

File No. 201153

Committee Item No. 2

Board Item No. 35

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: Nov. 19, 2020

Board of Supervisors Meeting:

Date: Dec. 1, 2020

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 type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input 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

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Presentation – November 19, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report – FY2018-2019</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Financial Statements</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo – August 18, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI – October 14, 2020</u> |

Prepared by: John Carroll

Date: Nov. 13, 2020

Prepared by: John Carroll

Date: Nov. 25, 2020

1 [Yerba Buena Community Benefit District - Annual Report - FY2018-2019]

2

3 **Resolution receiving and approving an annual report for the Yerba Buena Community**
4 **Benefit District for Fiscal Year (FY) 2018-2019, submitted as required by the Property**
5 **and Business Improvement District Law of 1994 (California Streets and Highways**
6 **Code, Sections 36600, et seq.), Section 36650, and the District’s management**
7 **agreement with the City, Section 3.4.**

8

9 WHEREAS, On June 2, 2015, pursuant to the Property and Business Improvement
10 District Law of 1994 (the “Act”), California Streets and Highways Code Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 197-15, expressing the City’s intention to
13 renew and expand the Yerba Buena Community Benefit District (the “Yerba Buena CBD”);
14 and

15 WHEREAS, On July 31, 2015, the Board of Supervisors adopted Resolution
16 No. 300-15 renewing and expanding the Yerba Buena CBD ("Resolution to Establish") for a
17 period of 15 years, commencing FY2015-2016; and

18 WHEREAS, On December 8, 2015, the Board of Supervisors adopted Resolution
19 No. 502-15, authorizing an agreement with the owners' association for the
20 administration/management of the Yerba Buena CBD, and a management agreement (the
21 “Management Contract”) with the owners' association, the Yerba Buena Community Benefit
22 District Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 151108; and

25

1 WHEREAS, On October 29, 2019, the Board of Supervisors approved the Yerba
2 Buena CBD's annual report for FY2017-2018 in Resolution No. 468-19; and

3 WHEREAS, The Yerba Buena CBD has submitted for the Board's receipt and approval
4 the Yerba Buena CBD's annual report for FY2018-2019 as required by Section 36650 of the
5 Act and Section 3.4 of the Management Contract; and

6 WHEREAS, The annual report for FY2018-2019 is on file with the Clerk of the Board of
7 Supervisors in File No. 201153, and is incorporated herein by reference as though fully set
8 forth; and

9 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
10 memorandum report from the City's Office of Economic and Workforce Development, dated
11 August 18, 2020, and documentation from the Yerba Buena CBD for the annual report for
12 FY2018-2019 are on file with the Clerk of the Board of Supervisors in File No. 201153; now,
13 therefore, be it

14 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
15 report for the Yerba Buena Community Benefit District for FY2018-2019.



Yerba Buena Community Benefit District FY 2018-2019 Annual Report



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 the Annual Report for FY 2018-19

- 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.



YBCBD Formation

YBCBD	Type	Initial Assessment Budget*	FY 2018-2019 Assessment Budget	Year Established	Expires
	Property-Based	\$ 2,991,722.82	\$ 3,055,480.38	2015	December 31, 2030

**budget identified in management plan*



YBCBD Operations

- **Staff**

- Executive Director – Cathy Maupin

- **Service Areas**

- **Cleaning and Streetscape Improvement**

- This program aims to ensure maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and building throughout the CBD.

- **Safety and Security**

- This service area works with stakeholders on a variety of strategies and initiatives to prevent crime and increase pedestrian safety within the CBD.

- **Branding, Activation, and Marketing**

- This program promotes YBCBD's properties and businesses through specially targeted programs and initiatives; additionally, it supports the creation and production of special events.

- **Management and 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 (5.08%) 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.



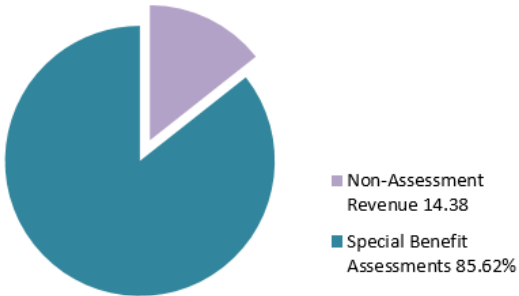
Management Plan vs. Annual Budgets

Service Category	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points	FY 2017-2018 Variance % Points	FY 2018-2019 Variance % Points
Cleaning and Streetscape Improvements	-0.64%	-0.04%	-0.75%	-3.87%
Safety and Security	+0.83%	+4.46%	+4.70%	+5.65%
Branding, Activation, and Marketing	+1.60%	-1.77%	-1.19%	+0.15%
Management and Operations	-1.79%	-2.63%	-2.76%	-1.93%

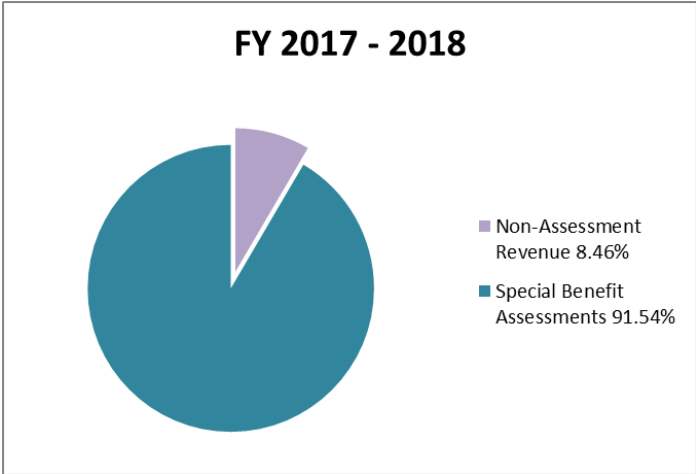


Assessment Revenue & Other Income

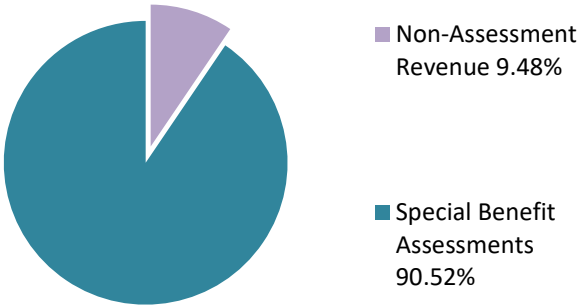
FY 2015 - 2016



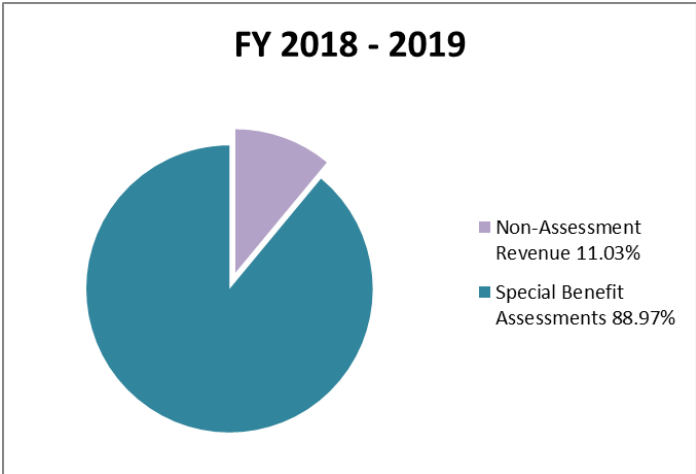
FY 2017 - 2018



FY 2016 -2017



FY 2018 - 2019



Budget vs Actuals

Service Category	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points	FY 2017-2018 Variance % Points	FY 2018-2019 Variance % Points
Cleaning and Streetscape Improvements	-6.75%	-7.10%	-10.74%	-4.96%
Safety and Security	+1.32%	+8.65%	+5.49%	+3.04%
Branding, Activation, and Marketing	+0.22%	+0.46%	+2.81%	+1.27%
Management and Operations	+5.21%	-2.02%	+2.45%	+0.58%



Carryover

FY 2018-2019 Carryover Disbursement	
DESIGNATED PROJECTS	
Cleaning and Streetscape Improvements	\$610,910.00
Safety and Security	\$388,644.00
Branding, Activation, and Marketing	\$137,072.00
Management and Operations	\$122,059.00
Donor Restricted	\$292,013.00
TOTAL DESIGNATED AMOUNT	\$1,550,698.00



Conclusion

Yerba Buena CBD has met all requirements placed on it through State code and the CBD's Management Agreement with the City

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

- **Continually supports public art, community engagement, streetscape improvements, and public safety enhancements**
- **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**
- **Began new marketing campaign to raise awareness of Yerba Buena's places and culture**
- **Maintained an active board of directors and several sub committees**

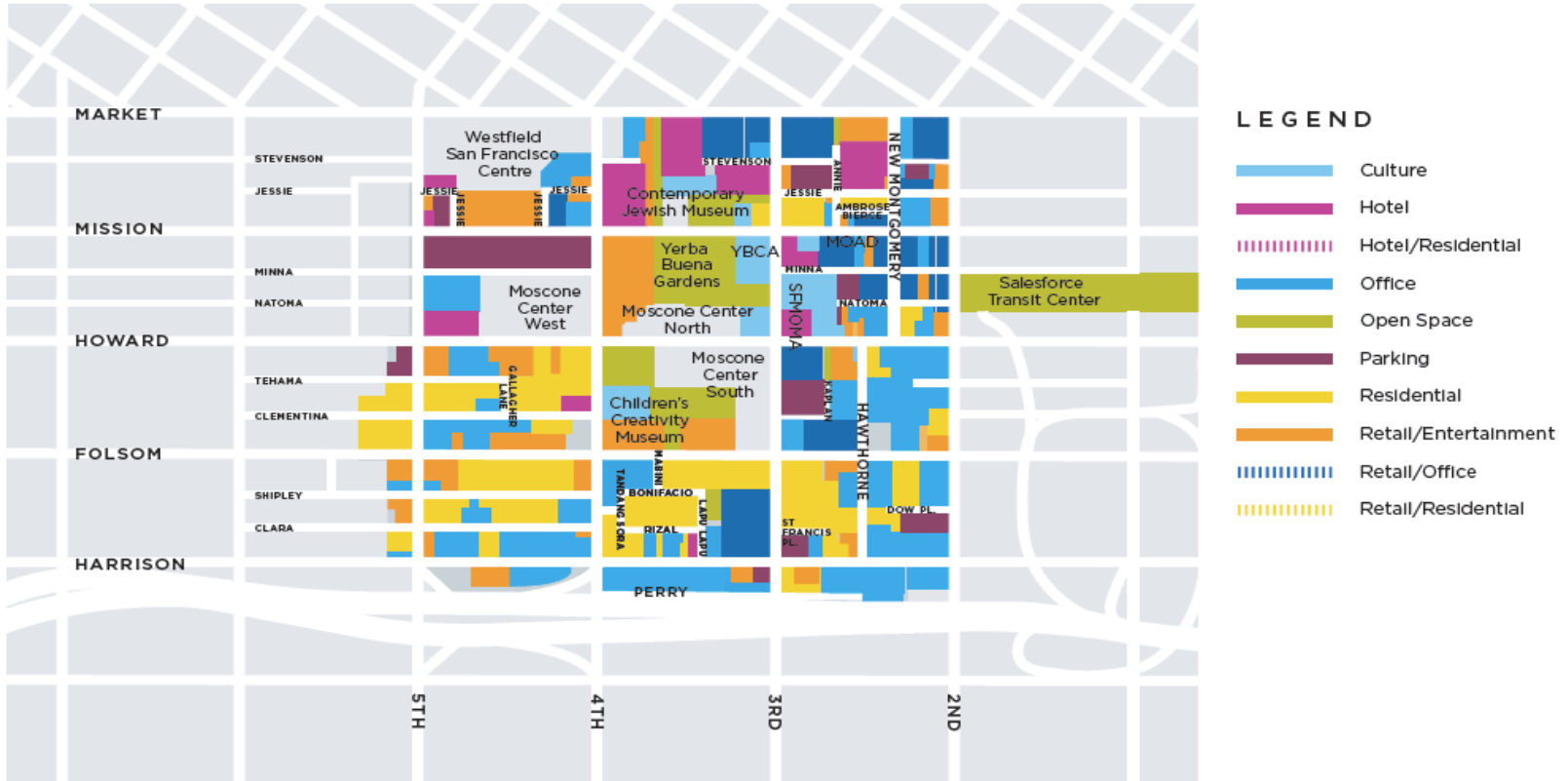




Presentation to the San Francisco Board of Supervisors
Government Audit and Oversight Committee
November 19, 2020



What is the Yerba Buena District?



What does the YBCBD do?

YBCBD Mission Statement:

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**.

1. Cleaning

Clean Team
Bigbelly Program
Cigarette Receptacles



3. Streetscape

Public Art
Pedestrian Safety
Community Spaces



5. Community Benefit Grants

Public Art
Community Building
Streetscape Improvements
Safety Enhancements



2. Safety

Community Guides
SFPD Bike Patrol
Social Services Specialist



4. Marketing

Events
Marketing Campaigns
Social Media



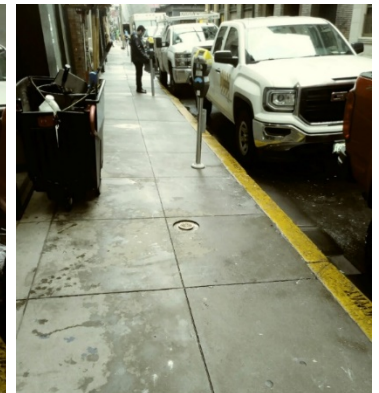
CLEANING

Cleaning Highlights:

390,000 pounds of trash collected and disposed

2,749 graffiti tags, stickers, and flyers removed

17,000 syringes disposed of properly



Illegal Dumping and Litter Collection & Disposal



Needle Removal



Sidewalk Power Washing



Graffiti Abatement



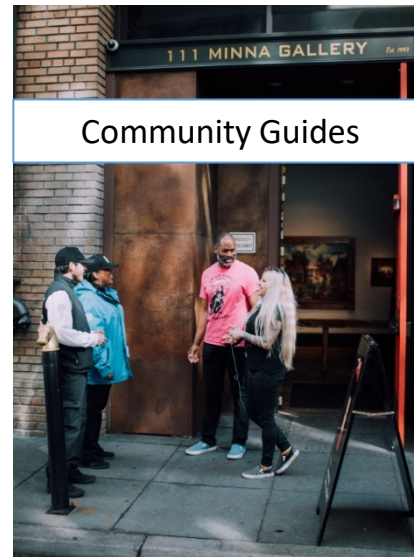
SAFETY

Community Guides, Social Services Specialist, SFPD Bike Patrol Officer

Safety Highlights:

620 connections to support services through the aid of Social Service Specialist

12,150 quality of life issues addressed by Community Guides and SFPD Bicycle Patrol





STREETSCAPE IMPROVEMENTS



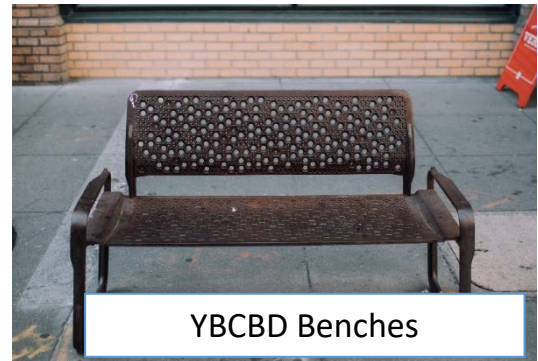
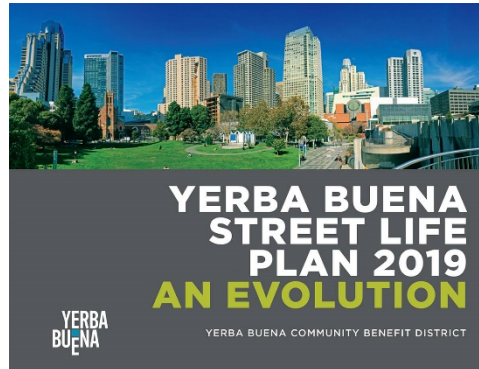
JR Mural at Annie Plaza Project



Inaugural SoMa Sunday Streets



More Bigbellys



YBCBD Benches

MARKETING



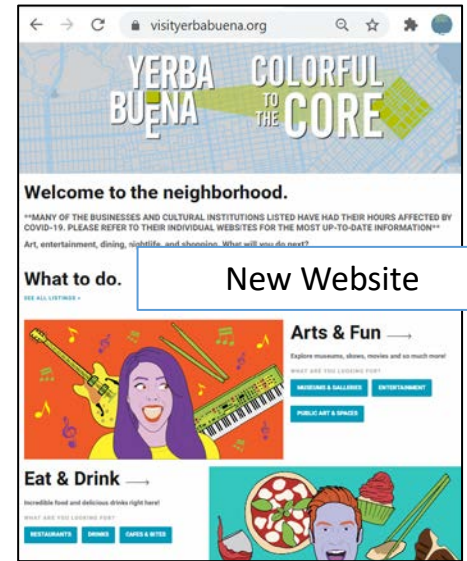
Annual Report



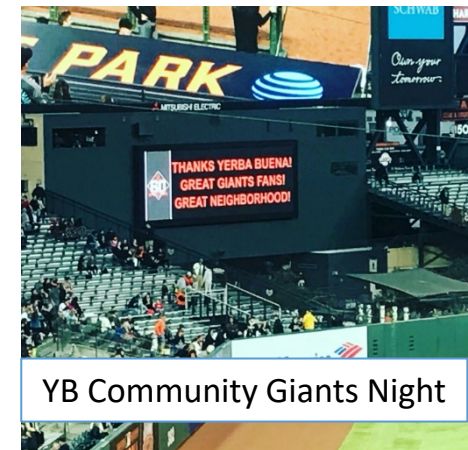
SFMTA Bus Advertisements



8th Annual Yerba Buena Night



New Website



YB Community Giants Night



COMMUNITY BENEFIT FUND

\$154,750 awarded in grants



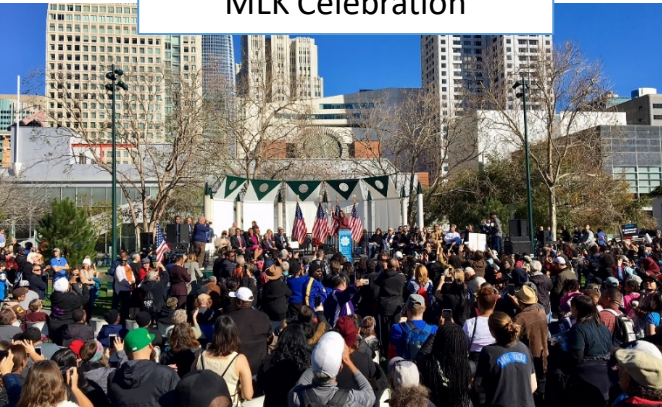
MLK Celebration



Parol Lantern Festival



Halloween Hoopla

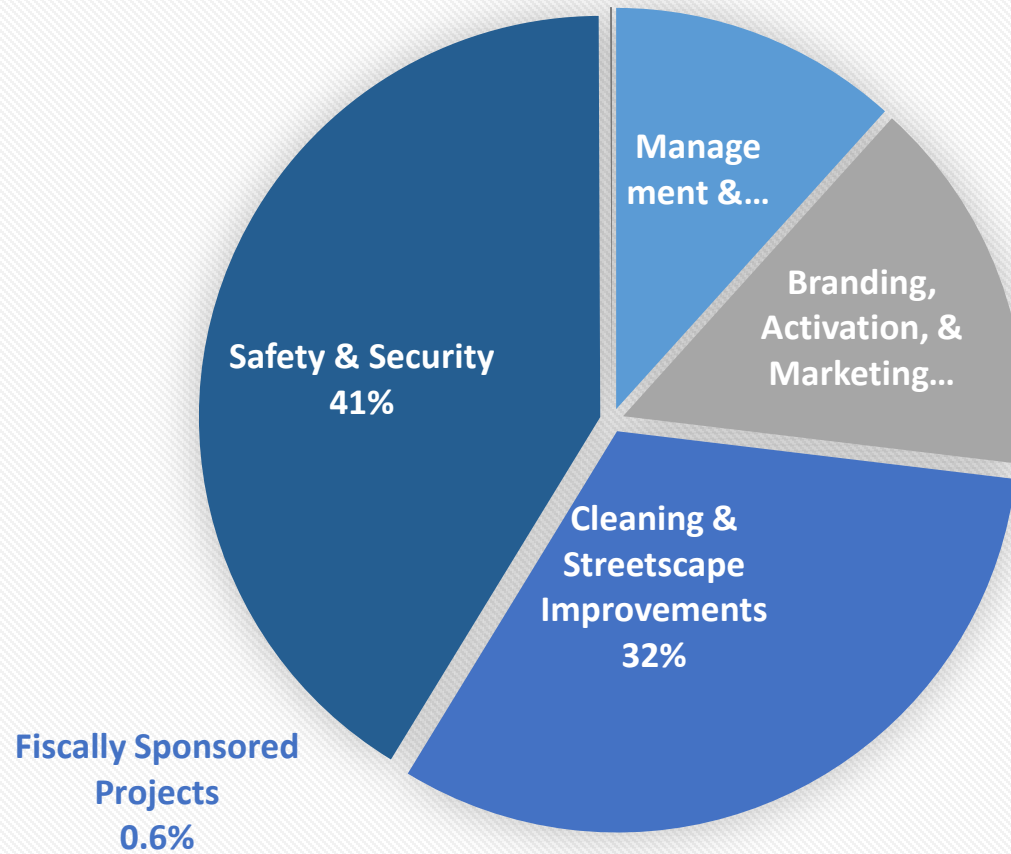


YB Gardens Festival



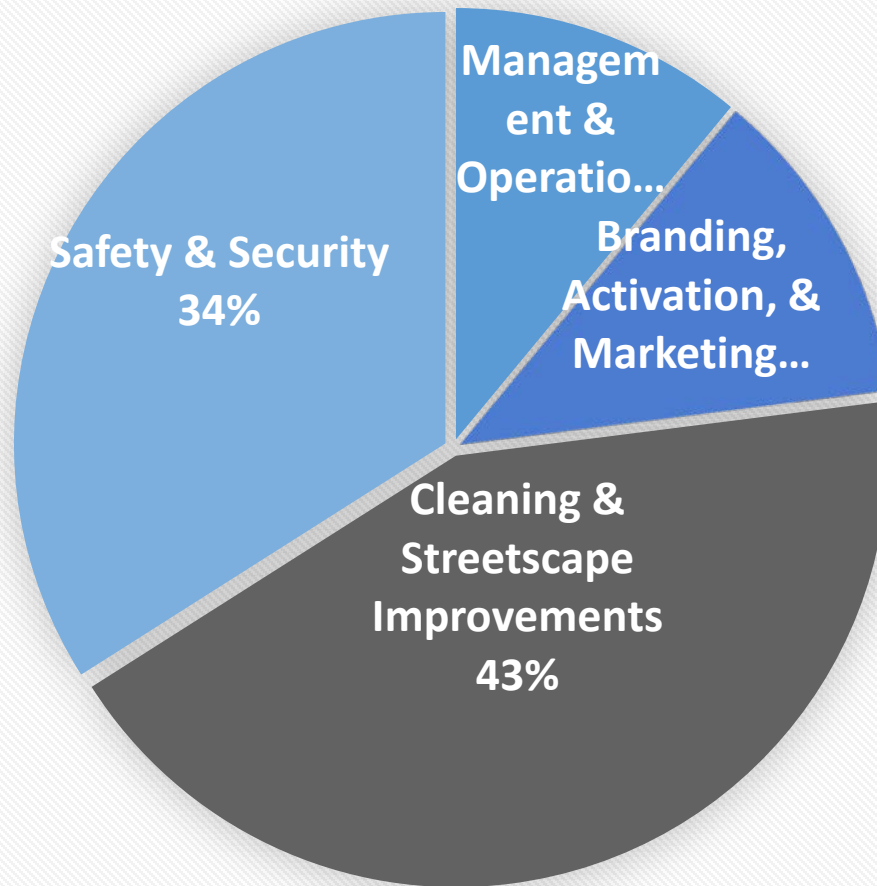


FY18-19 ACTUALS





FY19-20 BUDGET



Love Our City YBCBD Team





YERBA BUENA DISCOVER THE UNEXPECTED

YBCBD ANNUAL REPORT 2018–2019

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

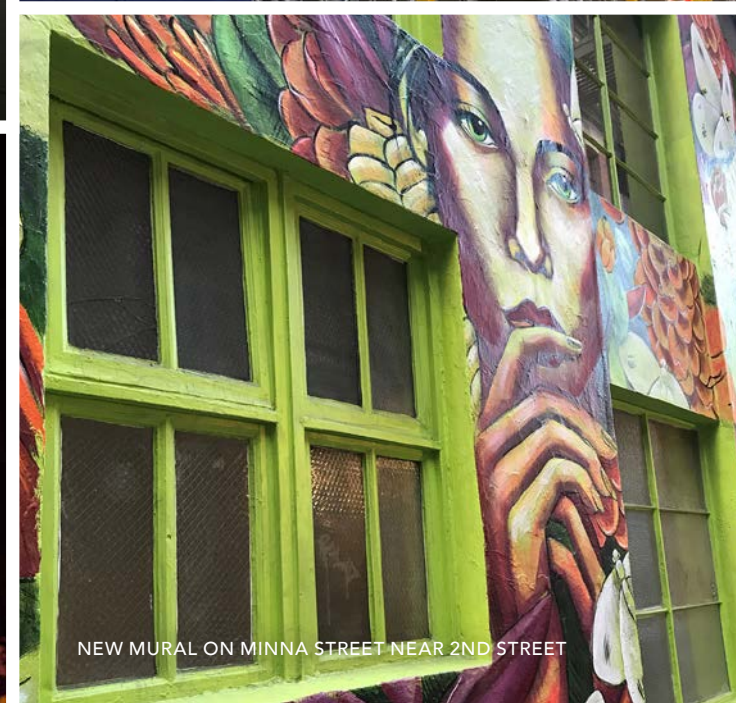
YBCBD



CITY AT NIGHT: YERBA BUENA UNDER A FULL MOON



ARTIST JR CREATES AN ORIGINAL MURAL IN YERBA BUENA



NEW MURAL ON MINNA STREET NEAR 2ND STREET



YERBA BUENA NIGHT ARTISTS

DISCOVER THE UNEXPECTED

Dear Friends and Neighbors,

It's certain that residents, workers, and visitors to Yerba Buena will experience something new, exciting, and inspiring. The neighborhood's tapestry is one of renown museums and galleries, landscaped gardens, and major convention facilities. There are unique places to dine, shop, and play. Amid all of this is an exhibition of public art, culinary and architectural excellence, and entertainment offerings unique to the city.

To sustain and improve Yerba Buena's unique characteristics, the YCBCD provides services to help make the neighborhood cleaner, safer, and even more inviting. Thank you to all who help us make Yerba Buena an exceptional place for people of all ages and backgrounds.

It's been an exciting and productive year. We're thrilled that public art and artistry in the neighborhood grew to new heights — adding to unexpected moments of inspiration and wonder. As part of the Moscone Center expansion, there are now several new works of public art in and around the Moscone Center and Yerba Buena Gardens. The new collection augments major works that the YCBCD helped bring to the neighborhood. Yerba Buena's ingenuity also extends to its renowned restaurants, architecture, and landscaped spaces. It is reflected in the hundreds of different performances each year of the Yerba Buena Gardens Festival, at the YCBCD's annual Yerba Buena Night of music, dance and performance, and at our monthly theatrical neighborhood walks.

While our creative culture defines Yerba Buena as an original neighborhood, we remain focused on clean and safe services, and we continue to advance streetscape improvements, public safety enhancements, and neighborhood marketing and community engagement programs. Our teams do an amazing job to remove graffiti, sweep sidewalks, and address quality of life issues. They assist visitors, merchants and residents, connect people living on our streets to services, and much more.



THE NEW MOSCONE CENTER EXPANSION OPENING

In the last fiscal year, to reduce litter, we added more Bigbelly “smart” waste receptacles to the district. Working with SF Travel, we supplemented our Clean Team with additional personnel from the Downtown Streets Team to help keep the area around Moscone Center clean and inviting.

In addition to our core services, the YBCBD actively participated in and financially supported the formation of the Yerba Buena Gardens Conservancy. This new community-based nonprofit is overseeing management of Yerba Buena Gardens, which is a location of critical importance to the well-being of the neighborhood. We provided grants through our Community Benefit Fund to projects and events that celebrate and improve Yerba Buena. We completed an update to our Street Life Plan for streetscape improvements. We also updated our neighborhood website to better connect visitors to neighborhood events and offerings and debuted our “Colorful to the Core” campaign to create awareness of Yerba Buena’s places, culture, and élan.

The YBCBD strives to always sustain our positive momentum and seek new ways to improve the neighborhood. To this end, we are launching a matching grant program to encourage neighbors to improve public spaces. We’re redesigning the public plaza at Annie North and Market Street, funding two new dog relief areas, and supporting efforts to add street furnishings to the new Yerba Buena/Moscone Station. We continue to participate on a wide range of committees to promote neighborhood interests. As we work to improve Yerba Buena, the YBCBD will use the funds entrusted to the organization responsibly.

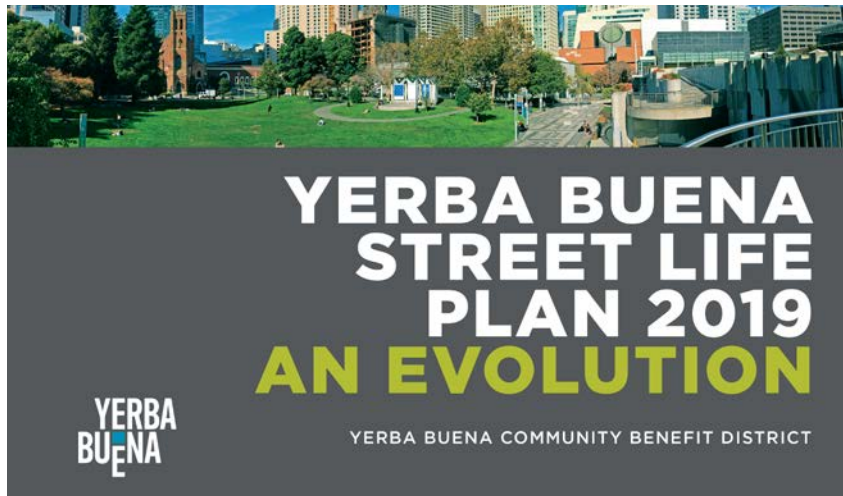
We’re thankful for your support and excited about the year ahead. We encourage you to keep exploring our incredible neighborhood and discovering how Yerba Buena is “Colorful to the Core.”



Sincerely,

Lynn Farzaroli
Chair, YBCBD Board of Directors





YCBCD ASSIST MOBILE APP

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.”

Yerba Buena is a thriving hub of cultural charisma, entrepreneurship, and diversity. The area bustles with more than 400 shopping, dining and entertainment venues, world-class museums, convention space, hotels, and educational institutions. Technology companies, retailers, and culinary artists incubate the next big thing. Senior housing blends with live/work lofts, family homes, and condominiums.

The YCBCD achieves its mission by working as partners with the community. We were formed in 2008 and renewed in 2015 for a 15-year period by district property owners and the San Francisco Board of Supervisors. Our services and programs supplement city services and cover the area of Second to Fifth and Market to Perry streets.

SERVICES AND PROGRAMS

CLEAN TEAM. Our team sweeps and steam-cleans sidewalks, removes graffiti, picks up litter, and responds to immediate neighborhood cleaning needs every day 6 a.m.-9 p.m.

SFPD PATROL AND SAFETY. On top of existing police services, the YCBCD funds an SFPD bike patrol officer to keep us safer – 12 hours a day, 7 days a week. We also support and develop pedestrian safety and traffic enforcement initiatives to make it safer for everyone to traverse the neighborhood.

COMMUNITY GUIDES. Our Guides not only assist people in the neighborhood by directing visitors to local businesses, they contact our dispatcher to have areas cleaned and report safety issues, and help those in need — every day 6 a.m.-midnight.

SOCIAL SERVICES SPECIALIST. We added a second specialist in 2018 to compassionately connect people living on our neighborhood streets to available services.

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

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

STREETScape IMPROVEMENTS. We fund streetscape projects – large and small – to improve our public spaces with artful bike racks, seating, alley improvements, public art, and more.

YOU CAN HELP! Anyone can report neighborhood cleanliness and non-emergency issues to YCBCD’s dispatcher by calling (415) 543-9223, texting (415) 559-1362, emailing dispatch@ycbd.org, using our free mobile app, YCBCD Assist, or on our website, www.YCBCD.org.



LOVE OUR CITY VOLUNTEERS FOR YERBA BUENA

2018-2019 HIGHLIGHTS

CLEAN + SAFE

- Made more than 620 connections to support services for our street population through the aid of our Social Service Specialist. Referrals included clothing assistance, food service, laundry/shower services, medical/dental, mental health services, shelter/housing assistance, and storage assistance.
- Supplemented our Clean Team with Downtown Streets Team volunteers in partnership with SF Travel to help keep the area around the Moscone Center clean and inviting. The Downtown Streets Team is a program that helps people in need find employment, housing, and a better life.
- Removed more than 1,500 graffiti tags; responded to 4,826 calls for cleanup services; steam cleaned more than 6 million square feet of sidewalk frontage; removed 390,000 pounds of trash; collected more than 17,000 discarded needles representing approximately 3% of the city-wide total; and helped visitors navigate, explore, and enjoy Yerba Buena.
- In partnership with Public Works, SF Travel, and the Hotel Council, we engaged 150 volunteers in the inaugural "Love Our City" clean-up event.

IMPROVING STREETSCAPES

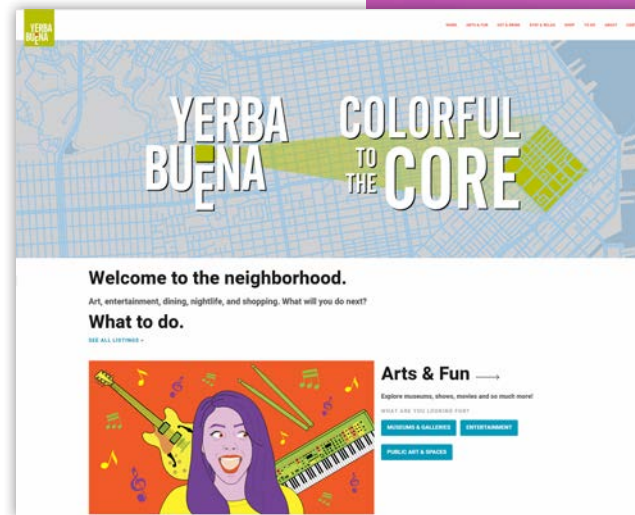
- Introduced our updated "Yerba Buena Street Life Plan- An Evolution" in January to guide efforts to improve our streetscape.
- Approved the YCBCD Public Realm Improvement Matching Grant Program to encourage neighbors to enhance public spaces by providing matching grants of up to \$5,000.
- Added 13 more Bigbelly "smart" waste receptacles, bringing the district total to 22.
- Programmed the Yerba Buena activity hub for the first-ever Sunday Streets SoMa route along Folsom Street.

CULTIVATING ARTS, CULTURE, AND BUSINESSES

- Debuted “Colorful to the Core,” our new campaign to create awareness of Yerba Buena’s places, culture, and energy.
- Revamped VisitYerbaBuena.org, our website to promote and provide information about district art, dining, shopping, nightlife, hotels, and attractions.
- Held our eighth annual Yerba Buena Night, our free festival of music, dance, and performance that brings the community together and celebrates our cultural heartbeat.
- Awarded 5 Yerba Buena Community Excellence Awards to individuals, businesses, and organizations working to keep Yerba Buena vibrant and welcoming.

WORKING TOGETHER

- Participated in and financially supported the formation of the Yerba Buena Gardens Conservancy. It became operational in July 2019.
- Supported public art, community engagement, streetscape improvements, and public safety enhancements through the YBCBD Community Benefit Fund.
- Served on advisory panels to promote the neighborhood’s interests such as: the SFPD Southern Station Community Police Advisory Board; Yerba Buena Gardens Conservancy Interim Board; Tourism Improvement District Board; Better Market Street Community Working Group; Clean Civil Sidewalks Coalition; CleanSafe365 Coalition; and the San Francisco CBD Consortium.



YERBA
BUENA

COLORFUL
TO THE
CORE





CHRISTINE CORDAY'S "GENESIS"



BRENDON MONROE'S "ROLL"



LEAH ROSENBERG'S "LOCAL COLOR"



HANK WILLIS THOMAS' "LOVE OVER RULES"



KEITH HARING'S "UNTITLED"



BARRY MCGEE'S "UNTITLED"

TURN A CORNER: DISCOVER THE UNEXPECTED

Public art abounds in Yerba Buena. Thanks to the Moscone Center expansion, there are even more new works of public art, adding to a robust collection of more than 20 works at Yerba Buena Gardens, Moscone Center, and the surrounding neighborhood. Much of the art resulted from the YCBCD's support. Here's a sampling.

- Christine Corday's "Genesis," with its massive arcing segments of melted and hewn stainless steel and concrete near 4th and Howard streets.
- Brendon Monroe's "Roll," a mural inspired by the movement of water and air that resembles a layer of approaching fog can be found in the Paseo between 3rd Street and the children's play area.
- Leo Villareal's "PointCloud," a light installation that is part of the Moscone East Bridge with more than 50,000 full-color LEDs, and about 800 mirrored stainless-steel rods (front cover).
- Keith Haring's untitled (Three Dancing Figures) colorful enamel on aluminum on concrete sculpture at 3rd and Howard streets.
- Hank Willis Thomas' neon light sculpture with glowing 6-foot-6-inch letters that spell out "LOVE OVER RULES" in Annie Alley and Mission Street.
- Leah Rosenberg's "Local Color," niches of bright paint, lighting and seating in Natoma Alley and New Montgomery Street.
- Barry McGee's untitled large-scale mural of geometric patterning, figurative elements, and typography on the Moscone Center garage at Clementina Alley and 3rd Street.



2019 YCBCD BOARD OF DIRECTORS

BUDGET + BALANCE SHEET

JULY 2018–JUNE 2019 ACTUALS

INCOME	ACTUALS	BUDGET	OVER/(UNDER BUDGET)
Assessments	\$3,078,768.00	\$3,049,986.27	\$28,781.73
Fundraising/In-Kind	\$350,083.00	\$206,241.05	\$143,841.95
Interest Income	\$31,764.00	\$7,500.00	\$24,264.00
TOTAL INCOME	\$3,460,615.00	\$3,263,727.32	\$196,887.68
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER BUDGET)
Management & Operations	\$350,104.00	\$472,163.00	\$(122,059.00)
Cleaning & Streetscape Improvements	\$953,750.00	\$1,564,660.00	\$(610,910.00)
Safety & Security	\$1,234,552.00	\$1,623,196.00	\$(388,644.00)
Branding, Activation & Marketing	\$455,917.00	\$592,989.00	\$(137,072.00)
Fiscally Sponsored Projects	\$1,860.00	-	\$1,860.00
Contingency	-	-	-
TOTAL EXPENSES	\$2,996,183.00	\$4,253,008.00	\$(1,256,825.00)
NET INCOME/(CARRYOVER USED)	\$464,432.00	\$(989,280.68)	\$1,453,712.68

JULY 2018–JUNE 2019 BALANCE SHEET

ASSETS		NET ASSETS	
Cash in Bank	\$3,417,854.00	Without donor restrictions	\$4,562,125.00
Certificates of Deposit	\$997,250.00	With donor restrictions	\$292,013.00
A/R, Net	\$300,544.00	TOTAL NET ASSETS (CARRYOVER)	\$4,854,138.00
Other	\$367,882.00		
TOTAL ASSETS	\$5,083,530.00		
LIABILITIES			
Accounts Payable	\$208,970.00		
Other Liabilities	\$20,422.00		
TOTAL LIABILITIES	\$229,392.00		
TOTAL NET ASSETS (CARRYOVER)	\$4,854,138.00		
TOTAL LIABILITIES & NET ASSETS	\$5,083,530.00		

JULY 2019–JUNE 2020 BUDGET

INCOME

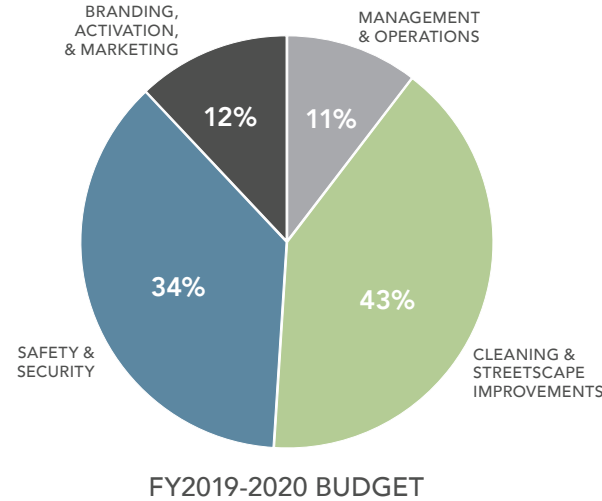
Assessments	\$3,141,486
Fundraising/In-Kind	\$172,782
Interest Income	\$24,000
Carryover Used	\$1,327,685
TOTAL INCOME	\$4,665,953

EXPENSES

Management & Operations	\$518,952
Cleaning & Streetscape Improvements	\$1,993,564
Safety & Security	\$1,566,863
Branding, Activation, & Marketing	\$586,574
TOTAL EXPENSES	\$4,665,953

PROJECTED CARRYOVER DISBURSEMENT

CARRYOVER	AS OF 6.30.19	BUDGETED FOR FY20	BUDGETED FOR FUTURE YEARS
Management & Operations	\$1,378,477.00	\$216,959.00	\$1,161,518.00
Cleaning & Streetscape Improvements	\$2,255,269.00	\$734,493.00	\$1,520,776.00
Safety & Security	\$473,350.00	\$193,389.00	\$279,961.00
Branding, Activation, & Marketing	\$111,324.00	\$182,844.00	\$(71,520.00)
Fiscally Sponsored Projects	\$292,013.00	-	\$292,013.00
Other Projects	-	-	-
Capital Assets	\$343,705.00	-	\$343,705.00
TOTAL	\$4,854,138.00	\$1,327,685.00	\$3,526,453.00



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 condominiums.

New district boundaries shown were approved as part of the YBCBD renewal in 2015. The district includes parcels from Second to Fifth streets and Market to Perry streets. Specific information on YBCBD boundaries is in the District Management Plan at www.YBCBD.org.



ASSESSMENT METHODOLOGY AND CALCULATION

The YCBCD is funded through an annual assessment from district property owners. A new methodology for annual assessments was approved as part of the district renewal. The calculation for each property assessment is based on a formula that weighs the benefit of the YCBCD's services for all types of properties in the district.

The formula assigns values to Land Use, Benefit Zone, Linear Street Frontage, and Building Square Footage to determine benefit points for each parcel. The parcel benefit point total is then multiplied by \$9.59 based on the FY18-19 YCBCD Budget to calculate the assessment.

For example, a commercial property (Land Use, 4) in Benefit Zone 1 (Zone Factor, 1.5) that has 50 feet of linear frontage (Linear Frontage, 50) and 5,000 building square footage (Building Factor, 2) would calculate their assessment as follows:

[(Linear Frontage + Building Factor) x Zone Factor] x Land Use = Total # of Benefit Points

[(50 + 2) x 1.5] x 4 = 300 Benefit Points

300 x \$9.59 = \$2,877.00 Total Assessment

As a result, properties like hotels, office buildings, museums and retailers with substantial street frontage, higher volumes of pedestrian traffic and more overall building square footage have different assessments than residential units because they benefit more from the YCBCD's services. Details of the annual assessment calculation are in the District Management Plan at www.YCBCD.org.



PHOTO CREDITS

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Lower: Terilyn Steverson
Courtesy San Francisco Travel

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Clockwise from upper left
Richard Ciccarone
Constance Cavallas
Terilyn Steverson
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YCBCD BOARD OF DIRECTORS

BOARD CHAIR
Lynn Farzaroli, Tourism Improvement District**
Candace Sue, SFMTA*

BOARD VICE CHAIR
Peter Hartman, Resident**
Scott Rowitz, YBCA*

SECRETARY/TREASURER
Scott Rowitz, Yerba Buena Gardens Conservancy**
John Noguchi, The Moscone Center*

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Julie Anderson, Resident**
Catherine Bartels, Bloomingdale's
Noah Bartlett, SFMOMA
Clif Clark, The Palace Hotel
James Gordon, St. Regis Hotel & Residences*
Michelle Delaney, 111 Minna Gallery

Kristin Gonsar, Millennium Partners*
Helen Han, Boston Properties*
Elizabeth Gessel, Museum of the African Diaspora
Pat Kilduff, Children's Creativity Museum
Kerry King, The Contemporary Jewish Museum
Lisa Kirvin, Renaissance Entrepreneurship Center
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School of Dentistry*
Shelly Robb, San Francisco Marriott Marquis
Micah Tell, The Keystone
Brennan Zerbe, Hearst Corporation

*Officer/Director term ended January 2019
**Officer/Director term started January 2019

YCBCD COMMITTEES

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

YCBCD STAFF

Cathy Maupin, Executive Director
Neal Patel, Associate Executive Director
Constance Cavallas, Director of Neighborhood Services & Projects
Richard Ciccarone, Events & Administrative Manager

COMMUNITY SUPPORT

The YCBCD 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.

111 Minna Street Gallery, Bespoke Hospitality, LLC, Bloomingdale's, Brookfield Office Properties, California Historical Society, Contemporary Jewish Museum, Hearst Corporation, Impark, JMA Ventures, Kyoya Hotels & Resorts, Livable City, MJM Management Group, Cathy Maupin, Millennium Partners, The Moscone Center, The Palace Hotel, Red Door Coffee, San Francisco Media Company, San Francisco Marriott Marquis, SFMOMA, San Francisco Travel Association, SFMTA, SPUR, St. Regis Hotel, Yerba Buena Center for the Arts, Yerba Buena Gardens Festival



YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD

5 Third Street, Suite 914
San Francisco, CA 94103

T 415.644.0728

E info@ybcbd.org

W www.ybcbd.org

IMPORTANT NUMBERS AND LETTERS

YBCBD DISPATCH:

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

PHONE: 415-543-9223

EMAIL: dispatch@ybcbd.org

TEXT: 415-559-1362

ONLINE: www.YBCBD.org

MOBILE APP: YBCBD Assist for iPhones and Androids

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 Reporting

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

SA 96 - Yerba Buena					FY 2018-19					
Service Category/Budget Line	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2018-19	General Benefit Dollars	FY 2018-19 Assessment Budget	% of Budget	Variance	Source
SA 96 - Yerba Buena CBD - Cleaning and Streetscape Improvements	\$ 1,281,665.91	\$ 65,108.63	\$ 1,216,557.28	40.66%	\$ 1,564,660.00	\$ 79,484.73	\$ 1,485,175.27	36.79%	-3.87%	
SA 96 - Yerba Buena CBD - Safety and Security Program	\$ 1,024,744.40	\$ 52,057.02	\$ 972,687.38	32.51%	\$ 1,623,196.00	\$ 82,458.36	\$ 1,540,737.64	38.17%	5.65%	
SA 96 - Yerba Buena CBD - Branding, Activation, and Marketing Program	\$ 434,614.14	\$ 22,078.40	\$ 412,535.74	13.79%	\$ 592,989.00	\$ 30,123.84	\$ 562,865.16	13.94%	0.15%	
SA 96 - Yerba Buena CBD - Management and Operations	\$ 410,811.64	\$ 20,869.23	\$ 389,942.41	13.03%	\$ 472,163.00	\$ 23,985.88	\$ 448,177.12	11.10%	-1.93%	
Contingency and Reserve	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
TOTAL	\$ 3,151,836.09	\$ 160,113.27	\$ 2,991,722.82	100.00%	\$ 4,253,008.00	\$ 216,052.81	\$ 4,036,955.19	100.00%		

BENCHMARK 2: General Benefit Requirement

5.08%

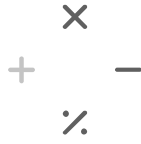
Revenue Sources	FY 2017-2018 Actuals	% of actuals	Source
Assessment Revenue	\$ 3,078,768.00		
Total Assessment (Special Benefit) Revenue	\$ 3,078,768.00	88.97%	
Contributions and Sponsorships	\$ 320,059.00	9.25%	
Grants	\$ -	0.00%	
Donations	\$ -	0.00%	
Interest Earned	\$ 31,674.00	0.92%	
Earned Revenue	\$ -	0.00%	
Other	\$ 30,024.00	0.87%	
Total Non-Assessment (General Benefit) Revenue	\$ 381,757.00	11.03%	
Total	\$ 3,460,525.00	100.00%	

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

SA 96 - Yerba Buena					FY 2017-18								
Service Category/Budget Line	FY 2017-18 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% Budget (Total Budget)	Actuals	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)	Variance (Assessment)	Variance (Total Budget)	Source
SA 96 - Yerba Buena CBD - Cleaning and Streetscape Improvements	\$ 1,564,660.00	\$ 1,485,175.27	\$ 79,484.73	36.79%	36.79%	\$ 953,750.00			#DIV/0!	31.83%	#DIV/0!	-4.96%	
SA 96 - Yerba Buena CBD - Safety and Security Program	\$ 1,623,196.00	\$ 1,540,737.64	\$ 82,458.36	38.17%	38.17%	\$ 1,234,552.00			#DIV/0!	41.20%	#DIV/0!	3.04%	
SA 96 - Yerba Buena CBD - Branding, Activation, and Marketing Program	\$ 592,989.00	\$ 562,865.16	\$ 30,123.84	13.94%	13.94%	\$ 455,917.00			#DIV/0!	15.22%	#DIV/0!	1.27%	
SA 96 - Yerba Buena CBD - Management and Operations	\$ 472,163.00	\$ 448,177.12	\$ 23,985.88	11.10%	11.10%	\$ 350,104.00			#DIV/0!	11.69%	#DIV/0!	0.58%	
Contingency and Reserve	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	#DIV/0!	0.00%	#DIV/0!	0.00%	
SA 96 - Fiscally Sponsored Projects	\$ -	\$ -	\$ -	0.00%	0.00%	\$ 1,860.00	\$ -	\$ -	#DIV/0!	0.06%	#DIV/0!	0.06%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	#DIV/0!	0.00%	#DIV/0!	0.00%	
TOTAL	\$ 4,253,008.00	\$ 4,036,955.19	\$ 216,052.81	100.00%	100.00%	\$ 2,996,183.00	\$ -	\$ -	#DIV/0!	100.00%			

BENCHMARK 4: Whether CBD 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

FY 2018-2019 Carryover Disbursement	\$ 4,854,138.00	Source	Spenddown Timeline
Special Assessment Project			
SA 96 - Yerba Buena CBD - Cleaning and Streetscape Improvements	\$ 1,961,012.00		by FY24
SA 96 - Yerba Buena CBD - Safety and Security Program	\$ 707,302.00		by FY24
SA 96 - Yerba Buena CBD - Branding, Activation, and Marketing Program	\$ 192,177.00		by FY24
SA 96 - Yerba Buena CBD - Management and Operations	\$ 1,182,488.00		by FY24
Donor Restricted	\$ 292,013.00		
Special Project Total	\$ 4,334,992.00		



*Report of Independent Auditors and
Financial Statements*

Yerba Buena Community Benefit District

June 30, 2019 and 2018

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Statements of Functional Expenses	6
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Report of Independent Auditors

To the Board of Directors
Yerba Buena Community Benefit District

Report on the Financial Statements

We have audited the accompanying financial statements of Yerba Buena Community Benefit District, which comprise the statement of financial position, as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. 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 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.

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, 2019, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Recently Adopted Standard

As discussed in Note 1 to the financial statements, Yerba Buena Community Benefit District adopted Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented with the exception of the omission of certain information as permitted by the ASU. Our opinion is not modified with respect to this matter.

Other Matter

Prior Period Financial Statements

The financial statements of Yerba Buena Community Benefit District as of and for the year ended June 30, 2018, were audited by other auditors whose report dated September 12, 2018, expressed an unmodified opinion on those statements.



San Francisco, California
September 12, 2019

Financial Statements

Yerba Buena Community Benefit District
Statements of Financial Position
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 3,417,854	\$ 4,000,329
Certificates of deposit	997,250	494,881
Assessments receivable, net	544	112,599
Loans receivable	300,000	-
Prepaid expenses	24,177	22,090
Capital assets, net	<u>343,705</u>	<u>311,356</u>
Total assets	<u>\$ 5,083,530</u>	<u>\$ 4,941,255</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 208,970	\$ 528,852
Accrued payroll and other benefits	<u>20,422</u>	<u>22,697</u>
Total liabilities	<u>229,392</u>	<u>551,549</u>
NET ASSETS		
Without donor restrictions	4,562,125	4,354,334
With donor restrictions	<u>292,013</u>	<u>35,372</u>
Total net assets	<u>4,854,138</u>	<u>4,389,706</u>
Total liabilities and net assets	<u>\$ 5,083,530</u>	<u>\$ 4,941,255</u>

Yerba Buena Community Benefit District
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2019 and 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE						
Assessment revenue	\$ 3,078,768	\$ -	\$ 3,078,768	\$ 3,055,597	\$ -	\$ 3,055,597
Contributions	45,059	275,000	320,059	42,444	44,354	86,798
Other income	30,024	-	30,024	179,424	-	179,424
Interest	31,764	-	31,764	16,247	-	16,247
Net assets released from restrictions	18,359	(18,359)	-	70,218	(70,218)	-
Total support and revenue	<u>3,203,974</u>	<u>256,641</u>	<u>3,460,615</u>	<u>3,363,930</u>	<u>(25,864)</u>	<u>3,338,066</u>
EXPENSES						
Program services	2,646,079	-	2,646,079	2,727,884	-	2,727,884
Supporting services:						
Management and operations	316,348	-	316,348	345,594	-	345,594
Fundraising	33,756	-	33,756	33,072	-	33,072
Total expenses	<u>2,996,183</u>	<u>-</u>	<u>2,996,183</u>	<u>3,106,550</u>	<u>-</u>	<u>3,106,550</u>
Change in net assets	207,791	256,641	464,432	257,380	(25,864)	231,516
NET ASSETS, at beginning of year	<u>4,354,334</u>	<u>35,372</u>	<u>4,389,706</u>	<u>4,096,954</u>	<u>61,236</u>	<u>4,158,190</u>
NET ASSETS, at end of year	<u>\$ 4,562,125</u>	<u>\$ 292,013</u>	<u>\$ 4,854,138</u>	<u>\$ 4,354,334</u>	<u>\$ 35,372</u>	<u>\$ 4,389,706</u>

Yerba Buena Community Benefit District
Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services				Supporting Services			
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Community guides	\$ -	\$ 699,731	\$ -	\$ -	\$ 699,731	\$ -	\$ -	\$ 699,731
Cleaning contract	689,082	-	-	-	689,082	-	-	689,082
Public safety	-	400,197	-	-	400,197	-	-	400,197
Salaries and benefits	103,361	112,590	101,827	-	317,778	145,650	33,756	497,184
Consulting fees	25,538	-	-	1,287	26,825	87,448	-	114,273
Grants	26,250	5,000	121,250	-	152,500	-	-	152,500
Events	-	-	127,291	-	127,291	1,301	-	128,592
Greening expenses	82,927	-	-	-	82,927	-	-	82,927
Marketing and branding	-	-	81,293	-	81,293	-	-	81,293
Rent and utilities	9,717	10,159	9,938	-	29,814	25,188	-	55,002
In-kind goods and services	-	-	8,000	-	8,000	35,999	-	43,999
Depreciation and amortization	-	-	-	-	-	37,506	-	37,506
Other expenses	10,000	-	4,248	573	14,821	24,530	-	39,351
Office supplies and postage	-	-	2,070	-	2,070	15,058	-	17,128
Bad debt recovery	-	-	-	-	-	(56,332)	-	(56,332)
Uniforms	6,875	6,875	-	-	13,750	-	-	13,750
Total expenses	\$ 953,750	\$ 1,234,552	\$ 455,917	\$ 1,860	\$ 2,646,079	\$ 316,348	\$ 33,756	\$ 2,996,183

Yerba Buena Community Benefit District
Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services				Supporting Services			
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Community guides	\$ -	\$ 699,242	\$ -	\$ -	\$ 699,242	\$ -	\$ -	\$ 699,242
Cleaning contract	685,120	-	-	-	685,120	-	-	685,120
Public safety	-	473,384	-	-	473,384	-	-	473,384
Salaries and benefits	69,796	78,955	85,299	-	234,050	137,987	28,521	400,558
Consulting fees	-	-	44,637	108,758	153,395	82,562	-	235,957
Grants	11,250	20,000	125,000	-	156,250	-	-	156,250
Events	-	-	106,076	-	106,076	-	-	106,076
Greening expenses	83,727	-	-	-	83,727	-	-	83,727
Marketing and branding	-	-	56,392	-	56,392	-	-	56,392
Rent and utilities	9,504	9,936	9,720	-	29,160	18,186	4,546	51,892
In-kind goods and services	-	-	22,520	-	22,520	17,348	-	39,868
Depreciation and amortization	-	-	-	-	-	34,806	-	34,806
Other expenses	-	-	5,032	7,183	12,215	19,824	5	32,044
Office supplies and postage	-	-	3,702	-	3,702	19,509	-	23,211
Bad debt expense	-	-	-	-	-	15,372	-	15,372
Uniforms	3,065	4,210	-	-	7,275	-	-	7,275
Streetscape expenses	5,376	-	-	-	5,376	-	-	5,376
Total expenses	\$ 867,838	\$ 1,285,727	\$ 458,378	\$ 115,941	\$ 2,727,884	\$ 345,594	\$ 33,072	\$ 3,106,550

Yerba Buena Community Benefit District
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 464,432	\$ 231,516
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss	4,587	-
Change in allowance for bad debt	(57,279)	15,372
Depreciation and amortization	37,506	34,806
Change in operating assets and liabilities:		
Assessments receivable	169,334	(87,704)
Prepaid expenses	(2,087)	(2,219)
Accounts payable and accrued expenses	(319,882)	199,962
Accrued payroll and other benefits	(2,275)	6,081
Net cash from operating activities	<u>294,336</u>	<u>397,814</u>
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	(1,980,000)	(495,000)
Proceeds on maturity of certificates of deposit	1,473,044	495,948
Purchase of capital assets	(69,855)	(47,776)
Loans receivable	(300,000)	-
Net cash (used in) from investing activities	<u>(876,811)</u>	<u>(46,828)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(582,475)	350,986
CASH AND CASH EQUIVALENTS - BEGINNING	<u>4,000,329</u>	<u>3,649,343</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 3,417,854</u>	<u>\$ 4,000,329</u>

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities – The Yerba Buena Community Benefit District (the “YBCBD”) was formed in 2008 by property owners to improve the quality of life in the neighborhood 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 15 years, expiring on June 30, 2030. The YBCBD stretches from about Second to Fifth and Market to Harrison Street 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 include:

- **Clean Team** – The Clean Team (“Team”) works to improve the appearance and cleanliness of the district daily from 6:00am to 9:00pm. The Team steam cleans all sidewalks in the district once or twice a month, works daily on sidewalk cleaning and gutter sweeping, and removes trash on a frequent basis. The Team also pulls weeds, cleans tree wells, removes graffiti, and paints poles, and mailboxes.
- **Community Guides Program** – The Community Guides (“Guides”) serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. Guides report maintenance issues such as areas in need of cleaning. Guides do not provide emergency response, but will call emergency dispatch to report issues. Up to six guides work 6:00am to midnight, seven days a week. The YBCBD also engages two Social Services Specialists to work with the street population and connect them to services.
- **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 and work 12 hours a day, 7 days a week. 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 84 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

- **Streetscape Improvements** – Guided by the Yerba Buena Street Life Plan, the YBCBD invests in public realm improvements, including greening, public art, pedestrian and bicycle improvements, 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 organizations in the neighborhood that help to achieve the mission of the YBCBD.
- **Sponsored Projects** – The YBCBD continues to serve as the sponsor for two projects related to its mission. One is focused on a neighborhood public art project that aims to locate public art and programming in seven Yerba Buena alleyways, known as Sites Unseen. The other is a coalition of neighborhood organizations advocating for the long-term maintenance and preservation of the Yerba Buena Gardens, also known as The Yerba Buena Gardens Conservancy. As the Yerba Buena Gardens Conservancy transitions from a former Redevelopment Agency holding to a City asset, the coalition is collaborating with all stakeholders to secure a vibrant future for the Yerba Buena Gardens. YBCBD was granted variance power over such contributions and, accordingly, they are recognized as YBCBD contributions. The Yerba Buena Gardens Conservancy obtained exempt status from federal income taxes under §501(c)(3) of the Internal Revenue Code in July 2018.

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 regardless of the timing of cash flows.

Classification of net assets – U.S. GAAP requires that YBCBD report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Accordingly, the net assets of the YBCBD are classified and reported as described below:

Without donor restrictions: 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.

With donor restrictions: 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. Those also include (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.

Fair value of financial instruments – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash and cash equivalents, certificates of deposit, receivables, and accounts payable approximate fair value because of the short-term maturity of these instruments.

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.

Certificates of deposit – The YBCBD’s certificates of deposit are valued at fair value based upon quoted prices.

Yerba Buena Community Benefit District Notes to Financial Statements

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, 2019 and 2018, the allowance for uncollectible assessments was \$148,138 and \$205,417, respectively.

Loan receivable – The YBCBD approved an interest free, unsecured loan to the Yerba Buena Gardens Conservancy (formerly a fiscally sponsored project that obtained exempt status from federal income taxes under §501(c)(3) of the Internal Revenue Code) for up to \$300,000 to help fund start-up costs. The total loan amount is due on July 1, 2020. As of June 30, 2019 and 2018, the loan receivable balance was \$300,000 and \$0, 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 at the date of acquisition. Depreciation on furniture and equipment and public art are 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 and changes in net assets.

Impairment of long-lived assets – Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended June 30, 2019 and 2018.

Accrued vacation – Full-time employees may accrue up to 13.33 hours per month depending on the number of years employed. Part-time employees accrue vacation on a prorated basis. Employees can accrue a maximum of 160 vacation hours. Accrued vacation as of June 30, 2019 and 2018, was \$20,422 and \$22,697, respectively.

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 assessed by the City. 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 when they are received or unconditionally promised, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as support under net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as support under net assets with donor restrictions.

Yerba Buena Community Benefit District Notes to Financial Statements

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 and changes in net assets. 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 support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as donor 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 net assets with donor restrictions to net assets without donor restrictions at that time. For the years ended June 30, 2019 and 2018, the YBCBD did not receive donated material and equipment.

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, 2019 and 2018, the YBCBD received contributed goods and services in the amounts of \$43,999 and \$39,868, respectively.

Advertising – The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2019 and 2018, was \$27,191 and \$31,250, respectively.

Grants – Grants are recognized when the unconditional promise to give is approved. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. As of June 30, 2019 and 2018, there were no conditional grants.

Income taxes – The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code ("IRC") and §23701d 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. 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, 2019 and 2018, revealed no tax positions that would have a material impact on the financial statements.

The YBCBD's tax returns are subject to examination by federal and state taxing authorities. However, management is unaware of any pending examinations nor are there any in progress.

Yerba Buena Community Benefit District

Notes to Financial Statements

Concentration 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. At June 30, 2019 and 2018, the YBCBD exceeded Federal Deposit Insurance Corporation coverage by approximately \$300,000 and \$640,000, respectively. 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, 2019, 57% of assessments receivable were due from three property owners. As of June 30, 2018, 77% of assessments receivable were due from three property owners.

Functional allocation of expenses – The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management. Personnel costs are allocated based on estimated time worked in each program area, or on fundraising or administrative tasks. Other shared costs, such as rent and utilities are based on estimated full time equivalents assigned to each area.

Reclassifications – Certain prior year amounts have been reclassified to conform with current year presentation. The reclassification had no effect on the YBCBD's financial condition, results of operations, or cash flows.

Use of 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.

New accounting pronouncements – During 2018, Yerba Buena Community Benefit District adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). This guidance is intended to improve current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; recognition of underwater endowment funds as a reduction in net assets with donor restrictions; and reporting investment income net of external and direct internal investment expenses. The guidance also enhances disclosures for board designated amounts. Compositions of net assets with donor restrictions and how the restrictions affect the use of resources, qualitative and quantitative information about the liquidity and availability of financial assets to meet general expenditures within one year of the statement of financial position date, and expenses by both their natural and functional classification, including methods used to allocate costs among program and support functions and underwater endowments. There were no net assets reclassifications as a result of adopting this standard.

Yerba Buena Community Benefit District

Notes to Financial Statements

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“ASU 2018-08”), to clarify and improve the scope and the accounting guidance for contributions received and made. The amendments should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 968, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance, and also in determining whether a contribution is conditional. The adoption is effective for the fiscal years beginning after December 15, 2018, for contributions received and for fiscal years beginning after December 15, 2019, for contributions made. Management is currently evaluating the impact ASU 2018-08 will have on Yerba Buena Community Benefit District’s future financial statements.

NOTE 2 – FAIR VALUE MEASUREMENTS

YBCBD’s financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Inputs are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect YBCBD’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the valuation methodologies during the years ended June 30, 2019 and 2018.

Certificates of deposit: The fair value is based on market price. These securities are classified within Level 2 of the fair value hierarchy.

The following table provides information about YBCBD’s financial assets measured at fair value on a recurring basis as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 997,250</u>	<u>\$ -</u>	<u>\$ 997,250</u>

Yerba Buena Community Benefit District
Notes to Financial Statements

The following table provides information about YBCBD's financial assets measured at fair value on recurring basis as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 494,881</u>	<u>\$ -</u>	<u>\$ 494,881</u>

YBCBD's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. YBCBD had no transfers into or out of levels of the fair value hierarchy during the years ended June 30, 2019 and 2018.

NOTE 3 – CAPITAL ASSETS

	<u>2019</u>	<u>2018</u>
Public art	\$ 352,447	\$ 337,447
Website development	26,000	75,012
Street furniture	40,424	40,424
Furniture and equipment	<u>10,773</u>	<u>10,773</u>
	429,644	463,656
Less accumulated depreciation	<u>(114,794)</u>	<u>(152,300)</u>
	314,850	311,356
Construction in progress	<u>28,855</u>	<u>-</u>
Total property and equipment, net	<u>\$ 343,705</u>	<u>\$ 311,356</u>

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30, consist of the following:

	<u>2019</u>	<u>2018</u>
Board designated:		
Cleaning and Streetscape Improvements	\$ 2,255,269	\$ 1,961,012
Management and operations	1,378,477	1,182,487
Safety and security	473,350	707,302
Branding, activation, and marketing	111,324	192,177
Sponsored projects:		
Invested in capital assets	<u>343,705</u>	<u>311,356</u>
Total	<u>\$ 4,562,125</u>	<u>\$ 4,354,334</u>

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, may be expended for:

	<u>2019</u>	<u>2018</u>
Sponsored projects:		
Sites Unseen	\$ 17,013	\$ 33,872
Annie Street	275,000	-
Other	-	1,500
	<u> </u>	<u> </u>
Total	<u>\$ 292,013</u>	<u>\$ 35,372</u>

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Sponsored projects:		
Sites Unseen	\$ 16,859	\$ 57,881
Yerba Buena Gardens	-	8,837
Other	1,500	3,500
	<u> </u>	<u> </u>
Total	<u>\$ 18,359</u>	<u>\$ 70,218</u>

NOTE 7 – GRANTS

The YBCBD distributes annual grants called Community Benefit 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, 2019 and 2018, was \$152,500 and \$156,250, respectively. Grants payable at June 30, 2019 and 2018, were \$7,500 and \$18,750, respectively, and are payable within one year.

NOTE 8 – RETIREMENT PLAN

The YBCBD established an employer noncontributory defined contribution retirement plan (the "Plan") for employees. Eligible employees may make voluntary contributions by salary reduction to the Plan, up to the limit allowed by IRC regulations.

NOTE 9 – COMMITMENTS

The YBCBD was obligated under a noncancelable operating lease agreement for office space in San Francisco, California which expired on June 30, 2018. The lease was not renewed or extended.

The YBCBD also leases office equipment that requires monthly lease payments; the lease expires on January 14, 2021.

Yerba Buena Community Benefit District Notes to Financial Statements

The following is a schedule of minimum lease commitments:

<u>Year Ending December 31,</u>	
2020	\$ 2,268
2021	<u>1,229</u>
	<u>\$ 3,497</u>

Rent expense for the years ended June 30, 2019 and 2018, was \$50,672, and \$49,268, respectively.

NOTE 10 – RELATED-PARTY TRANSACTIONS

The property owner of the building the YBCBD leases for office space is a member of YBCBD's Board of Directors (the "Board"). Rent paid for the office lease during the years ended June 30, 2019 and 2018, was \$45,592 and \$44,281, respectively.

Members of 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 the member (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.

The loan receivable with Yerba Buena Gardens Conservancy is also a related-party transaction. See Note 1.

NOTE 11 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects YBCBD's financial assets as of June 30, 2019:

Financial Assets	
Cash and cash equivalents	\$ 3,417,854
Certificates of deposit	997,250
Assessment receivables, net	544
Loans receivable, net	<u>300,000</u>
Financial Assets, at June 30, 2019	<u>\$ 4,715,648</u>

All financial assets are available for general expenditure within one year of June 30, 2019. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Yerba Buena Community Benefit District derives approximately 95% of its annual budget from assessment payments from property owners. The target minimum funds available in reserve for the YBCBD is eight months of average operating costs. The

Yerba Buena Community Benefit District Notes to Financial Statements

calculation of average monthly operating costs is based on the YBCBD's annual budget. Board designated net assets cover most of the general expenditures of YBCBD within a year.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statements of financial position date but before the financial statements are available to be issued. Yerba Buena Community Benefit District recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. Yerba Buena Community Benefit District's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before the financial statements were available to be issued.

Yerba Buena Community Benefit District has evaluated subsequent events through, September 12, 2019, which is the date the financial statements were available to be issued.

MEMO

To: Matt Haney, District 6 Supervisor

CC: San Francisco Board of Supervisors

From: Chris Corgas; OEWD Senior Program Manager, Community Benefit Districts/Business Improvement Districts

RE: Yerba Buena Community Benefit District

Date: August 18, 2020

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, 2018 and June 30, 2019.

Each year the YBCBD 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 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 2015.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2018-2019
2. CPA Financial Review Reports
 - a. FY 2018-2019
3. Draft resolution from the Office of Economic and Workforce Development

Background

Yerba Buena Community Benefit District spans 40 blocks, contains approximately 2,150 parcels, and is divided between two 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).
- June 2, 2015: the Board of Supervisors approved the resolution to renew and expand the Yerba Buena Community Benefit District (Resolution # 197-15).
- April 11, 2017: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2015 – 2016 (Resolution # 117-17).
- April 10, 2018: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2016-2017 (Resolution # 095-18).
- October 29, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2017-2018 (Resolution # 468-19)

Basic Info about Yerba Buena CBD

Year Established	June 2008
Assessment Collection Period	FY 2008 - 2009 to FY 2014 - 2015 (initial) FY 2015 - 2016 to FY 2029 - 2030 (renewal)
Services Start and End Date	July 31, 2015 – December 31, 2030 (District renewed in FY 14-15)
Initial Estimated Annual Budget	\$2,991,722.82
FY 2018-19 Assessment Submission	\$3,055,094.22
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

The current YBCBD website, <http://www.ycbcd.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

Cleaning and Streetscape Improvement Plan

The Cleaning and Streetscape Improvement Plan is a comprehensive program that aims to ensure the maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and buildings throughout the YBCBD. This includes regular sidewalk and gutter sweeping, scheduled steam cleanings, power washing, refuse removal, graffiti removal and streetscape improvements based on, but not limited to, the Yerba Buena Street Life Plan. The YBCBD also distributes small annual grants to community organizations working to improve the neighborhood through its Community Benefit Fund.

Safety and Security Program

The Safety and Security Program works with residents, merchants, the SFPD, and greater YBCBD community on a variety of strategies and initiatives to prevent crime and increase pedestrian safety throughout the District. The YBCBD provides Community Guides to assist visitors, connect those in need with social services, and report cleaning and safety issues. They also engage a Social Services Specialist to provide additional services to the street population in the District, spending extra time to meet their needs and connect and/or escort them to appointments for services.

Branding, Activation, and Marketing Program

The Branding, Activation, and Marketing Program promotes YBCBD's properties and businesses through specially targeted programs and initiatives. These activities play the dual role of contributing to the economic and social vitality of the area, and helps with the recruitment and retention of businesses and other entities.

The YBCBD also supports the creation and production of special events, such as the annual free outdoor festival Yerba Buena Night that welcomes visitors into the YBCBD area as a means of additional exposure. The YBCBD marketing and promotion services makes sure visitors, employees, patrons, and residents know about area attractions and helps them enjoy their experience within the YBCBD.

Management and Operations

The 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 Services and Project, a Director of Branding, and an Events and Administrative Manager. The YBCBD Management Plan calls for 13% 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 asked to actively participate in committees including Community Benefit Fund, Executive, Finance, Marketing, Services, and Streets & Public Space. The YBCBD also has Ad Hoc Audit and Nominating Committees to accomplish specific tasks for a shorter period of time each year. The full board meets five times a year.

The eight committees and meeting times are detailed below:

Standing Committees

- **Community Benefit Fund** – meets the 2nd Monday of March and October
- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the month for the months of August, October, January, March, April, May, and June
- **Marketing** - the third Thursday of the month
- **Services** - the second Thursday of the month
- **Streets and Public Space** –the third Wednesday of the month

Ad Hoc Committees

- **Audit** –as needed

- **Nominating** – as needed

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2018-2019

Cleaning and Streetscape Improvements

- Removed 390,000 pounds of trash from YCBCD public rights-of-way.
- Steam cleaned more than 6 million square feet of sidewalk frontage.
- Removed 2,749 instances of graffiti tags, flyers and stickers.
- Collected more than 17,000 discarded needles.
- Completed more than 180 extra requests for sidewalk sweeping, steam cleaning, and spot cleaning.
- Addressed over 70 issues of overflowing trash cans.
 - This CBD attributes this significant decrease to the installation of Bigbelly receptacles
- Addressed over 175 issues of illegal dumping.
- Supplemented our Clean Team with Downtown Streets Team volunteers in partnership with SF Travel to help keep the area around the Moscone Center clean and inviting. The Downtown Streets Team is a program that helps people in need find employment, housing, and a better life. The Downtown Streets team removed 11,375 pounds of trash and 291 needles from neighborhood streets and sidewalks.
- Introduced our updated “Yerba Buena Street Life Plan-An Evolution” in January to guide efforts to improve our streetscape.
- Added 13 more Bigbelly “smart” waste receptacles, bringing the district total to 22.

Safety and Security

- Made more than 620 connections to support services for our street population through the aid of our Social Service Specialist. Referrals included clothing assistance, food service, laundry/shower services, medical/dental, mental health services, shelter/housing assistance, and storage assistance.
- Community Guides worked 365 days a year to connect those who need help with services, provide information about the neighborhood and serve as an additional set of eyes to report safety issues.
- Addressed over 12,150 quality of life issues: aggressive panhandling, trespassing/loitering, sleeper/camper issues, drunk and disorderly and assisting people in need.
- SFPD 10B Bike Patrol officers worked 12 hour shifts daily to address quality of life issues and provide a reassuring presence in the district.
- Continued quarterly performance walks to measure sidewalk cleanliness.
- Completed a 3-year trend analysis of key service statistics to review performance and inform future decision.
- Updated team uniforms to improve safety and visibility.
- Supported the Bryant Street Navigation Center.

Branding, Activation, and Marketing

- Held 8th annual Yerba Buena Night, a free festival of music, dance, and performance.

- In partnership with Wild SF Tours, hosted monthly walking tours of the neighborhood featuring actors playing historical figures.
- Revamped VisitYerbaBuena.org, a website to promote and provide information about district art, dining, shopping, nightlife, hotels, and attractions.
- Debuted “Colorful to the Core,” a new campaign to create awareness of Yerba Buena’s places, culture, and energy.
- Installed new street banners.
- Provided a calendar of neighborhood events.
- Ongoing promotion of the district’s businesses and attractions.
- Continued communication with constituents via weekly emails, monthly e-newsletter, quarterly bulletins, and social media.

Management and Operations

- Exceeded fundraising goals
- Participated in and financially supported the formation of the Yerba Buena Gardens Conservancy
- Day-to-day management of the District
- Continued to stay abreast of new developments in the neighborhood and their overall impact.
- Served on advisory panels to promote the neighborhood’s interests such as: the SFPD Southern Station Community Police Advisory Board; Yerba Buena Gardens Conservancy Interim Board; Tourism Improvement District Board; Better Market Street Community Working Group; Clean Civil Sidewalks Coalition; CleanSafe365 Coalition; and the San Francisco CBD Consortium.

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 and eight hundredths percent (5.08%) 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 2018-2019

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 2018-2019 Budget	% of Budget	Variance Percentage Points
Cleaning and Streetscape Improvements	\$1,281,665.91	40.66%	\$1,564,660.00	36.79%	-3.87%
Safety and Security	\$1,024,744.40	32.51%	\$1,623,196.00	38.17%	+5.65%
Branding, Activation, and Marketing	\$434,614.14	13.79%	\$592,989.00	13.94%	+0.15%
Management and Operations	\$410,811.64	13.03%	\$472,163.00	11.10%	-1.93%
TOTAL	\$3,151,836.09	100%	\$4,253,008.00	100%	

BENCHMARK 2: Whether five percent (5.08%) of actuals came from sources other than assessment revenue

ANALYSIS: *YBCBD met this requirement. Assessment revenue was \$3,078,768.00 or 88.97% of actuals and non-assessment revenue was \$381,757.00 or 11.43% of actuals. See table below.*

Revenue Sources	FY 2018-2019 Actuals	% of Actuals
Special Benefit Assessments	\$3,078,768.00	88.97%
Total assessment revenue	\$3,078,768.00	88.97%
Contributions and Sponsorships	\$325,509.00	9.25%
Interest Earned	\$31,674.00	0.92%
Other Revenue	\$30,024.00	0.87%
Total non-assessment revenue	\$381,757.00	11.03%
Total	\$3,460,525.00	100%

Non-assessment revenue applied to 5.08% 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 2018-2019 Budget	% of Budget	FY 2018-2019 Actuals	% of Actuals	Variance Percentage Points
Cleaning and Streetscape Improvements	\$1,564,660.00	36.79%	\$953,750.00	31.83%	-4.96%
Safety and Security	\$1,623,196.00	38.17%	\$1,234,552.00	41.20%	+3.04%
Branding, Activation, and Marketing	\$592,989.00	13.94%	\$455,917.00	15.22%	+1.27%
Management and Operations	\$472,163.00	11.10%	\$350,104.00	11.69%	+0.58%
Fiscally Sponsored Projects	\$0.00	0.00%	\$1,860.00	0.06%	+0.06
TOTAL	\$4,253,008.00	100%	\$2,996,183.00	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 CBDAs 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. . Yerba Buena also includes its ongoing Contingency/Reserve fund as part of this reporting. See table below.*

FY 2018-2019 Carryover Disbursement	\$1,550,698.00
Designated Projects	
Cleaning and Streetscape Improvements	\$610,910.00
Safety and Security	\$388,644.00
Branding, Activation, and Marketing	\$137,072.00
Management and Operations	\$122,059.00
Donor Restricted	\$292,013.00
Total Designated Amount (FY 18-19)	\$1,550,698.00

Findings and Recommendations

Within the review period of FY 2018-2019, the Yerba Buena CBD met all benchmarks mentioned on Page 5 of this memo and all 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.”

YBCBD’s Community Benefit Fund is continually supporting public art, community engagement, streetscape improvements, and public safety enhancements. Yerba Buena CBD, in an effort to reduce litter, added more BigBelly waste receptacles bringing the district total to 22. The CBD also began a new marketing campaign to create awareness if Yerba Buena’s places and culture.

OEWD finds that the Yerba Buena CBD is performing well and functioning as intended; as such, OEWD has no recommendations for the organization and believe it is well positioned to implement services for the CBD area.

Conclusion

Yerba Buena CBD has performed incredibly well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events such as 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 is an extremely well run organization with an active board of directors and committee members. OEWD believes the Yerba Buena CBD will continue to successfully carryout their mission and service plans.

BOARD of SUPERVISORS



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MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller
Joaquin Torres, Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: October 14, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Haney on October 6, 2020:

File No. 201153

Resolution receiving and approving an annual report for the Yerba Buena Community Benefit District for FY2018-2019, 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 comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Office of the Controller
J'Wel Vaughan, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

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

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

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

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: