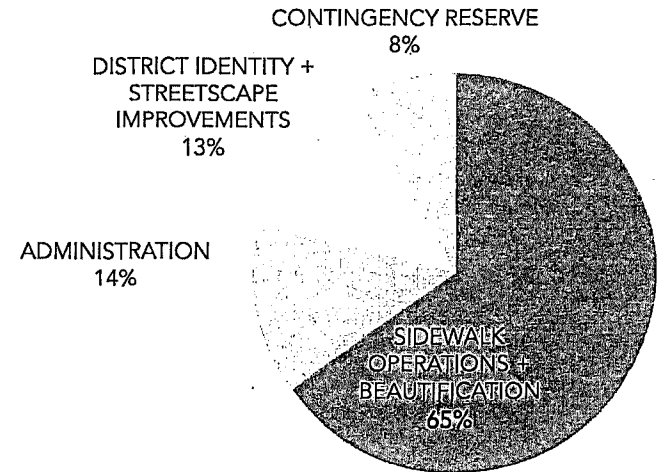
JULY 2012-JUNE 2013 BUDGET

INCOME

Assessments	\$2,387,107
Fundraising/In-Kind	\$125,476
Interest Income	\$1,000
Release from Restriction	\$589,159
TOTAL INCOME	\$3,102,742

EXPENSES

Administration	\$344,938
Sidewalk Operations & Beautification	\$2,149,364
District Identity & Streetscape Improvement	\$388,216
Contingency/Reserve	\$220,224
TOTAL EXPENSES	\$3,102,742



FY 2012-2013 BUDGET

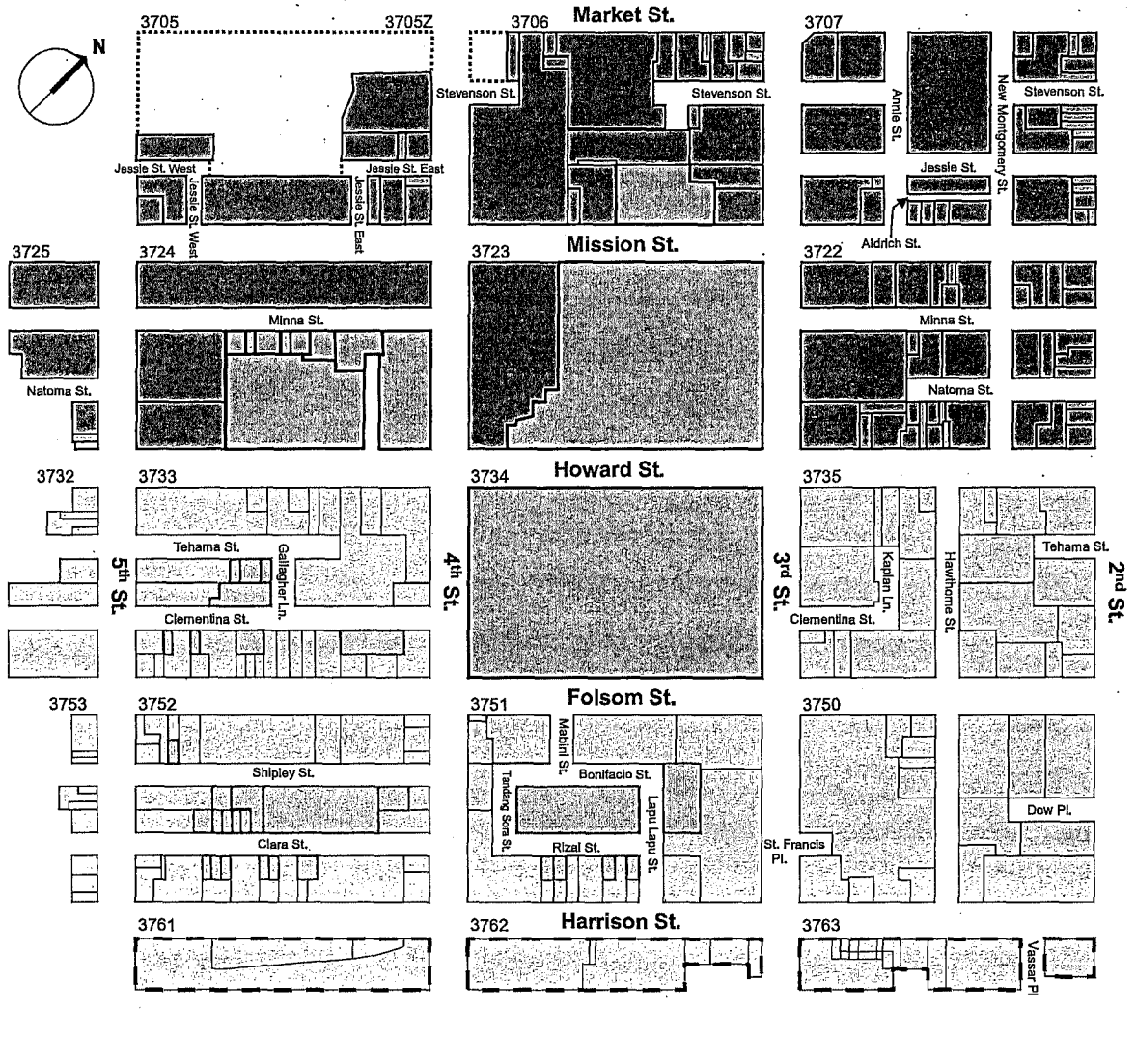
PROJECTED CARRYOVER DISBURSEMENT

CARRYOVER	AS OF 6.30.12	TO BE USED IN FY 2012-2013	TO BE USED IN FUTURE YEARS
Administration	\$120,187	—	—
Sidewalk Operations & Beautification	\$1,397,795	\$516,659	\$120,187
District Identity & Streetscape Improvement	\$226,605	\$72,500	\$881,136
Contingency/Reserve	\$716,093	—	\$716,093
TOTAL CARRYOVER DISBURSEMENT	\$2,460,680	\$589,159	\$1,871,521

AREA MAP OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and luxury condominiums.

It is the most dynamic neighborhood in the City—a celebration of San Francisco's eclectic backbone stretching from Second to Fifth and Market to Harrison Streets.



ASSESSMENT METHODOLOGY

YBCBD is funded through an annual assessment from business and property owners. Annual assessments are based on one or more of the following four property factors:

- Linear frontage (sidewalk frontage)
- Gross building square footage
- Location in a particular benefit zone
- Property usage

There are five benefit zones in the YBCBD. The creation of the benefit zones was based upon the level of special services desired by property owners by use, the type of special services needed in the zone, and the intensity of use in the public right of way in the specific zone.

ASSESSMENT CALCULATION

The annual assessment is calculated by multiplying the gross square footage of the property by the square footage fee for a property's zone and use (condominium or commercial). If the property has linear frontage an additional fee is calculated by taking the total linear frontage of the property and multiplying by the frontage fee for the property's zone.

For example, a commercial property in Zone 1 of 1,000 gross square feet and with 10 feet of linear frontage would calculate their assessment as follows:

Zone 1 Commercial property fee (\$0.076) x 1,000 FT² = \$76.00

Zone 1 Frontage fee (\$15.30) x 10 linear feet = \$153.00

Add the two together to get the total assessment of \$229.00.

	CONDO FEE / FT ²	COMMERCIAL PROP. FEE / FT ²	FRONTAGE FEE / LINEAR FT.
Zone 1	\$0.215	\$0.076	\$15.30
Zone 2	\$0.215	\$0.045	\$10.30
Zone 3	\$0.215	\$0.022	\$5.20
Zone 4	—	—	\$38.40
Zone 5	—	—	\$10.30

YBCBD BOARD OF DIRECTORS

BOARD CHAIR:
Matt Field, TMG Partners
BOARD VICE-CHAIR:
Eric Tao, AGI Capital
SECRETARY/TREASURER:
Lawrence Li, SPUR

BOARD MEMBERS

Heather Almond,
Westfield San Francisco Centre
Kevin Best, B Restaurant
Ray Bobbitt, City Nights
John Brown, Fifth and
Mission Garage

YBCBD COMMITTEES

Audit, Community Benefit
Fund, Executive, Finance, Fund
Development, Marketing,
Nominating, Services, Streets
& Public Space

YBCBD STAFF

Cathy Maupin, Executive Director
Andrew Robinson, Director
of Neighborhood Partnerships
Richard Ciccarone, Administration
Director

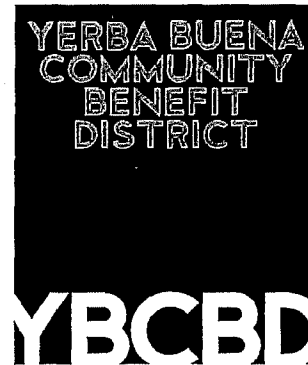
Joe Brennan, SFMOMA
Angela Carrier,
California Historical Society
Denise Childs, Contemporary
Jewish Museum
Geoffrey Cousineau,
San Francisco Marriott
Carolyn Diamond,
Market Street Association
David Dore, City College of San
Francisco
John Elberling, TODCO
Saul Feldman, Resident
Regina Flanagan, Resident
Paul Lamb, Rocket Postcards
& Nomad Printing

COMMUNITY SUPPORT

YBCBD would like to thank the individuals and organizations below for their financial contributions and in-kind support. Their generosity allowed us to exceed our fundraising goals and to improve the district.

Armanino McKenna, B Restaurant, Barbara McMillin, BitMover, California Historical Society, Cathy Maupin, City Park, CMG Landscape Architecture, Gardener's, Guild, Hadley Media, Intersection for the Arts, KFOG, METREON, Recology, Red Bull, Rick Smith, San Francisco Marriott Marquis, SFMOMA, SPUR, Target, W Hotel, Westfield, Whole Foods SOMA, Yerba Buena Center for the Arts.

Rhiannon MacFadyen,
Catharine Clark Gallery
Noushin Mofakham, South
of Market Child Care Center
Michael Nobleza, Children's
Creativity Museum
John Noguchi,
The Moscone Center
Akop Paronyan, W Hotel
Carol Perry, San Francisco
Travel Association
Cathy Pickering, San Francisco
Redevelopment Agency
Spencer Sechler, City Park
Rick Smith, Resident
Benjamin Yu, Forest City
Development



5 Third Street, Suite 914
San Francisco, CA 94103
T 415.644.0728
F 415.644.0751
e info@ybcbd.org
w www.ybcbd.org

IMPORTANT NUMBERS AND LETTERS

YBCBD DISPATCH:

415-543-9223. Contact us
for non-emergency services,
public area cleaning and
maintenance issues, and
social services outreach.

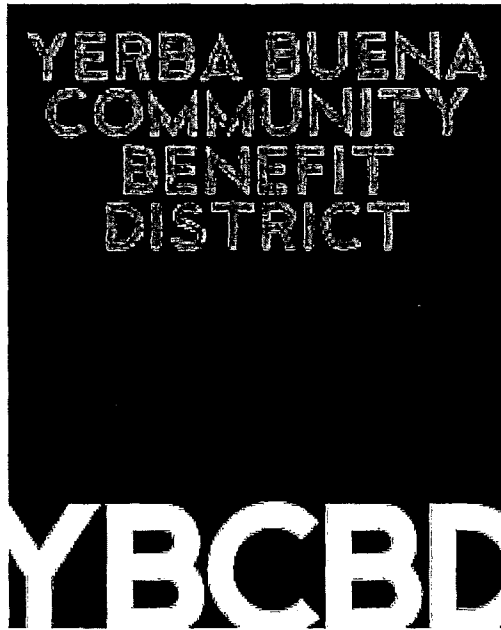
EMERGENCY SERVICES:

Call 9-1-1.

Learn more about YBCBD
programs and services at
www.ybcbd.org and about
our neighborhood offerings
at www.visityerbabuena.org.



DISTRICT 6 SUPERVISOR JANE KIM, PAST BOARD PRESIDENT REGINA FLANAGAN, AND MAYOR ED LEE DEMONSTRATE THEIR YERBA BUENA PRIDE!



FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2012 and 2011

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LAUTZE & LAUTZE
CPAs & FINANCIAL ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Directors
YERBA BUENA COMMUNITY BENEFIT DISTRICT
San Francisco, California

We have audited the accompanying statements of financial position of YERBA BUENA COMMUNITY BENEFIT DISTRICT (the YBCBD) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the YBCBD's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the YBCBD as of June 30, 2011, were audited by other auditors whose report dated September 20, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YERBA BUENA COMMUNITY BENEFIT DISTRICT as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lautze & Lautze

San Francisco, California
August 29, 2012

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF FINANCIAL POSITION

June 30,

	2012	2011
ASSETS		
Cash and cash equivalents	\$ 2,553,515	\$ 2,077,697
Assessments receivable, net	82,065	409,271
Prepaid expenses	11,073	6,772
Capital assets, net	52,578	44,102
Total assets	\$ 2,699,231	\$ 2,537,842
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 159,924	\$ 162,751
Accrued benefits	11,521	5,705
Total liabilities	171,445	168,456
 Commitments		
Net assets:		
Unrestricted	2,512,786	2,369,386
Temporarily restricted	15,000	-
Total net assets	2,527,786	2,369,386
Total liabilities and net assets	\$ 2,699,231	\$ 2,537,842

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total Unrestricted
Revenue, gains and other support:				
Assessment revenue	\$ 2,405,445	\$ -	\$ 2,405,445	\$ 2,255,659
Contributions	99,831	-	99,831	28,302
Grants	25,500	15,000	40,500	-
Interest and other income	4,304	-	4,304	1,721
Special events income	1,487	-	1,487	5,385
Total revenue, gains and other support	<u>2,536,567</u>	<u>15,000</u>	<u>2,551,567</u>	<u>2,291,067</u>
Expenses:				
Program services	2,052,230	-	2,052,230	1,905,566
Supporting services:				
Management and administrative	312,240	-	312,240	390,157
Fundraising	28,697	-	28,697	15,027
Total expenses	<u>2,393,167</u>	<u>-</u>	<u>2,393,167</u>	<u>2,310,750</u>
Change in net assets	143,400	15,000	158,400	(19,683)
Net assets:				
Beginning of year	<u>2,369,386</u>	<u>-</u>	<u>2,369,386</u>	<u>2,389,069</u>
End of year	<u>\$ 2,512,786</u>	<u>\$ 15,000</u>	<u>\$ 2,527,786</u>	<u>\$ 2,369,386</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2012

	Program Services			Supporting Services		
	Sidewalk Operations and Beautification	District Identity and Streetscape Improvements	Total	Management and Administrative	Fundraising	Total
Cleaning services	\$ 568,032	\$ -	\$ 568,032	\$ -	\$ -	\$ 568,032
Community guides	455,580	-	455,580	-	-	455,580
Police services	332,881	-	332,881	-	-	332,881
Salaries and benefits	66,866	53,041	119,907	134,636	19,529	274,072
Grants	130,000	49,200	179,200	-	-	179,200
Greening	123,147	-	123,147	-	-	123,147
Consulting fees	-	19,215	19,215	77,654	-	96,869
In-kind goods and services	40,495	33,568	74,063	13,956	7,812	95,831
Marketing and branding	1,500	78,019	79,519	5,089	-	84,608
Special events	9,867	72,904	82,771	-	-	82,771
Rent and utilities	-	-	-	34,124	-	34,124
Payroll taxes	4,912	3,900	8,812	8,675	1,356	18,843
Depreciation and amortization	-	-	-	18,052	-	18,052
Office supplies and postage	1,166	3,350	4,516	8,412	-	12,928
Insurance	-	-	-	5,559	-	5,559
Uniforms	3,137	-	3,137	-	-	3,137
Payroll processing fees	-	-	-	2,669	-	2,669
Dues and subscriptions	-	-	-	2,411	-	2,411
Donations and contributions	1,450	-	1,450	60	-	1,510
Other expenses	-	-	-	943	-	943
	<u>\$ 1,739,033</u>	<u>\$ 313,197</u>	<u>\$ 2,052,230</u>	<u>\$ 312,240</u>	<u>\$ 28,697</u>	<u>\$ 2,393,167</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF CASH FLOWS

Years Ended June 30,

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 158,400	\$ (19,683)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	18,052	782
(Increase) decrease in assets:		
Assessments receivable	327,206	124,719
Prepaid expenses	(4,301)	(172)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,827)	27,159
Accrued benefits	5,816	4,019
Net cash provided by operating activities	502,346	136,824
Cash flows from investing activities:		
Purchase of capital assets	(26,528)	(42,267)
Net cash used by investing activities	(26,528)	(42,267)
Net increase in cash and cash equivalents	475,818	94,557
Cash and cash equivalents:		
Beginning of year	2,077,697	1,983,140
End of year	\$ 2,553,515	\$ 2,077,697

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Organization

The Yerba Buena Community Benefit District (the YBCBD) was formed in 2008 by property owners to improve the quality of life in the area by making the area cleaner, safer, and more vibrant. The YBCBD has a contract with the City and County of San Francisco (City) for a term of seven years expiring on December 31, 2015. The YBCBD stretches from about Second to Fifth and Market to Harrison Streets in San Francisco, California.

The YBCBD exists to implement programs to create a neighborhood that is safer, cleaner, greener and a better place to conduct business. These programs and services are funded by district property owners in the Yerba Buena neighborhood.

The YBCBD's mission statement is as follows:

The Yerba Buena Community Benefit District will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

Programs and services provided by the YBCBD are:

- Clean Team - The Clean Team works to improve the appearance and cleanliness of the district daily from 6:00am to 8:30pm. They steam clean all sidewalks in the district twice a month, work daily on sidewalk cleaning and gutter sweeping, and remove trash on a frequent basis. They also pull weeds, clean tree wells, remove graffiti and paint poles, mailboxes and fire plugs.
- Community Guides Program - The Community Guides serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. They report maintenance issues such as areas in need of cleaning. They do not provide emergency response, but will call emergency dispatch to report issues. Up to six guides work weekdays 6:00am to 9:00pm and weekends 8:00am to 10:00pm.
- SFPD 10B Officer - In addition to existing police services, the San Francisco Police Department (SFPD) provides officers to the YBCBD under City Administrative Code Section 10B. These officers are funded by the YBCBD. The 10B officer primarily addresses quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions. The additional police presence adds 70 hours per week of police time to the 5,000 hours a week already provided by the Southern District Police Station.
- Business Development - Marketing programs help strengthen the area's economic viability to make it more inviting to businesses and visitors. The YBCBD is working to develop a neighborhood brand/identity, organize events to draw people to the area, and produce promotional materials, such as district maps, brochures and newsletters.
- Greening - Activities are being developed and may include tree planting, hanging flower baskets, and other streetscape improvements.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Purpose and Organization (Continued)

- Community Benefit Fund - The YBCBD Community Benefit Fund supports district initiatives by providing small grants to programs in the neighborhood that help to achieve the mission of the YBCBD.

Basis of Accounting

The YBCBD prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Classification of Net Assets

Accounting principles generally accepted in the United States of America require that the YBCBD report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of the YBCBD are classified and reported as described below:

Unrestricted: Those net assets and activities which represent the portion of expendable funds that are available to support the YBCBD's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily Restricted: Those net assets and activities which are donor-restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets.

Permanently Restricted: Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

As of June 30, 2012 and 2011, the YBCBD did not have any net assets meeting the definition of permanently restricted.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The YBCBD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Assessments Receivable

Assessments receivable represents obligations of local property owners due to the YBCBD. Unpaid receivables do not accrue interest.

The YBCBD uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2012 and 2011, the allowance for uncollectible assessments was \$267,916.

Capital assets

The YBCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value or appraised value at the date of acquisition. Depreciation on furniture and equipment is calculated using the straight-line method based upon estimated useful lives ranging from 3 to 10 years. Website development costs are amortized using the straight-line method over 3 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statements of activities.

Revenue Recognition

Assessment Revenue

The YBCBD receives its support primarily from a special tax assessment levied by the City on properties located within the YBCBD in accordance with City Ordinance. The assessment is recorded by the YBCBD when earned. The City remits the assessment monies to the YBCBD as the assessments are collected from the property owners. Interest is not charged on late assessments, however late penalties are charged in accordance with the City's policy.

Contributions

The YBCBD recognizes all contributions in the year of receipt, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction. Contributions with donor-imposed restrictions and investment income generated from such investments that are complied with in the year of receipt are reported as unrestricted support.

YERBA BUENA COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions (Continued)

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities. Such transactions are recorded as net assets released from restrictions and are reported separately from other transactions.

Contributed Goods and Services

Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the YBCBD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YBCBD reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The YBCBD records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the years ended June 30, 2012 and 2011, the YBCBD received contributed goods and services in the amounts of \$95,831 and \$26,342, respectively.

Advertising

The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2012 and 2011 was \$57,458 and \$52,512, respectively.

Income Taxes

The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code and §23701f of the California Revenue and Taxation Code, respectively.

The YBCBD follows the accounting standard on accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an enterprise is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. This standard also requires organizations to disclose additional quantitative and qualitative information in their financial statements about uncertain tax positions.

The YBCBD's evaluation on June 30, 2012 revealed no tax positions that would have a material impact on the financial statements. The 2008 through 2011 tax years remain subject to examination by the Internal Revenue Service. In addition, the 2007 through 2011 tax years remain subject to examination by the California Franchise Tax Board. The YBCBD does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Concentrations of Risk

Financial Instruments

Financial instruments which potentially subject the YBCBD to concentrations of credit risk consist principally of cash and cash equivalents. The YBCBD maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The YBCBD has not experienced any losses in such accounts. Management believes that the YBCBD is not exposed to any significant credit risk related to concentrations.

Assessments Receivable

As of June 30, 2012 and 2011, 21% and 46% of the assessments receivable were due from two property owners, respectively.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis for the year ended June 30, 2012 in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited.

Reclassifications

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 financial statement presentation. These reclassifications have no effect on previously reported net assets or change in net assets.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

2. CAPITAL ASSETS

Capital assets, net at June 30, consist of the following:

	2012	2011
Website development	\$ 68,795	\$ 42,267
Furniture and equipment	4,078	4,078
Less accumulated depreciation	(20,295)	(2,243)
	\$ 52,578	\$ 44,102

For the years ended June 30, 2012 and 2011, depreciation and amortization expense was \$18,052 and \$782, respectively.

3. UNRESTRICTED NET ASSETS

Unrestricted net assets at June 30 are as follows:

	2012	2011
Sidewalk Operations and Beautification	\$ 1,397,794	\$ 1,585,209
District Identity and Streetscape Improvement	238,134	278,201
Contingency/Reserve	708,515	-
Administration	115,765	-
Invested in capital assets	52,578	44,102
Undesignated	-	461,874
	\$ 2,512,786	\$ 2,369,386

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2012 are comprised of a \$15,000 grant for the 2012-13 Yerba Buena Night and the 2012-13 Yerba Buena Family Day. There were no temporarily restricted net assets as of June 30, 2011.

5. GRANTS

The YBCBD distributes annual grants called Community Benefits Funds to community organizations providing services in the district that support the improvements and activities of the YBCBD. Grant expense for the years ended June 30, 2012 and 2011 was \$179,200 and \$165,000, respectively.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011

6. COMMITMENTS

The YBCBD is obligated under a noncancelable operating lease agreement for office space. The term of the lease is August 15, 2009 through August 14, 2015. The YBCBD also leases equipment with monthly lease payments expiring in August, 2013.

The following is a schedule of minimum lease commitments for the years ending June 30:

2013	\$ 27,907
2014	26,051
2015	26,437
2016	<u>2,210</u>
	<u>\$ 82,605</u>

Rent expense for the years ended June 30, 2012 and 2011 was \$24,396 and \$20,910, respectively.

7. RELATED PARTY TRANSACTIONS

Members of the YBCBD's Board are associated with organizations that have received grants from the YBCBD. Pursuant to the YBCBD's conflict of interest policy, all YBCBD board members refrain from the decision-making process and abstain from the voting process.

The YBCBD has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the YBCBD does business with an entity in which a Board member has a material financial interest. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the YBCBD, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the YBCBD, in accordance with applicable conflict of interest laws. No such associations are considered to be significant during the years ended June 30, 2012 and 2011.

8. SUBSEQUENT EVENTS

The YBCBD has evaluated all subsequent events through August 29, 2012, the date the financial statements were available to be issued.

YERBA BUENA COMMUNITY BENEFIT DISTRICT

Supplementary Financial Information

Year Ended June 30, 2012



LAUTZE & LAUTZE
CPAs & FINANCIAL ADVISORS

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

Board of Directors
YERBA BUENA COMMUNITY BENEFIT DISTRICT
San Francisco, California

We have audited the financial statements of YERBA BUENA COMMUNITY BENEFIT DISTRICT as of and for the year ended June 30, 2012, and our report thereon dated August 29, 2012, which expressed an unqualified opinion on those financial statements, appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Management's Discussion and Analysis shown on page 15, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. The Management's Discussion and Analysis nonaccounting information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Lautze & Lautze

San Francisco, California
August 29, 2012

**YERBA BUENA COMMUNITY BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2012

STATEMENTS OF FINANCIAL POSITION

Assets at \$2,699,231 increased from \$2,537,842 due to another year of assessments received and concentrated fundraising efforts. Assessments Receivable decrease due to payment of several large past due parcels.

STATEMENTS OF ACTIVITIES

Total Revenue increased by \$260,500 from fiscal year 2011 to fiscal year 2012. Assessment revenue increased primarily because of new parcels (condo developments). Other unrestricted revenue increased by \$110,713 in fiscal year 2012 over fiscal year 2011 due to a concentrated effort to secure additional support primarily through grants and in-kind contributions.

Expenses increased slightly over fiscal year 2011 with the greatest increase in Programs due to new streets projects and marketing efforts, and an increase in the cost of police services.

STATEMENTS OF CASH FLOWS

Overall our position increased by \$475,818 due to better collection of assessments and securing more cash and in-kind contributions.



YERBA BUENA

EVERYONE'S

NEIGHBORHOOD

2012-2013 ANNUAL REPORT

**YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT**

YBCBD



YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD

YBCBD

YBCBD UNVEILS NEW BIKE RACKS

YERBA BUENA

EVERYONE'S

NEIGHBORHOOD

The mosaic of Yerba Buena's people and places animate San Francisco's most dynamic neighborhood. On any given day, families, conventioners, seniors, tech workers, artists and countless others enliven our cultural venues, parks and businesses. Yerba Buena today is a vibrant neighborhood with a strong identity that truly offers something for everyone.

I'm proud to be part of the Yerba Buena Community Benefit District and the work we do to enhance the quality of life for those who live, work and visit here. Yerba Buena continues its rapid evolution and improvement because of the wide range of programs and projects implemented through the collaboration of our staff, volunteers on our Board and committees, and a community that believes in the neighborhood. Thank you for your support.

During the last fiscal year, we implemented a variety of programs and projects that demonstrate what we can accomplish working together. Some of these are large in scale, while others are more subtle on a human scale. For example, a major achievement in establishing our neighborhood identity involved the successful negotiation to name the new Central Subway stop "Yerba Buena/Moscone Station." In October, 8,000 people attended Yerba Buena Night, an event we organize to draw interest to the district and bring neighbors together. On a more human scale, we implemented programs for street furniture and bike racks with designs that reflect the creativity of the neighborhood. Sixty artistic bike racks unique to Yerba Buena were installed and we completed a design for benches that will be installed in 2013.

The bike racks and benches are projects underway from our award-winning Yerba Buena Street Life Plan. In other efforts to improve street life, we are working to identify and develop a dog run or dog park, install a clean energy docking station, and plant more trees throughout the district. We also conducted community outreach meetings for the redesign of Annie Alley. Because of our collective work on implementing bicycle projects through this plan, the San Francisco Bicycle Coalition honored YBCBD with its Golden Wheel Award in 2013.

To support our mission, the YBCBD made grants to 11 local nonprofits through our Community Benefit Fund. These grants funded new exhibits, children's programs, free concerts, and family education, health and bicycle safety programs.

We know that a clean and safe neighborhood is important to businesses, residents and visitors. In support of that goal, this year we will launch an educational campaign to encourage everyone in our district to contact the YBCBD dispatch center to address cleanliness and non-emergency safety issues. Our core programs continue to make a major difference in the quality of life in the district and remain a focal point of what we do. During the past year, the YBCBD Clean Team removed thousands of graffiti tags, picked up litter, steam cleaned and painted. Imagine how the neighborhood would appear if this wasn't done each day. Our Community Guides interacted with thousands of residents and visitors to help provide directions and keep an eye on their well being and that of the neighborhood.

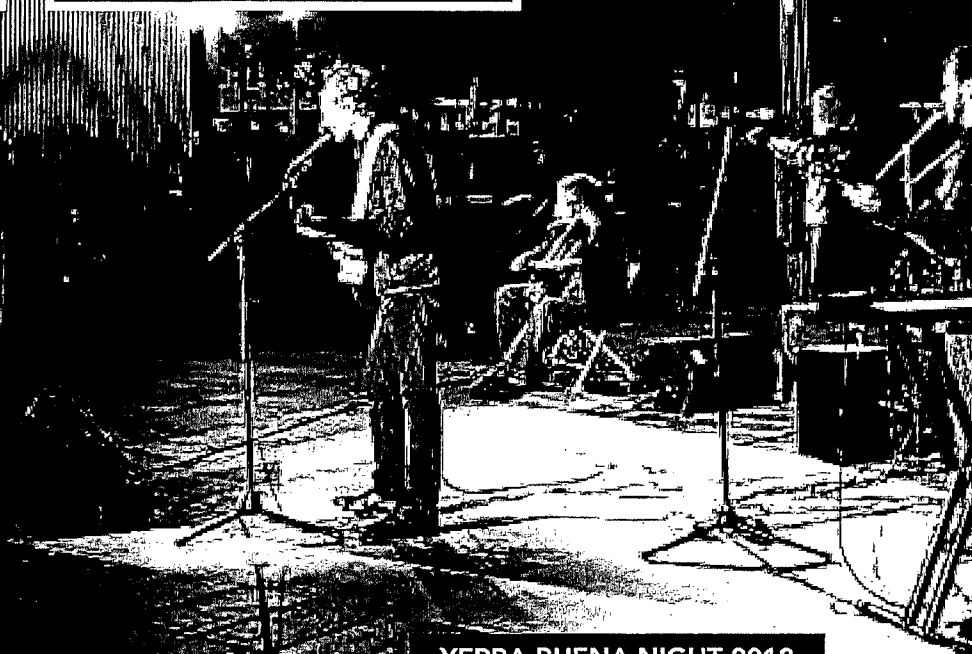
In the year ahead, our core services and new programs will continue to help Yerba Buena evolve, thrive and be the best that it can be. Please join me in working together to improve Yerba Buena — everyone's neighborhood.



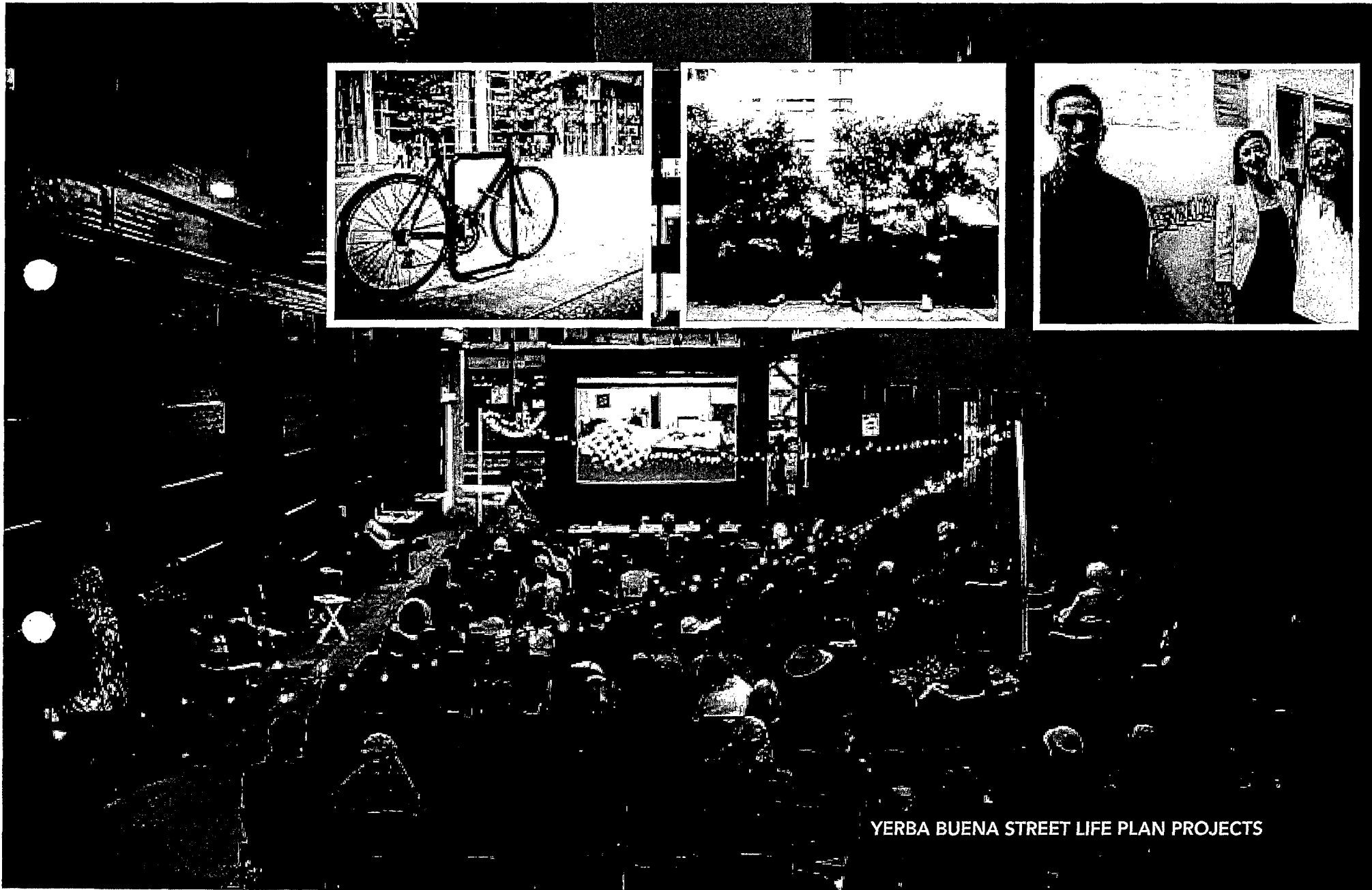
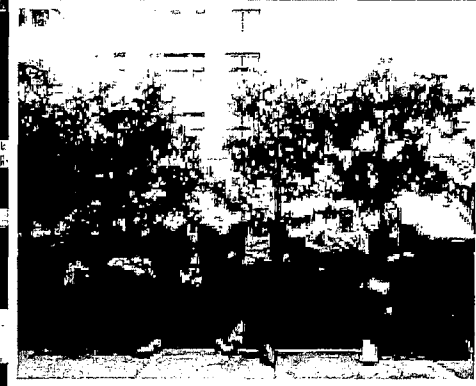
Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Field'. The signature is stylized with a large, sweeping loop at the end.

Matt Field
Managing Director, TMG Partners
Chair, YBCBD Board of Directors



YERBA BUENA NIGHT 2012



YERBA BUENA STREET LIFE PLAN PROJECTS

2012-2013 FISCAL YEAR

ACCOMPLISHMENTS

The Yerba Buena Community Benefit district encompasses Second to Fifth and Market to Harrison streets with more than 400 shopping, dining and entertainment venues, world-class museums, convention space, hotels, and educational institutions. Thousands of new residences have been built in the last decade, from live/work lofts and senior housing to luxury housing and mid-rise apartments, that blend together to add diversity and vibrancy. During the last fiscal year, YBCBD continued to implement core services and new efforts to improve the neighborhood.

IMPLEMENTING THE YERBA BUENA STREET LIFE PLAN

We continued to implement our Yerba Buena Street Life Plan, a vision and road map of over 30 ideas for public space being used during the next decade to direct projects that facilitate vibrant social interaction and promote pedestrian life, safety, beauty, and community pride. In late 2012, 60 artful new bike racks were installed and more will be placed in the district this year. A student competition to design a portable bicycle corral for neighborhood events included entries from more than 100 teams from across the globe. Fabrication of a prototype will be unveiled in 2013. New seating with a unique cast iron mosaic design that complements the look of our bike racks will appear this fall. In partnership with the Friends of Annie Alley, adjacent businesses and the San Francisco Planning Department, we began exploring design options to make a new public space

that invites people into the block. In partnership with the City and the Exploratorium, we launched plans for an interactive installation to draw people into the neighborhood to be located at Yerba Buena Lane and Market Street. We also plan to unveil a public art plan in 2013, plant more trees and install a clean energy docking station.

BUILDING COMMUNITY AND BRANDING THE NEIGHBORHOOD

YBCBD programs market the neighborhood and build a sense of community. In 2012, we reached an agreement with the San Francisco Municipal Transportation Agency to name the new Central Subway station at Fourth and Folsom streets "Yerba Buena/Moscone Station." We promoted our website VisitYerbaBuena.org and communicated through Facebook and Twitter to help people find events, programs,

shopping, dining and recreation in the district. We partnered with neighborhood businesses and museums to host Yerba Buena Family Day, which attracted more than 20,000 people of all ages to the area. YBCBD's second annual Yerba Buena Night, an outdoor event of free art, music and food, brought 8,000 people to the neighborhood. The second year of Arts & Dialogue attracted audiences for monthly performances, discussions and workshops. These programs are helping to reinforce the district as a vibrant destination and place to live. Monthly e-newsletter and quarterly news bulletins encourage participation in YBCBD offerings. "Welcome" packets have been created for new residents and businesses with information about the neighborhood and how to access YBCBD clean and safe and other services

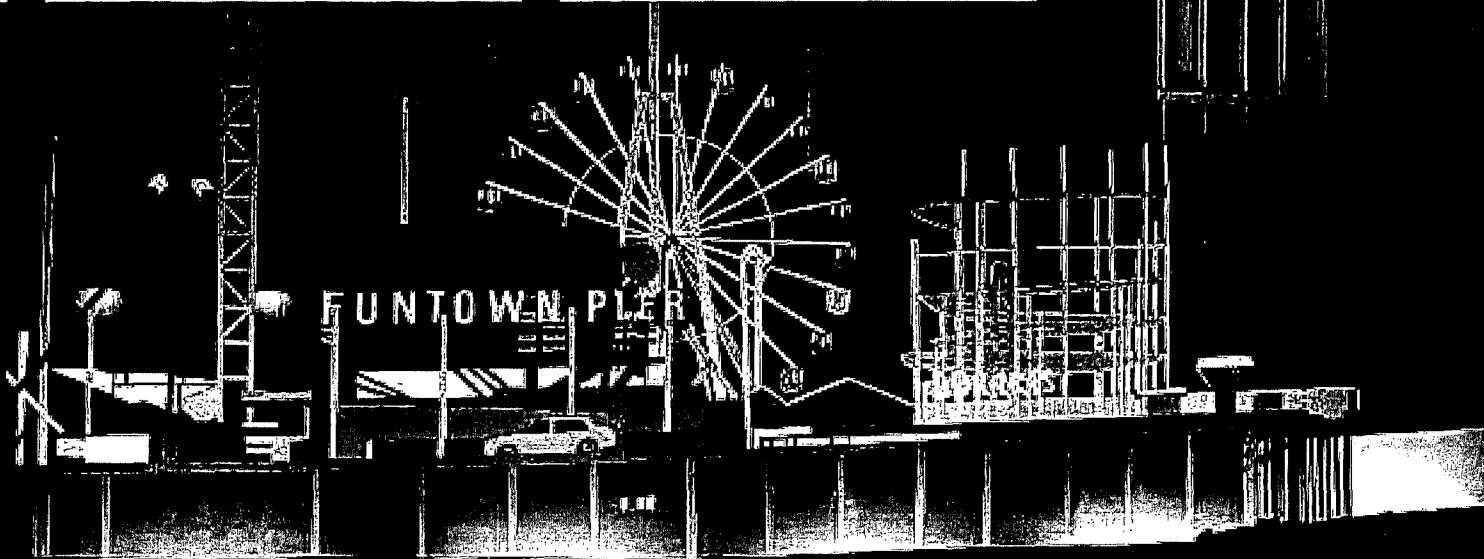
PROVIDING COMMUNITY GRANTS

Our Community Benefit Fund is supporting public art, greening and streetscape improvements, community building efforts, and public safety enhancements. Eleven grants were provided in the last fiscal year. For example, we funded Yerba Buena Magic – a series of nine free outdoor performances as part of the Yerba Buena Gardens

Festival; the SOMA Family Resource Center for its SOMA Family Science and Health Workshop; San Francisco SAFE (Safety Awareness For Everyone) for a series of public safety presentations, trainings and assessments tailored to district residents and businesses; and, the Contemporary Jewish Museum for a temporary outdoor public art exhibit in Jessie Square, titled Nomadic Grove. A complete list is at YBCBD.org.

NEW CLEAN AND SAFE CAMPAIGN

In 2013, YBCBD will launch a public campaign to support our efforts to keep Yerba Buena clean and safe. The campaign will encourage everyone in the district — visitors, residents and businesses — to pitch in or to call or email our dispatch center if they see something that needs to be cleaned or a non-emergency safety issue. It will also provide safety reminders, such as being smart about securing cell phones while walking in the neighborhood. Given the millions of visitors to our neighborhood, we believe that raising the level of awareness about keeping Yerba Buena clean and safe will help to achieve that goal.



COMMUNITY BENEFIT FUND GRANTEES

CORE CLEAN AND SAFE PROGRAMS

Yerba Buena's cleanliness and safety programs occur from early morning to late in the evening every day of the year. Our service providers work as a team to address issues that impact the well being of the people and economic viability of the district.

- Our Clean Team works from 6:00 a.m.-9:30 p.m. every day. In the last fiscal year, they responded to more than 7,500 requests for sidewalk sweeping, steam cleaning and spot cleaning. The Clean Team also removed more than 2,500 graffiti tags, stickers and flyers, and addressed more than 675 overflowing trashcans.
- Our Community Guides, who work from 6 a.m.-midnight, report maintenance and security issues, and serve as goodwill ambassadors to connect individuals in need to social services, help tourists and provide information on local businesses. In the fiscal year, they conducted meet and greets with more than 7,300 business people and residents, assisted nearly 3,300 visitors and residents, and addressed more than 1,600 incidents of aggressive panhandling.

- YBCBD provides funding for a San Francisco Police Department bike patrol officer dedicated to the district. The officer works 10-hour shifts daily and provides an important response to quality of life issues and a reassuring presence in the district.

PHOTO CREDITS

THE YBCBD WOULD LIKE TO THANK THE FOLLOWING INDIVIDUALS AND ORGANIZATIONS FOR PROVIDING PHOTOS FOR THIS REPORT :

- | | |
|----------------------------------|-----------------------------------|
| ◦ ARTURO NEFA | ◦ NOAH CHRISTMAN |
| ◦ CALIFORNIA HISTORICAL SOCIETY | ◦ PAULA ROERTINGA |
| ◦ CHILDREN'S CREATIVITY MUSEUM | ◦ PHO CASO/JOHN WHITE |
| ◦ CONTEMPORARY JEWISH MUSEUM | ◦ SFMOMA |
| ◦ DREW ALTIZER | ◦ SERGIO RUIZ |
| ◦ GEORGE NIKITIN | ◦ SOMA FAMILY RESOURCE CENTER |
| ◦ MLK, JR. COMMUNITY FOUNDATION | ◦ SPUR |
| ◦ METREON | ◦ WESTFIELD |
| ◦ MOSCONE CENTER | ◦ YERBA BUENA CENTER FOR THE ARTS |
| ◦ MUSEUM OF THE AFRICAN DIASPORA | |



**SFMOMA EXPANSION
GROUNDBREAKING CEREMONY**



BOARD CHAIR MATT FIELD WITH A YBCBD COMMUNITY GUIDE
AND SFPD/YBCBD BIKE PATROL OFFICER

MISSION

YBCBD will advance the quality of life for residents and visitors in the Yerba Buena neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

SERVICES + PROGRAMS

DISPATCH SERVICES. Call 415-543-9223 or email dispatch@ybcbd.org for non-emergency services, such as public area cleaning and maintenance issues, and social services outreach. Staffed every day, 24 hours a day.

COMMUNITY GUIDES. Our goodwill ambassadors help tourists, provide information on local businesses, and report maintenance and safety concerns. Up to six guides work weekdays 6 a.m. to midnight, seven days a week.

POLICE DEPARTMENT BIKE PATROL. An officer dedicated to the area supplements existing police services for ten hours daily and focuses on quality of life issues.

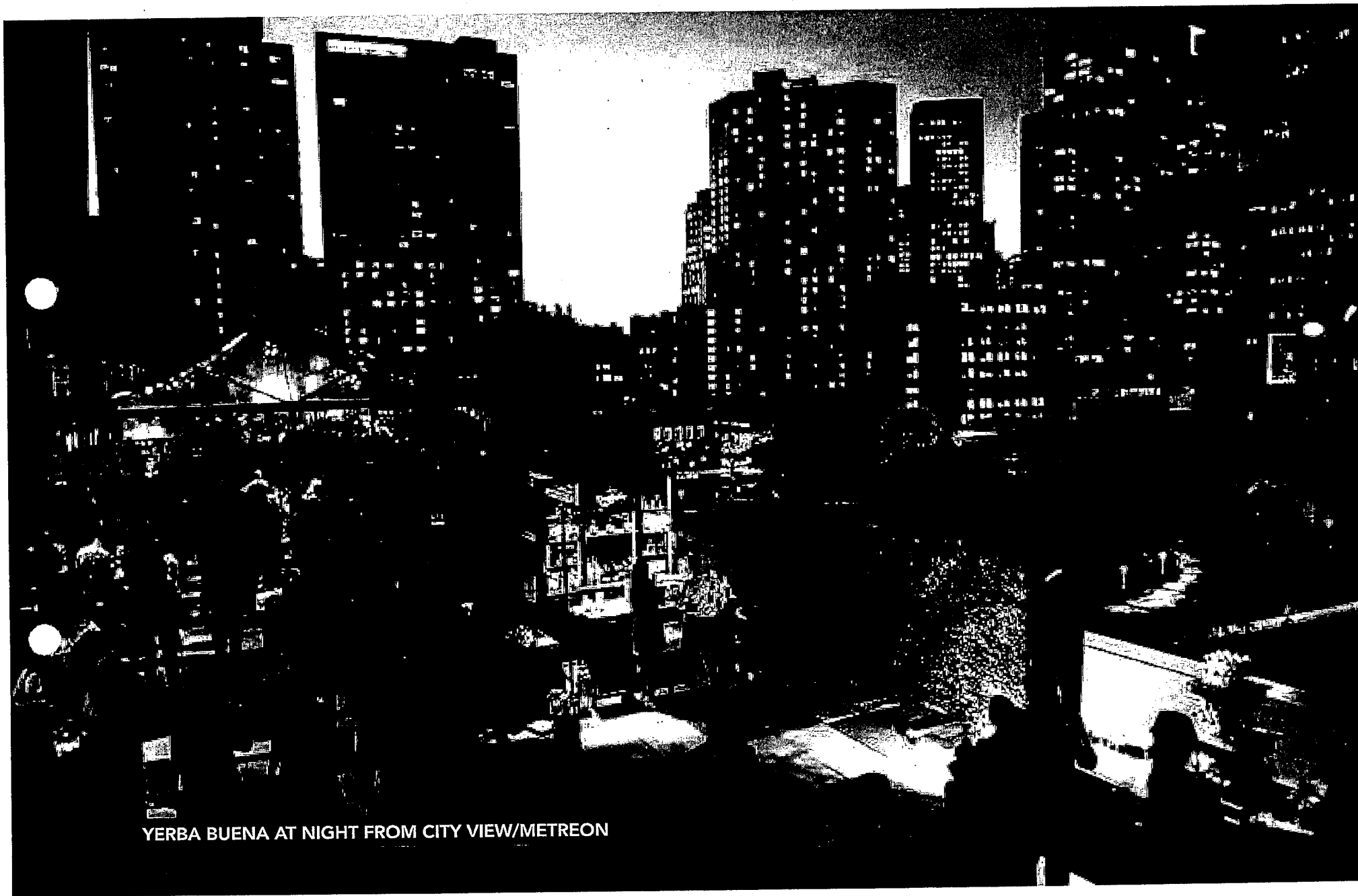
CLEAN TEAM. Sidewalk steam cleaning; sidewalk and gutter sweeping; graffiti removal; painting poles, mail boxes and fire plugs; cleaning and weeding tree wells; and public trash receptacle overflow. Every day from 6:00 a.m. to 9:30 p.m.

MARKETING AND BRANDING. Programs promote the neighborhood to create a sense of place to support our economic base and help improve quality of life.

COMMUNITY SUPPORT AND CONNECTIONS. Grants from our Community Benefit Fund support nonprofits that improve quality of life in the district and are awarded biannually.

BEAUTIFICATION. The Streets & Public Space Committee focuses on short- and long-term neighborhood streetscape improvements.

DISTRICT MANAGEMENT. A nonprofit management corporation administers the YBCBD and is governed by a Board that represents a diversity of stakeholders and areas of the neighborhood.



YERBA BUENA AT NIGHT FROM CITY VIEW/METREON

BUDGET + BALANCE SHEET

JULY 2012-JUNE 2013 ACTUALS

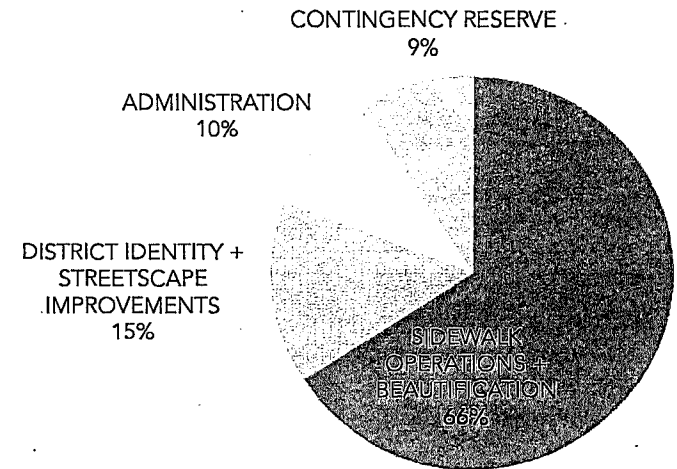
INCOME	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Assessments	\$2,387,107	\$2,387,107	—
Fundraising/In-Kind	\$143,447	\$125,476	17,971
Interest Income	\$898	\$1,000	-102
Carryover	-	\$589,159	
TOTAL INCOME	\$2,531,452	\$3,102,742	\$ 17,869
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Administration	\$310,100	\$344,938	-\$34,838
SOBO	\$1,590,970	\$2,149,364	-\$558,394
DISI	\$440,112	\$388,216	\$51,896
Contingency	\$30,030	\$220,224	-\$190,194
TOTAL EXPENSES	\$2,371,212	\$3,102,742	\$(731,530)
NET INCOME	\$160,240	—	—

JULY 2012-JUNE 2013 BALANCE SHEET

ASSETS	
Cash In Bank	\$2,536,885
Accounts Receivable, Net	243,833
Other	94,899
TOTAL ASSETS	\$2,875,617
LIABILITIES	
Accounts Payable	\$166,213
Other Liabilities	\$21,377
TOTAL LIABILITIES	\$187,590
TOTAL NET ASSETS (CARRYOVER)	\$2,688,027
TOTAL LIABILITIES & NET ASSETS	\$2,875,617

JULY 2013–JUNE 2014 BUDGET

INCOME	
Assessments	\$2,387,107
Fundraising/In-Kind	\$125,476
Interest Income	\$1,000
Release from Restriction	\$638,365
TOTAL INCOME	\$3,151,948
EXPENSES	
Administration	\$321,355
Sidewalk Operations & Beautification	\$2,071,192
District Identity & Streetscape Improvement	\$489,177
Contingency/Reserve	\$270,224
TOTAL EXPENSES	\$3,151,948



FY 2013–2014 BUDGET

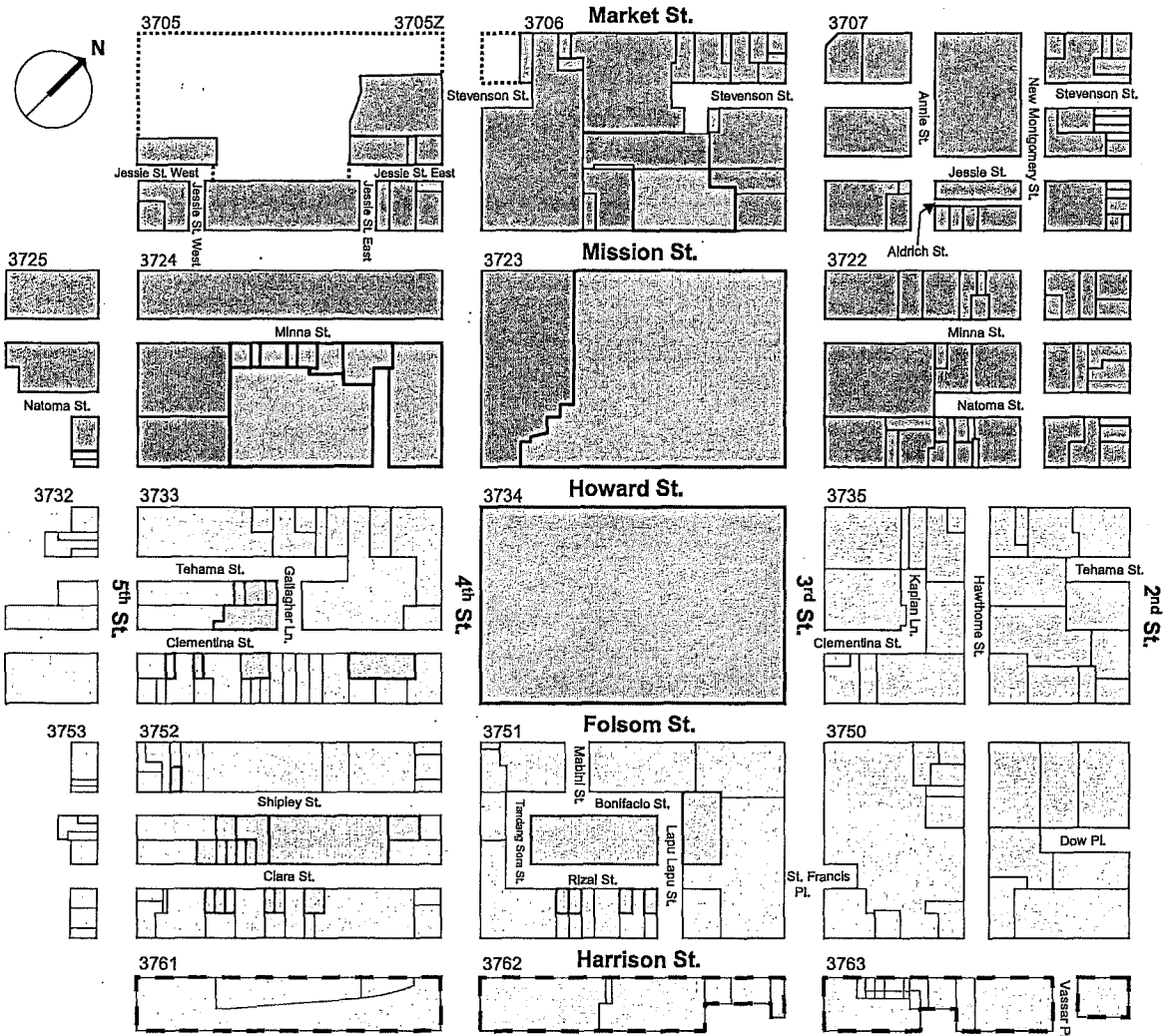
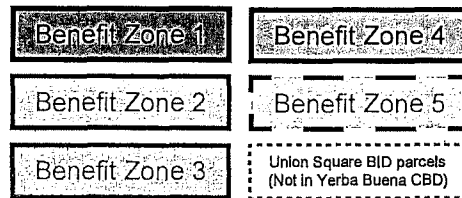
PROJECTED CARRYOVER DISBURSEMENT

CARRYOVER	AS OF 6.30.13	TO BE USED IN FY 2014	TO BE USED IN FUTURE YEARS
Administration	\$284,980	\$8,600	\$276,380
Sidewalk Operations & Beautification	\$1,358,442	\$523,780	\$834,662
District Identity & Streetscape Improvement	\$83,424	\$55,985	\$27,439
Contingency/Reserve	\$961,181	\$50,000	\$911,181
TOTAL CARRYOVER DISBURSEMENT	\$2,688,027	\$638,365	\$2,049,662

AREA MAP OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and luxury condominiums.

It is the most dynamic neighborhood in the City—a celebration of San Francisco's eclectic backbone stretching from Second to Fifth and Market to Harrison Streets.



ASSESSMENT METHODOLOGY

YBCBD is funded through an annual assessment from business and property owners. Annual assessments are based on one or more of the following four property factors:

- Linear frontage (sidewalk frontage)
- Gross building square footage
- Location in a particular benefit zone
- Property usage

There are five benefit zones in the YBCBD. The creation of the benefit zones was based upon the level of special services desired by property owners by use, the type of special services needed in the zone, and the intensity of use in the public right of way in the specific zone.

ASSESSMENT CALCULATION

The annual assessment is calculated by multiplying the gross square footage of the property by the square footage fee for a property's zone and use (condominium or commercial). If the property has linear frontage an additional fee is calculated by taking the total linear frontage of the property and multiplying by the frontage fee for the property's zone.

For example, a commercial property in Zone 1 of 1,000 gross square feet and with 10 feet of linear frontage would calculate their assessment as follows:

Zone 1 Commercial property fee (\$0.076) x 1,000 FT² = \$76.00

Zone 1 Frontage fee (\$15.30) x 10 linear feet = \$153.00

Add the two together to get the total assessment of \$229.00.

	CONDO FEE / FT ²	COMMERCIAL PROP. FEE / FT ²	FRONTAGE FEE / LINEAR FT.
Zone 1	\$0.215	\$0.076	\$15.30
Zone 2	\$0.215	\$0.045	\$10.30
Zone 3	\$0.215	\$0.022	\$5.20
Zone 4	—	—	\$38.40
Zone 5	—	—	\$10.30

YBCBD BOARD OF DIRECTORS

BOARD CHAIR:

Matt Field, TMG Partners/
Boston Properties

BOARD VICE-CHAIR:

Lawrence Li, SPUR

SECRETARY/TREASURER:

John Noguchi, Moscone Center

BOARD MEMBERS

Kevin Best, B Restaurant

Ray Bobbitt, City Nights*

John Brown, Fifth and Mission
Garage*

Lance Burwell, St. Regis
Residences**

Angela Carrier, California Historical
Society

Denise Childs, Contemporary
Jewish Museum*

Geoffrey Cousineau, San Francisco
Marriott*

Deborah Cullinan, Intersection for
the Arts**

Carolyn Diamond, Market Street
Association

David Dore, City College of San
Francisco*

John Elberling, TODCO

Saul Feldman, Resident

Regina Flanagan, Resident

Kristin Gonsar, Millennium Partners**

Brian Jess, Target**

Dheeraj Kakar, Resident

Juan Pablo Laginia,
InterContinental Hotel**

Paul Lamb, Rocket Postcards

Jesse Leite, Related Properties
Rhiannon MacFadyen, Catharine
Clark Gallery*

Noushin Mofakham, South of
Market Child Care, Inc.*

Michael Nobleza, Children's
Creativity Museum

Akop Paronyan, W Hotel*

Carol Perry, San Francisco Travel
Association

Scott Rowitz, Yerba Buena Center
for the Arts**

Shelly Schembre, Westfield San
Francisco Centre

Spencer Sechler, City Park

Rick Smith, Resident*

Dan Soine, Dugoni School of
Dentistry**

Katie Tamony, SFMOMA

Benjamin Yu, Forest City*

*Board term ended January 2013

**Board term started January 2013

YBCBD COMMITTEES

Audit, Community Benefit
Fund, Executive, Finance, Fund
Development, Marketing,
Nominating, Services, Streets &
Public Space

YBCBD STAFF

Cathy Maupin, Executive Director

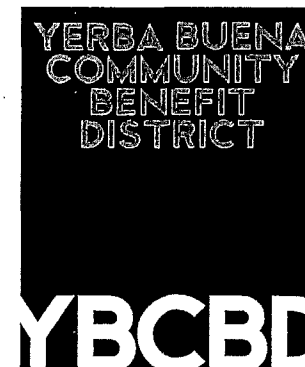
Andrew Robinson, Director
of Neighborhood Partnerships

Richard Ciccarone, Administration
Director

COMMUNITY SUPPORT

The YBCBD would like to thank the individuals and organizations below for their financial contributions and in-kind support. Their generosity allowed us to exceed our fundraising goals and improve the district.

Angela Carrier, B Restaurant, Barbara McMillin, BitMover, Boston Properties, California Historical Society, Cathy Maupin, City of San Francisco/Community Challenge Grant, City Park, CMG Landscape Architecture, Contemporary Jewish Museum, EEFG, John Noguchi, KDFC, METREON, MJM Management Group, Plant Construction, Press Club, Recology, Rick Smith, San Francisco Arts Quarterly, San Francisco Bay Guardian, San Francisco Chronicle, San Francisco Examiner, San Francisco Marriott Marquis, San Francisco Travel Association, SPUR, Target, TMG Partners, Westfield San Francisco Centre, Westin Market Street, Whole Foods SOMA, Yerba Buena Center for the Arts, Yerba Buena Gardens Festival.



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F 415.644.0751
e info@ybcibd.org
w www.ybcibd.org

IMPORTANT NUMBERS AND LETTERS

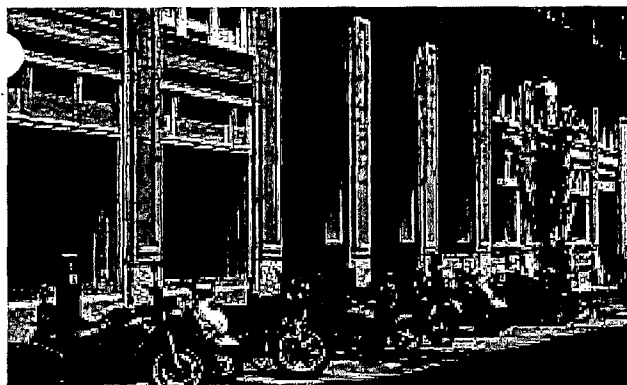
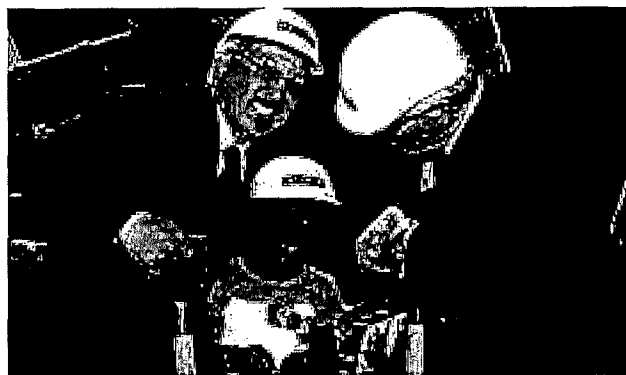
YBCBD DISPATCH:

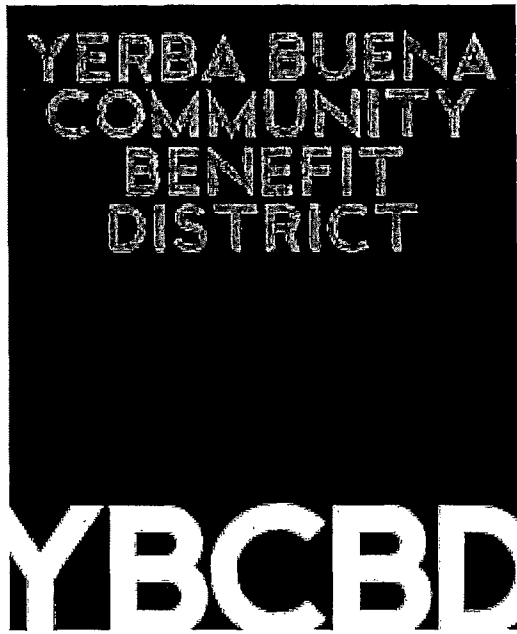
415-543-9223. Contact us
for non-emergency services,
public area cleaning and
maintenance issues, and
social services outreach.

EMERGENCY SERVICES:

Call 9-1-1.

Learn more about YBCBD
programs and services at
www.ybcibd.org and about
our neighborhood offerings
at www.visityerbabuena.org.





FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2013 and 2012

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LAUTZE & LAUTZE
CPAs & FINANCIAL ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Directors
YERBA BUENA COMMUNITY BENEFIT DISTRICT
San Francisco, California

We have audited the accompanying financial statements of YERBA BUENA COMMUNITY BENEFIT DISTRICT (the YBCBD), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

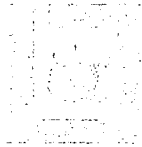
Board of Directors
YERBA BUENA COMMUNITY BENEFIT DISTRICT

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YERBA BUENA COMMUNITY BENEFIT DISTRICT as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lautze & Lautze

San Francisco, California
August 27, 2013



YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF FINANCIAL POSITION

June 30,

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 2,536,885	\$ 2,553,515
Assessments receivable, net	258,097	82,065
Prepaid expenses	13,082	11,073
Capital assets, net	48,724	52,578
Total assets	\$ 2,856,788	\$ 2,699,231
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 170,906	\$ 159,924
Accrued benefits	16,684	11,521
Total liabilities	187,590	171,445
Commitments		
Net assets:		
Unrestricted	2,653,498	2,512,786
Temporarily restricted	15,700	15,000
Total net assets	2,669,198	2,527,786
Total liabilities and net assets	\$ 2,856,788	\$ 2,699,231

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30,

	2013		
	Unrestricted	Temporarily Restricted	Total
Revenue, gains and other support:			
Assessment revenue	\$ 2,403,916	\$ -	\$ 2,403,916
Contributions	81,085	700	81,785
Grants	35,000	15,000	50,000
Interest and other income	11,405	-	11,405
Special events income	1,319	-	1,319
Net assets released from restrictions	15,000	(15,000)	-
Total revenue, gains and other support	2,547,725	700	2,548,425
Expenses:			
Program services	2,080,691	-	2,080,691
Supporting services:			
Management and administrative	296,827	-	296,827
Fundraising	29,495	-	29,495
Total expenses	2,407,013	-	2,407,013
Change in net assets	140,712	700	141,412
Net assets:			
Beginning of year	2,512,786	15,000	2,527,786
End of year	<u>\$ 2,653,498</u>	<u>\$ 15,700</u>	<u>\$ 2,669,198</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30,

	2012		
	Unrestricted	Temporarily Restricted	Total
Revenue, gains and other support:			
Assessment revenue	\$ 2,405,445	\$ -	\$ 2,405,445
Contributions	99,831	-	99,831
Grants	25,500	15,000	40,500
Interest and other income	4,304	-	4,304
Special events income	1,487	-	1,487
Total revenue, gains and other support	<u>2,536,567</u>	<u>15,000</u>	<u>2,551,567</u>
Expenses:			
Program services	2,052,230	-	2,052,230
Supporting services:			
Management and administrative	312,240	-	312,240
Fundraising	28,697	-	28,697
Total expenses	<u>2,393,167</u>	<u>-</u>	<u>2,393,167</u>
Change in net assets	143,400	15,000	158,400
Net assets:			
Beginning of year	<u>2,369,386</u>	<u>-</u>	<u>2,369,386</u>
End of year	<u>\$ 2,512,786</u>	<u>\$ 15,000</u>	<u>\$ 2,527,786</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2013

	Program Services			Supporting Services		
	Sidewalk Operations and Beautification	District Identity and Streetscape Improvements	Total	Management and Administrative	Fundraising	Total
Cleaning services	\$ 568,032	\$ -	\$ 568,032	\$ -	\$ -	\$ 568,032
Community guides	455,580	-	455,580	-	-	455,580
Police services	326,699	-	326,699	-	-	326,699
Salaries and benefits	82,787	70,415	153,202	109,719	20,907	283,828
Grants	49,300	125,000	174,300	-	-	174,300
Consulting fees	-	48,068	48,068	79,403	-	127,471
Greening	-101,511	-	101,511	-	-	101,511
Marketing and branding	-	75,609	75,609	2,711	-	78,320
Special events	-	64,166	64,166	-	-	64,166
In-kind goods and services	5,250	64,512	69,762	1,323	7,000	78,085
Rent and utilities	600	150	750	35,974	-	36,724
Donations and contributions	26,791	-	26,791	-	-	26,791
Depreciation and amortization	-	-	-	24,747	-	24,747
Payroll taxes	6,025	5,124	11,149	7,616	1,522	20,287
Bad debts	-	-	-	15,766	-	15,766
Office supplies and postage	597	4,040	4,637	9,546	48	14,231
Insurance	-	-	-	5,457	-	5,457
Payroll processing fees	-	-	-	2,548	-	2,548
Dues and subscriptions	-	-	-	1,848	-	1,848
Uniforms	435	-	435	-	-	435
Other expenses	-	-	-	169	18	187
	<u>\$ 1,623,607</u>	<u>\$ 457,084</u>	<u>\$ 2,080,691</u>	<u>\$ 296,827</u>	<u>\$ 29,495</u>	<u>\$ 2,407,013</u>

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YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
Year Ended June 30, 2012

	Program Services			Supporting Services		
	Sidewalk Operations and Beautification	District Identity and Streetscape Improvements	Total	Management and Administrative	Fundraising	Total
Cleaning services	\$ 568,032	\$ -	\$ 568,032	\$ -	\$ -	\$ 568,032
Community guides	455,580	-	455,580	-	-	455,580
Police services	332,881	-	332,881	-	-	332,881
Salaries and benefits	66,866	53,041	119,907	134,636	19,529	274,072
Grants	130,000	49,200	179,200	-	-	179,200
Greening	123,147	-	123,147	-	-	123,147
Consulting fees	-	19,215	19,215	77,654	-	96,869
In-kind goods and services	40,495	33,568	74,063	13,956	7,812	95,831
Marketing and branding	1,500	78,019	79,519	5,089	-	84,608
Special events	9,867	72,904	82,771	-	-	82,771
Rent and utilities	-	-	-	34,124	-	34,124
Payroll taxes	4,912	3,900	8,812	8,675	1,356	18,843
Depreciation and amortization	-	-	-	18,052	-	18,052
Office supplies and postage	1,166	3,350	4,516	8,412	-	12,928
Insurance	-	-	-	5,559	-	5,559
Uniforms	3,137	-	3,137	-	-	3,137
Payroll processing fees	-	-	-	2,669	-	2,669
Dues and subscriptions	-	-	-	2,411	-	2,411
Donations and contributions	1,450	-	1,450	60	-	1,510
Other expenses	-	-	-	943	-	943
	<u>\$ 1,739,033</u>	<u>\$ 313,197</u>	<u>\$ 2,052,230</u>	<u>\$ 312,240</u>	<u>\$ 28,697</u>	<u>\$ 2,393,167</u>

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YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 141,412	\$ 158,400
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	15,766	-
Depreciation and amortization	24,747	18,052
(Increase) decrease in assets:		
Assessments receivable	(191,798)	327,206
Prepaid expenses	(2,009)	(4,301)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	10,982	(2,827)
Accrued benefits	5,163	5,816
	<u>4,263</u>	<u>502,346</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of capital assets	<u>(20,893)</u>	<u>(26,528)</u>
Net cash used by investing activities	<u>(20,893)</u>	<u>(26,528)</u>
Net increase (decrease) in cash and cash equivalents	(16,630)	475,818
Cash and cash equivalents:		
Beginning of year	<u>2,553,515</u>	<u>2,077,697</u>
End of year	<u>\$ 2,536,885</u>	<u>\$ 2,553,515</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Purpose and Organization

The Yerba Buena Community Benefit District (the YBCBD) was formed in 2008 by property owners to improve the quality of life in the area by making the area cleaner, safer, and more vibrant. The YBCBD has a contract with the City and County of San Francisco (the City) for a term of seven years expiring on December 31, 2015. The YBCBD stretches from about Second to Fifth and Market to Harrison Streets in San Francisco, California.

The YBCBD exists to implement programs to create a neighborhood that is safer, cleaner, greener and a better place to conduct business. These programs and services are funded by district property owners in the Yerba Buena neighborhood.

The YBCBD's mission statement is as follows:

The Yerba Buena Community Benefit District will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

Programs and services provided by the YBCBD are:

- **Clean Team** - The Clean Team works to improve the appearance and cleanliness of the district daily from 6:00am to 8:30pm. They steam clean all sidewalks in the district twice a month, work daily on sidewalk cleaning and gutter sweeping, and remove trash on a frequent basis. They also pull weeds, clean tree wells, remove graffiti, and paint poles, mailboxes, and fire plugs.
- **Community Guides Program** - The Community Guides serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. They report maintenance issues such as areas in need of cleaning. They do not provide emergency response, but will call emergency dispatch to report issues. Up to six guides work weekdays 6:00am to 9:00pm and weekends 8:00am to 10:00pm.
- **SFPD 10B Officer** - In addition to existing police services, the San Francisco Police Department (SFPD) provides officers to the YBCBD under City Administrative Code Section 10B. These officers are funded by the YBCBD. The 10B officer primarily addresses quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions. The additional police presence adds 70 hours per week of police time to the 5,000 hours a week already provided by the Southern District Police Station.
- **Business Development** - Marketing programs help strengthen the area's economic viability to make it more inviting to businesses and visitors. The YBCBD is working to develop a neighborhood brand/identity, organize events to draw people to the area, and produce promotional materials, such as district maps, brochures and newsletters.
- **Greening** - Activities are being developed and may include tree planting, hanging flower baskets, and other streetscape improvements.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Purpose and Organization (Continued)

- **Community Benefit Fund** - The YBCBD Community Benefit Fund supports district initiatives by providing small grants to programs in the neighborhood that help to achieve the mission of the YBCBD.

Basis of Accounting

The YBCBD prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Classification of Net Assets

YBCBD reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of the YBCBD are classified and reported as described below:

Unrestricted: Those net assets and activities which represent the portion of expendable funds that are available to support the YBCBD's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily Restricted: Those net assets and activities which are donor-restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets.

Permanently Restricted: Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

As of June 30, 2013 and 2012, the YBCBD did not have any net assets meeting the definition of permanently restricted.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The YBCBD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Assessments Receivable

Assessments receivable represents obligations of local property owners due to the YBCBD. Unpaid receivables do not accrue interest.

The YBCBD uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2013 and 2012, the allowance for uncollectible assessments was \$283,682 and \$267,916, respectively.

Capital Assets

The YBCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value or appraised value at the date of acquisition. Depreciation on furniture and equipment is calculated using the straight-line method based upon estimated useful lives ranging from 3 to 10 years. Website development costs are amortized using the straight-line method over 3 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statement of activities.

Revenue Recognition

Assessment Revenue

The YBCBD receives its support primarily from a special assessment levied by the City on properties located within the YBCBD in accordance with City Ordinance. The assessment is recorded by the YBCBD when earned. The City remits the assessments to the YBCBD as the assessments are collected from the property owners. Interest is not charged on late assessments, however late penalties are charged in accordance with the City's policy.

Contributions

The YBCBD recognizes all contributions in the year of receipt, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction. Contributions with donor-imposed restrictions and investment income generated from such investments that are complied with in the year of receipt are reported as unrestricted support.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions (Continued)

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities. Such transactions are recorded as *net assets released from restrictions* and are reported separately from other transactions.

Contributed Goods and Services

Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the YBCBD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YBCBD reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The YBCBD records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the years ended June 30, 2013 and 2012, the YBCBD received contributed goods and services in the amounts of \$78,085 and \$95,831, respectively.

Advertising

The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2013 and 2012 was \$60,081 and \$57,458, respectively.

Income Taxes

The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code and §23701f of the California Revenue and Taxation Code, respectively.

The YBCBD recognizes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements.

The YBCBD's evaluation on June 30, 2013 revealed no tax positions that would have a material impact on the financial statements. The 2009 through 2012 tax years remain subject to examination by the Internal Revenue Service. In addition, the 2008 through 2012 tax years remain subject to examination by the California Franchise Tax Board. The YBCBD does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Concentrations of Risk

Financial Instruments

Financial instruments which potentially subject the YBCBD to concentrations of credit risk consist principally of cash and cash equivalents. The YBCBD maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The YBCBD has not experienced any losses in such accounts. Management believes that the YBCBD is not exposed to any significant credit risk related to concentrations.

Assessments Receivable

As of June 30, 2013 and 2012, 36% and 21% of the assessments receivable were due from two property owners, respectively.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis for the years ended June 30, 2013 and 2012 in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an analysis of personnel time by each program.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

2. CAPITAL ASSETS

Capital assets, net at June 30 consist of the following:

	2013	2012
Website development	\$ 71,532	\$ 68,795
Furniture and equipment	4,078	4,078
Less accumulated depreciation and amortization	(45,042)	(20,295)
	30,568	52,578
Construction in progress	18,156	-
	\$ 48,724	\$ 52,578

For the years ended June 30, 2013 and 2012, depreciation and amortization expense was \$24,747 and \$18,052, respectively.

3. UNRESTRICTED NET ASSETS

Unrestricted net assets at June 30 consist of the following:

	2013	2012
Sidewalk Operations and Beautification	\$ 1,325,806	\$ 1,397,794
Contingency/Reserve	896,757	708,515
Administration	298,788	115,765
District Identity and Streetscape Improvement	83,423	238,134
Invested in capital assets	48,724	52,578
	\$ 2,653,498	\$ 2,512,786

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2013 consist of \$15,700 for the 2013-14 Yerba Buena Night and the 2013-14 Yerba Buena Family Day. Temporarily restricted net assets at June 30, 2012 consist of \$15,000 for the 2012-13 Yerba Buena Night and the 2012-13 Yerba Buena Family Day.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

5. NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 2013, net assets totaling \$15,000 were released from restriction in connection with the 2012-13 Yerba Buena Night and the 2012-13 Yerba Buena Family Day.

6. GRANTS

The YBCBD distributes annual grants called Community Benefits Fund grants to community organizations providing services, within the district, that support the improvements and activities of the YBCBD. Grant expense for the years ended June 30, 2013 and 2012 was \$174,300 and \$179,200, respectively.

7. COMMITMENTS

Leases

The YBCBD is obligated under a noncancelable operating lease agreement for office space in San Francisco, California. The term of the lease is August 15, 2009 through August 14, 2015.

The YBCBD also leases office equipment with monthly lease payments expiring in August 2013. During the year ended June 30, 2013 this lease was amended to, among other things, extend the lease term through December 31, 2015.

The following is a schedule of minimum lease commitments for the years ending June 30:

2014	\$ 31,425
2015	32,372
2016	<u>5,178</u>
	<u>\$ 68,975</u>

Rent expense for the years ended June 30, 2013 and 2012 was \$26,493 and \$24,396, respectively.

Construction

The YBCBD has made a commitment for the construction of five park benches to be installed throughout the district. The cost of the project is estimated to be approximately \$35,000 and will be funded partially by a grant from the City. As of June 30, 2013 the YBCBD paid \$18,156 of this commitment.

7. RELATED PARTY TRANSACTIONS

Members of the YBCBD's Board are also associated with organizations that received Community Benefit Fund grants from the YBCBD. Pursuant to the YBCBD's conflict of interest policy, all conflicted YBCBD board members refrain from the decision-making process and abstain from the voting process.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

7. RELATED PARTY TRANSACTIONS (CONTINUED)

The YBCBD has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the YBCBD does business with an entity in which a Board member has a material financial interest. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the YBCBD, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the YBCBD, in accordance with applicable conflict of interest laws. Community Benefit Fund grants paid to related parties for the years ended June 30, 2013 and 2012 totaled, \$57,500 and \$72,250, respectively.

8. SUBSEQUENT EVENTS

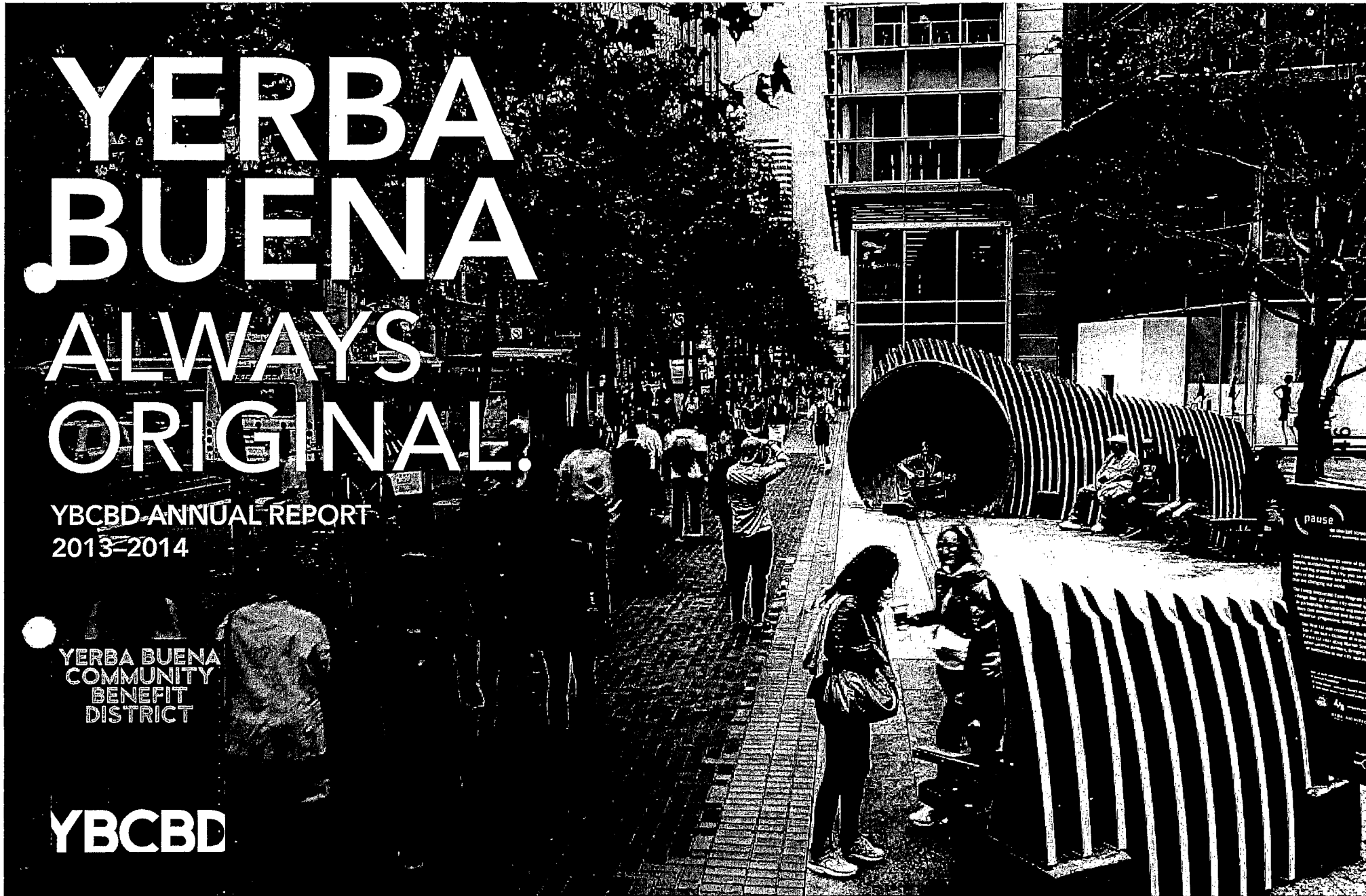
The YBCBD has evaluated all subsequent events through August 27, 2013, the date the financial statements were available to be issued.

YERBA BUENA ALWAYS ORIGINAL.

YBCBD ANNUAL REPORT
2013-2014

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD





RIBBON-CUTTING FOR THE NATION'S FIRST LIVING INNOVATION ZONE

ALWAYS ORIGINAL.

Dear Neighbors,

The foundation of our neighborhood is built upon a spirit of creativity, innovation and openness that drives people to live, work and visit Yerba Buena.

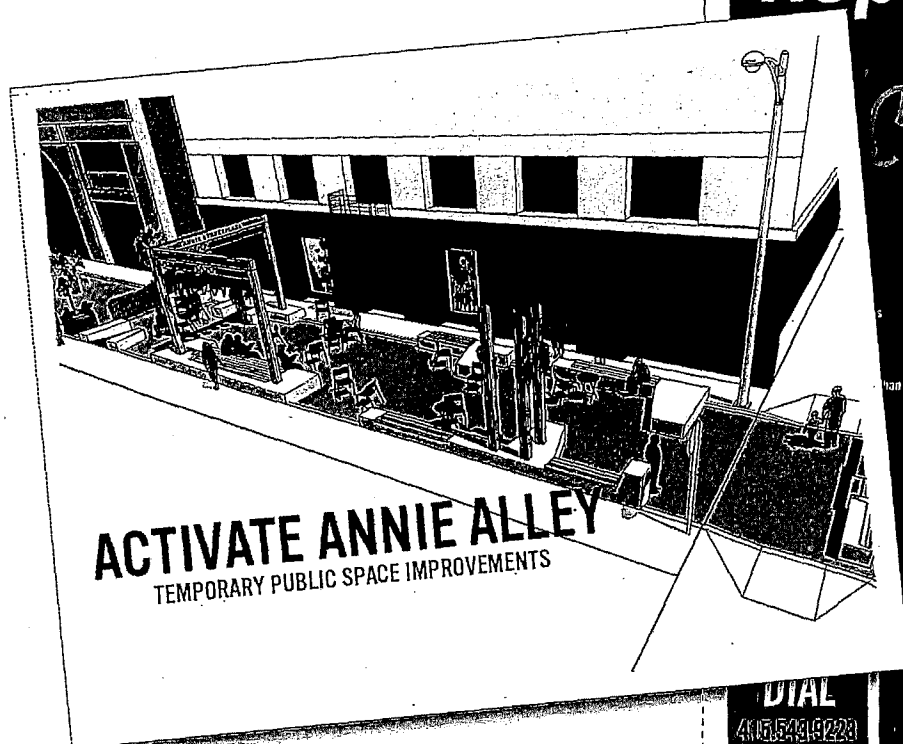
Originality defines our district. At one time, creative and committed thinkers transformed the area's main feature, a large parking lot, into Yerba Buena Gardens and Moscone Center. Our world-renown museums and cultural institutions cultivate new ideas. Technology companies, retailers and culinary artists incubate the next big thing. Today, Yerba Buena is a hub of cultural charisma, entrepreneurship, and diversity.

The neighborhood's authenticity is undeniable. New ideas from the YBCBD — which emanate from our impressive volunteer Board, committees and staff, residents, merchants and many other dedicated community members — contribute to achieving our mission to improve the quality of life here. Thank you all for contributing to the area's continual improvement.

During the last fiscal year, the organization unveiled several original programs and projects. The YBCBD became the first community benefit district in the City to offer a mobile app and web-based program called YBCBD Assist to report and track district clean and safe service requests. With the City and Exploratorium, we unveiled the nation's first Living Innovation Zone, an interactive welcome mat to

BE A SUPERHERO.

Report Graffiti!



YBCBD Assist



DIAL 408.543.9223
TEXT
CLICK
YERBA BUENA

To report graffiti or other issues in the neighborhood, contact the YBCBD Dispatch. 

draw people into the district. We introduced artful cast iron public seating with a dramatic mosaic design and an innovative portable bicycle corral. Annie Street Plaza will debut in 2014 as a pedestrian-only street with seating and event space.

The YBCBD also recognizes the importance of our core clean and safe services to improving Yerba Buena. Statistics from the last year tell a compelling story of what we accomplished together. Our Clean Team addressed 7,500 sweep requests, removed 3,500 graffiti tags graffiti tags, flyers and stickers, and worked 365 days a year on beautifying our neighborhood. The YBCBD's Community Guides and San Francisco Police Department Bike Patrol officer dedicated to Yerba Buena addressed 1,700 panhandling incidences, and provided information and assistance to more than 10,600 visitors and merchants. Nine thousand attended Yerba Buena Night. Thirteen grants were provided to local organizations for quality of life enhancements.

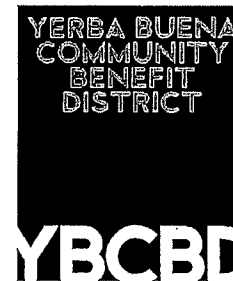
Since the YBCBD was formed in 2008 by neighbors who banded together to improve the district, our list of accomplishments has become a source of pride. In early 2015, Yerba Buena property owners will again be asked to renew funding for services provided through the YBCBD. As the neighborhood grows and evolves rapidly, there is an even greater need for YBCBD's services and community participation. By renewing the YBCBD, we will continue our work together to foster new ideas and to ensure that our incredible neighborhood gets better and better.



Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence Li".

Lawrence Li
Chair, YBCBD Board of Directors





YOUR CLEAN TEAM AND SFPD
BIKE PATROL OFFICER AT WORK

MISSION

The YBCBD is proud to partner with you to elevate the quality of life in the neighborhood to even greater heights. When district property owners and the Board of Supervisors approved the YBCBD in 2008 for a seven-year period, new services and programs began covering Second to Fifth and Market to Harrison streets. **Our Mission:** "Advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base."

SERVICES + PROGRAMS

CLEAN TEAM. Every day our Clean Team puts a sparkle on the neighborhood by sweeping and steam-cleaning sidewalks, removing graffiti, picking up litter, and responding to immediate neighborhood cleaning needs.

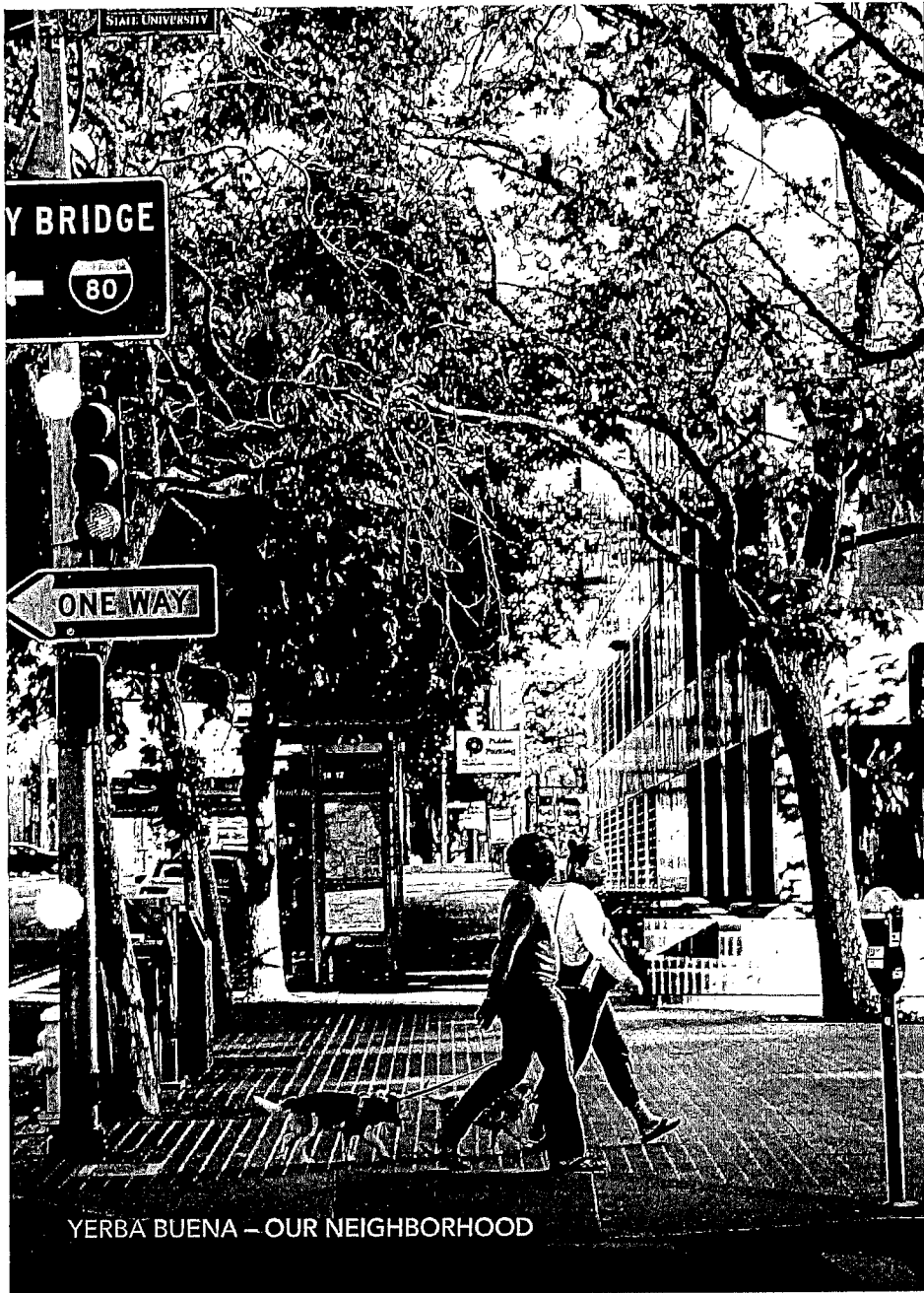
SFPD PATROL. In addition to existing police services, the YBCBD funds an SFPD bike patrol officer to keep us safer; 10 hours a day, 7 days a week.

COMMUNITY GUIDES. The Guides help everyone in the district and are our eyes on the street. They direct visitors to local businesses, contact our dispatcher to have areas cleaned and report safety issues, and help the homeless connect to services.

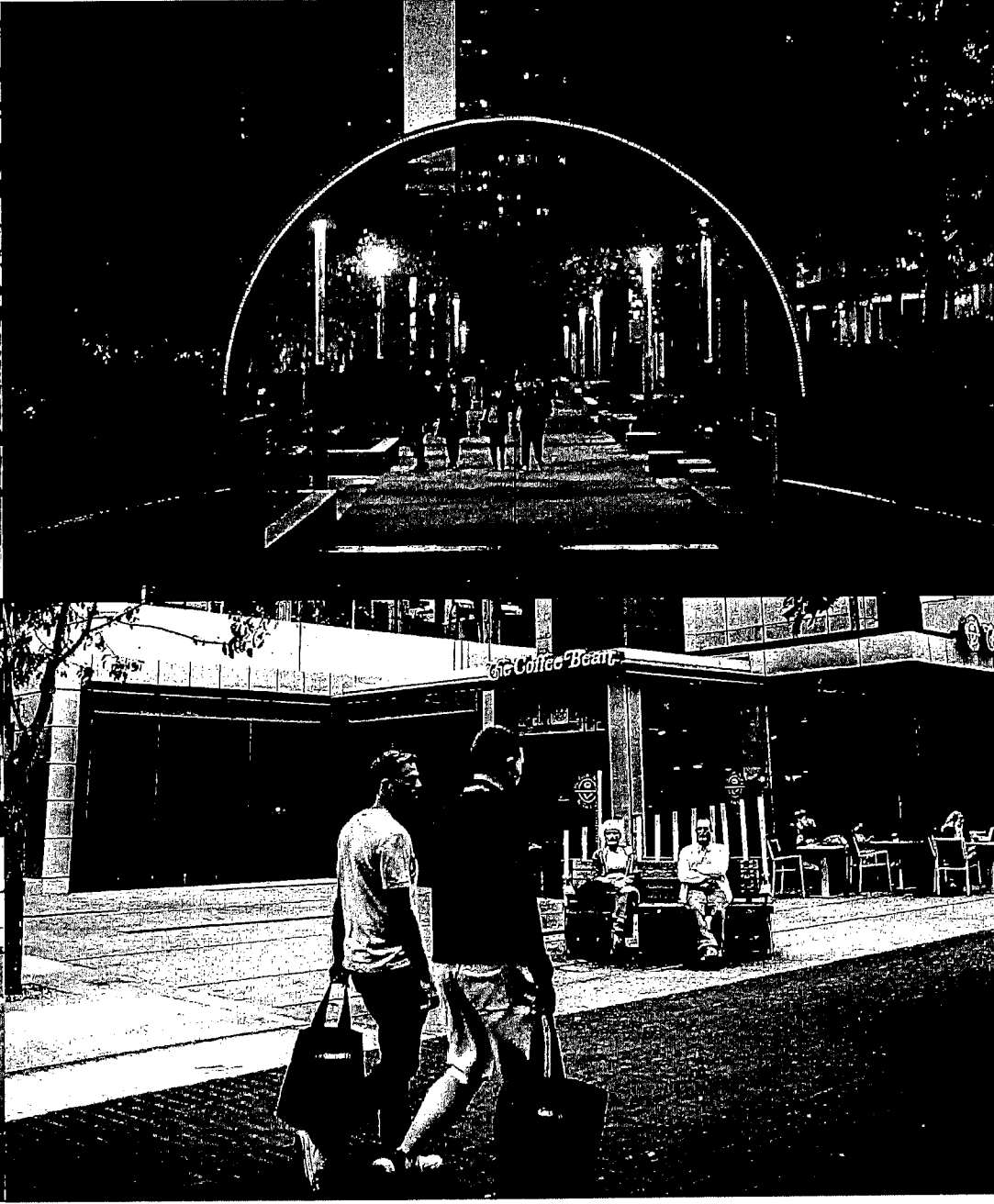
MARKETING AND EVENTS. We market Yerba Buena with websites, events, social media, street banners, and more to keep our economic engine humming.

COMMUNITY BENEFIT FUND. We provide grants to neighborhood nonprofits that support efforts like family programs, public art projects and cultural exhibits.

STREETScape IMPROVEMENTS. Streetscape programs – large and small — are improving our public spaces with artful bike racks, seating, alley designs, public art plans, and more.



YERBA BUENA – OUR NEIGHBORHOOD



ACCOMPLISHMENTS

2013-2014: WHAT WE'VE ACCOMPLISHED TOGETHER

CLEANER & SAFER: ALWAYS A PRIORITY

YBCBD CLEAN TEAM. Responded to more than 7,500 requests for sidewalk sweeping, steam cleaning and spot cleaning; removed more than 3,500 graffiti tags, stickers and flyers; and addressed more than 675 overflowing trashcans.

YERBA BUENA COMMUNITY GUIDES. Provided information and assistance to more than 10,600 residents, visitors and merchants, and addressed more than 1,700 incidents of aggressive panhandling, working with our dedicated SFPD bike patrol officer.

SFPD BIKE PATROL OFFICER. Worked 10-hour shifts daily to address quality of life issues and provide a reassuring presence in the district.

NEW CLEAN & SAFE CAMPAIGN. Launched a superhero-themed campaign to encourage everyone to get involved in keeping the neighborhood clean and safe. Also developed new ways to report and track service requests and neighborhood issues online, via text, and on mobile phones.

MAKING YERBA BUENA BETTER

YERBA BUENA STREET LIFE PLAN. Continued to implement the plan of 30+ projects, both large and small, to improve our pedestrian experience, alleys, streets and open spaces, such as the district's beautiful cast-iron bike racks and benches, and new portable bike corral. Developed designs for a pedestrian plaza at Annie Alley with the Friends of Annie Alley, neighboring businesses and the City.

CENTRAL SOMA PLAN. Worked with the City to incorporate many of our Street Life Plan projects into the Central SoMa Plan reducing implementation time and costs.

PEDESTRIAN SAFETY. Advocated with the City for safer crosswalks and sidewalks.

YERBA BUENA ART PLAN. Approved a public art plan to inspire more public art and guide that process, including a focus on neighborhood alleys and adding an iconic art piece at Moscone Center.

SUPPORTING CULTURAL ORGANIZATIONS, BUSINESSES & MERCHANTS

MARKETING THE NEIGHBORHOOD. Produced a visitor website, promoted an events calendar, identified the district with street pole banners, and handed out maps with information about businesses and attractions.

COME ONE, COME ALL. Promoted the district as a cultural destination, and held events oriented to arts and culture to bring people together. Installed the City's first Living Innovation Zone in partnership with the Exploratorium and the City to serve as welcoming attraction to Yerba Buena.

BUILDING A SENSE OF PLACE. Attracted more than 9,000 attendees to the third annual Yerba Buena Night. Hosted Yerba Buena Family Day drawing 19,000.

BUILDING COMMUNITY: WE'RE A STRONG VOICE FOR YOU

CENTRAL SUBWAY STOP. Reached an agreement with SFMTA to name the Central Subway stop at 4th and Folsom Streets the "Yerba Buena/Moscone Station."

ADVOCATING FOR YOU. Requested public realm improvements on the Moscone Expansion Project, advised developers on neighborhood needs, and advocated for Yerba Buena Gardens to ensure that it continues as a neighborhood centerpiece.

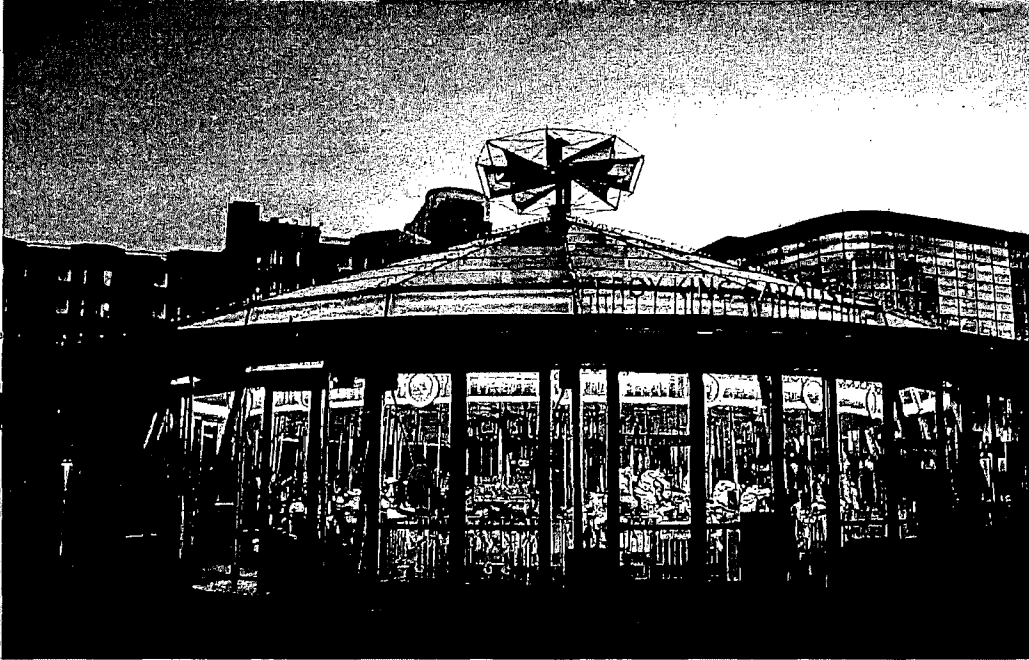
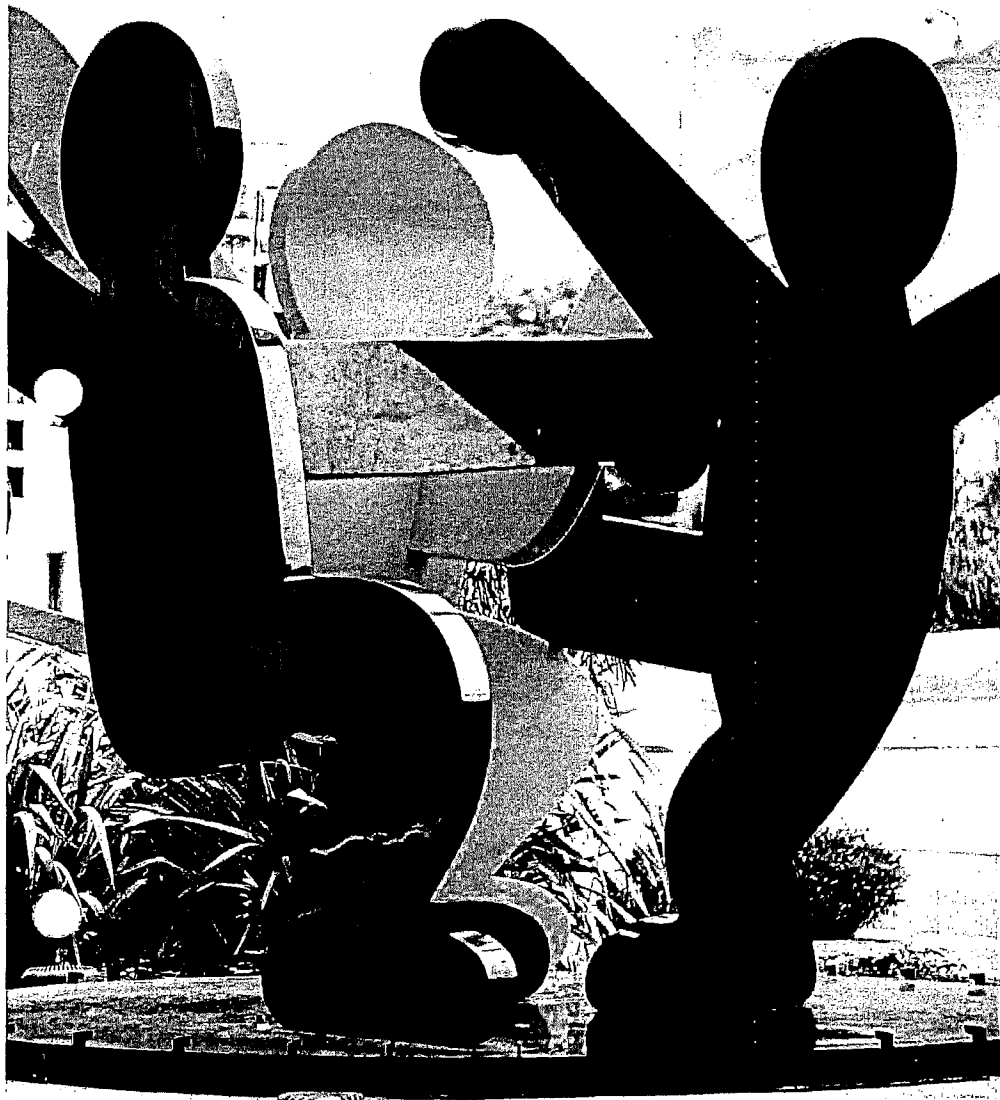
COMMUNITY BENEFIT FUND. Provided grants that last year supported 13 exhibits and programs, such the Yerba Buena Lane farmer's market, Halloween Hoopla family event and a Museum of the African Diaspora exhibit.



YERBA BUENA FAMILY DAY 2013 (TOP LEFT, RIGHT)
YERBA BUENA NIGHT 2013 (BOTTOM LEFT)



WORKING TOGETHER TO KEEP OUR
NEIGHBORHOOD CLEAN AND SAFE



YERBA BUENA ORIGINALS



MEMBER BOARD OF DIRECTORS AT THE 2017 ANNUAL MEETING

BUDGET + BALANCE SHEET

JULY 2013-JUNE 2014 ACTUALS

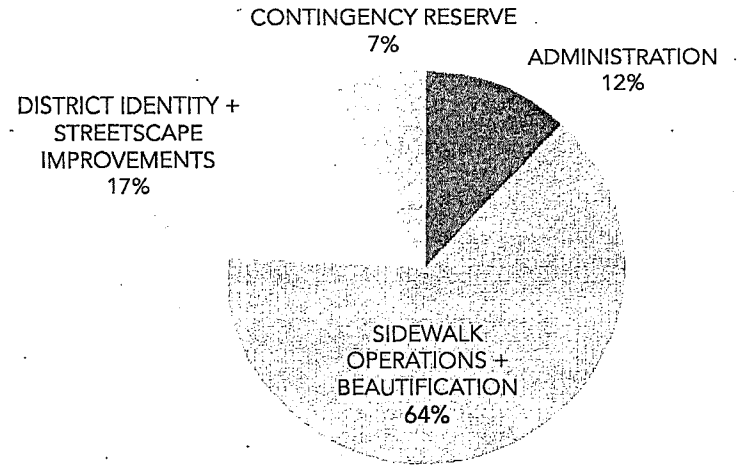
INCOME	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Assessments	\$2,391,586	\$2,387,107	\$4,479
Fundraising/In-Kind	\$138,967	\$125,476	\$13,491
Interest Income	\$418	\$1,000	(\$582)
Carryover	-	\$638,345	(\$638,345)
TOTAL INCOME	\$2,530,971	\$3,151,928	(\$620,957)
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Administration	\$334,765	\$321,355	\$13,410
SOBO	\$1,656,832	\$2,071,172	(\$414,340)
DISI	\$438,396	\$489,177	(\$50,781)
Contingency	-	\$270,224	(\$270,224)
TOTAL EXPENSES	\$2,429,993	\$3,151,928	(\$721,935)
NET INCOME	\$100,978	—	—

JULY 2013-JUNE 2014 BALANCE SHEET

ASSETS	
Cash In Bank	\$2,595,032
Accounts Receivable, Net	\$250,469
Other	\$104,014
TOTAL ASSETS	\$2,949,515
LIABILITIES	
Accounts Payable	\$112,807
Other Liabilities	\$48,099
TOTAL LIABILITIES	\$160,906
TOTAL NET ASSETS (CARRYOVER)	\$2,788,609
TOTAL LIABILITIES & NET ASSETS	\$2,949,515

JULY 2014-JUNE 2015 BUDGET

INCOME	
Assessments	\$2,391,586
Fundraising/In-Kind	\$125,476
Interest Income	\$500
Release from Restriction	\$799,381
TOTAL INCOME	\$3,316,943
EXPENSES	
Administration	\$413,225
Sidewalk Operations & Beautification	\$2,111,052
District Identity & Streetscape Improvement	\$572,442
Contingency/Reserve	\$220,224
TOTAL EXPENSES	\$3,316,943



FY 2014-2015 BUDGET

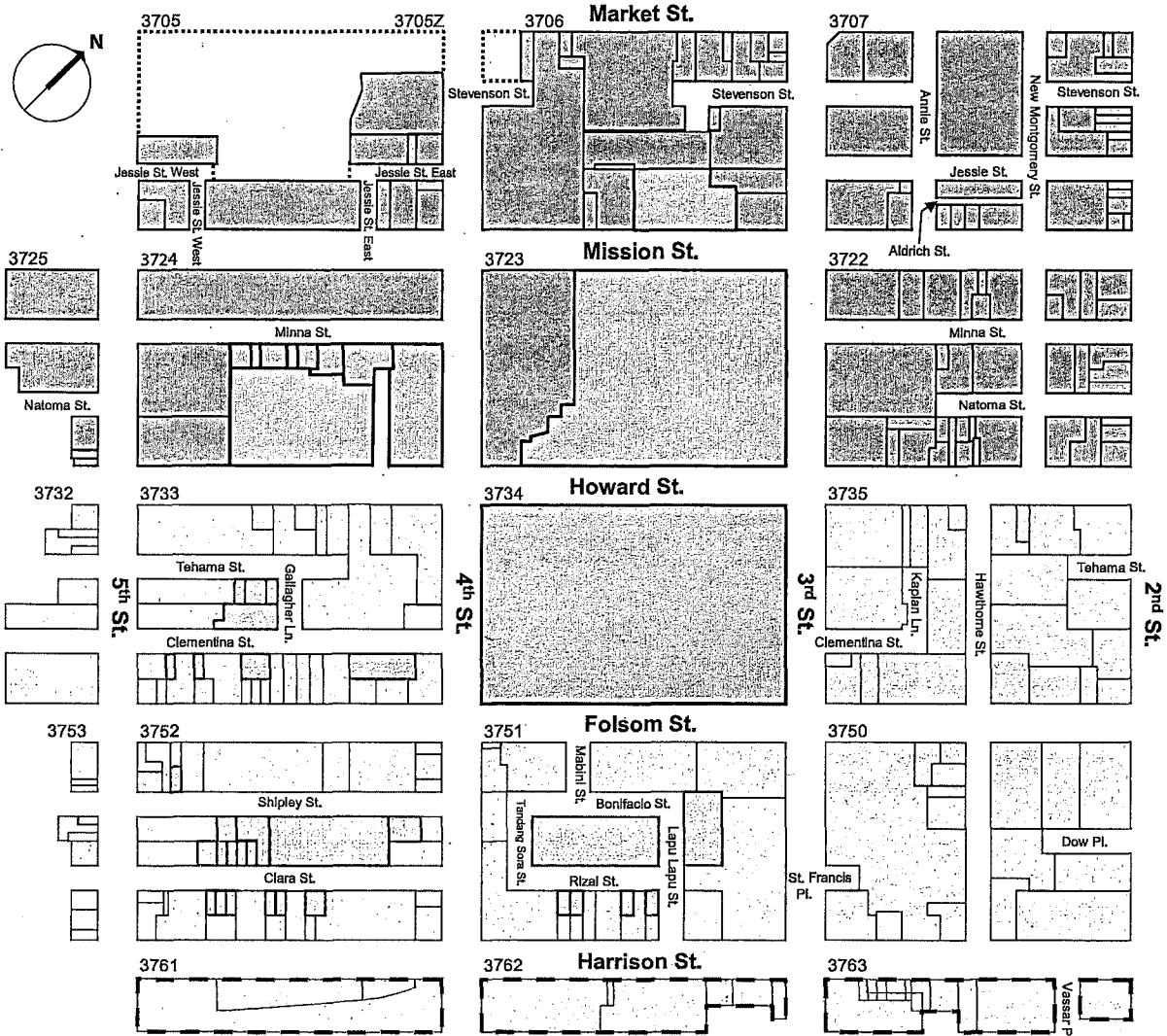
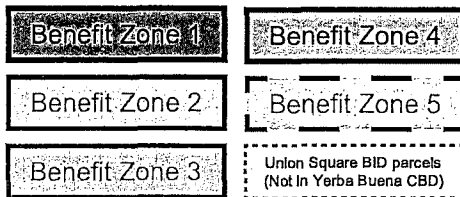
PROJECTED CARRYOVER DISBURSEMENT

CARRYOVER	AS OF 6.30.14	TO BE USED IN FY 2015	TO BE USED IN FUTURE YEARS
Administration	\$366,917	\$104,449	\$262,468
Sidewalk Operations & Beautification	\$1,256,560	\$524,220	\$732,340
District Identity & Streetscape Improvement	-	-	-
Contingency/Reserve	\$1,149,133	\$170,712	\$978,421
TOTAL CARRYOVER DISBURSEMENT	\$2,772,610	\$799,381	\$1,973,229

AREA MAP OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and luxury condominiums.

It is the most dynamic neighborhood in the City—a celebration of San Francisco's eclectic backbone stretching from Second to Fifth and Market to Harrison Streets.



ASSESSMENT METHODOLOGY

YBCBD is funded through an annual assessment from business and property owners. Annual assessments are based on one or more of the following four property factors:

- Linear frontage (sidewalk frontage)
- Gross building square footage
- Location in a particular benefit zone
- Property usage

There are five benefit zones in the YBCBD. The creation of the benefit zones was based upon the level of special services desired by property owners by use, the type of special services needed in the zone, and the intensity of use in the public right of way in the specific zone.

ASSESSMENT CALCULATION

The annual assessment is calculated by multiplying the gross square footage of the property by the square footage fee for a property's zone and use (condominium or commercial). If the property has linear frontage an additional fee is calculated by taking the total linear frontage of the property and multiplying by the frontage fee for the property's zone.

For example, a commercial property in Zone 1 of 1,000 gross square feet and with 10 feet of linear frontage would calculate their assessment as follows:

Zone 1 Commercial property fee (\$0.076) x 1,000 FT² = \$76.00

Zone 1 Frontage fee (\$15.30) x 10 linear feet = \$153.00

Add the two together to get the total assessment of \$229.00.

	CONDO FEE / FT ²	COMMERCIAL PROP. FEE / FT ²	FRONTAGE FEE / LINEAR FT.
Zone 1	\$0.215	\$0.076	\$15.30
Zone 2	\$0.215	\$0.045	\$10.30
Zone 3	\$0.215	\$0.022	\$5.20
Zone 4	—	—	\$38.40
Zone 5	—	—	\$10.30

YBCBD BOARD OF DIRECTORS

BOARD CHAIR:

Lawrence Li, SPUR

BOARD VICE-CHAIR:

John Noguchi, Moscone Center

SECRETARY/TREASURER:

Scott Rowitz, Yerba Buena Center for the Arts

BOARD MEMBERS

Kevin Best, B Restaurant & Bar

Lance Burwell, St. Regis Residences

Angela Carrier, California Historical Society*

Carolyn Diamond, Market Street Association*

John Elberling, Resident**

Lynn Farzaroli, Tourism Improvement District**

Saul Feldman, Resident*

Matt Field, TMG Partners*

Regina Flanagan, Resident

Kristin Gonsar, Millennium Partners

Helen Han, Boston Properties**

Peter Hartman, Resident**

Brian Jess, Target

Dheeraj Kakar, Resident

Summerlea Kashar, Cartoon Art Museum**

Lisa Wood Kirvin,

Renaissance Entrepreneurship Entrepreneurship Center**

Paul Lamb, Rocket Postcards*

Vincent Latigue, InterContinental Hotel

Jesse Leite, Related Properties

Michael Nobleza, Children's Creativity Museum

Carol Perry, San Francisco Travel Association*

Rebeka Rodriguez, Intersection for the Arts

Shelly Schembre, Westfield San Francisco Centre

Spencer Sechler, City Park

Dan Soine, Dugoni School of

Dentistry

Candace Sue, SFMTA

Christopher Sullivan, San Francisco Marriott Marquis**

Alan Svensen, Bloomingdale's**

Katie Tamony, SFMOMA

David Weinstein, Kilroy Realty**

*Board term ended January 2014

**Board term started January 2014

YBCBD COMMITTEES

Audit, Community Benefit Fund, Executive, Finance, Marketing, Nominating, Renewal Steering, Services, Streets & Public Space

YBCBD STAFF

Cathy Maupin, Executive Director

Andrew Robinson, Director of Neighborhood Partnerships

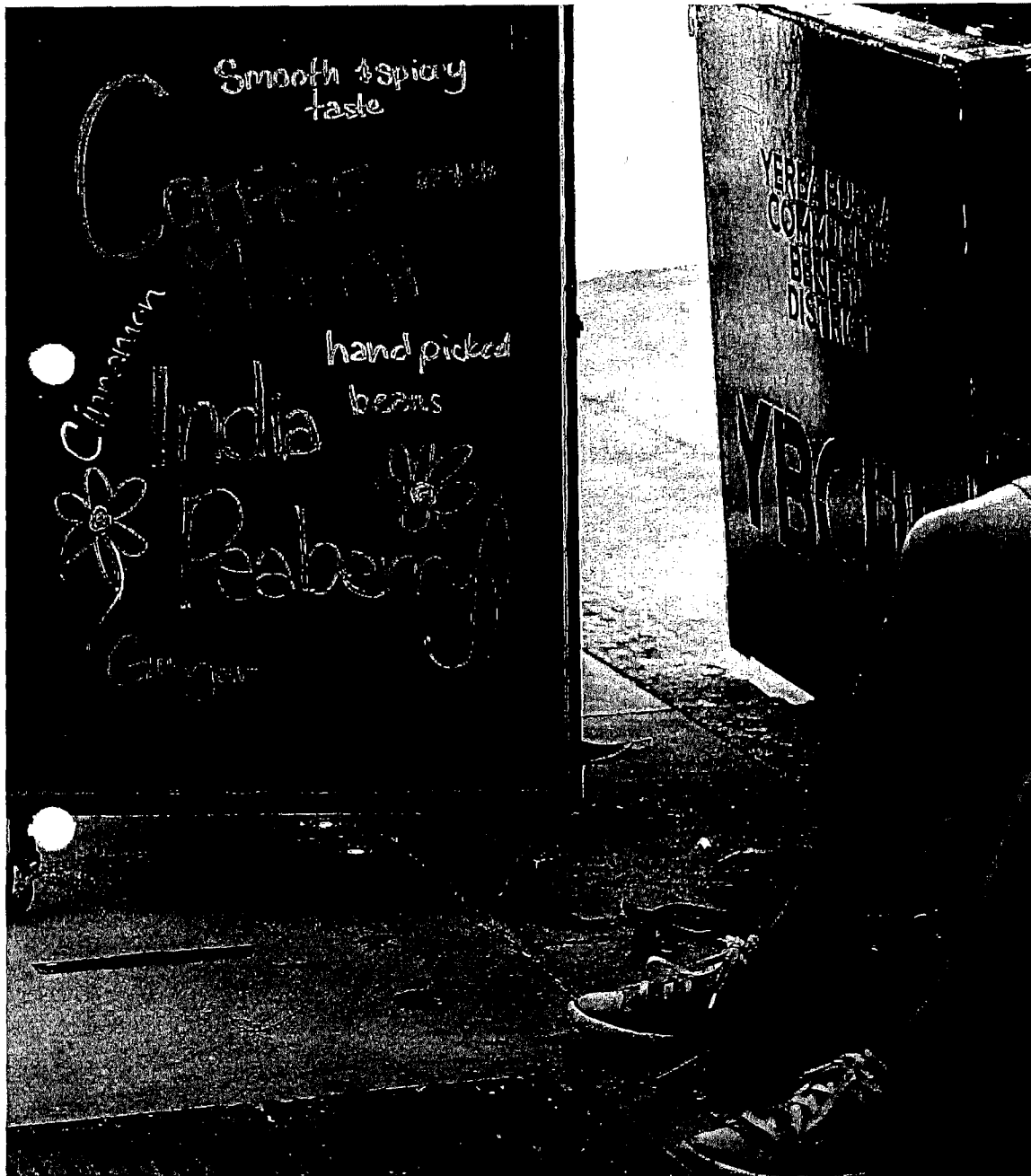
Kim Mercado, Events & Administrative Manager

Tom Kolbeck, Administrative Assistant

COMMUNITY SUPPORT

The YBCBD would like to thank the individuals and organizations below for their financial contributions and in-kind support. Their generosity allowed us to exceed our fundraising goals and improve the district.

Bliss Spa, Boston Properties, Café Madeleine, California Historical Society, Cathy Maupin, Children's Creativity Museum, City Park, Clear Channel, Contemporary Jewish Museum, Regina Flanagan, Hearst Corporation, Intercontinental Hotel, Lautze & Lautze, METREON, MJM Management Group, Moscone Center, Novela, Osha Thai, Recology, Rick Smith, San Francisco Bay Guardian, San Francisco Chronicle, San Francisco Examiner, San Francisco Marriott Marquis, San Francisco Travel Association, SF Weekly, SPUR, Elisa Stephens, supperclub, Target, St. Regis Hotel San Francisco, Westfield San Francisco Centre, Yerba Buena Center for the Arts, Yerba Buena Gardens Festival, Zero Zero.



**YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT**

YBCBD

5 Third Street, Suite 914
San Francisco, CA 94103
T 415.644.0728
F 415.644.0751
e info@ybcbd.org
w www.ybcbd.org

IMPORTANT NUMBERS AND LETTERS

There are five ways to report cleanliness and non-emergency safety issues to our dispatcher.

PHONE: 415-543-9223

EMAIL: dispatch@ybcbd.org

TEXT: 415-559-1632

MOBILE APP: YBCBD Assist for iPhones and Androids

ONLINE: www.YBCBD.org

Contact us for non-emergency services, public area cleaning and maintenance issues, and social services outreach.

EMERGENCY SERVICES:

Call 9-1-1.

Learn more about YBCBD programs and services at www.ybcbd.org and about neighborhood offerings and happenings at www.visityerbabuena.org.



FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

Years Ended June 30, 2014 and 2013

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LAUTZE & LAUTZE
CPAs & FINANCIAL ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
YERBA BUENA COMMUNITY BENEFIT DISTRICT
San Francisco, California

We have audited the accompanying financial statements of YERBA BUENA COMMUNITY BENEFIT DISTRICT (the YBCBD), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

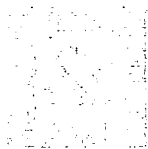
To the Board of Directors
YERBA BUENA COMMUNITY BENEFIT DISTRICT

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YERBA BUENA COMMUNITY BENEFIT DISTRICT as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lautze & Lautze

San Francisco, California
August 18, 2014



YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF FINANCIAL POSITION

June 30,

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 2,595,031	\$ 2,536,885
Assessments receivable, net	264,734	258,097
Prepaid expenses	18,893	13,082
Capital assets, net	48,264	48,724
Total assets	\$ 2,926,922	\$ 2,856,788
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 145,002	\$ 170,906
Accrued benefits	15,904	16,684
Total liabilities	160,906	187,590
Commitments		
Net assets:		
Unrestricted	2,750,016	2,653,498
Temporarily restricted	16,000	15,700
Total net assets	2,766,016	2,669,198
Total liabilities and net assets	\$ 2,926,922	\$ 2,856,788

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF ACTIVITIES
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, gains and other support:			
Assessment revenue	\$ 2,406,463	\$ -	\$ 2,406,463
Contributions	88,949	-	88,949
Grants	5,100	17,901	23,001
Interest and other income	12,433	-	12,433
Special events income	200	-	200
Net assets released from restrictions	17,601	(17,601)	-
	<u>2,530,746</u>	<u>300</u>	<u>2,531,046</u>
Expenses:			
Program services	2,073,246	-	2,073,246
Supporting services:			
Management and administrative	332,819	-	332,819
Fundraising	28,163	-	28,163
	<u>2,434,228</u>	<u>-</u>	<u>2,434,228</u>
Change in net assets	96,518	300	96,818
Net assets:			
Beginning of year	<u>2,653,498</u>	<u>15,700</u>	<u>2,669,198</u>
End of year	<u>\$ 2,750,016</u>	<u>\$ 16,000</u>	<u>\$ 2,766,016</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, gains and other support:			
Assessment revenue	\$ 2,403,916	\$ -	\$ 2,403,916
Contributions	81,085	700	81,785
Grants	35,000	15,000	50,000
Interest and other income	11,405	-	11,405
Special events income	1,319	-	1,319
Net assets released from restriction	15,000	(15,000)	-
	<u>2,547,725</u>	<u>700</u>	<u>2,548,425</u>
Total revenue, gains and other support			
Expenses:			
Program services	2,080,691	-	2,080,691
Supporting services:			
Management and administrative	296,827	-	296,827
Fundraising	29,495	-	29,495
	<u>2,407,013</u>	<u>-</u>	<u>2,407,013</u>
Total expenses			
Change in net assets	140,712	700	141,412
Net assets:			
Beginning of year	<u>2,512,786</u>	<u>15,000</u>	<u>2,527,786</u>
End of year	<u>\$ 2,653,498</u>	<u>\$ 15,700</u>	<u>\$ 2,669,198</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014

	Program Services			Supporting Services		
	Sidewalk Operations and Beautification	District Identity and Streetscape Improvements	Total	Management and Administrative	Fundraising	Total
Cleaning services	\$ 568,272	\$ -	\$ 568,272	\$ -	\$ -	\$ 568,272
Community guides	455,580	-	455,580	-	-	455,580
Police services	323,567	-	323,567	-	-	323,567
Salaries and benefits	92,419	69,698	162,117	110,849	26,288	299,254
Grants	18,740	126,000	144,740	-	-	144,740
Consulting fees	-	27,248	27,248	88,177	-	115,425
Greening	118,134	-	118,134	-	-	118,134
In-kind goods and services	3,900	55,509	59,409	28,189	-	87,598
Special events	-	67,188	67,188	-	-	67,188
Marketing and branding	-	51,148	51,148	-	-	51,148
Rent and utilities	433	-	433	40,491	-	40,924
Streetscape management	36,536	-	36,536	-	-	36,536
Depreciation and amortization	-	-	-	27,504	-	27,504
Clean and safe campaign	24,953	-	24,953	-	-	24,953
Payroll taxes	6,581	5,021	11,602	7,932	1,875	21,409
Office supplies and postage	-	2,385	2,385	13,534	-	15,919
Website support	-	9,292	9,292	3,085	-	12,377
Other contract expenses	7,300	-	7,300	-	-	7,300
Insurance	-	-	-	6,393	-	6,393
Uniforms	3,342	-	3,342	-	-	3,342
Dues and subscriptions	-	-	-	2,898	-	2,898
Payroll processing fees	-	-	-	2,792	-	2,792
Other expenses	-	-	-	975	-	975
	<u>\$ 1,659,757</u>	<u>\$ 413,489</u>	<u>\$ 2,073,246</u>	<u>\$ 332,819</u>	<u>\$ 28,163</u>	<u>\$ 2,434,228</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
Year Ended June 30, 2013

	Program Services			Supporting Services		
	Sidewalk Operations and Beautification	District Identity and Streetscape Improvements	Total	Management and Administrative	Fundraising	Total
Cleaning services	\$ 568,032	\$ -	\$ 568,032	\$ -	\$ -	\$ 568,032
Community guides	455,580	-	455,580	-	-	455,580
Police services	326,699	-	326,699	-	-	326,699
Salaries and benefits	82,787	70,415	153,202	109,719	20,907	283,828
Grants	49,300	125,000	174,300	-	-	174,300
Consulting fees	-	48,068	48,068	79,403	-	127,471
Greening	101,511	-	101,511	-	-	101,511
Marketing and branding	-	75,609	75,609	2,711	-	78,320
Special events	-	64,166	64,166	-	-	64,166
In-kind goods and services	5,250	64,512	69,762	1,323	7,000	78,085
Rent and utilities	600	150	750	35,974	-	36,724
Donations and contributions	26,791	-	26,791	-	-	26,791
Depreciation and amortization	-	-	-	24,747	-	24,747
Payroll taxes	6,025	5,124	11,149	7,616	1,522	20,287
Bad debts	-	-	-	15,766	-	15,766
Office supplies and postage	597	4,040	4,637	9,546	48	14,231
Insurance	-	-	-	5,457	-	5,457
Payroll processing fees	-	-	-	2,548	-	2,548
Dues and subscriptions	-	-	-	1,848	-	1,848
Uniforms	435	-	435	-	-	435
Other expenses	-	-	-	169	18	187
	<u>\$ 1,623,607</u>	<u>\$ 457,084</u>	<u>\$ 2,080,691</u>	<u>\$ 296,827</u>	<u>\$ 29,495</u>	<u>\$ 2,407,013</u>

YERBA BUENA COMMUNITY BENEFIT DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 96,818	\$ 141,412
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	-	15,766
Depreciation and amortization	27,504	24,747
(Increase) decrease in assets:		
Assessments receivable	(6,637)	(191,798)
Prepaid expenses	(5,811)	(2,009)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(25,904)	10,982
Accrued benefits	(780)	5,163
	85,190	4,263
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of capital assets	(27,044)	(20,893)
Net cash used by investing activities	(27,044)	(20,893)
Net increase (decrease) in cash and cash equivalents	58,146	(16,630)
Cash and cash equivalents:		
Beginning of year	2,536,885	2,553,515
End of year	\$ 2,595,031	\$ 2,536,885

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Organization

The Yerba Buena Community Benefit District (the YBCBD) was formed in 2008 by property owners to improve the quality of life in the area by making the area cleaner, safer, and more vibrant. The YBCBD has a contract with the City and County of San Francisco (the City) for a term of seven years expiring on December 31, 2015. The YBCBD stretches from about Second to Fifth and Market to Harrison Streets in San Francisco, California.

The YBCBD exists to implement programs to create a neighborhood that is safer, cleaner, greener and a better place to conduct business and live. These programs and services are funded by district property owners in the Yerba Buena neighborhood.

The YBCBD's mission statement is as follows:

The Yerba Buena Community Benefit District will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

Programs and services provided by the YBCBD are:

- **Clean Team** - The Clean Team works to improve the appearance and cleanliness of the district daily from 6:00am to 9:30pm. They steam clean all sidewalks in the district twice a month, work daily on sidewalk cleaning and gutter sweeping, and remove trash on a frequent basis. They also pull weeds, clean tree wells, remove graffiti, and paint poles, mailboxes, and fire plugs.
- **Community Guides Program** - The Community Guides serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. They report maintenance issues such as areas in need of cleaning. They do not provide emergency response, but will call emergency dispatch to report issues. Up to six guides work seven days a week 6:00am to 12:00am.
- **SFPD 10B Officer** - In addition to existing police services, the San Francisco Police Department (SFPD) provides officers to the YBCBD under City Administrative Code Section 10B. These officers are funded by the YBCBD. The 10B officer primarily addresses quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions. The additional police presence adds 70 hours per week of police time to the 5,000 hours a week already provided by the Southern District Police Station.
- **Marketing and Branding** - Marketing programs help strengthen the area's economic viability to make it more inviting to businesses and visitors. The YBCBD established a name and brand for the neighborhood, along with a neighborhood website that lists all businesses, events, and neighborhood news. The YBCBD also coordinates events that bring people to the neighborhood.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Purpose and Organization (Continued)

- **Greening** - Guided by the Yerba Buena Street Life Plan, the YBCBD invests in public realm improvements including greening, pedestrian and bicycle improvements, public art as well as advocates for real public benefits related to neighborhood development projects.
- **Community Benefit Fund** - The YBCBD Community Benefit Fund supports district initiatives by providing small grants to programs in the neighborhood that help to achieve the mission of the YBCBD.

Basis of Accounting

The YBCBD prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Classification of Net Assets

U.S. GAAP requires that YBCBD report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, the net assets of the YBCBD are classified and reported as described below:

Unrestricted: Those net assets and activities which represent the portion of expendable funds that are available to support YBCBD's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily Restricted: Those net assets and activities which are donor-restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets.

Permanently Restricted: Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

As of June 30, 2014 and 2013, the YBCBD did not have any net assets meeting the definition of permanently restricted.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The YBCBD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Assessments Receivable

Assessments receivable represents obligations of local property owners due to the YBCBD. Unpaid receivables do not accrue interest.

The YBCBD uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2014 and 2013, the allowance for uncollectible assessments was \$283,682.

Capital Assets

The YBCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value or appraised value at the date of acquisition. Depreciation on furniture and equipment is calculated using the straight-line method based upon estimated useful lives ranging from 3 to 10 years. Website development costs are amortized using the straight-line method over 3 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statement of activities.

Revenue Recognition

Assessment Revenue

The YBCBD receives its support primarily from a special assessment levied by the City on properties located within the YBCBD in accordance with City Ordinance. The assessment is recorded by the YBCBD when earned. The City remits the assessments to the YBCBD as the assessments are collected from the property owners. Interest is not charged on late assessments, however late penalties are charged in accordance with the City's policy.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition (Continued)

Contributions

The YBCBD recognizes all contributions in the year of receipt, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction. Contributions with donor-imposed restrictions and investment income generated from such investments that are complied with in the year of receipt are reported as unrestricted support.

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities. Such transactions are recorded as *net assets released from restrictions* and are reported separately from other transactions.

Contributed Goods and Services

Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the YBCBD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YBCBD reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The YBCBD records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the years ended June 30, 2014 and 2013, the YBCBD received contributed goods and services in the amounts of \$87,598 and \$78,085, respectively.

Advertising

The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2014 and 2013 was \$32,841 and \$60,081, respectively.

Income Taxes

The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code and §23701f of the California Revenue and Taxation Code, respectively.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The YBCBD recognizes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements.

The YBCBD's evaluation on June 30, 2014 revealed no tax positions that would have a material impact on the financial statements. The 2010 through 2013 tax years remain subject to examination by the Internal Revenue Service. In addition, the 2009 through 2013 tax years remain subject to examination by the California Franchise Tax Board. The YBCBD does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Concentrations of Risk

Financial Instruments

Financial instruments which potentially subject the YBCBD to concentrations of credit risk consist principally of cash and cash equivalents. The YBCBD maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The YBCBD has not experienced any losses in such accounts. Management believes that the YBCBD is not exposed to any significant credit risk related to concentrations.

Assessments Receivable

As of June 30, 2014 and 2013, 42% and 36% of the assessments receivable were due from two property owners, respectively.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis for the years ended June 30, 2014 and 2013 in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an analysis of personnel time by each program.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014 and 2013

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

ASU No. 2012-05, Statement of Cash Flows (Topic 230)-Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows (a consensus of the FASB Emerging Issues Task Force). In accordance with ASU No. 2012-05, not-for-profit entities are required to classify as operating cash flows receipts from the sale of donated financial assets, unless the donor has restricted the use of the contributed securities to long-term purposes, in which case, the cash receipts should be classified as financing cash flows. Cash receipts from the sale of all other donated securities must be classified as investing cash flows. The effective date of the guidance, to be applied prospectively, was for cash received from the sale of donated assets in fiscal years, and interim periods within such years, beginning after June 15, 2013. Since this new guidance only amends the disclosure requirements, it will not have a material impact on YBCBD's financial statements.

2. CAPITAL ASSETS

Capital assets, net at June 30 consist of the following:

	2014	2013
Website development	\$ 75,012	\$ 71,532
Street furniture	13,785	-
Furniture and equipment	5,373	4,078
Less accumulated depreciation and amortization	(72,545)	(45,042)
	21,625	30,568
Construction in progress - benches	26,639	18,156
	\$ 48,264	\$ 48,724

For the years ended June 30, 2014 and 2013, depreciation and amortization expense was \$27,504 and \$24,747, respectively.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

3. UNRESTRICTED NET ASSETS

Unrestricted net assets at June 30 consist of the following:

	2014	2013
Sidewalk Operations and Beautification	\$ 1,220,581	\$ 1,325,806
Contingency/Reserve	1,100,869	896,757
Administration	380,302	298,788
Invested in capital assets	48,264	48,724
District Identity and Streetscape Improvement	-	83,423
	\$ 2,750,016	\$ 2,653,498

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2014 consist of \$16,000 for the 2014-15 Yerba Buena Night. Temporarily restricted net assets at June 30, 2013 consist of \$15,700 for the 2013-14 Yerba Buena Night and the 2013-14 Yerba Buena Family Day.

5. NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 2014, net assets totaling \$17,601 were released from restriction in connection with the 2013-14 Yerba Buena Night, the 2013-14 Yerba Buena Family Day, and the Annie Alley renovations.

During the year ended June 30, 2013, net assets totaling \$15,000 were released from restriction in connection with the 2012-13 Yerba Buena Night and the 2012-13 Yerba Buena Family Day.

6. GRANTS

The YBCBD distributes annual grants called Community Benefits Fund grants to community organizations providing services, within the district, that support the improvements and activities of the YBCBD. Grant expense for the years ended June 30, 2014 and 2013 was \$144,740 and \$174,300, respectively.

7. COMMITMENTS

Leases

The YBCBD is obligated under a non-cancelable operating lease agreement for office space in San Francisco, California. The term of the lease is August 15, 2009 through August 14, 2015.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

7. **COMMITMENTS (CONTINUED)**

Leases (Continued)

The YBCBD also leases office equipment with monthly lease payments expiring in August 2013. During the year ended June 30, 2013 this lease was amended to, among other things, extend the lease term through December 31, 2015.

The following is a schedule of minimum lease commitments for the years ending June 30:

2015	\$ 32,372
2016	<u>5,178</u>
	<u>\$ 37,550</u>

Rent expense for the years ended June 30, 2014 and 2013 was \$28,243 and \$26,493, respectively.

Construction

The YBCBD has made a commitment for the construction of five park benches to be installed throughout the district. The cost of the project is estimated to be approximately \$35,000 and will be funded partially by a grant from the City. As of June 30, 2014 the YBCBD paid \$33,299 of this commitment. Additionally, during the year ended June 30, 2014, one of the five benches was placed in service.

8. **RELATED PARTY TRANSACTIONS**

Members of the YBCBD's Board of Directors (the Board) are also associated with organizations that received Community Benefit Fund grants from the YBCBD. Pursuant to the YBCBD's conflict of interest policy, all conflicted YBCBD board members refrain from the decision-making process and abstain from the voting process.

The YBCBD has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the YBCBD does business with an entity in which a Board member has a material financial interest. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the YBCBD, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the YBCBD, in accordance with applicable conflict of interest laws. Community Benefit Fund grants paid to related parties for the years ended June 30, 2014 and 2013 totaled, \$67,500 and \$57,500, respectively. At June 30, 2014 and 2013, no amounts were due to related parties.

YERBA BUENA COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

9. SUBSEQUENT EVENTS

The YBCBD has evaluated all subsequent events through August 18, 2014, the date the financial statements were available to be issued.

1 [Annual Reports - Yerba Buena Community Benefit District]

2
3 **Resolution regarding Yerba Buena Community Benefit District Annual Reports to**
4 **the City by receiving and approving the District's Annual Reports for FYs 2008-**
5 **2009 and 2009-2010, which include the District's proposed budget for FY2010-**
6 **1011, as submitted, pursuant to Section 36650 of the Property and Business**
7 **Improvement District Law of 1994 (California Streets and Highways Code §§36600**
8 **et seq.) and Section 3.4 of the District's management contract with the City.**

9
10 WHEREAS, On June 10, 2008, pursuant to the Property and Business
11 Improvement District Law of 1994, California Streets and Highways Code Sections
12 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
13 Regulations Code, the Board of Supervisors adopted Resolution No. 246-08 "Resolution
14 of Intention to form the Yerba Buena Community Benefit District (CBD)" ("Resolution of
15 Intention," BOS File No. 080784); and,

16 WHEREAS, On July 29, 2008 the Board of Supervisors adopted Resolution
17 No. 330-08 "Resolution to Establish the Yerba Buena Community Benefit District"
18 (Resolution to Establish) for a period of seven (7) years commencing with fiscal year
19 2008-2009, (BOS File No. 080917); and,

20 WHEREAS, On February 10, 2009 the Board of Supervisors adopted Resolution
21 No. 44-09 "Contract with Owners' Association for Administration of Yerba Buena
22 Community Benefit District" (BOS File No. 090027); and,

1 WHEREAS, The Board of Supervisors has received the Yerba Buena
2 Community Benefit District's Annual Reports for Fiscal Years 2008-2009 and
3 2009-2010, including the proposed budget for 2010-2011, with supporting materials;
4 now, therefore, be it

5
6 RESOLVED, that the Board of Supervisors declares as follows:

7 **Section 1. RECEIPT AND APPROVAL OF THE YERBA BUENA**
8 **COMMUNITY BENEFIT DISTRICT'S ANNUAL REPORTS TO THE CITY.**

9 The Board hereby receives and approves the Yerba Buena Community Benefit
10 District's Annual Reports for Fiscal Years 2008-2009 and 2009-2010.

11 Supporting documents for these annual reports are on file with the Clerk of the
12 Board of Supervisors in File No. 110350, and include a transmittal letter and
13 memorandum report from the City's Office of Economic and Workforce Development
14 dated February 9, 2011, and documentation from the owners' nonprofit corporation that
15 is named "Yerba Buena Community Benefit District Corporation."

16 These annual reports and proposed budget are submitted pursuant to Section
17 36650 of the Property and Business Improvement District Law of 1994 (California
18 Streets and Highways Code §§36600 *et seq.*), and pursuant to Section 3.4 of the
19 District's Management Contract with the City (*i.e.*, Section 3.4 of the City's management
20 agreement/contract with the nonprofit property owners' association which uses the
21 name "Yerba Buena Community Benefit District Corporation," for management and
22 administration of the Yerba Buena Community Benefit District), which is on file with the
23 Clerk of the Board of Supervisors in File No. 090027 (re Resolution No. 44-09).



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 110350

Date Passed: April 12, 2011

Resolution regarding Yerba Buena Community Benefit District Annual Reports to the City by receiving and approving the District's Annual Reports for FYs 2008-2009 and 2009-2010, which include the District's proposed budget for FY2010-1011, as submitted, pursuant to Section 36650 of the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §§36600 et seq.) and Section 3.4 of the District's management contract with the City.

April 06, 2011 Budget and Finance Sub-Committee - RECOMMENDED

April 12, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110350

I hereby certify that the foregoing Resolution was ADOPTED on 4/12/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

4/14/11

Date Approved

1 [Contract with Owners' Association for administration/management of Yerba Buena
2 Community Benefit District.]

3 **Resolution approving an agreement with the nonprofit Owners' Association for**
4 **administration/management of the property-based business improvement district**
5 **known as the "Yerba Buena Community Benefit District," pursuant to Section 36651 of**
6 **the California Streets and Highways Code.**

7
8 WHEREAS, on June 10, 2008, acting pursuant to Article XIID of the California
9 Constitution, Section 53753 of the California Government Code, and the California Property
10 and Business Improvement District Law of 1994 (Part 7 of Division 18 of the California Streets
11 and Highways Code, commencing with Section 36600), as augmented by Article 15 of the
12 San Francisco Business and Tax Regulations Code, the Board of Supervisors adopted
13 Resolution No. 246-08 ("Resolution of Intention") declaring the Board's intention to form a
14 property-based business improvement district and to levy assessments on parcels to be
15 included within the district, setting the public hearing, initiating mail ballot majority protest
16 proceedings, approving the Yerba Buena Community Benefit District Management District
17 Plan (the "Management District Plan" or "Plan"), making various findings and taking other
18 legislative actions required to form the proposed district and levy the proposed assessments
19 (Board File No. 080784); and,

20 WHEREAS, on July 29, 2008, acting pursuant to the aforementioned legal authorities,
21 the Board of Supervisors adopted Resolution No. 330-08 ("Resolution of Formation"),
22 establishing the property-based business improvement district designated as the "Yerba
23 Buena Community Benefit District" and levying multi-year special assessments on Identified
24 Parcels (as defined in Section 53750(g) of the Government Code) included within the District
25 (the "Assessments") (Board File No. 080917); the Controller's designation for the

1 Assessments for the Yerba Buena Community Benefit District is Special Assessment No. 96;
2 and,

3 WHEREAS, pursuant to the aforementioned legal authorities and the Resolution of
4 Formation, the Assessments may only be used to fund property-related services,
5 "Improvements" (as defined in Section 36610 of the Streets and Highways Code) and
6 "Activities" (as defined in Section 36613 of the Streets and Highways Code) within the District
7 in accordance with the Management District Plan (collectively, such authorized services,
8 improvements and activities are referred to as "District Programs"); and,

9 WHEREAS, the District is not a governmental, corporate or separate legal entity, but is
10 a geographic area containing all of the Identified Parcels subject to the Assessments for
11 District Programs described in the Plan and included in the annual budgets submitted to and
12 approved by the Board of Supervisors.; the annual budget for District Programs for the first
13 year of operations is set forth in the Plan, and for subsequent years, shall be set forth in the
14 Annual Reports submitted to the Board of Supervisors as required by Section 36650 of the
15 Streets and Highways Code; and,

16 WHEREAS, pursuant to the Resolution of Formation and Sections 36614.5 and 36650
17 of the Streets and Highways Code, the Board of Supervisors may contract with a private
18 nonprofit entity referred to as an "Owners' Association" to administer the District Programs.
19 An Owners' Association may be an existing nonprofit entity or a newly formed nonprofit entity.
20 An Owners' Association is a private entity and may not be considered a public entity for any
21 purpose, nor may its board members or staff be considered to be public officials for any
22 purpose; provided, however, that an Owner's Association must comply with the Ralph M.
23 Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the
24 Government Code), at all times when its board of directors or any committee thereof hears,
25 considers or deliberates on matters concerning the District, and must comply with the

1 California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of
2 Title 1 of the Government Code), for purposes of providing public access to records relating to
3 the District; and,

4 WHEREAS, an Owners' Association is obligated to hold in trust all funds it receives
5 from the City that are derived from the City's levy and collection of the Assessments, and to
6 use such funds exclusively for the purposes of implementing the Management District Plan
7 and administering, managing and providing District Programs set forth in the Plan, Resolution
8 of Formation, and annual budgets submitted by the Owners' Association and approved by the
9 Board of Supervisors; and,

10 WHEREAS, pursuant to the Resolution of Formation, the Mayor's Office of Economic
11 and Workforce Development is the City agency responsible for coordination between the City
12 and the Owners' Association for the District; and,

13 WHEREAS, the Mayor's Office of Economic and Workforce Development has
14 negotiated an agreement with the owners' California nonprofit corporation that also uses the
15 name Yerba Buena Community Benefit District Corporation, to, in good faith and with
16 diligence as the Owners' Association for the District, develop, implement, direct, manage,
17 administer, operate and ensure the timely provision of the District Programs ("Management
18 Agreement" or "Agreement"). The Management Agreement is on file with the Clerk of the
19 Board of Supervisors in File No. 090027 and is incorporated herein by reference; and,

20 WHEREAS, pursuant to the Property and Business Improvement District Law of 1994,
21 the Resolution of Formation and the express terms of the Management Agreement, the
22 Agreement shall not be binding unless the Board of Supervisors approves the Agreement by
23 resolution; and,

24 WHEREAS, it is in the best interest of the City and the property owners within the
25 District for the City to enter into the Management Agreement with the owners' nonprofit

1 corporation Yerba Buena Community Benefit District Corporation according to the terms and
2 conditions set forth therein; now, therefore, be it

3 RESOLVED, that the Board of Supervisors declares as follows:

4 Section 1. AUTHORIZATION TO EXECUTE CONTRACT. The Mayor's Office of
5 Economic and Workforce Development is duly authorized to execute the Management
6 Agreement on behalf of the City and County of San Francisco.

7 Section 2. APPROVAL OF AGREEMENT. The Board of Supervisors hereby
8 approves the Management Agreement on file with the Clerk of the Board of Supervisors in
9 File No. 090027, which is incorporated herein by reference.

10 Section 3. AUTHORIZATION FOR ACTIONS CONTEMPLATED IN AGREEMENT.
11 The Mayor's Office of Economic and Workforce Development, Controller and all other
12 Departments, City Officers and Employees are authorized to take all actions, make
13 determinations, exercise discretion, grant or deny approval, and otherwise take all reasonable
14 steps necessary for full performance of the Management Agreement on behalf of the City and
15 County of San Francisco according to its terms.

16 Section 4. AUTHORIZATION FOR AMENDMENTS TO AGREEMENT. Subject to
17 disapproval by the Board of Supervisors within 30 days of submission to the Clerk of the
18 Board, the Mayor's Office of Economic and Workforce Development may execute
19 amendments to the Agreement on behalf of the City and County of San Francisco that are
20 consistent with the Management District Plan, Resolution of Formation, official City policies
21 and applicable law.

22 Section 5. DELIVERY. The Clerk of the Board of Supervisors shall cause certified
23 copies of this Resolution to be delivered to the owners' nonprofit corporation Yerba Buena
24 Community Benefit District Corporation and the Mayor's Office of Economic and Workforce
25 Development.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 090027

Date Passed:

Resolution approving an agreement with the nonprofit Owners' Association for administration/management of the property-based business improvement district known as the "Yerba Buena Community Benefit District," pursuant to Section 36651 of the California Streets and Highways Code.

February 10, 2009 Board of Supervisors — ADOPTED

Ayes: 10 - Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell,
Mirkarimi

Excused: 1 - Alioto-Pier

File No. 090027

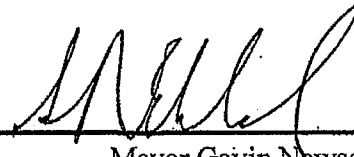
I hereby certify that the foregoing Resolution was ADOPTED on February 10, 2009 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

2/20/09

Date Approved



Mayor Gavin Newsom

For

1. [Resolution to establish the Yerba Buena Community Benefit District.]

2

3 **Resolution establishing a property-based business improvement district to be known**
4 **as the "Yerba Buena Community Benefit District (CBD)," ordering the levy and**
5 **collection of assessments against property located in that district for seven years,**
6 **commencing with fiscal year 2008-2009, subject to conditions as specified, and making**
7 **environmental findings.**

8

9 WHEREAS, Pursuant to the Property and Business Improvement Law of 1994,
10 California Streets and Highways Code Sections 36600 *et seq.* (the "Act"), as augmented by
11 Article 15 of the San Francisco Business and Tax Regulations Code ("Article 15"), the Board
12 of Supervisors adopted Resolution No. 246-08 on June 10, 2006, entitled "Resolution
13 declaring the intention of the Board of Supervisors to establish a property-based business
14 improvement district to be known as the "Yerba Buena Community Benefit District (CBD)," to
15 order the levy and collection of a multi-year assessment, and setting a time and place for a
16 public hearing thereon" (the "Resolution of Intention"); and,

17 WHEREAS, The Resolution of Intention for the Yerba Buena Community Benefit
18 District (the "Yerba Buena CBD" or "District"), among other things, approved the Yerba Buena
19 Community Benefit District Management District Plan (the "District Management Plan"), the
20 District Assessment Engineer's Report, the form of the Assessment Ballots and the Notice of
21 Public Hearing, that are on file with Clerk of the Board of Supervisors in File No. 080784; and,

22 WHEREAS, The Board of Supervisors caused notice of a public hearing concerning
23 the proposed formation of the Yerba Buena CBD, and the proposed levy of assessments
24 against property located within the District for a period of seven years, for fiscal years 2008-
25 2009 through 2014-2015; and,

1 WHEREAS, The Board of Supervisors has caused ballots to be mailed to the record
2 owner of each parcel proposed to be assessed within the District, as required by law; and,

3 WHEREAS, A public hearing concerning the proposed formation of the Yerba Buena
4 CBD and the proposed levy of assessments within such District was held on July 29, 2008, at
5 3 p.m., in the Board's Legislative Chambers, located on the Second Floor of City Hall, 1 Dr.
6 Carlton B. Goodlett Place, San Francisco, California; and,

7 WHEREAS, At the public hearing, the testimony of all interested persons for or against
8 the proposed formation of the District, the levy of assessments on property within the District,
9 the extent of the District, and the furnishing of specified types of improvements, services and
10 activities within the District, was heard and considered, and a full, fair and complete meeting
11 and hearing was held; and,

12 WHEREAS, The Board of Supervisors heard and considered all objections or protests
13 to the proposed assessments and the Director of the Department of Elections tabulated the
14 assessment ballots submitted and not withdrawn, in support of or in opposition to the
15 proposed assessments, and the Clerk of the Board determined that a majority of the ballots
16 cast (weighted according to the proportional financial obligations of the property) by the
17 owners of record of the property located within the proposed District did not oppose
18 establishing the proposed District; and,

19 WHEREAS, The public interest, convenience and necessity require the establishment
20 of the proposed Yerba Buena Community Benefit District; and,

21 WHEREAS, In the opinion of the Board of Supervisors, the property within the District
22 will be specially benefited by the improvements, services and activities funded by the
23 assessments, and no assessment has been imposed on any parcel which exceeds the
24 reasonable cost of the proportional special benefit conferred on that parcel; now therefore be
25 it

1. RESOLVED, that the Board of Supervisors declares as follows:

2 **Section 1. FINDING OF NO MAJORITY PROTEST.** The Board of Supervisors
3 hereby finds that a majority protest does not exist as defined in Section 4(e) of Article XIID of
4 the California Constitution and Section 53753 of the California Government Code with respect
5 to the formation of Yerba Buena Community Benefit District. All objections or protests both
6 written and oral, are hereby duly overruled.

7 **Section 2. ESTABLISHMENT OF DISTRICT.** Pursuant to the Act and Article 15, a
8 property-based business improvement district designated as the "Yerba Buena Community
9 Benefit District" is hereby established.

10 **Section 3. DESCRIPTION OF DISTRICT.** The Yerba Buena Community Benefit
11 District shall include all parcels of real property within the district, the exterior boundaries of
12 which are as follows, including all parcels on both sides of the street unless otherwise noted:

13 NORTHERN BOUNDARY OF MARKET STREET AND JESSIE STREET AND
14 MISSION STREET:

15 Market Street -- All parcels between the Southwest corner of the intersection of Market
16 Street and 2nd Street, to the Southeast corner of the intersection of Market Street and 4th
17 Street, excluding parcel 3706-047 (that is part of the Union Square business improvement
18 district "BID");

19 Jessie Street East and Jessie Street West (Between 4th Street and 5th Street) --
20 Including all parcels on the North and South sides of Jessie Street East to and including the
21 Northwest and Southwest corners of its intersection with 4th Street, including all parcels on the
22 North and South sides of Jessie Street West to and including the Northeast and Southeast
23 corners of its intersection with 5th Street, and including parcel 3705z-003 that does not have
24 Jessie Street frontage, and excluding parcels 3705z-001, 3705z-002, 3705-037, 3705-042,
25 and 3705-049 (that are part of the Union Square business improvement district "BID");

1 Mission Street – Including parcels on the North and South sides of Mission Street from
2 the Northeast and Southeast corners of the intersection of Mission Street and 4th Street, to the
3 Northeast and Southwest corners of the intersection of Mission Street and 5th Street,
4 excluding parcel 3705-049 (that is part of the Union Square BID), and including air rights
5 parcels 3705-050 and 3705-052 located within the Westfield San Francisco Centre (in the
6 block between Market and Mission Streets, and 4th and 5th Streets) that do not have Mission
7 Street frontage;

8 SOUTHERN BOUNDARY OF HARRISON STREET: Harrison Street – Including parcels
9 on the North side of Harrison Street between the Northwest corner of the intersection of Harrison
10 Street and 2nd Street, and the Northwest corner of the intersection of Harrison and 5th Street.
11 Including parcels on the South side of Harrison Street between the Southwest corner of the
12 intersection of Harrison Street and 2nd Street to the Southeast corner of the intersection of
13 Harrison Street and 5th Street.

14 EASTERN BOUNDARY OF 2ND STREET: 2nd Street – Including parcels on the West
15 side of 2nd Street from the Southwest corner of the intersection of 2nd Street and Market Street,
16 to the Southwest corner of the intersection of 2nd Street and Harrison Street.

17 WESTERN BOUNDARY OF 5TH STREET: 5th Street – Including parcels on the East side
18 of 5th Street from the Northeast corner of the intersection of 5th Street and Jessie Street, to the
19 Southeast corner of the intersection of 5th Street and Harrison Street. Including parcels on the
20 West side of 5th Street from the Southwest corner of the intersection of 5th Street and Mission
21 Street, to the Northwest corner of the intersection of 5th Street and Harrison Street.

22 The Yerba Buena CBD boundaries do not include the following bordering parcels that
23 are part of the existing Union Square business improvement district (BID): 3705z-001, 3705z-
24 002, 3705-037, 3705-042, 3705-049, and 3706-047. A BID is another term used in San
25 Francisco to describe a community benefit district (CBD) or special assessment district

1: formed under California Streets and Highways Code Sections 36600 *et seq.*

2: Reference should be made to the detailed maps and the lists of parcels identified by
3: Assessor Parcel Number that are contained in the Management District Plan, in order to
4: determine which specific parcels are included in the Yerba Buena Community Benefit District.

5: **Section 4. FINDING OF BENEFIT.** The Board of Supervisors hereby finds that the
6: property within the District will be benefited by the improvements and activities funded by the
7: assessments proposed to be levied.

8: **Section 5. SYSTEM OF ASSESSMENTS.** (a) Annual assessments will be levied to
9: pay for the activities to be provided within the District, commencing with fiscal year 2008-
10: 2009, and continuing for seven years, ending with fiscal year 2014-2015. For purposes of
11: levying and collecting assessments within the District, a fiscal year shall commence on each
12: July 1st and end on the following June 30th.

13: (b) The total amount of the proposed assessments to be levied and collected for
14: fiscal year 2008-2009 shall be \$2,384,045. The amount of assessments to be levied and
15: collected in subsequent fiscal years through the first half of fiscal year 2014-2015 may be
16: increased annually by the Board of Directors of the District by an amount not to exceed the
17: change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-
18: San Jose Consolidated Metropolitan Statistical Area, or 5 percent, whichever is lower.

19: (c) The method and basis of levying and collecting the assessment shall be as set
20: forth in the District Management Plan. The levy of the assessments shall commence with
21: fiscal year 2008-2009. Each year the assessment shall be due and payable in two equal
22: installments. The first installment shall be due on November 1 of each fiscal year during the
23: life of the District, and shall become delinquent on December 10 of that fiscal year. The
24: second installment shall be due on February 1 of each fiscal year during the life of the District,
25: and shall become delinquent on April 10 of that fiscal year. Nonpayment of the assessment

1 shall have the same lien priority and delinquent payment penalties and be subject to the same
2 enforcement procedures and remedies as the ad valorem property tax.

3 **Section 6. USE OF REVENUES.** The proposed property-related services,
4 improvements or activities for the District include:

5 A Sidewalk Operations, Beautification and Order (SOBO) component, to include street-
6 level staff as Ambassadors/Community Guides, hiring dedicated police officers from the San
7 Francisco Police Department under San Francisco CCSF Administrative Code Chapter 10B,
8 sidewalk and gutter sweeping, sidewalk steam cleaning and power washing, enhanced trash
9 emptying in public rights of way including removal of bulky trash items, removal of graffiti, tree
10 and hanging flower basket planting and maintenance, equipment/tools and supplies, vehicle
11 insurance and maintenance, personnel and supervisor/oversight costs to implement SOBO,
12 banners and decorations, public right of way beautification, maintenance of pedestrian public
13 spaces in addition to sidewalks, and distribution of small annual grants to community
14 organizations providing services in the district that support the SOBO improvements and
15 activities of the CBD;

16 A District Identity and Streetscape Improvements (DISI) component, to include
17 development of neighborhood brand/identity, district-wide special events, district web site and
18 newsletter, marketing and promotions strategies, personnel costs to implement DISI, public
19 space development and planning, district map and brochure, advertising, communications,
20 markers and public art highlighting the district's history and residents, and distribution of small
21 annual grants to community organizations providing services in the district that support the
22 DISI improvements and activities of the CBD;

23 An Administrative, Organization and Corporate Operations component, to include
24 personnel and administrative costs for this component, corporate operations insurance, office
25 related expenses, relations with City, public relations, and financial reporting; and

1. A Contingency and Reserve component to implement SOBO and DISI, to include
2. reserves, late or non-paid assessments, long term capital improvement projects, and
3. repayment of district formation costs.

4. The above improvements, services and activities will be funded by the levy of the
5. assessments. The revenue from the levy of the assessments within the District shall not be
6. used to provide improvements, services or activities outside the District or for any purpose
7. other than the purposes specified in Board of Supervisors Resolution No. 246-08.

8. **Section 7. AUTHORITY TO CONTRACT.** The Board of Supervisors may contract
9. with a separate private entity to administer the improvements, services and activities set forth
10. in Section 6. Any such entity shall hold the funds it receives from the City and County of San
11. Francisco ("City") in trust for the improvements, services and activities set forth in Section 6.
12. Any such entity that holds funds in trust for purposes related to the contract shall deliver, at no
13. expense to the City, a balance sheet and the related statement of income and cash flows for
14. each fiscal year, all in reasonable detail acceptable to City, reviewed by a Certified Public
15. Accountant (CPA); this review shall include a statement of negative assurance from the CPA.
16. In addition, or alternatively, the Controller or the Mayor's Office of Economic and Workforce
17. Development may in their discretion require the private entity to deliver, at no expense to the
18. City, an annual independent audit report by a Certified Public Accountant of all such funds.
19. The CPA review and/or audit may be funded from assessment proceeds as part of the
20. general administration of the District. At all times the Board of Supervisors shall reserve full
21. rights of accounting of these funds. The Mayor's Office of Economic and Workforce
22. Development shall be the City agency responsible for coordination between the City and the
23. District.

24. **Section 8. AMENDMENTS.** The properties in the District established by this
25. Resolution shall be subject to any amendments to the Act and Article 15.

1 **Section 9. RECORDATION OF NOTICE AND DIAGRAM.** The County Clerk is
2 hereby authorized and directed to record a notice and an assessment diagram pursuant to
3 Section 36627 of the California Streets and Highways Code, following adoption of this
4 Resolution.

5 **Section 10. LEVY OF ASSESSMENT.** The adoption of this Resolution and
6 recordation of the notice and assessment diagram pursuant to Section 36627 of the California
7 Streets and Highways Code constitutes the levy of an assessment in each of the fiscal years
8 referred to in the District Management Plan. Each year, the Assessor shall enter on the
9 County Assessment Roll opposite each lot or parcel of land the amount of the assessment
10 and such assessment shall be collected in the same manner as the County property taxes are
11 collected.

12 **Section 11. BASELINE SERVICES.** To ensure that assessment revenues from the
13 District are used to enhance the current level of services provided by the City within the
14 District, the establishment of the District will not affect the City's policy to continue to provide
15 the same level of service to the areas encompassed by the District as it provides to other
16 similar areas of the City for the duration of the District, provided, however, that in the event of
17 a significant downturn in citywide revenues, the Board of Supervisors may reduce the level of
18 municipal services citywide, including within the District.

19 **Section 12. ENVIRONMENTAL FINDINGS.** The Planning Department has
20 determined that the actions contemplated in this Resolution are in compliance with the
21 California Environmental Quality Act (California Public Resources Code sections 21000 et
22 seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No.
23 080784 and is incorporated herein by reference.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 080917

Date Passed:

Resolution establishing a property-based business improvement district to be known as the "Yerba Buena Community Benefit District (CBD)," ordering the levy and collection of assessments against property located in that district for seven years, commencing with fiscal year 2008-2009, subject to conditions as specified, and making environmental findings.

July 29, 2008 Board of Supervisors — ADOPTED

Ayes: 8 - Alioto-Pier, Ammiano, Chu, Dufty, Maxwell, McGoldrick, Mirkarimi,
Sandoval

Noes: 3 - Daly, Elsbernd, Peskin

File No. 080917 .

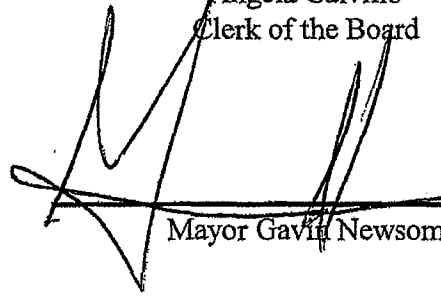
I hereby certify that the foregoing Resolution
was ADOPTED on July 29, 2008 by the
Board of Supervisors of the City and County
of San Francisco.



Angela Calvillo
Clerk of the Board

8.1.08

Date Approved



Mayor Gavin Newsom

AMENDMENT OF THE WHOLE
AS AMENDED IN COMMITTEE 6/9/08

FILE NO. 080784

RESOLUTION NO.

246-08

1 [Resolution of Intention to form the Yerba Buena Community Benefit District]

2
3 **Resolution (1) declaring the intention of the Board of Supervisors to establish a**
4 **property-based business improvement district (community benefit district) to be**
5 **known as the "Yerba Buena Community Benefit District" and levy a multi-year**
6 **assessment on identified parcels in the district, (2) approving the management**
7 **district plan and engineer's report and proposed boundaries map for the district,**
8 **(3) ordering and setting a time and place for a public hearing thereon, (4) approving**
9 **the form of the Notice of Public Hearing and Assessment Ballots, and (5) directing the**
10 **Clerk of the Board of Supervisors to give notice of the public hearing and balloting as**
11 **required by law.**

12
13 WHEREAS, The Property and Business Improvement District Law of 1994, Part 7 of
14 Division 18 of the California Streets and Highways Code, commencing with Section 36600
15 (the "Law"), authorizes cities to establish property and business improvement districts within
16 business districts to promote the economic revitalization and physical maintenance of such
17 business districts; and

18 WHEREAS, Section 36603 of the Law recognizes the authority of Charter cities to
19 adopt ordinances providing for different methods of levying assessments for similar or
20 additional purposes from those set forth in the Law; and

21 WHEREAS, Article 15 of the San Francisco Business and Tax Regulation Code
22 ("Article 15") augments certain procedural and substantive requirements relating to the
23 formation of property and business improvement districts and the assessments on real
24 property or businesses within such districts; and

25 WHEREAS, The Law and Article 15 authorize the City to levy and collect assessments

1 on real property within such districts for the purpose of providing improvements and promoting
2 activities and property-related services that specially benefit identified parcels of real property
3 located within such districts; and

4 WHEREAS, Article XIII D of the California Constitution and Section 53753 of the
5 California Government Code impose certain procedural and substantive requirements relating
6 to assessments on real property; and

7 WHEREAS, The Law and Article 15 impose additional procedural and substantive
8 requirements relating to assessments on real property within a proposed property and
9 business improvement district, also known as a community benefit district ("CBD"); and

10 WHEREAS, The Board of Supervisors finds that the property-related services, activities
11 and improvements to be funded with assessments on real property within the proposed district
12 will confer substantial special benefits on the assessed properties over and above the general
13 benefits to the public at large from such services, activities and improvements; and

14 WHEREAS, The property owners who will pay more than 30 percent of the total
15 amount of assessments on properties within the proposed district signed and submitted to the
16 Clerk of the Board of Supervisors a petition (the "Petition") requesting that the Board of
17 Supervisors establish a property-based community benefit district to be named the "Yerba
18 Buena Community Benefit District," and to levy assessments on properties located in the
19 proposed district to fund property-related services, activities and improvements within the
20 district; and

21 WHEREAS, A Management District Plan entitled the "Yerba Buena Community Benefit
22 District Management District Plan" containing information about the proposed district and
23 assessments required by Section 36622 of the Law, including but not limited to maps showing
24 all identified parcels located in the district, a description of the boundaries of the district, the
25 name of the district, the amount of the proposed assessment for each identified parcel, the

1 total annual amount chargeable to the entire district, the duration of the payments, the
2 property-related services, activities and improvements to be funded by the assessments for
3 each year and the maximum cost thereof, the method and basis upon which the assessments
4 are calculated in sufficient detail to allow each property owner to calculate the amount of the
5 assessment to be levied against his or her property, a statement that no bonds will be issued,
6 the time and manner of collecting the assessments, and a list of the properties to be assessed
7 (including assessor parcel numbers), has been submitted to the Clerk of the Board of
8 Supervisors; and

9 WHEREAS, A detailed engineer's report supporting the assessments within the
10 proposed district, prepared by Edward V. Henning, California Registered Professional
11 Engineer # 26549, Edward Henning & Associates, originally dated May 12, 2008 and
12 amended June 6, 2008, and entitled "Yerba Buena Community Benefit District, District
13 Assessment Engineer's Report" has been submitted to the Clerk of the Board of Supervisors;
14 and

15 WHEREAS, A Proposed Boundaries Map has been submitted to the Clerk of the Board
16 of Supervisors pursuant to California Streets and Highways Code §31110;

17
18 Now, therefore, be it

19 RESOLVED, That the Board of Supervisors declares as follows:

20 Section 1. Pursuant to Section 36621(a) of the Law and Article 15, the Board of
21 Supervisors declares its intention to form a property and business improvement district to be
22 designated as the "Yerba Buena Community Benefit District" (the "District") for a period of
23 seven (7) years, and to levy and collect assessments against all identified parcels of real
24 property in the District for a period of seven (7) years, commencing with fiscal year 2008-
25 2009, subject to approval by a majority of the property owners in the District who cast

1 assessment ballots, which ballots shall be weighted according to the proportional financial
2 obligations of the affected properties. No bonds will be issued. District operations will
3 commence on or about January 1, 2009, following collection of the assessments for fiscal
4 year 2008-2009 and disbursement of the assessment proceeds to the nonprofit owners'
5 association that will administer the property-related services, activities and improvements in
6 the District pursuant to Section 36651 of the Law and a written agreement with the City.

7 Section 2. The Board of Supervisors hereby approves the Management District Plan
8 and District Assessment Engineer's Report, including the estimates of the costs of the
9 property-related services, activities and improvements set forth in the plan, and the
10 assessment of said costs on the properties that will specially benefit from such services,
11 activities and improvements. A copy of the Management District Plan and the District
12 Assessment Engineer's Report are on file with the Clerk of the Board of Supervisors in File
13 No. 080784. The Clerk of the Board shall make the Management District Plan, District
14 Assessment Engineer's Report and other documents related to the District and included in the
15 record before the Board of Supervisors available to the public for review during normal
16 business hours, Monday through Friday 8:00 a.m. through 5:00 p.m., excluding legal holidays.

17 Section 3. The Board of Supervisors hereby approves the Proposed Boundaries
18 Map showing the exterior boundaries of the District, which is on file with the Clerk of the Board
19 of Supervisors in File No. 080784 and incorporated herein by reference. The proposed
20 District contains approximately 1555 identified parcels in the Yerba Buena area. The exterior
21 boundaries of the District include all parcels on both sides of the street unless otherwise
22 noted, as follows:

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24 //
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1 NORTHERN BOUNDARY OF MARKET STREET AND JESSIE STREET AND
2 MISSION STREET:

3 Market Street -- All parcels between the Southwest corner of the intersection of Market
4 Street and 2nd Street, to the Southeast corner of the intersection of Market Street and 4th
5 Street, excluding parcel 3706-047 (that is part of the Union Square business improvement
6 district "BID");

7 Jessie Street East and Jessie Street West (Between 4th Street and 5th Street) --
8 Including all parcels on the North and South sides of Jessie Street East to and including the
9 Northwest and Southwest corners of its intersection with 4th Street, including all parcels on the
10 North and South sides of Jessie Street West to and including the Northeast and Southeast
11 corners of its intersection with 5th Street, and including parcel 3705z-003 that does not have
12 Jessie Street frontage, and excluding parcels 3705z-001, 3705z-002, 3705-037, 3705-042,
13 and 3705-049 (that are part of the Union Square business improvement district "BID");

14 Mission Street -- Including parcels on the North and South sides of Mission Street from
15 the Northeast and Southeast corners of the intersection of Mission Street and 4th Street, to the
16 Northeast and Southwest corners of the intersection of Mission Street and 5th Street,
17 excluding parcel 3705-049 (that is part of the Union Square BID), and including air rights
18 parcels 3705-050 and 3705-052 located within the Westfield San Francisco Centre (in the
19 block between Market and Mission Streets, and 4th and 5th Streets) that do not have Mission
20 Street frontage;

21 SOUTHERN BOUNDARY OF HARRISON STREET: Harrison Street -- Including parcels
22 on the North side of Harrison Street between the Northwest corner of the intersection of Harrison
23 Street and 2nd Street, and the Northwest corner of the intersection of Harrison and 5th Street.
24 Including parcels on the South side of Harrison Street between the Southwest corner of the
25 intersection of Harrison Street and 2nd Street to the Southeast corner of the intersection of

1 Harrison Street and 5th Street.

2 EASTERN BOUNDARY OF 2ND STREET: 2nd Street – Including parcels on the West
3 side of 2nd Street from the Southwest corner of the intersection of 2nd Street and Market Street;
4 to the Southwest corner of the intersection of 2nd Street and Harrison Street.

5 WESTERN BOUNDARY OF 5TH STREET: 5th Street – Including parcels on the East side
6 of 5th Street from the Northeast corner of the intersection of 5th Street and Jessie Street, to the
7 Southeast corner of the intersection of 5th Street and Harrison Street. Including parcels on the
8 West side of 5th Street from the Southwest corner of the intersection of 5th Street and Mission
9 Street, to the Northwest corner of the intersection of 5th Street and Harrison Street.

10 The Yerba Buena CBD boundaries do not include the following bordering parcels that
11 are part of the existing Union Square business improvement district (BID): 3705z-001, 3705z-
12 002, 3705-037, 3705-042, 3705-049, and 3706-047. A BID is another term used in San
13 Francisco to describe a community benefit district (CBD) or special assessment district
14 formed under California Streets and Highways Code Sections 36600 *et seq.*

15 Reference should be made to the detailed maps and the lists of parcels identified by
16 Assessor Parcel Number that are contained in the Management District Plan, in order to
17 determine which specific parcels are included in the Yerba Buena Community Benefit District.

18 Section 4. A public hearing on the establishment of the District, and the levy and
19 collection of assessments starting with fiscal year 2008-2009 and continuing through fiscal
20 year 2014-2015, shall be conducted before the Board of Supervisors on July 29, 2008 at 3:00
21 p.m., or as soon thereafter as the matter may be heard, in the Board's Legislative Chambers,
22 Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At
23 this public hearing, the Board of Supervisors will hear public testimony regarding the proposed
24 formation of the District, assessments, boundaries of the District, including testimony from all
25 interested persons for or against establishment of the District, the extent of the District, the

1 levy of the assessments, the furnishing of specific types of property-related services,
2 improvements and activities, and other matters related to the District. The Board of
3 Supervisors may waive any irregularity in the form or content of any written protest, and at the
4 public hearing may correct minor defects in the proceedings. All protests submitted by
5 affected property owners and received prior to the conclusion of the public testimony portion
6 of the public hearing shall be tabulated to determine whether a majority protest exists.

7 Section 5. The Board of Supervisors hereby approves the form of the Notice of
8 Public Hearing and Assessment Ballot which are on file with the Clerk of the Board of
9 Supervisors in File No.080784.

10 Section 6. The proposed property-related services, improvements or activities for
11 the District include:

12 A Sidewalk Operations, Beautification and Order (SOBO) component, to include street-
13 level staff as Ambassadors/Community Guides, hiring dedicated police officers from the San
14 Francisco Police Department under San Francisco CCSF Administrative Code Chapter 10B,
15 sidewalk and gutter sweeping, sidewalk steam cleaning and power washing, enhanced trash
16 emptying in public rights of way including removal of bulky trash items, removal of graffiti, tree
17 and hanging flower basket planting and maintenance, equipment/tools and supplies, vehicle
18 insurance and maintenance, personnel and supervisor/oversight costs to implement SOBO,
19 banners and decorations, public right of way beautification, maintenance of pedestrian public
20 spaces in addition to sidewalks, and distribution of small annual grants to community
21 organizations providing services in the district that support the SOBO improvements and
22 activities of the CBD;

23 A District Identity and Streetscape Improvements (DISI) component, to include
24 development of neighborhood brand/identity, district-wide special events, district web site and
25 newsletter, marketing and promotions strategies, personnel costs to implement DISI, public

1 space development and planning, district map and brochure, advertising, communications,
2 markers and public art highlighting the district's history and residents, and distribution of small
3 annual grants to community organizations providing services in the district that support the
4 DISI improvements and activities of the CBD;

5 An Administrative, Organization and Corporate Operations component, to include
6 personnel and administrative costs for this component, corporate operations insurance, office
7 related expenses, relations with City, public relations, and financial reporting; and

8 A Contingency and Reserve component to implement SOBO and DISI, to include
9 reserves, late or non-paid assessments, long term capital improvement projects, and
10 repayment of district formation costs.

11 Section 7. Within the area encompassed by the proposed District, the City currently
12 provides services at the same level provided to other similar areas of the City. It is the intent
13 of the Board of Supervisors to continue to provide the area encompassed by the District with
14 the same level of services provided to these other similar areas of the City. The
15 establishment of the District will not affect the City's policy to continue to provide the same
16 level of service to the areas encompassed by the District as it provides to other similar areas
17 of the City during the duration of the District.

18 Section 8. The annual assessment proposed to be levied and collected for the first
19 year of the District (fiscal year 2008-2009) is estimated to be \$2,384,045. The amount of the
20 annual assessment to be levied and collected for years two through seven (fiscal years 2009-
21 2010 through 2014-2015) may be increased from one year to the next by a percentage that
22 does not exceed either the change in the Consumer Price Index for All Urban Consumers in
23 the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, or five
24 percent (5%), whichever is less.

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1 Section 9. The Clerk of the Board is directed to give notice of the public hearing as
2 provided in California Streets and Highways Code Section 36623, California Government
3 Code Section 53753, California Constitution Article XIID Section 4, San Francisco Charter
4 Section 16.112, and San Francisco Administrative Code Section 67.7-1.

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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 080784

Date Passed:

Resolution (1) declaring the intention of the Board of Supervisors to establish a property-based business improvement district (community benefit district) to be known as the "Yerba Buena Community Benefit District" and levy a multi-year assessment on identified parcels in the district, (2) approving the management district plan and engineer's report and proposed boundaries map for the district, (3) ordering and setting a time and place for a public hearing thereon, (4) approving the form of the Notice of Public Hearing and Assessment Ballots, and (5) directing the Clerk of the Board of Supervisors to give notice of the public hearing and balloting as required by law.

June 10, 2008 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Elsbernd, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval

Absent: 1 - Dufty

File No. 080784

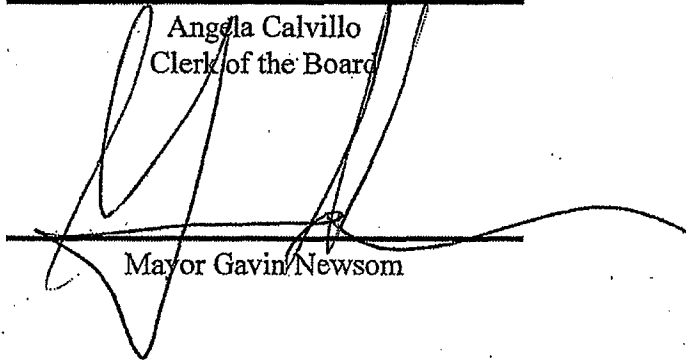
I hereby certify that the foregoing Resolution was ADOPTED on June 10, 2008 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

6-11-08

Date Approved



Mayor Gavin Newsom

Print Form

Introduction Form

By a Member of the Board of Supervisors or the 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 [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) 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 a Imperative Form.

Sponsor(s):

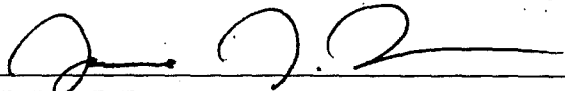
Supervisor Jane Kim

Subject:

[Yerba Buena Community Benefit District - Annual Reports to the City - FYs 2010-2014]

The text is listed below or attached:

Resolution receiving and approving annual reports for the Yerba Buena Community Benefit District for FYs 2010-2014, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highway Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

141312

