

**MEMO**

To: Mayor London N. Breed

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Senior Program Manager

RE: Civic Center Community Benefit District; FY 2018-19 Annual Report

Date: October 25, 2020

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This is a memo summarizing the performance of the Civic Center Community Benefit District (CCCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2018 and June 30, 2019. Please note that the District 6 and District 5 supervisors have co-sponsored Civic Center related legislation in the past.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2010.

Also attached to this memo are the following documents:

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



## Background

The CCCBD includes both privately and publicly owned properties. The District covers 41 blocks and includes approximately 327 parcels.

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

## Basic Info about Civic Center CBD

Year Established	January 2011
Assessment Collection Period	FY 2011-2012 to FY 2020-2021 (July 1, 2011 to June 30, 2021)
Services Start and End Date	February 1, 2012 – June 30, 2021 Initial Estimated Annual Budget \$691,964
Fiscal Year	July 1 – June 30
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Civic Center Community Benefit District Corporation

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

## Summary of Service Area Goals

### **Safety Program**

- Daytime Ambassadors: Community Ambassadors provide pedestrian support in the areas of: wayfinding, hospitality, information and social service support. They also serve to deter unsafe conditions in the public realm by proactively deterring crime and reporting suspicious or illegal activity to the appropriate authorities.
- Evening Ambassadors: In coordination with District performing arts venues, the Civic Center Plaza Park Rangers, the Playground safety officers and CCCBD's Garage Greeter - CBD Ambassadors ensure safe passage for pedestrians throughout the District at night.

- **Garage Greeter:** In the evenings a Garage Greeter staffs the elevator entrance to the Civic Center Garage helping patrons safely find their way. They are also in direct communication with the CBD's Evening Ambassadors, Park Rangers and the Playground safety officers.

**Cleaning and Maintenance**

CCCBD's public realm cleaning services are supplemental to those provided by the City and provide staff who assist with graffiti removal, sidewalk sweeping, pressure washing, landscape maintenance and illegal dumping.

**Beautification & Activation**

Beautification efforts often include: public art, landscaping, wayfinding signage, and decorative lighting. CCCBD facilitates activations primarily in Zone 2 of the District with a focus on open space designed for events and activities.

**Administration**

CCCBD's 15-member Board of Directors and the Executive Director oversee the organization with various support staff.

**Summary of Accomplishments, Challenges, and Delivery of Service**

**Safety Program**

- CCCBD Community Ambassadors documented over 4,000 instances of support in FY17-18, many in support of the District's significant homeless population and those suffering from the nation-wide opioid epidemic.
- CCCBD helps ensure the new Helen Diller Playgrounds and BiRite Café kiosk are safe and accessible to users during hours of operation and free of vandalism after hours.
- CCCBD joined forces with the Mid Market CBD to co-host a free "Safety Summit" for over 200 area stakeholders at the Strand Theater. The event also featured information tables from organizations such as: SF72, SFSafe, A.L.E.R.T., BART Police and WalkSF.

**Cleaning Program**

- Removed approximately 60,000 pounds of litter from the District
- Pressure washed 46,464 linear feet of sidewalk
- Removed graffiti from both public and private property
- Maintained tree basins
- Disposed of 12,470 used hypodermic needles in 12 months
- Awarded competitive grant to pilot Bigbelly "smart" refuse collection units through the Mayor's Fix-It Team and OEWD

**Beautification & Activation**

- CCCBD served as lead project manager for the *Civic Center Commons Initiative* community events and programs throughout the year including:
  - 1st Sunday Events
  - 3rd Thursday Events
  - Friday Market & Bazaars
  - Civic Center Plaza Holiday Tree Lighting
- CCCBD assumed ownership of the BiRite Café kiosk in Civic Center Plaza providing facility and operator oversight and ensuring rental fees from the kiosk are put into a maintenance fund for helping to maintain the Plaza.

- CCCBD partnered with the Recreation and Parks Department to install Tivoli lights in Civic Center Plaza improving evening pedestrian safety and area aesthetics

#### **Administration**

- CCCBD expanded its stewardship role in Civic Center collaborating more with several public and private sector stakeholders including: City’s Real Estate Division, the Recreation and Parks Departments, the Office of Economic and Workforce Development, Public Works and Planning to ensure the success of:
  - new Civic Center Plaza playgrounds
  - new Civic Center Plaza café kiosk
  - *Civic Center Initiative*
- Board and staff also collaborated extensively with BART to improve station cleanliness and safety as well as a pedestrian wayfinding campaign to help riders access Civic Center destinations
- Board and staff sit on Better Market Street and Van Ness BRT project committees
- Successfully completed CCCBD’s renewal process

#### **CCCBD Annual Budget Analysis**

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

- **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 “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B) (6); Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether CCCBD is indicating the amount of funds to be carried forward into the next 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:** CCCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2018-2019 Budget <sup>1</sup>	% in relation to Management Plan Budget	% in relation to Total Budget	Variance Mgmt. Plan Percentage Points	Variance Percentage Points
Safety	\$357,495.00	51.7%	\$ 411,805.00	49.38%	30.49%	-2.81%	-21.18%
Cleaning and Maintenance	\$139,890.00	20.2%	\$ 159,992.08	19.18%	11.84%	-1.24%	-8.37%
Beautification	\$22,876.00	3.3%	\$ 0.00	0.00%	0.00%	-3.34%	-3.31%
Activation of Public Places	\$24,081.00	3.5%	\$ 44,698.12	5.36%	3.31%	+1.984%	-0.17%
Administration	\$147,622.00	20.3%	\$ 217,513.53	26.08%	16.10%	+5.54%	-4.23%
Non-Assessment Funds/Renewal	\$6,920.00	1.0%	\$ 515,999.35	0.00%	38.20%		+37.20%
Contingency and Reserve <sup>2</sup>	\$0.00		\$ 834.71	0.00%	0.06%		+0.06%
<b>TOTAL</b>	<b>\$691,964</b>	<b>100.00%</b>	<b>\$1,350,843.64</b>		<b>100.00%</b>		

<sup>1</sup> The total budget for management plan and engineer's report related service categories is \$834,009.58

<sup>2</sup> This category is not part of the management plan or engineer's report for the Civic Center CBD approved by the Board of Supervisors in Resolution # 21-11.

**BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue

**ANALYSIS:** CCCBD met this requirement. Assessment revenue was \$1,497,113.24 or 32.15% of actuals and non-assessment revenue was \$3,107,803.74 or 67.49% of actuals. See table below.

Revenue Sources	FY 2018-2019 Actuals	% of Actuals
Assessment Revenue	\$1,497,113.24	
<b>Total assessment revenue</b>	<b>\$1,497,113.24</b>	<b>32.15%</b>
Grants	\$401,793.81	8.73%
Contributions	\$2,220,868.81	48.23%
Interest Earned	\$53.08	0.00%
Fee for Service	\$485,088.44	10.53%
<b>Total non-assessment revenue</b>	<b>\$3,107,803.74</b>	<b>67.49%</b>
<b>Total</b>	<b>\$4,604,916.98</b>	<b>100%</b>

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

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

Service Category	FY 2018-2019 Budget	% of Mgmt. Plan Budget	% of Total Budget	FY 2018-2019 Actuals	% of Actuals – Assessment Budget	% of Actuals – Total Budget	Variance % Points – Assessment	Variance % Points – Total
Safety	\$ 411,805.00	49.38%	30.49%	\$ 393,633.36	46.52%	20.88%	-2.85%	-9.61%
Cleaning and Maintenance	\$ 159,992.08	19.18%	11.84%	\$ 155,366.64	18.36%	8.24%	-0.82%	-3.60%
Beautification	\$ 0.00	0.00%	0.00%	\$ 10,756.42	1.27%	0.57%	1.27%	+0.57%
Activation of Public Places	\$ 44,698.12	5.36%	3.31%	\$ 44,698.12	5.28%	2.37%	-0.08%	-0.94%
Administration	\$ 217,513.53	26.08%	16.10%	\$ 241,655.39	28.56%	12.82%	2.48%	-3.28%
Non-Assessment Funds/Renewal	\$ 515,999.35	1.00%	38.20%	\$ 893,619.52	0.00%	47.39%	N/A	+9.19%
Contingency and Reserve <sup>3</sup>	\$ 834.71	0.00%	0.06%	\$ 145,910.75	0.00%	7.74%	N/A	+7.68%
<b>Total</b>	<b>\$ 1,350,843.64</b>		<b>100.00%</b>	<b>\$ 1,885,640.20</b>		<b>100.00%</b>		

<sup>3</sup> This category is not part of the management plan or engineer’s report for the Civic Center CBD approved by the Board of Supervisors in Resolution # 21-11.

**BENCHMARK 4:** Whether CCCBD 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:** CCCBD met this requirement. See table below.

<b>FY 2018-2019 Carryover</b>	<b>To be used in FY 2019-2020</b>
<b>FY 2018-2019 Assessment Carryforward</b>	\$ 183,916.45
<b>Designated Projects</b>	
Management Plan Services	\$ 183,916.45
<b>Total Designated Amount</b>	<b>\$ 183,916.45</b>

**Findings and Recommendations**

Civic Center CBD met all the required benchmarks as mentioned on Page 5 of this memo. In addition to delivering its core services, CCCBD also held free community events and raised significant non-assessment revenue which exceeding its Management Plan general benefit requirement. The organization also took ownership of the café kiosk in Civic Center Plaza and continues to manage the property and cafe operator BiRite, and reinvesting kiosk rental income into upkeep of the Plaza.

CCCBD also embarked on a renewal campaign. The campaign ended successfully on July 23, 2019 with a property owner vote 93.59% in favor of renewal, 6.41% against, and unanimous vote by the San Francisco Board of Supervisors.

Renewal outreach within the District, including expansion areas, was robust as outlined below because CCCBD:

- Held 20 publicly noticed meetings where District renewal and expansion were addressed  
*\*The CBD began these meetings in early 2018, over a year and half before its renewal vote was to be finalized.*
- Mailed detailed renewal and expansion information to all property owners within the current and expanded boundaries
- Conducted in person outreach especially with potential new members
- Hand-delivered renewal and expansion information and meeting invitations to all parcels, storefronts and/or front desks within the proposed renewal and expansion area (where possible) to ensure receipt
- Held 4 open house events regarding renewal and expansion at convenient times and diverse locations within the existing boundaries and in expansion areas
- Regularly posted updates on the renewal process in its quarterly newsletter beginning in early 2018
- Created and frequently updated a section of its website dedicated to renewal and expansion

Several calls from property owners concerned about the renewal and expansion effort were received by the CBD and OEWD. Most were from owners in the expansion area - not currently part of a CBD. Broadway SF (now SHN) was another concerned potential new member. However, their concern was being moved out of the Tenderloin CBD and into Civic Center CBD so they would benefit from CCCBD's *Civic Center Initiative*. The move made sense geographically and offered more services, but it increased their assessment rate. Broadway SF ultimately became a member; but a condominium association at the SE corner of Gough and Golden Gate successfully lobbied to be excluded from the District.

## **Conclusion**

Board and staff worked diligently to carry out the organization's annual mission and successfully completed an open, community-based renewal process. The Civic Center CBD continues to be in a good position to carry out its mission as a high-capacity organization working alongside its public and private sector partners.