

File No. 230608

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: February 1, 2024

Board of Supervisors Meeting:

Date: _____

Cmte Board

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

OTHER

- DTCBD Annual Report FY 2021-2022
- Financial Report 063022
- OEWD Memo 050923
- _____
- _____
- _____
- _____

Prepared by: Monique Crayton

Date: January 26, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Downtown Community Benefit District - Annual Report - FY2021-2022]

2

3 **Resolution receiving and approving an Annual Report for the Downtown Community**
4 **Benefit District for Fiscal Year (FY) 2021-2022, 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 May 14, 2019, pursuant to the Property and Business Improvement
10 District Law of 1994 (the “Act”), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 237-19, expressing the intention to establish
13 the Downtown Community Benefit District, now known as the Downtown SF Partnership
14 (“Downtown CBD”); and

15 WHEREAS, On July 16, 2019, the Board of Supervisors adopted Resolution
16 No. 327-19 establishing the Downtown CBD ("Resolution to Establish") for a period of 15
17 years, commencing FY 2019-2020; and

18 WHEREAS, On January 28, 2020, the Board of Supervisors adopted Resolution
19 No. 033-20, authorizing an agreement with the owner’s association for the
20 administration/management of the Downtown CBD, and a management agreement (the
21 “Management Contract”) with the owner’s association, Downtown Community Benefit District,
22 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. 191303; and

25

1 WHEREAS, The Union Square Business Improvement District has submitted for the
2 Board’s receipt and approval the Downtown CBD’s annual report for FY 2021-2022 as
3 required by Section 36650 of the Act and Section 3.4 of the Management Contract; and

4 WHEREAS, The annual report for FY 2021-2022 is on file with the Clerk of the Board
5 of Supervisors in File No. 230608, and are incorporated herein by reference as though fully
6 set forth; and

7 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
8 memorandum report from the Office of Economic and Workforce Development, dated May 9,
9 2023, and documentation from the Downtown CBD for the annual report for fiscal year 2021-
10 2022 is on file with the Clerk of the Board of Supervisors in File No. 230608; now, therefore,
11 be it

12 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
13 report for the Downtown Community Benefit District for FY 2021-2022.



ANNUAL REPORT FY 21/22





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Christine Mann,
Board President

A WORD FROM OUR LEADERS

In 2020, when the Downtown Community Benefit District (now the Downtown SF Partnership - DSFP), was at a crossroads with the emergence of the COVID-19 pandemic, the organization worked to deeply clean the area and support struggling businesses. With remote and hybrid work impacting the return to office, downtowns may never be the same, but the opportunities to pivot and create a new future and downtown economy are endless. Against this backdrop, the Downtown SF Partnership quickly coalesced around steps to ensure the district's safety and cleanliness interventions to drive positive worker and visitor experiences. This year, we expanded the hours of our cleaning and safety ambassadors, created new public spaces like Battery Bridge, launched our holiday projection mapping festival called Let's Glow SF, and released the Public Realm Action Plan (PRAP). The PRAP is a roadmap for a more vibrant downtown through activations in the district's system of privately-owned public spaces, alleys and backstreets to increase pedestrian activity and energize ground floor vacancies.



Robbie Silver,
Executive Director

Building on the tradition of using creative programming to change perceptions, DSFP launched "Bastille on Belden" and "Bands on Battery Bridge," to communicate the district's authenticity to downtown workers and visitors. We're in the process of building an economic development program to attract new business and investment to downtown. This also includes strategies to retain ground floor businesses, activate vacant spaces, and offer microgrants to support small businesses.

Ensuring all we do is prudent and thoughtful, we recently launched our first strategic plan (2022-2025) so that we align resources with agreed upon priorities. This year, every sign of DSFP's progress was celebrated and amplified in the face of enormous skepticism that anything downtown could change. We're proud of our accomplishments and know there's more work to be done.

The value of downtowns may shift, along with the ways we use and evaluate them, but downtown San Francisco's resilience across economic, cultural, and social issues positions it well to help lead the City's economic recovery. The Downtown SF Partnership, through its unique role as the "voice of downtown," can bring clarifying leadership turning challenges into opportunities.



BOARD OF DIRECTORS AND COMMITTEES

BOARD OFFICERS

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President
Rockhill Management

NOAH UNGER
Vice President
Ritz Carlton Club & Residences

GLENN GOOD
Treasurer
Brookfield Properties

BILL WHITFIELD
Secretary
Shorenstein



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CBRE

TONY BIRDSEY
Tishman Speyer

CASSANDRA COSTELLO
SF Travel

JOHN DUNLAP
Resident

MICHELLE FUNKHOUSER
Hines

MATTHEW HUMPHREYS
Hyatt Regency San Francisco

ALEX KAPLAN
Tidewater Capital

PETER QUARTAROLI
Sam's Grill

BRIAN REED
Bri Hospitality

DIANA ROSENBLATT
SO Hudson 555 Management Inc.

PETER SCOTT
Tusker Corporation

MICHAEL VELZO
Jackson Square Financial

ADVISORY COMMITTEES

CLEAN AND SAFE COMMITTEE

NOAH UNGER
Chair

TONY BIRDSEY

CASSANDRA COSTELLO

JOHN DUNLAP

MATTHEW HUMPHREYS

PETER SCOTT

DISTRICT IDENTITY & STREETScape IMPROVEMENTS COMMITTEE

BRIAN REED
Chair

MICHAEL VELZO
Vice Chair

MICHELLE FUNKHOUSER

ALEX KAPLAN

PETER QUARTAROLI

NOAH UNGER

FINANCE COMMITTEE

GLENN GOOD
Chair

KRISTIE AREVALO
Vice Chair

DIANA ROSENBLATT

BILL WHITFIELD



DOWNTOWN SF ▲
PARTNERSHIP

VISION Downtown San Francisco is an economic powerhouse and historic core, redefining what makes our city vibrant, resilient, and welcoming.

MISSION We lead the way in building a thriving downtown where business gets done, people feel welcome, come to explore, and make memories.

An aerial photograph of a dense city skyline at dusk or dawn. The buildings are illuminated with warm yellow and orange lights, contrasting with the cool blue and purple tones of the twilight sky. The perspective is from a high angle, looking down on the city. Overlaid on the lower right portion of the image are several thin, wavy green lines that curve across the frame. In the upper left corner, the text 'CORE DISTRICT SERVICES & PROGRAMMATIC ACCOMPLISHMENTS' is written in a clean, white, sans-serif font. A thin orange horizontal line is positioned below the text.

CORE DISTRICT SERVICES & PROGRAMMATIC ACCOMPLISHMENTS

NEIGHBORHOOD CLEANING



Attention to detail is our thing! The DSFP Cleaning Ambassadors work tirelessly to ensure our sidewalks and public spaces stay clean and inviting. Starting their day at 6 AM, Cleaning Ambassadors tackle trash and litter removal and prepare the district before shops and businesses open. Our cleaning services are supplemental to baseline services provided by the City and County of San Francisco and paid for by property assessments to also include; graffiti abatement, power washing and steam cleaning, and hazardous waste removal.

CLEANING SERVICES
operate from
6 am - 8 pm daily

NUMBERS OF NOTE
(JAN - JUL 2022)

25% reduction
OF TRASH /LITTER

76% reduction
OF HAZARDOUS
WASTE

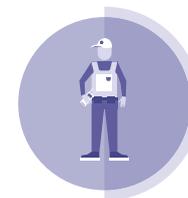
91% reduction
OF GRAFFITI
INCIDENTS

We'll take it from here! | 311 Integration

Until now, Community Benefit Districts were not integrated with SF 311, causing duplicative efforts between the CBDs and SF Public Works. In November 2021, the Downtown SF Partnership joined the neighboring East Cut CBD to be a part of a pilot to receive cleaning incidents directly reported to SF 311 and tackle them within 24 hours. So far, we've completed 776 total cases, resulting in an average completion time of 1.5 hours. This frees up valuable time for the City to assist with escalated incidents.



COMMUNITY SAFETY*



At the forefront of the Downtown SF Partnership's safety efforts are Community Engagement Ambassadors; visible and engaged members of the team who observe, advise, and report quality of life issues throughout the Financial District and Jackson Square. They are the eyes and ears of the district for businesses and property owners. Ambassadors can be seen wearing Downtown branded uniforms and performing their duties while walking, riding a bicycle, or a T3 Patroller Scooter. Community Engagement Ambassadors offer a friendly helping hand to those in need, either by providing directions to a nearby restaurant or public transportation, or even safely escorting workers to their vehicles.

COMMUNITY ENGAGEMENT AMBASSADORS
operate from
6 am - 8 pm daily

17 UNHOUSED PEOPLE
RECONNECTED

Looking out for our neighbors | Miracle Messages

DSFP loves keeping everyone in our district safe and sound, regardless of their housing situation. That's why we began partnering with **Miracle Messages**, a nonprofit organization that compassionately connects unhoused community members with long lost loved ones. Miracle Messages reconnected 17 people within downtown San Francisco from January 2022 through June 2022.

Our gate is open! | Convention Deployment Strategy

Don't call it a comeback! Downtown San Francisco is open and welcoming conference goers once again in a post-lockdown world. Over the past year, DSFP developed a Convention Deployment Strategy to ensure that conference attendees feel welcome and safe while visiting Downtown SF. During conventions, additional Community Engagement and Cleaning Ambassadors are deployed to create an added level of hospitality by completing extra spot cleaning along sidewalks and distributing information about area restaurants, bars, and points of interest.

*Pursuant to Board of Supervisors Resolution #027-21, The Downtown SF Partnership does not operate or utilize surveillance technology. At this time, DSFP does not plan to utilize surveillance technology in FY 23.

MOBILITY



The Downtown SF Partnership continues to advocate for better traffic management during peak commute times. SFMTA Traffic Control Officers are now assisting in getting cars safely out of downtown at the intersection of Bush, Battery, and Market Streets 4-5 days per week depending on demand and availability. As people return to work, we support the use of public transportation and micro-mobility to ease vehicular traffic throughout downtown. We applaud BART, Muni, and the Ferry services for implementing clean and safety measures during the pandemic.

Bring on the Cable Cars

DSFP partnered with Market Street Railway and advocated for the return of the F-Line (streetcars along Market and Embarcadero) and the California-Van Ness Line (cable cars). These not only capture the essence of San Francisco's downtown, but also serve as a beacon of hope for the reopening of the City.

Bikers Rejoice

There are no protected bike lanes in the Downtown Financial District and Jackson Square. That is about to change with the approval of the SFMTA Battery-Sansome Quick Build Project to bring the first protected bike lane to the district. DSFP worked closely with properties and businesses along Sansome and supported this effort to increase micro-mobility access to Downtown SF. The construction will start during autumn of 2022.



PUBLIC REALM & BEAUTIFICATION



Making visions a reality | Public Realm Action Plan

Downtown San Francisco has changed. Emerging challenges to the district's economic vibrancy include competition from neighboring mixed-use office districts, disruptions associated with the COVID-19 pandemic, shifting work/life balance patterns, and changing retail dynamics. Downtown SF Partnership hired SITELAB urban studio to develop a framework to energize a new downtown economy. The PRAP is a bold call to action advancing downtown's as more than just a workplace, but as a walkable, social, and cultural destination. Strategies and highlights are listed in this Annual Report. For the full plan, head to DowntownSF.org.

Belden Place Refresh

This historically rich alleyway lined with an exciting variety of european-inspired restaurant led a booming life in the early 2000s, but the COVID-19 pandemic caused a steep drop in business dimmed the street's appeal. In fall of 2021, DSFP hired SmithGroup, an architectural, engineering and planning firm, to conceptualize and implement a physical refresh of Belden Place. The Downtown SF Partnership worked with the Belden restaurateurs and conducted two facilitated workshops with SmithGroup design firm to explore their vision for a revitalized destination. Ideas were far and wide but short-term improvements to improve the street's visual appeal included new string lighting, repainting the iconic Belden gates, and brought back Bastille Day.





LIKE PRETTY STREETS? SO DO WE.

THE CREATION OF BATTERY BRIDGE

In June of 2022 DSFP partnered with Tishman Speyer to bring Battery Bridge, the newly created pedestrian plaza in downtown SF, to life. As part of a larger effort to reimagine downtown's public spaces the Partnership worked with Talavera-Ballón, a Peruvian-born painter based in the Mission neighborhood of San Francisco, to create public art on a massive scale. The 1,900 square foot street mural is the first of its kind in downtown San Francisco and uses colorful free-form patterns inspired by the natural beauty of Drakes Estero, an expansive estuary at the Point Reyes National Seashore of northern California.

The completion of Battery Bridge was marked with a Community Opening, complete with live Latin jazz from local band Trio Caminos and delicious Guanajuatan cuisine from El Pípila.

Claudio Talavera-Ballón, an artist from Peru, has been painting a street mural on the Battery Street Bridge near Market Street. (Craig Lee/The Examiner)

MARKETING & MEDIA



SF Dahlia



SF Mint



Nautical Navy



Shell Mound Midden



Transamerica Redwood

Downtown SF is the historic heart and economic core of San Francisco and we work to promote the many institutions, restaurants, businesses, and retail shops that make our district one of the top visited destinations in the city. DSFP manages the DowntownSF.com website, social media channels which reach over 40,000 accounts annually, and publishes a regular e-newsletter that is delivered to businesses located in the district boundaries and public subscribers.

New brand, who dis? | A New Brand for Downtown SF

During our second year, DSFP developed an updated logo and organizational brand identity that reflects the rich history and forward progress of downtown San Francisco.



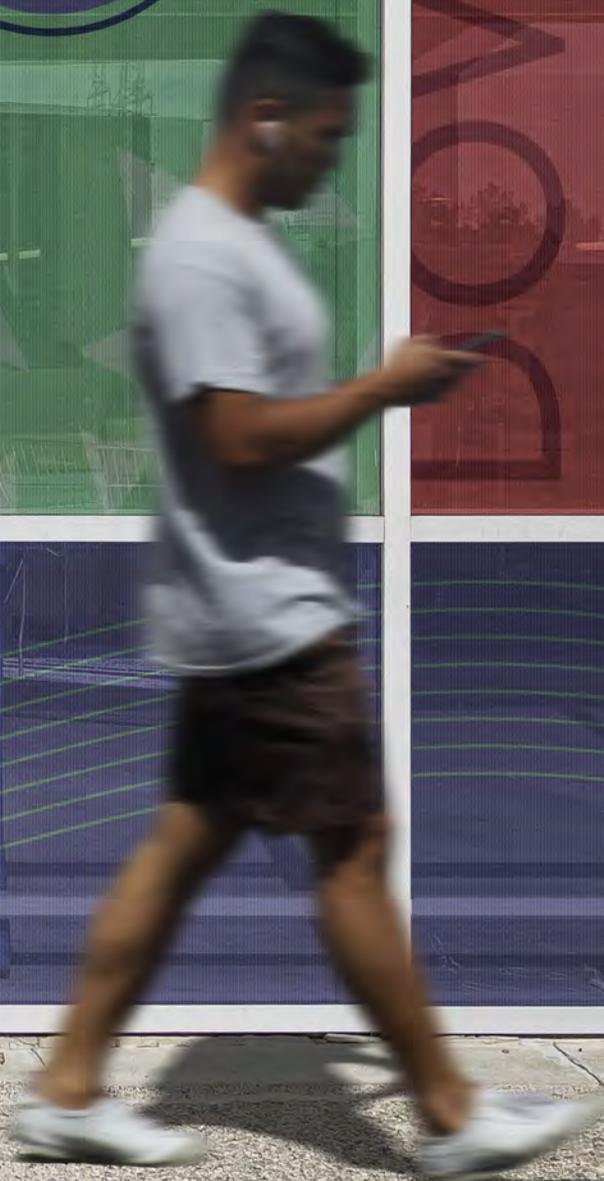
Primary Logo

DOWNTOWN SF
PARTNERSHIP

Secondary Logo

Representing upward movement, progress, and aspirational elements, the new Downtown SF Partnership brand echoes the district's stamp on the City's history as the economic core while focused on moving downtown forward. Using a bold color palette representing soft purple and mint green hues, the colors are a nod to what makes our city special. The wavy triangle is abstract and symbolizes the iconic Transamerica Pyramid meeting the old shoreline when the waterfront led up to Montgomery Street. We celebrate our history and energize an entrepreneurial spirit to create a reimagined downtown enjoyed by all.







IN THE NEWS: MEDIA HITS



Public Realm Action Plan



By Sarah Holder
August 2, 2022

For a city known for its green space, San Francisco's downtown is mostly gray. In the 43 blocks that are commonly considered the core business district, more than a third of the space is taken up by car filled streets, and none by public parks or pedestrian-only roads. Three-quarters of the built square footage is offices.



Public Realm Action Plan



By Noah Arroyo
July 18, 2022

Is this the future of downtown San Francisco? A business group has come up with a plan to revitalize the area with street closings and outdoor gathering spaces. Here's what it would look like



Battery Bridge



By James Salazar Examiner staff writer
May 23, 2022

Downtown San Francisco is not exactly a bucolic place. But for Peruvian artist Claudio Talavera-Ballón, who is painting San Francisco's first on-street mural for its newest pedestrian plaza, bringing the beauty of the Point Reyes National Seashore to the heart of The City has felt obvious, even necessary.



Let's Glow SF



Posted December 7, 2021

Robbie Silver, executive director of Downtown SF on the event Let's Glow SF, debuted as the largest holiday projection mapping event in the U.S.





EVENTS

BASTILLE DAY

On July 14, 2022, DSFP restored a years-long tradition of celebrating Bastille Day in the historical French Quarter of San Francisco, Belden Place. The Partnership collaborated with area restaurateurs to celebrate France's independence with French-inspired dinner specials, festive tunes from Vintage Jukebox Orchestra, complimentary berets, and the pièce de résistance, a replica of the Eiffel Tower. Restaurants along Belden Place reported a major uptick in business that evening, with the majority of locations being completely booked.

Let's
GLOW
SF





BY THE NUMBERS

GLOW BIG OR GLOW HOME!

The Downtown SF Partnership's premier winter event held in December 2021 ended up being the **largest holiday projection mapping event in the U.S.!**

Let's Glow SF used cutting edge technology to bring four towering district buildings to life. Through music, art and animation, this event aided in revitalizing the area and drew excited crowds to the Financial District from December 3 - 12, 2021.

LET'S GLOW SF DREW 40,000 ATTENDEES

4

LIGHT SHOWS WERE PROJECTED ON 4 TOWERING BUILDINGS IN DOWNTOWN SF

The Pacific Stock Exchange
345 Montgomery
One Bush Plaza
Hyatt Regency San Francisco

11

FEATURED ARTISTS

Amandalynn
Cristina Paraiso-Chavez
Duncan Rogoff
Erika L. Chan
Ian Ross
Louie Schwartzberg
Ryan Uzilevsky
Sean Capone
Sophia Lee
Sydney Bouhaniche
Val Margolin

3

CONTENT STUDIOS

SPECTRELab

mindscape



PIXEL N' PEPPER

10 NIGHTS

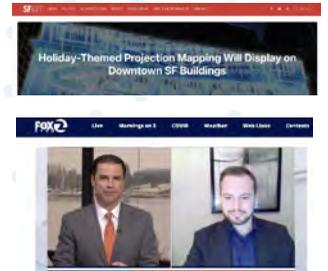
LET'S GLOW SF ACCOUNTED FOR 83% OF EVENING DISTRICT FOOT TRAFFIC DEC 3-12

\$2.1M ECONOMIC IMPACT

MEDIA COVERAGE

COVERAGE TOTALED 25 MEDIA PLACEMENTS, INCLUDING:

- Featured on 4 major local TV stations
- 21 online hits including 11 calendar listing mentions
- 6 in depth stories/mentions featuring Let's Glow SF



ONLINE TRAFFIC

LET'S GLOW SF BROUGHT **38,000** NEW USERS TO DOWNTOWNSF.ORG

DOWNTOWNSF.ORG WAS VIEWED IN OVER **100 COUNTRIES,** TAKING LET'S GLOW SF GLOBAL

DISTRICT VISITS

715,800 VS 318,000

Downtown SF saw over double the number of district visitors when compared with December 2020.

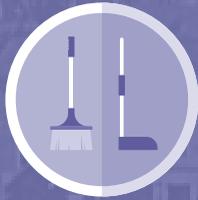
During the ten days of Let's Glow SF, Downtown SF saw 242.8K visits, while the ten days prior to Let's Glow SF, the District saw 206.9K district visits.



CLEANING & SAFETY STATISTICS



237
Spills
Cleaned



105,340
Pounds of Trash
Collected



7,126
Graffiti Tags
Removed



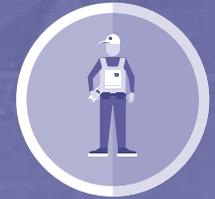
1,058
Trash Cans
Cleaned



3,946
Directions
Provided



2,511
Quality of Life
Issues Addressed



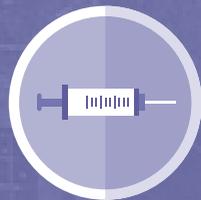
1,716
Hazardous
Waste Cleaned



947
Requests
for Service



556
Syringes
Removed



1,375
Blocks Power Washed
/ Steam Cleaned



776
of 311
Requests



1.5 Hours
311 average time
of completion



REOPENING DOWNTOWN



Tracking Resilience in Changing Times

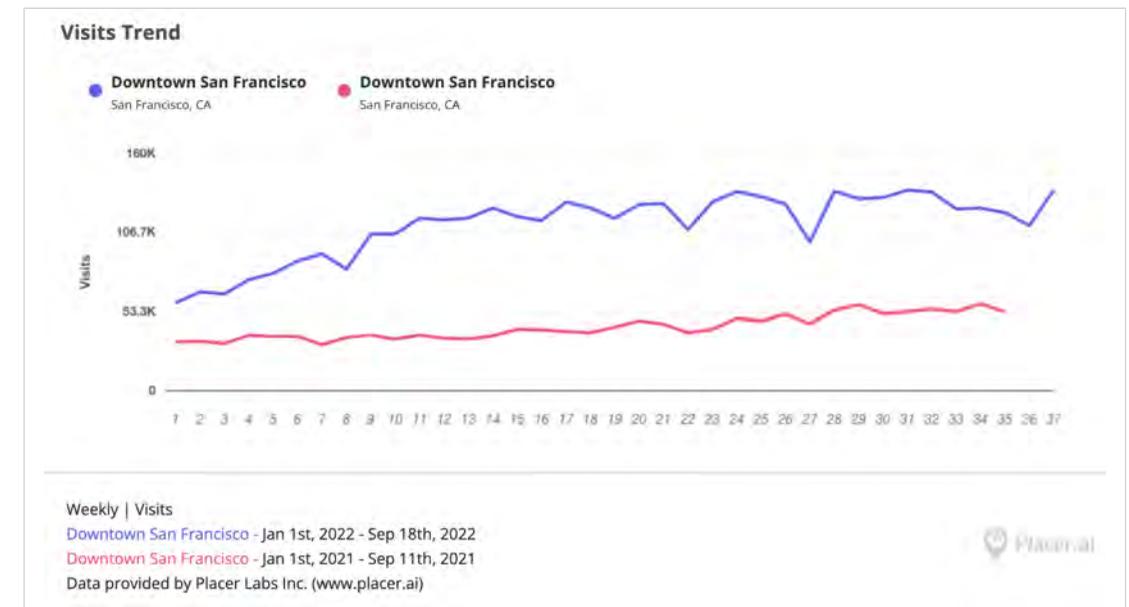
Downtown San Francisco lives & breathes resilience. From its founding, SF has not only been molded by it, but reveled in it. Having rebounded from devastating earthquakes, catastrophic fires, and now globe-altering pandemics, The City by the Bay is once again tackling challenges head-on. The post-lockdown reopening of SF's downtown core is our next chapter in The City's history. Stakeholders can stay up to date on downtown San Francisco's economic recovery with DSFP's Reopening Dashboard which was launched during June of 2022.

The Downtown SF Partnership works with Placer.ai, Springboard, and eIMPACT to track and illustrate data collected on workers returning to the office with the Downtown SF Reopening Dashboard, providing an up to date view of SF's recovery.

By summer 2022, return to office has increased by 92% from January and 122% over 2020 levels.

Visits Trend

Time Compare



REIMAGINING DOWNTOWN SAN FRANCISCO

PUBLIC REALM ACTION PLAN HIGHLIGHTS JULY 2022



Public Realm Action Plan Goals



ADVANCE DOWNTOWN SF'S IDENTITY

By layering its rich history + architecture, with a new wave of activity



UNLOCK THE POTENTIAL

By building upon the public realm assets and focusing on where there is alignment + energy, which will in turn promote economic recovery



OWN THE PIONEERING SPIRIT

By being a lab for new ideas of what a downtown can be and offer



TIP THE SCALE

With streets that prioritize people and a more inclusive downtown, a place for more than office work

Public Realm Concepts

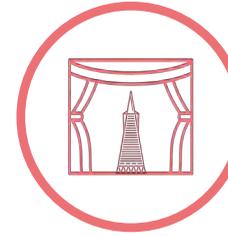
Focused on Physical:

Focused on Programmatic:



Pedestrian Paradise

Expands pedestrian space through reclaiming the curb, opening streets, and building better connections



Downtown as a Stage

Increases vibrancy in Downtown by making it a memorable experience through intentional curation of arts and events



Rediscover Public Open Spaces

Brings new energy and interest to public open spaces through light touch to long term improvements + programming



Continue Downtown's Story

Strengthens while encourages evolving Downtown's identity through placemaking, wayfinding, and recalling its rich cultural history



Let's Green

Campaigns for Downtown to maximize trees and plantings in its streets and open spaces



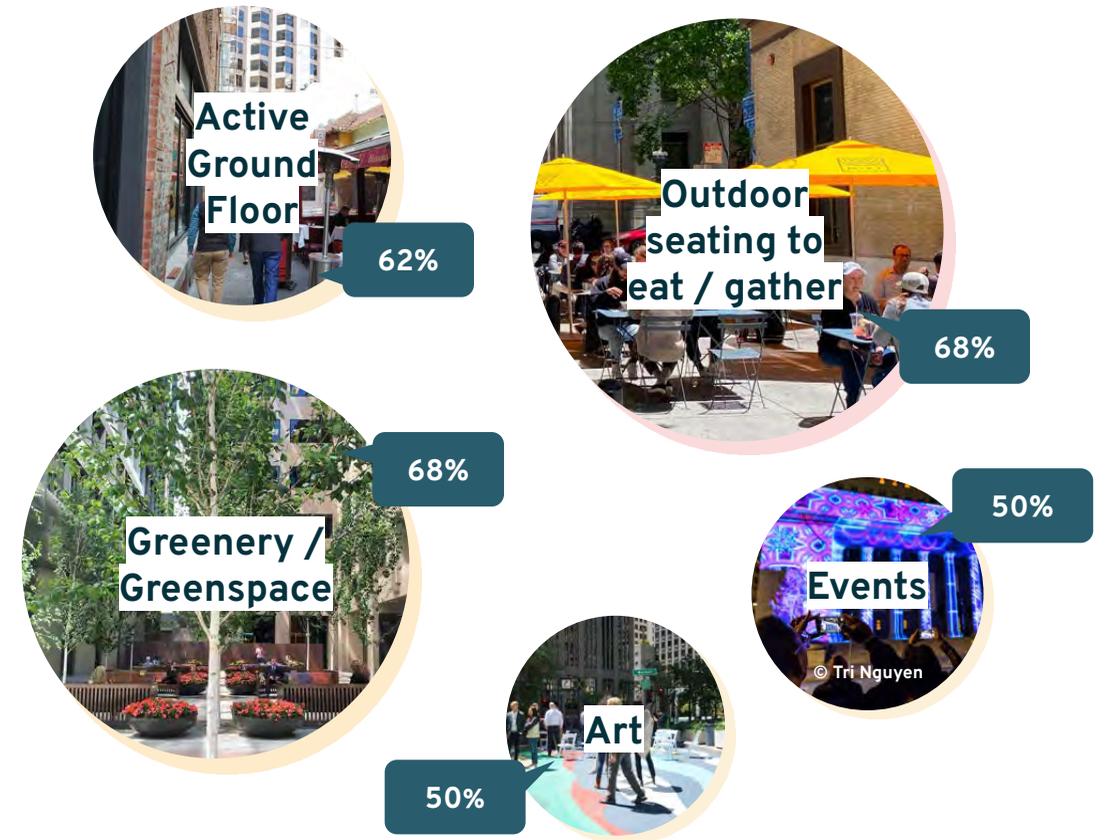
Re-energize from the Ground Up

Reactivates the ground floor through targeted revamps and incentive programs

There's hope to bring life back to Downtown. Improved cleanliness + safety are top drivers, with a desire for more greenery, places to sit outdoors, and a vibrant ground floor.

Surprisingly, COVID resolutions was not the top reason for workers and visitors to return to Downtown SF.

What would you like to see more of in Downtown SF's streets and public spaces?



Source: SITELAB, Online Survey February 2022
Downtown SF Community responses (831 total)

Downtown SF: more than a workplace, a social destination

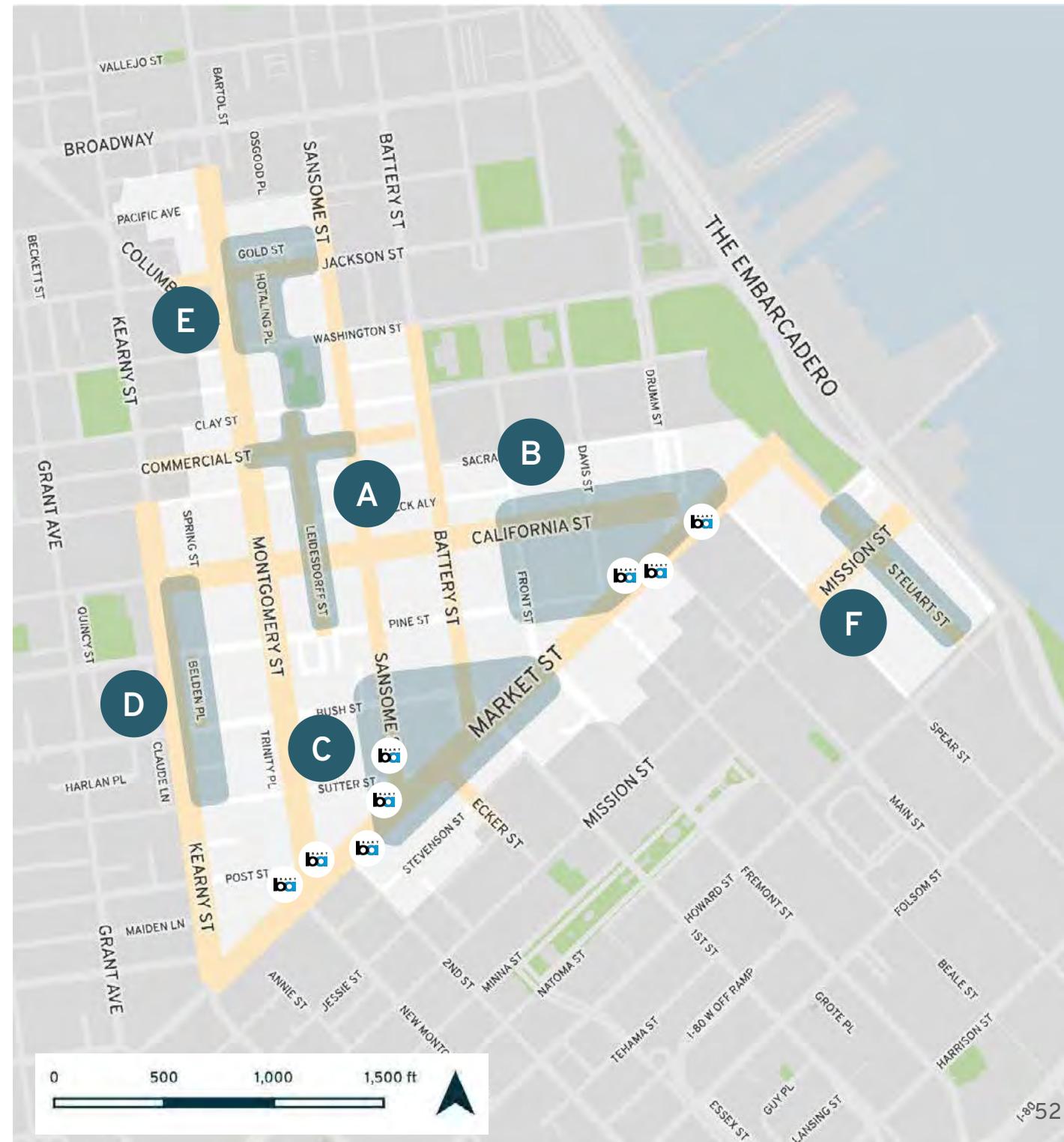


RENDERING OF COMMERCIAL/LEIDESDORFF

Action Areas

Based on these considerations, we identified six Action Areas where the Public Realm Action Plan could have a big first impact, with Action Areas A-C as priority Action Areas.

- A Dine on Leidesdorff***
 - Streets + Ground Floor: Leidesdorff St, Commercial St
- B Downtown Gateway***
 - POPOS + Public Spaces: 101 California St, 100 California St, 50 California St, One California, Robert Frost Plaza
 - Streets + Ground Floor: Market St, California St, Drumm St, and Davis St
- C Market Oasis***
 - POPOS + Public Spaces: 1 Bush St, Citicorp Center Atrium, Ecker Plaza, One Montgomery, Battery Bridge Mural Project
 - Streets + Ground Floor: Market St, Sansome St
- D Belden Place**
 - POPOS: 555 California St
 - Streets + Ground Floor: Kearny St, Belden Pl
- E Jackson Square**
 - POPOS: Transamerica Redwood Park
 - Streets + Ground Floor: Hotaling Pl, Jackson St, Gold St
- F SoMa/Steuart**
 - POPOS: One Market Plaza
 - Streets + Ground Floor: Steuart St



FY 22 FINANCIAL STATEMENTS & BUDGET



STATEMENT OF FINANCIAL POSITION

JULY 2021 - JUNE 2022

ASSETS	AMOUNT
Cash	\$3,193,544
Receivables	\$11,891
Prepaid Expenses	\$79,437
Investments	\$2,500,000
Capital Assets	\$46,575
TOTAL ASSETS	\$5,831,447
LIABILITIES	AMOUNT
Accounts Payable	\$297,600
Accrued Salaries & Benefits	\$12,119
Other Liabilities	\$71,649
TOTAL LIABILITIES	\$381,368
Net Assets without Donor Restrictions	\$5,450,644
Total Liabilities & Net Assets	\$5,832,012





FY 22 BUDGET

Per the financial policies and procedures, the budget is managed by the Executive Director with oversight from the Finance Committee and the Board of Directors. The Board of Director passes the fiscal budget by June based on the services outlined in the Management Plan and recommendations from the community, staff, and Board.

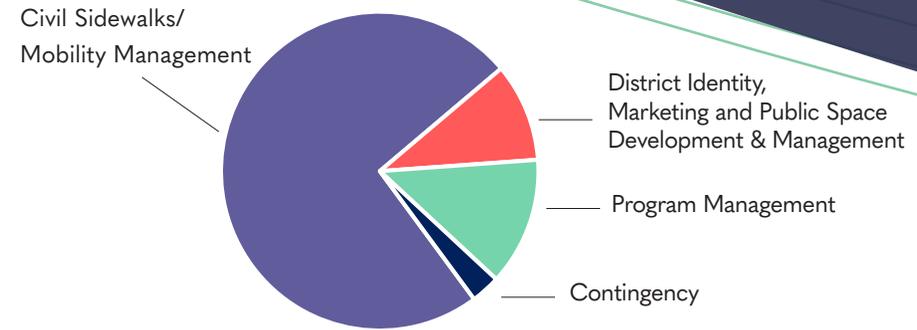
SERVICE CATEGORY	ASSESSMENT DOLLAR AMOUNT	NON-ASSESSMENT DOLLAR AMOUNT	TOTAL DOLLAR AMOUNT	% TOTAL ASSESSMENT	% TOTAL NON-ASSESSMENT	% TOTAL
Civil Sidewalks/Mobility Management	\$3,106,786	-	\$3,106,786	77.44%	0%	77%
District Identity, Marketing and Public Space Development & Management	\$206,985	\$35,000	\$241,985	5.16%	93%	6%
Program Management	\$569,611	\$2,473	\$572,084	14.20%	7%	14%
Contingency	\$127,962	-	\$127,962	3.20%	0%	3%
TOTAL	\$4,011,344	\$37,473	\$4,048,817	100%	100%	100%



FY 22 ACTUALS

An independent auditor was retained to audit the FY 22 financials, which provided a “clean” unmodified opinion and was approved by the Board of Directors in June 2022.

Non-assessment funding was leverage to boost efforts toward the enhancing the public realm as part of COVID-19 downtown recovery and the Public Realm Action Plan.



SERVICE CATEGORY	ASSESSMENT DOLLAR AMOUNT	NON-ASSESSMENT DOLLAR AMOUNT	TOTAL DOLLAR AMOUNT	% TOTAL ASSESSMENT	% TOTAL NON-ASSESSMENT	% TOTAL
Civil Sidewalks/Mobility Management	\$3,110,922	\$1,050	\$3,111,972	77%	1%	74%
District Identity, Marketing and Public Space Development & Management	\$207,261	\$206,116	\$413,377	5%	97%	10%
Program Management	\$570,369	\$5,658	\$576,027	14%	2%	13%
Contingency	\$128,132	-	\$128,132	3%	0%	3%
TOTAL	\$4,016,684	\$212,824	\$4,229,508	100%	100%	100%

REVENUE SOURCES

The Downtown SF Partnership met the 3.20% non-assessment general benefit fundraising requirement for FY 22.

REVENUE SOURCES	FY 2020-21 ACTUALS	PERCENTAGE OF ACTUALS
FY Assessment Revenue	\$4,007,036	94.74%
Penalties	\$9,649	0.23%
Total Assessment (Special Benefit) Revenue	\$4,016,685	94.97%
Contributions and Sponsorships	-	0%
Grants	-	0%
Donations	-	0%
Interest Earned	\$5,648	0.13%
Earned Revenue	-	0%
Other (In-Kind)	\$207,176	4.9%
Total Non-Assessment (General Benefit) Revenue	\$212,824	5.03%
TOTAL	\$4,229,509	100%

CARRYFORWARD

FY 2020-21 Assessment Carryforward Disbursement

SERVICE CATEGORY	DOLLAR AMOUNT
Civil Sidewalks/Mobility Management	\$5,608,063
District Identity, Marketing & Public Space Development and Management	\$ (859,698)
Program Management	\$382,480
Contingency	\$319,798
Special Assessment Total	\$5,450,643

SPENDDOWN TIMELINE

Half between Jul - Dec 2022 to carryforward for expenses related to district services during the first half of the fiscal year

Non-Assessment Carryforward Disbursement: None

ASSESSMENT METHODOLOGY



DATA IN DISTRICT

Building Square Footage:
Approx. 39,150,000 sq. ft.

Lot size (empty lots only)
69,798 sq. ft.

OVERVIEW

This Management District Plan provides for the levy of assessments to fund services and activities that specially benefit properties in the Downtown Community Benefit District (doing business as the Downtown SF Partnership). These assessments are not taxes for the general benefit of the City, but instead pay for special benefits to the assessed parcels.

BENEFIT ZONES

ZONE 1 DEVELOPED

All commercial/non-profit/institutional/apartment buildings/city owned buildings and residential/time share parcels in the district will pay at the rate of **\$0.10 per square foot** for the gross building area to fund all the special benefit services that are delivered to the parcels in the district.

ZONE 2 UNDEVELOPED

Undeveloped, empty parcels shall pay \$0.08 in assessments in the community benefit district. The parcels are assessed on lot size rather than building square footage, and at a rate of \$0.08 rather than \$0.10, to account for the fact that they are undeveloped.

EXEMPTIONS

No specially benefitting parcels, regardless of taxable or tax-exempt property tax status, will be exempt from the assessments funding the special benefit services of the Downtown SF Partnership. Special benefit services will not be provided to any parcels outside of the boundaries of the district.

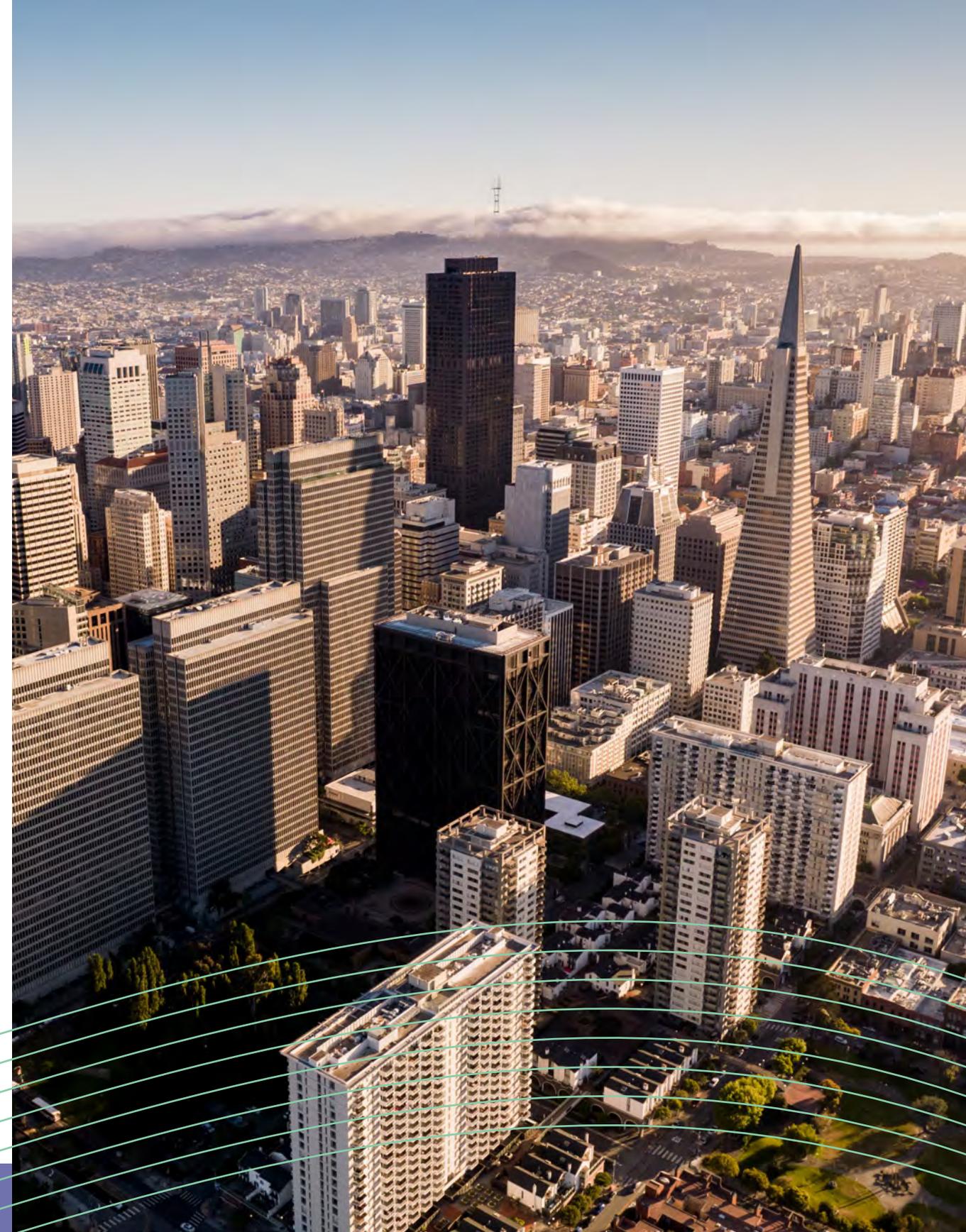
CALCULATION OF ASSESSMENTS

Approximately 99.86% of the total special assessments are allocated from Zone 1 and Zone 2 generates approximately .14%

MANAGEMENT PLAN BUDGET

The Management Plan established the initial budget above starting in FY 20.

SERVICE CATEGORY	DOLLAR AMOUNT	PERCENTAGE
Civil Sidewalks/Mobility Management	\$3,000,000	77.45%
District Identity, Marketing and Public Space Development & Management	\$200,000	5.16%
Program Management	\$550,000	14.20%
Contingency	\$123,491	3.19%
TOTAL	\$3,873,491	100.00%
Assessment Revenue	\$3,873,491	96.80%
Non-Assessment Revenue	\$128,000	3.20%
TOTAL	\$4,001,491	100.00%



A STRATEGIC PLAN FOR DOWNTOWN SF PARTNERSHIP

WE VALUE

COLLABORATION

We harness the power of partners; the most enduring innovative and nuanced solutions are when partners work together, building long term solutions around a common goal.

ENTREPRENEURIALISM

Our spirit and a way of doing things that leans into being nimble, pivoting quickly, and taking calculated risks to advance or defend innovative ideas.

IMPACT

We're strategic and thoughtful in our work and leverage opportunities that amplify our work and lead to substantive changes for the District.

CELEBRATION

We know what's authentic and distinctive about our downtown and we continually advocate for, preserve, promote and celebrate it. Downtown San Francisco is an economic powerhouse and historic core, redefining what makes our city vibrant, resilient, and welcoming.

OUR PRIORITIES

IDENTITY

Downtown SF is known internationally as a vibrant and welcoming neighborhood.

ECONOMIC DEVELOPMENT

Downtown SF is recognized as a leading economic center in the country, driving positive impact for the Bay Area and nationwide.

PLACEMAKING & PLACE MANAGEMENT

Downtown SF is a safe, pleasurable and accessible place for Everyone.

TEAM & ORGANIZATION

A high performing team of dedicated and passionate individuals using data to drive results and set industry standards.

PARTNERSHIPS

Collaborative network of partners working towards a shared vision.





F

GOT QUESTIONS? WE'VE GOT ANSWERS.

What is the Downtown SF Partnership's service area?

The Downtown SF Partnership serves approximately 43 whole and partial blocks (174 block faces) in the historic Financial District and Jackson Square north of Market Street as well as a few blocks on the south side of Market Street. In total, the district includes 669 parcels owned by 471 property owners. DSFP boundaries generally span from The Embarcadero at the Hyatt Regency San Francisco and move west through the eastside of Kearny Street. The boundaries also include hospitality establishments along Steuart Street, Rincon Center, and properties along the south side of Market Street from The Embarcadero through the eastside of 2nd Street. The northernmost points of the district are near Montgomery Street and Pacific Avenue.

Does the City reduce its existing services?

No, the City & County of San Francisco does not reduce its baseline level of services. Properties pay assessments for supplemental and enhanced services.

How is the Downtown SF Partnership managed?

The DSFP is a 501(C)(3) nonprofit overseen by a board of directors comprised of a majority of property-owning representatives, at least 20% businesses or non-property owners and the remaining as at-large seats. Advisory committees meet regularly to collaborate on programmatic areas. Partnership staff implement and execute on the strategic vision of the organization outlined in the Management Plan.

Are there other community benefit districts in the area?

Yes, there are 18 CBDs in San Francisco. The Special Benefit District Alliance advocates as one strong voice and collaborates on joint recovery efforts. There are approximately 1,400 special assessment districts worldwide.

How many residents are located in the district?

There are approximately 315 residential units within the district boundaries.

TOGETHER WE CAN KEEP
DOWNTOWN SF CLEAN,
SAFE AND INVITING.

REQUEST SERVICES & GET INVOLVED!

DowntownSF.org

DID YOU KNOW...
THERE'S 3 WAYS TO
REQUEST CLEANING
AND SAFETY SERVICES?

- 1 Call Dispatch 415-829-3878
- 2 Email service@DowntownSF.org
- 3 Visit DowntownSF.org/request-services



BE IN THE KNOW!
Sign up for our e-newsletter at DowntownSF.org

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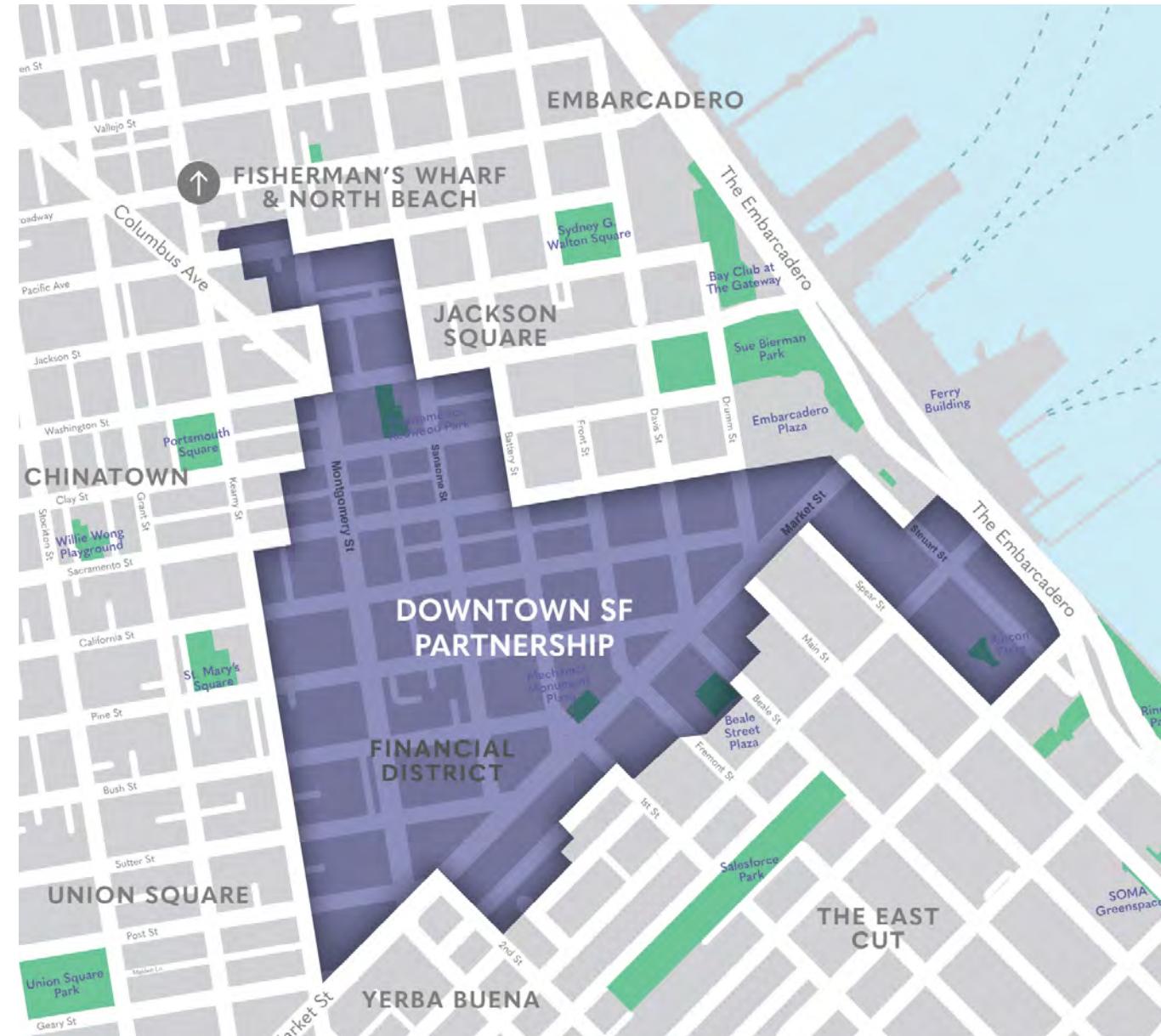


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DISTRICT MAP



DOWNTOWN SF ▲
PARTNERSHIP

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FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)**

DOWNTOWN COMMUNITY BENEFIT DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Downtown Community Benefit District

Opinion

We have audited the financial statements of Downtown Community Benefit District, which comprise the statement of financial position as of June 30, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Downtown Community Benefit District as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matter

Report on Summarized Comparative Information

We have previously audited Downtown Community Benefit District's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

San Francisco, California
September 21, 2022

DOWNTOWN COMMUNITY BENEFIT DISTRICT

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 3,193,554	\$ 6,169,375
Assessments receivable	7,120	21,931
Other receivables	4,771	1,913
Prepaid expenses and other assets	79,437	64,136
Investments	2,500,555	--
Capital assets, net	<u>46,575</u>	<u>37,299</u>
Total Assets	<u>\$ 5,832,012</u>	<u>\$ 6,294,654</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 297,600	\$ 320,333
Accrued salaries and benefits	12,119	8,627
Other liabilities	44,000	44,000
Deferred rent	<u>27,649</u>	<u>17,888</u>
Total Liabilities	381,368	390,848
Net Assets Without Donor Restrictions	<u>5,450,644</u>	<u>5,903,806</u>
Total Liabilities and Net Assets	<u>\$ 5,832,012</u>	<u>\$ 6,294,654</u>

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

DOWNTOWN COMMUNITY BENEFIT DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	2022	2021
Revenue and Other Support		
Assessments revenue	\$ 4,007,036	\$ 4,005,975
Contributions of nonfinancial assets	202,500	15,154
Other income	<u>19,973</u>	<u>4,297</u>
Total Revenue and Other Support	<u>4,229,509</u>	<u>4,025,426</u>
Expenses		
Program services:		
Civil Sidewalks and Mobility Management	2,512,386	1,083,784
District Identity, Marketing, and Space	1,399,421	229,248
Supporting services:		
Management and general	<u>770,864</u>	<u>339,157</u>
Total Expenses	<u>4,682,671</u>	<u>1,652,189</u>
Change in Net Assets	(453,162)	2,373,237
Net Assets Without Donor Restrictions - Beginning	<u>5,903,806</u>	<u>3,530,569</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 5,450,644</u>	<u>\$ 5,903,806</u>

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

DOWNTOWN COMMUNITY BENEFIT DISTRICT

STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)**

	Program Services			Supporting Services		Totals	
	Civil Sidewalks and Mobility Management	District Identity, Marketing, and Space	Total	Management and General	2022	2021	
Contract services	\$ 2,240,834	\$ 2,616	\$ 2,243,450	\$ --	\$ 2,243,450	\$ 918,916	
Marketing and promotion	33,052	1,019,647	1,052,699	4,368	1,057,067	144,024	
Marketing and promotion - in-kind	--	202,500	202,500	--	202,500	--	
Management personnel expenses	220,191	85,605	305,796	327,834	633,630	321,092	
Accounting and audit	--	--	--	117,833	117,833	87,594	
Rent and utilities	--	198	198	110,319	110,517	37,342	
Strategic plan	--	--	--	76,000	76,000	--	
General consulting	--	51,000	51,000	9,500	60,500	6,761	
Office expense and supplies	1,695	5,765	7,460	46,915	54,375	13,920	
Legal fees	10,461	319	10,780	22,169	32,949	89,201	
Photography and video	--	22,595	22,595	--	22,595	7,400	
Insurance	--	--	--	18,823	18,823	15,667	
Dues and subscriptions	1,700	--	1,700	11,805	13,505	5,443	
All other expenses	2,603	1,200	3,803	9,178	12,981	3,577	
Conferences and conventions	--	995	995	9,854	10,849	--	
Depreciation	1,850	--	1,850	6,266	8,116	1,252	
Events and fundraising	--	6,981	6,981	--	6,981	--	
Total	<u>\$ 2,512,386</u>	<u>\$ 1,399,421</u>	<u>\$ 3,911,807</u>	<u>\$ 770,864</u>	<u>\$ 4,682,671</u>	<u>\$ 1,652,189</u>	

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

DOWNTOWN COMMUNITY BENEFIT DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (453,162)	\$ 2,373,237
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	8,116	1,252
Loss on sale of capital assets	1,603	--
Changes in operating assets and liabilities:		
Assessments receivable	14,811	(2,061)
Other receivables	(2,858)	580
Prepaid expenses and other assets	(15,301)	(60,620)
Accounts payable and accrued expenses	(22,733)	187,892
Accrued salaries and benefits	3,492	(18,668)
Deferred rent	<u>9,761</u>	<u>17,888</u>
Net Cash (Used in) Provided by Operating Activities	<u>(456,271)</u>	<u>2,499,500</u>
Cash Flows From Investing Activities		
Purchase of investments	(2,500,555)	--
Purchase of capital assets	(21,695)	(38,551)
Proceeds from sale of capital assets	<u>2,700</u>	<u>--</u>
Net Cash Used in Investing Activities	<u>(2,519,550)</u>	<u>(38,551)</u>
Net (Decrease) Increase in Cash	(2,975,821)	2,460,949
Cash - Beginning	<u>6,169,375</u>	<u>3,708,426</u>
Cash - Ending	<u>\$ 3,193,554</u>	<u>\$ 6,169,375</u>

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

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE AND ORGANIZATION

Downtown Community Benefit District (“DCBD” or the “District”) is a qualified, Internal Revenue Code (“IRC) §501(c)(3) community-based organization. DCBD was formed in 2019 and began operations in 2020. The property owners of the catchment area formed DCBD to improve the quality of life in the area by making the area cleaner, safer, and more vibrant. DCBD has a contract with the City and County of San Francisco (the “City”) for a term of 15 years, expiring on June 30, 2034. DCBD’s catchment area is generally 43 whole or partial blocks from the Embarcadero to the eastside of Kearny Street, properties along the south side of Market Street through the eastside of 2nd Street. The northernmost points of the District are near Montgomery Street and Pacific Avenue.

DCBD 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 Financial District and Jackson Square.

DCBD’s mission statement is as follows:

Improve district vitality through best-in-class clean and safe programming, infrastructure enhancements, dynamic partnerships and productive marketing.

Program services provided include:

- **Cleaning Services** – Cleaning services are offered daily from 6 am – 5 pm. Cleaning Ambassadors perform pan and broom sidewalk sweeps, remove trash and debris, scrub and clean spills, graffiti abatement, clean hazardous waste, and power wash sidewalks.
- **Safety Services** – Safety Ambassadors are visible and engaged members of the team and primarily observe, advise, and report quality of life issues throughout the Financial District and Jackson Square. They operate 6 am – 8 pm daily. Safety coverage is daily from 6 am – 7 pm. The District also funds an outreach worker through a non-profit partner to provide resources to those experiencing homelessness on the streets.
- **Mobility Management** – The District partners with the City and regional transportation agencies to advocate for traffic control officers, public transportation and micro mobility projects and ridership usage.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PURPOSE AND ORGANIZATION (CONTINUED)

- **Public Realm & Beautification** – The District has developed a comprehensive Public Realm Action Plan to reimagine Downtown SF with concepts and strategies to create new public spaces and revitalize existing spaces and alleys with murals, lighting, greening, seating, and on-going activation and events.
- **Marketing & Promotion** – DCBD manages a website, social media channels, and publishes a regular e-newsletter to engage with property owners and managers, businesses, community stakeholders and visitors.

BASIS OF ACCOUNTING

DCBD 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 DCBD report information regarding its financial position and activities into two classes of net assets: without donor restrictions and with donor restrictions.

Accordingly, the net assets 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 DCBD’s operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

With Donor Restrictions

Net assets representing funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be expendable in nature in that they will be met by actions of DCBD or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. At June 30, 2022, there were no net assets with donor restrictions.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

ESTIMATES

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

CASH

Cash is defined as cash in demand deposit accounts as well as cash on hand. DCBD considers all financial instruments with a maturity of three months or less when purchased to be cash equivalents. As of June 30, 2022, DCBD did not have any cash equivalents.

ASSESSMENTS RECEIVABLE

Assessments receivable represent obligations of local property owners due to DCBD. Unpaid assessments do not accrue interest.

DCBD 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 an evaluation of the outstanding receivables. As of June 30, 2022, management believes all assessments will be collected, and therefore, an allowance for uncollectible assessments is not required.

CAPITAL ASSETS

DCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$2,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost and donated assets are recorded at estimated fair value or appraised value at the date of donation. Depreciation of capital assets is calculated using the straight-line method based upon estimated useful lives ranging from 3 to 15 years. Leasehold improvements are amortized using the straight-line method over the shorter of the asset's life or the lease term. Maintenance and repairs are charged to expense as incurred and 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.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCRUED VACATION

Full-time employees may accrue up to 4 or 5 weeks per year depending on the number of years employed and their position. Part-time employees working more than 25 hours per week accrue vacation on a prorated basis. Employees can accrue a maximum of 180 vacation hours and are entitled to payment of any unused time upon separation of service.

REVENUE RECOGNITION

Assessments Revenue

DCBD receives its revenue primarily from special assessments levied by the City on properties located within the District in accordance with City Ordinance. The assessments are recorded by DCBD when earned. The City remits the assessments to DCBD 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

DCBD recognizes all unconditional contributions when they are received or unconditionally promised. Contributions are recognized based on the existence or absence of donor-imposed restrictions.

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 statement of activities and changes in net assets. Such transactions are recorded as net assets released from restrictions and are reported separately from other transactions.

Contributions of Nonfinancial Assets

Donated material and equipment are recorded as contributions at their estimated fair value on the date of receipt. Such donations are reported as without donor restrictions support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as with donor restrictions support. Absent donor stipulations regarding how long those donated assets must be maintained, DCBD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. DCBD reclassifies net asset with donor restrictions to net assets without donor restrictions at that time.

DCBD records contributions of nonfinancial assets 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.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Contributions of Nonfinancial Assets (Continued)

For the year ended June 30, 2022, DCBD received contributed services in the amount of \$202,500. Contributed services recognized comprise of professional services for marketing and promotion. The estimated fair value of professional services was provided by each service provider, who estimated the fair value based on the date, time, and market in which the services were rendered. Contributed nonfinancial assets did not have donor-imposed restrictions.

INCOME TAXES

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

U.S. GAAP requires management to evaluate the tax positions taken and recognize a tax liability (or asset) if DCBD has taken an uncertain tax position that more-likely-than-not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a tax liability (or asset) or disclosure in the financial statements. DCBD is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

CONCENTRATIONS OF RISK

Financial Instruments

Financial instruments which potentially subject DCBD to concentrations of credit risk consist principally of cash. DCBD maintains its cash in various bank accounts which, at times, may exceed federally insured limits. DCBD has not experienced any losses in such accounts.

Service Providers

Approximately 40% of total expenses incurred during the year ended June 30, 2022, were attributed to clean and safety contract services provided by one vendor. Approximately 10% of total expenses incurred during the year ended June 30, 2022, were attributed to marketing and promotion services provided by one vendor. Management believes that DCBD is not exposed to any significant risk related to these concentrations.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONCENTRATIONS OF RISK (CONTINUED)

Revenue

For the year ended June 30, 2022, DCBD received 95% of its total income from the City in the form of assessments.

Contributions

For the year ended June 30, 2022, two donors represented 94% of total in-kind contributions.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services 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 program services and supporting services benefited based on an analysis of personnel time by each program or activity.

FUNDRAISING REQUIREMENT

The City's contract requires that DCBD annually raise 3.20% of its budget from sources other than the City's assessments. For the year ended June 30, 2022, DCBD has satisfied this requirement.

ADOPTED ACCOUNTING PRONOUNCEMENTS

On September 17, 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 provides guidance concerning presentation and disclosure for contributed nonfinancial assets for nonprofit organizations, including additional presentation and disclosure rules for recognized contributed services. It does not change the recognition and measurement requirements for contributed nonfinancial assets.

This ASU requires the nonprofit organization to present donated nonfinancial assets separately in the statement of activities and changes in net assets from contributions of cash or other financial assets. The additional disclosure rules require disclosure of nonfinancial assets by category and for each category the disclosure is required to include the following:

- Qualitative information about whether contributed nonfinancial assets were either monetized or used during the reporting period. If used, a description of the programs or other activities in which those assets were used;

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADOPTED ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- The nonprofit organization's policy (if any) for monetizing rather than using contributed nonfinancial assets;
- A description of any associated donor-imposed restrictions;
- A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition;
- The principal market (or most advantageous market) used to arrive at a fair value measurement if it is a market in which the recipient nonprofit is prohibited by donor-imposed restrictions from selling or using the contributed nonfinancial asset.

The guidance was applied on a retrospective basis. DCBD adopted ASU 2020-07 as of July 1, 2021. It did not have a significant impact on the financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date the following: a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. This ASU's effective date had two one-year delays and is now effective for fiscal years beginning after December 15, 2021. Early application is permitted. Management is evaluating the impact of this guidance.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard's main goal is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. The standard is effective for fiscal years beginning after December 31, 2022. Early adoption is permitted. Management is evaluating the impact of this new guidance and believes it will not have a material impact.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - FAIR VALUE MEASUREMENTS

DCBD'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

Values 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 for identical or similar assets or liabilities from those willing to trade in markets that are not active, or other inputs that are derived principally from or corroborated by observable market data by correlation or other means for the term of the instrument. If the asset or liability has a specified (contractual) term, the Level 2 must be observable for substantially the full term of the asset or liability.

Level 3

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect DCBD'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 methodologies used for assets measured at fair value. There have been no changes to the methodologies used during the year ended June 30, 2022.

Certificates of Deposit

Certificates of deposit are valued at cost plus accrued interest which approximates fair value.

The following table summarizes DCBD's investments measured at fair value on a recurring basis as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	<u>\$ --</u>	<u>\$ 2,500,555</u>	<u>\$ --</u>	<u>\$ 2,500,555</u>

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - CAPITAL ASSETS

Capital assets at June 30, 2022, consist of the following:

Computers	\$ 13,568
Furniture and equipment	35,992
Leasehold improvements	<u>5,521</u>
	55,081
Less: accumulated depreciation	<u>(8,506)</u>
Total	<u><u>\$ 46,575</u></u>

Depreciation expense for the year ended June 30, 2022, was \$8,116.

NOTE 4 - OTHER LIABILITIES

Prior to its formation, DCBD received funds from various property owners to be used to pay startup costs. The total funds received was \$89,500. It was understood and documented in the Steering Committee minutes that these funds were to be repaid once DCBD was formed and tax-exempt status was attained. In accordance with the agreement with the City, the startup costs are to be repaid with non-assessment funds, of which DCBD has \$89,500 remaining to raise. During the period from January 31, 2020 (inception) to June 30, 2020, DCBD repaid \$45,500, leaving a liability balance of \$44,000.

NOTE 5 - RETIREMENT PLAN

DCBD maintains the Downtown Community Benefit District 401(k) Plan (the "Plan"), a defined contribution plan, which is qualified under §401(k) of the IRC and is subject to the provisions of the Employee Retirement Income Security Act of 1974. Eligible employees may make voluntary contributions through payroll withholdings, up to the limit allowed by law. The Plan includes automatic enrollment at a 1% default contribution rate unless the eligible employee selects an alternative contribution rate or opts out. DCBD may make discretionary employer contributions. Benefits under the Plan are fully vested upon contribution.

Total employer contributions made to the Plan by DCBD during the year ended June 30, 2022, were \$5,791.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - COMMITMENTS

DCBD entered into a lease agreement for office space commencing May 1, 2021. The lease includes annual increases and expires on July 30, 2026.

The following is a schedule of the future minimum lease commitments:

For the Years Ending	Amount
June 30,	
2023	\$ 107,200
2024	110,416
2025	113,729
2026	117,140
2027	10,005
Total	\$ 458,490

Rent expense for the year ended June 30, 2022, was \$105,209.

NOTE 7 - RELATED PARTY TRANSACTIONS

Members of DCBD's Board of Directors and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with DCBD. DCBD requires annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with DCBD. These annual disclosures cover the Board of Directors, senior management, and their immediate family members. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of DCBD. DCBD has a written conflict of interest policy that requires, among other things, that no member of the Board of Directors may participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether DCBD does business with an entity in which a board member has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of DCBD, and in accordance with applicable conflict of interest laws.

A member of DCBD's Board of Directors is the general manager of the building where DCBD currently leases its office space. See Note 6.

DOWNTOWN COMMUNITY BENEFIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - LIQUIDITY AND FINANCIAL RESOURCES

DCBD's financial assets available within one year of the statement of financial position date for general expenditures at June 30, 2022, were as follows:

Financial Assets

Cash	\$ 3,193,554
Investments	2,500,555
Assessments receivable	<u>7,120</u>

Financial Assets Available to Meet General Expenditures Within One Year

\$ 5,701,229

DCBD's primary source of revenue is assessments. DCBD's cash flows have variations during the year as the assessments collected and paid to DCBD by the City are primarily paid in two payments in January and May. DCBD's goal is generally to maintain financial assets to meet 180 days of operating expenses. As part of its liquidity and availability plan, excess cash will be invested in short-term investments, including money market accounts and certificates of deposits.

NOTE 9 - RISK AND UNCERTAINTY

The global economy has been impacted by global events such as the outbreak of the COVID-19 virus and international conflicts. This has resulted in many businesses temporarily closing or working in remote environments. DCBD continues to operate in both an in-person and remote environment. DCBD does not yet know the full extent of the potential impact, if any, these events may have on its business operations. No specific material adverse matters have been identified or estimable. DCBD will continue to monitor the impact of global events closely and revise its estimates in future periods, as necessary.

NOTE 10 - SUBSEQUENT EVENTS

DCBD has evaluated all subsequent events through September 21, 2022, the date the financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements were identified.

MEMORANDUM

TO: Supervisor Aaron Peskin, District 3 Supervisor

CC: San Francisco Board of Supervisors

FROM: Chris Corgas; Deputy Director, Community Economic Development, OEWD
Mimi Hiraki; Project Specialist, OEWD

DATE: 5/9/2023

SUBJECT: Downtown SF Partnership (formerly known as Downtown Community Benefit District); FY 2021-2022 Annual Report

This is a memo summarizing the performance of the Downtown Community Benefit District (CBD) doing business as the Downtown SF Partnership (DSFP) and an analysis of its financial statements (based on their audits) for the period between July 1, 2021 and June 30, 2022.

Each year the Downtown SF Partnership is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. The Downtown SF Partnership 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 Downtown SF Partnership management contract with the City; and their Management Plan approved by the Board of Supervisors in 2020.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2021-2022
2. CPA Financial Audit Report
 - a. FY 2021-2022
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Downtown SF Partnership includes both privately and publicly owned properties. The district covers whole or partial blocks and includes approximately parcels.

- July 16, 2019: the Board of Supervisors approved the resolution to establish the property-based improvement district known as the “Downtown Community Benefit District,” ordering the levy and collections of assessments against property located in the district for fifteen years commencing with FY2019-2020, subject to conditions as specified; and making environmental findings. (Resolution # 237-19).
- January 28, 2020: the Board of Supervisors approved an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the “Downtown Community Benefit District,” pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2034 (Resolution # 33-20).

Downtown SF Partnership Summary and Highlights

Year Established	July 2019
Assessment Collection Period	FY 2019-20 to FY 2033-34 (July 1, 2019 to June 30, 2034)
Services Start and End Date	January 1, 2020 – December 31, 2029
Initial Estimated Annual Budget	\$4,001,491.14
FY 2021-22 Assessment Roll	\$4,007,035.84
Fiscal Year	July 1 – June 30
Executive Director	Robbie Silver
Name of Nonprofit Owners’ Entity	Downtown Community Benefit District (dba: Downtown SF Partnership)

The current Downtown SF Partnership website <https://downtownsf.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 Downtown SF Partnership Program Areas

Civil Sidewalks/Mobility Management

The DSFP’s sidewalk attendants utilize a multi-dimension approach that may consist of CBD-identified, uniformed, radio-equipped personnel that may provide, but not limited to, services such as sweeping litter, debris and refuse from sidewalks, gutters, and public spaces of the District. Additionally, they may clean all sidewalk hardscape such as trash receptacles, benches and parking meters. The District maintains a zero-tolerance graffiti policy.

District Identity, Marketing and public space development and management



The District Identity service category aims to promote the CBD as an attractive, dynamic location to office and dine in the San Francisco Bay Area by telling the historical importance of Downtown CBD, create demand, showcase the alleys and streets that hold significant architecture and capacity for excellent outdoor venues, and highlight the area as a transportation hub. Examples of district identity and streetscape improvement services may include, but not limited to branding of the Financial District, Jackson Square and the Downtown CBD, funding website development and maintenance, funding app development, management and coordination of special events, hiring social media company, hiring public relations firm, installation of holiday and seasonal decorations, creating banner programs, funding and planning public art displays, logo development, public space design and improvements, and creating programs that fund business attraction workshops and fairs.

Program Management

Downtown CBD District Owners' Association will be responsible for the day-to-day operations of the district, advocate on behalf of the management corporation, oversee employees and service providers, employ professional staff and/or consultants, liaison with City and County and other surrounding CBDs, and utilize best practices to improve the overall CBD.

Program management services may include, but are not limited to staff and administrative costs, advocacy, Directors and Officers expenses, General Liability Insurance expenses, office related expenses, rent expenses, financial reporting and accounting expenses, legal work-related costs, and relations with other CBDs and the City.

Contingency/City and County Fees/Reserve

Contingency/Reserve is the amount set aside to ensure that any budget shortfalls are accommodated for year-to-year, and if the collections of assessments is lower than this plan allocates, those surplus funds can be allocated for special projects or in the same percentage of service categories of special benefit services as outlined in the Management Plan.



Summary of Delivery of Services and Accomplishments

FY 2021-2022

Civil Sidewalks/Mobility Management

- Joined the SF 311 integration program in November 2021 and thus far completed 776 total cases, resulting in average completion time of 1.5 hours
- Collected 105,340 pounds of trash
- Removed 7,126 graffiti tags
- Provided directions to 3,946 individuals
- Addressed 2,511 quality of life issues
- Cleaned hazardous waste 1,716 times
- Power washed/steam cleaned 1,375 blocks
- Cleaned trash cans 1,058 times
- Responded to 947 requests for service
- Responded to 776 311 requests with a 1.5-hour average completion time
- Removed 556 syringes
- Cleaned 237 spills
- Began partnership with miracle Messages to reconnect people without housing to long lost loved ones; between January 2022 to June 2022, Miracle Messages reconnected 17 people.
- Advocated for and received SFMTA Traffic Control Officers assist at the intersections of Bush, Battery and market Streets 4-5 days per week

District Identity, Marketing and public space development and management

- Hosted Let's Glow SF, the largest holiday projection mapping event in the nation:
 - 4 light shows were projected in Downtown SF featuring 11 artists.
 - Over the 10-night event, Let's Glow SF accounted for 83% of evening foot traffic with an estimated \$2.1M economic impact.
 - Attracted 715,800 visitors, double the number of visitors compared to December 2020.
- Collaborated with district's restaurants along Belden Place to celebrate Bastille Day on July 14, 2022 with French-inspired dinner specials, festive tunes from Vintage Jukebox Orchestra, complimentary berets, and a replica of the Eiffel Tower leading to the majority of locations being completely booked for the evening.
- Worked with Mission neighborhood artist Talavera-Ballón to create public art on Battery Bridge.
- Manage the DowntownSF.com website and social media accounts which reaches over 40,000 accounts annually.
- Publish regular e-newsletter.
- Updated logo and organizational brand identity to reflect the historical importance and forward progress of Downtown San Francisco.

Program Management

- Hired SITELAB to develop the framework for the Public Realm Action Plan which includes strategies for the district to overcome economic challenges and revitalize the downtown economy. Key goals in the Public Realm Action Plan include the following:



- Advance Downtown SF’s identity by layering its rich history and architecture
- Unlock the potential by building upon public realm assets and focusing on where there is alignment to promote economic recovery
- Pioneer new ideas on what a downtown can be and offer
- Tip the scale with streets that prioritize people and more inclusive downtown rather than just an office space
- Partnered with Market Street Railway to advocate the return of the F-Line and the California-Van Ness Line.
- Worked closely with properties and businesses along Sansome to support the SFMTA Battery-Sansome Quick Build Project which will bring protected bike lanes to the corridor

The Downtown San Francisco Partnership Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for Downtown SF Partnership:

- **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 “Downtown Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether three and twenty hundredths percent (3.20%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Downtown 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 percentage points (*Agreement for the Administration of the “Downtown Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether Downtown SF Partnership 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 2021-2022 Budget Analysis

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

ANALYSIS: Downtown SF Partnership met this requirement. See table below.



Service Category	Management Plan Budget		FY2021-2022 Budget		Variance	
	Assessment (%)	Total (%)	Assessment (%)	Total (%)	Assessment	Total
Civic Sidewalks/ Mobility Management	\$3,000,000.14 (77.45%)	\$3,099,136.14 (77.45%)	\$3,106,786.00 (77.45%)	\$3,106,786.00 (76.73%)	0.00%	-0.72%
District Identity and public space development and management	\$200,000.00 (5.16%)	\$206,604.80 (5.16%)	\$206,985.00 (5.16%)	\$241,985.00 (5.98%)	0.00%	+0.81%
Program Management	\$550,000.00 (14.20%)	\$568,176.00 (14.20%)	\$569,611.00 (14.20%)	\$572,084.00 (14.13%)	0.00%	-0.07%
Contingency	\$123,491.00 (3.19%)	\$127,574.20 (3.19%)	\$127,962.00 (3.19%)	\$127,962.00 (3.16%)	0.00%	-0.03%
TOTAL	\$3,873,491.14	\$4,001,491.14	\$4,011,344.00	\$4,048,817.00		

BENCHMARK 2: Whether three and twenty hundredths percent (3.20%) of Downtown SF Partnership’s actuals came from sources other than assessment revenue

ANALYSIS: Downtown SF Partnership met this requirement. Assessment revenue was \$4,016,685.00 or 94.98% of actuals and non-assessment revenue was \$213,472.00 or 5.05% of actuals. See table below.

Revenue Sources	FY2022 Actuals	% of Actuals
Assessment Revenue	\$4,007,036.00	
Penalties	\$9,649.00	
Total Assessment (Special Benefit) Revenue	\$4,016,685.00	94.95%
Interest Earned	\$5,648.00	
Earned Revenue	\$0.00	
Other (In-Kind)	\$207,824.00	
Total Non-Assessment (General Benefit) Revenue	\$213,472.00	5.05%
Grand Total (Assessment and Non-Assessment) Revenue	\$4,230,157.00	100.00%



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

ANALYSIS: Downtown SF Partnership met this requirement. See table below.

Service Category	FY2021-2022 Budget		FY2021-2022 Actuals		Variance	
	Assessment (%)	Total (%)	Assessment (%)	Total (%)	Assessment	Total
Civic Sidewalks/ Mobility Management	\$3,106,786.00 (77.45%)	\$3,106,786.00 (76.73%)	\$3,110,922.00 (77.45%)	\$3,111,972.00 (73.58%)	0.00%	-3.16%
District Identity and public space development and management	\$206,985.00 (5.16%)	\$241,985.00 (5.98%)	\$207,261.00 (5.16%)	\$413,377.00 (9.77%)	0.00%	+3.80%
Program Management	\$569,611.00 (14.20%)	\$572,084.00 (14.13%)	\$570,369.00 (14.20%)	\$576,027.00 (13.62%)	0.00%	-0.51%
Contingency	\$127,962.00 (3.19%)	\$127,962.00 (3.16%)	\$128,132.00 (3.19%)	\$128,132.00 (3.03%)	0.00%	-0.13%
TOTAL	\$4,011,344.00	\$4,048,817.00	\$4,016,684.00	\$4,229,508.00		

BENCHMARK 4: Whether the Downtown SF Partnership 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: Downtown SF Partnership met this requirement. Please note: There is a period between when the City collects the assessment payment and when the City disburses the funds to the CBD. As a result, BIDs/CBDs typically have a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.

FY 2022 Carryover Disbursement	Amount	Spenddown Timeline
FY 2022 Assessment Carry Forward Disbursement		
Civil Sidewalks/Mobility Management	\$5,608,063.00	Half between July - December 2022 to carryforward for expenses related to district services during the first half of the fiscal year
District Identity, Marketing and public space development and management	-\$859,698.00	
Program Management	\$382,480.00	
Contingency	\$319,798.00	
Total Assessment (Special Benefit) Carry Forward	\$5,450,643.00	
Total Non-Assessment (General Benefit) Carry Forward	\$0.00	



Findings and Recommendations

The Downtown SF Partnership has met all benchmarks as defined on pages 5 of this memo as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Downtown Community Benefit District. The Downtown SF Partnership does not operate or utilize surveillance technology and does not plan to in FY23 and follow OEWD’s memorandum on surveillance technology.

The Downtown SF Partnership was formed in 2019 and its first year of full operation was FY20-21. In accordance with state statute, this is the organization’s first annual report submitted to the City and County of San Francisco.

The Downtown SF Partnership began service during the beginning of the Covid-19 pandemic. OEWD assisted the organization through its initial set up and provided technical guidance to the board and executive director throughout its initial year of operation. In FY20-21 the organization underwent a management shift and hired Robbie Silver as its new executive director. Mr. Silver did an exceptional job of ramping up and scaling core CBD services throughout the district.

Although new, the Downtown SF Partnership has quickly emerged as a thought and best practice leader for CBDs not only in San Francisco, but throughout the nation. In particular the organization is one of the original CBD adopted of the Connected Worker app, popularly known as 311 integration. In November 2021, they were one of the original organizations that participated in this pilot. In it, the CBD responds to 311 requests within their purview as has the ability to close out 311 tickets. In FY 21-22 they were able to respond and complete a total of 300 unique 311 tickets, or 47.24% of those generated within their service area. Based off data provided by the system, the CBD was able to respond and address these issues significantly faster than city crews. OEWD will continue monitoring this data to check for emerging trends in response time and requests within the area. The following is a sample of the data from FY 21-22.

<u>Agency</u>	<u>Number of Cases in FY21-22</u> <u>(beginning 11/2021)</u>	<u>Percentage</u>
Downtown SF Partnership	300	47.24%
DPW Ops Queue	266	41.89%
Recology Abandoned	26	4.09%
CSP Supervisor Queue	13	2.05%
DPW BSM Queue	8	1.26%
DPT Sign Shoop Queue	4	0.63%
DPT Meter Bike Queue	3	0.47%
ATT Graffiti Queue	2	0.31%



DPW – Bureau of Street Environmental Services	2	0.31%
PUC – Water – Graffiti Queue	2	0.31%
Art Commission	1	0.16%
Clear Channel Transit Queue	1	0.16%
DPT Paint Shop Queue	1	0.16%
DPW Bureau of Urban Forestry	1	0.16%
MUNI Feedback Received Queue	1	0.16%
Port Authority	1	0.16%
Recology Litter	1	0.16%
SF 311 AI Routing Queue	1	0.16%
US Postal Service Management	1	0.16%

<u>Request Type</u>	<u>CBD Response Time - Average</u>	<u>City Response Time - Average</u>
General Request – PW	4.25 hours	781.26 hours
Graffiti	9.70 hours	919.09 hours
Illegal Postings	9.70 hours	644.82 hours
Street and Sidewalk Cleaning	7.82 hours	303.92 hours

OEWD expects that numbers in FY 22-23 and FY 23-24 will help paint a more accurate picture as these numbers only related to November 2021 – June 30, 2022.

In addition to their core cleaning and safety services, the Downtown SF Partnership worked on attracting folks into the downtown core and back to the office with new public space activations and working to enhance and support timeless traditions, such as Bastille Day. The organization’s most notable activation during this time period was the inaugural Let’s Glow SF activation. This activation was the largest holiday projection mapping event in the United States. Light shows were projected on 4 buildings throughout Downtown San Francisco. The event led to significant media coverage and helped bring 715,800 visitors to the area for the ten-day show, compared to 318,000 the year before with no holiday activation. 36,000 of this can be directly attributed to the Let’s Glow activation.

There were no reported violations to OEWD of the Brown Act or California Public Records Act for this organization during this reporting period.



Conclusion

The Downtown SF Partnership has performed well in implementing its service plan and successfully sponsoring and implementing programs throughout the district. The CBD is an extremely well-run organization with an active Board of Directors and committee members. OEWD believes that the Downtown SF Partnership will continue to successfully carryout its mission and service plan.

