

MEMO

To: Matt Haney, District 6 Supervisor

CC: San Francisco Board of Supervisors

From: Chris Corgas; OEWD Senior Program Manager

RE: Yerba Buena Community Benefit District FY 2019-20 Annual Report

Date: July 22, 2021

This is a memo summarizing the performance of the Yerba Buena Community Benefit District (YBCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2019 and June 30, 2020.

Each year the YBCBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Yerba Buena CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Yerba Buena's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2015.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2019-2020
2. CPA Financial Review Reports
 - a. FY 2019-2020
3. Draft resolution from the Office of Economic and Workforce Development

Background

Yerba Buena Community Benefit District spans 40 blocks, contains approximately 2,150 parcels, and is divided between two benefit zones. Benefit zones are determined by the property owners who have specified the level of special services they desire.

- July 29, 2008: the Board of Supervisors approved the resolution that established the property-based district called the Yerba Buena Community Benefit District (Resolution #330-08).
- February 10, 2009: the Board approved the contract for the administration and management of the Yerba Buena Community Benefit District (Resolution #44-09).
- June 2, 2015: the Board of Supervisors approved the resolution to renew and expand the Yerba Buena Community Benefit District (Resolution #197-15).
- April 11, 2017: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2015 – 2016 (Resolution #117-17).
- April 10, 2018: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2016-2017 (Resolution #095-18).
- October 29, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2017-2018 (Resolution #468-19)
- December 1, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2018-2019 (Resolution #539-20)

Basic Info about Yerba Buena CBD

Year Established	June 2008
Assessment Collection Period	FY 2008 - 2009 to FY 2014 - 2015 (initial) FY 2015 - 2016 to FY 2029 - 2030 (renewal)
Services Start and End Date	July 31, 2015 – December 31, 2030 (District renewed in FY 14-15)
Initial Estimated Annual Budget	\$2,991,722.82
FY 2021-20 Assessment Submission	\$3,151,269.00
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

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

Summary of Service Area Goals

Cleaning and Streetscape Improvement Plan

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

Safety and Security Program

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

Branding, Activation, and Marketing Program

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

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

Management and Operations

The YCBCD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Yerba Buena CBD as well as a Director of Neighborhood Services and Project, a Director of Branding, Marketing and Activation, and an Administrative Manager. The YCBCD Management Plan calls for 13% of the budget to be spent on administration and corporate operations.

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

The eight committees and meeting times are detailed below:

Standing Committees

- **Community Benefit Fund** – meets the 2nd Monday of March and October
- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the month
- **Marketing** - the first Wednesday of the month
- **Services** - the second Thursday of the month
- **Streets and Public Space** –the Second Wednesday of the month

Ad Hoc Committees

- **Audit** –as needed

- **Nominating** – as needed
- **Small Business Support Committee** – as needed

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2019-2020

Cleaning and Streetscape Improvements

- Removed 418,750 pounds of trash from YBCBD public rights-of-way
- Steam cleaned more than 12 million feet of sidewalk frontage
- Removed 2,474 instances of graffiti tags, flyers and stickers
- Completed more than 647 requests for sidewalk sweeping, steam cleaning, and spot cleaning
- Updated and upgraded the app to report cleaning issues
- Supported installation of public art on a private boarded business via a matching grant

Safety and Security

- Community Guides worked 365 days a year to connect those who need help with services, provide information about the neighborhood and serve as an additional set of eyes to report safety issues
- Responded to 1,455 calls for service
- SFPD 10B Bike Patrol officers worked 12-14 hour shifts daily to address quality of life issues and provide a reassuring presence in the district

Branding, Activation, and Marketing

- Installed new artistic graphics on nine Bigbelly receptacles throughout the District.
- Worked with local small business to create individually produced promotional videos to help them reach a wider audience.
- Awarded grants from the Community Benefit Fund for an outdoor art installation at Yerba Buena Center for the Arts, business acceleration services with the Renaissance Entrepreneurship Center, Women’s Suffrage exhibit at American Bookbinders Museum, Halloween Hoopla, and the Yerba Buena Gardens Festival

YBCBD Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).

- **BENCHMARK 2:** Whether five and eight hundredths percent (5.08%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*).

FY 2019-2020

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

ANALYSIS: YBCBD met this requirement. See table below.

Service Category	Management Plan Budget (Percentage)	FY 2019-2020 Budget – Asst. (Percentage)	FY 2019-2020 Budget – Total. (Percentage)	Variance % Points – Asst.	Variance % Points - Total
Cleaning and Streetscape Improvements	\$1,281,665.91 (40.66%)	\$1,892,290.60 (42.73%)	\$1,993,563.63 (42.73%)	+2.06%	+2.06%
Safety and Security	\$1,024,744.40 (32.51%)	\$1,487,266.16 (33.58%)	\$1,566,862.79 (33.58%)	+1.07%	+1.07%
Branding, Activation, and Marketing	\$434,614.14 (13.79%)	\$556,775.78 (12.57%)	\$586,573.73 (12.57%)	-1.22%	-1.22%
Management and Operations	\$410,811.64 (13.03%)	\$492,589.86 (11.12%)	\$518,952.65 (11.12%)	-1.91%	-1.91%
TOTAL	\$3,151,826.09 (100%)	\$4,428,922.40 (100%)	\$4,665,952.80 (100%)		

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

ANALYSIS: YBCBD did not meet this requirement. Assessment revenue was **\$3,078,768.00** or **88.97%** of actuals and non-assessment revenue was **\$97,902.00** or **2.99%** of actuals. See table below.

Revenue Sources	FY 2019-2020 Actuals	% of Actuals
Special Benefit Assessments	\$3,176,246.00	97.01%
Total assessment revenue	\$3,176,246.00	97.01%
Contributions and Sponsorships	\$29,999.00	0.92%
Interest Earned	\$20,023.00	0.61%
Other Revenue	\$47,880.00	1.46%
Total non-assessment revenue	\$97,902.00	2.99%
Total	\$3,273,148.00	100%

Non-assessment revenue applied to 5.08% General Benefit requirement

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

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

Service Category	FY 2019-2020 Budget – Asst. (Percentage)	FY 2019-2020 Budget – Total (Percentage)	FY 2019-2020 Actuals – Asst. (Percentage)	FY 2019-2020 Actuals – Total (Percentage)	Variance % Points – Asst.	Variance % Points – Total
Cleaning and Streetscape Improvements	\$1,892,290.60 (42.73%)	\$1,993,563.63 (42.73%)	\$1,101,808.87 (33.50%)	\$1,139,493.00 (33.64%)	-9.23%	-9.08%
Safety and Security	\$1,487,266.16 (33.58%)	\$1,566,862.79 (33.58%)	\$1,329,301.25 (40.42%)	\$1,359,393.00 (40.14%)	+6.84%	+6.56%
Branding, Activation, and Marketing	\$556,775.78 (12.57%)	\$586,573.73 (12.57%)	\$436,441.58 (13.27%)	\$449,219.00 (13.26%)	+0.70%	+0.69%
Management and Operations	\$492,589.86 (11.12%)	\$518,952.65 (11.12%)	\$421,465.30 (12.81%)	\$433,502.00 (12.80%)	+1.69%	+1.68%
Fiscally Sponsored Projects	---	---	---	\$5,312.00 (0.16%)	---	+0.16%
TOTAL	\$4,428,922.40 (100%)	\$4,665,952.80 (100%)	\$3,289,017.00 (100%)	\$3,386,919.00 (100%)		

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

ANALYSIS: *YCBCD met this requirement. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBDAs a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. . Yerba Buena also includes its ongoing Contingency/Reserve fund as part of this reporting. See table below.*

FY 2019-2020 Carryover Disbursement	
Designated Projects	
Cleaning and Streetscape Improvements	\$2,551,898.00
Safety and Security	\$138,967.00
Branding, Activation, and Marketing	\$106,042.00
Management and Operations	\$1,552,184.00
Capital Assets	\$297,748,00
Total Designated Amount for Future Years	\$ 4,646,839.00

Findings and Recommendations

The Yerba Buena CBD met 3 out of the 4 benchmarks as defined on pages 4 and 5 of this memo. YCBCD missed benchmark 2 which compares assessment revenue with non-assessment revenue. YCBCD can correct this by soliciting both financial and in-kind donations and applying for grants. This deviation is likely caused by the impacts of the Covid-19 global pandemic on the CBD’s donor base and ability to complete restricted projects. YCBCD has a strong history of meeting all of these benchmarks since its inception. OEWD believes that the CBD is well positioned to meet this benchmark in future fiscal years. .

In the first half of FY 2019-2020 the Yerba Buena CBD successfully continued to successfully implement its special cleaning and safety related services. They CBD awarded grants from their Community Benefit Fund for an outdoor art installation at Yerba Buena Center for the Arts, business acceleration services with the Renaissance Entrepreneurship Center, Women’s Suffrage exhibit at American Bookbinders Museum, Halloween Hoopla, and the Yerba Buena Gardens Festival. YCBCD also continued thinking about the long-term health of the neighborhood by working with the Planning Department, Public Works, and community stakeholders to discuss a long-term project to connect the neighborhood with the Salesforce Transit Center along Natoma and Minna streets.

The second half of FY 2019-2020 was particularly challenging for the Yerba Buena CBD as well as property owners and businesses in the area. In February 2020 visitor traffic to the area began to decline due to the emergence of the Covid-19 global pandemic. On March 16, 2020 Mayor London N. Breed announced that that the Health Officer for the City County of San Francisco issued a Public Health Order

requiring residents to remain at home, with the exception of essential needs. Additionally, all businesses other than Essential Businesses and Essential Government Functions, were required to cease all operations. All public and private gatherings of any number of people occurring outside a single family or living unit were also prohibited. This has a significant impact on this CBD due to its proximity to the Moscone Convention Center and downtown offices.

This order was particularly confusing to the Community Benefit District/Business Improvement District community in San Francisco as, by definition, they provide supplemental service and no direction was provided on whether or not they were to cease operations. The Yerba Buena CBD did suspended operations in the early days of the pandemic out of an abundance of caution.. CBD/BIDs played an important role in facilitating communication between the City and their stakeholders throughout the pandemic.

OEWD and the Office of the City Attorney worked to determine if CBD/BIDs must continue their supplemental service despite what decisions each district made in reaction to the pandemic. On March 23, 2020 OEWD issued a memo to all CBD/BIDs stating that, based on the advice of Deputy City Attorney Manu Pradhan, Articles 13 C and D of the California Constitution supersede both gubernatorial and mayoral executive orders. These Constitutional provisions deal with how special benefits are conveyed and each CBD/BID's specific assessment formula. The ramifications of this meant that all CBD/BIDs had to return to full service immediately. OEWD also provided a list of resources to the CBD/BIDs to provide to their employees or contractors. The Yerba Buena CBD reinstated services immediately once this determination was made.

During the pandemic OEWD worked with the Covid Command Center to ensure that CBD/BID essential workers were not forgotten during the Covid response and was able to acquire personal protective equipment and hygiene supplies to keeps workers and the community safe. CBD/BIDs played an important role in facilitating communication between the City and their stakeholders throughout the pandemic. The Yerba Buena CBD worked with the Covid Command Center, through OEWD, to disseminate Covid-19 related information to its stakeholders and provided safety kits to the unhoused community and commuters within the District.

In addition to working with the City and County of San Francisco, the Yerba Buena CBD developed a robust pandemic response of its own. The CBD supported neighborhood nonprofits headquartered in the district, with budgets less than \$5 million, through its Community Benefit Fund. Recipients included American Bookbinders Museum, California Historical Society, Children's Creativity Museum, Museum of the African Diaspora, and Renaissance Entrepreneurship Center. The CBD reconfigured its grant allocations to support small businesses and nonprofits, and provided \$200,000 in grants to nonprofits and small businesses to defray operational costs and for personal protective equipment, and reimbursed small businesses using funds for property protection, such as plywood. They also adjusted the focus for their Community Guides to check in with neighborhood merchants and businesses to assist them during the incremental reopening of the economy, and assist Clean Team colleagues in disinfecting high-touch public surfaces, and continue to report cleaning and safety issues.

Yerba Buena CBD continues to identify needs and solutions to bring back conventioners and office workers to the area which are vital to the economic health for the neighborhoods small businesses.

Conclusion

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