

File No. 211135

Committee Item No. 5

Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight
Board of Supervisors Meeting:

Date: January 6, 2022

Date: January 25, 2022

Cmte Board

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

OTHER

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Presentation – January 6, 2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD Annual Report – FY2019-2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD CPA Report – June 30, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo – July 22, 2021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>FYI Referral – November 3, 2021</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u>_____</u> |

Prepared by: John Carroll

Date: Dec. 17, 2021

Prepared by: John Carroll

Date: January 10, 2022

Prepared by: John Carroll

Date: _____

1 [Discover Polk Community Benefit District - Annual Report - FY2019-2020]

2

3 **Resolution receiving and approving an annual report for the Discover Polk Community**
4 **Benefit District for Fiscal Year (FY) 2019-2020, 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 22, 2018, 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. 171-18, expressing the City’s intention to
13 establish the Discover Polk Community Benefit District (the “Discover Polk CBD”); and

14 WHEREAS, On July 24, 2018, the Board of Supervisors adopted Resolution
15 No. 238-18 establishing the Discover Polk CBD ("Resolution to Establish") for a period of 10
16 years, commencing FY 2018-2019; and

17 WHEREAS, On November 13, 2018, the Board of Supervisors adopted Resolution
18 No. 402-18, authorizing an agreement with the owners' association for the
19 administration/management of the Discover Polk CBD, and a management agreement (the
20 “Management Contract”) with the owners' association, the Discover Polk Community Benefit
21 District, was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 181035; and

24

25

1 WHEREAS, The Discover Polk CBD has submitted for the Board’s receipt and
2 approval the Discover Polk annual report for fiscal year 2019-2020 as required by
3 Section 36650 of the Act and Section 3.4 of the Management Contract; and

4 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
5 File No. 211135, and is incorporated herein by reference as though fully set forth; and

6 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
7 memorandum report from the City's Office of Economic and Workforce Development, dated
8 July 22, 2021, and documentation from the Discover Polk CBD for the Annual Report is on file
9 with the Clerk of the Board of Supervisors in File No. 211135; now, therefore, be it

10 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
11 report for the Discover Polk Community Benefit District for fiscal year 2019-2020.

12
13
14
15
16
17
18
19
20
21
22
23
24
25



Community Benefit District Annual Report

- 1) Yerba Buena CBD - FY 19-20
- 2) Ocean Ave CBD - FY 19-20
- 3) Castro CBD – FY 19-20
- 4) Noe Valley CBD – FY 19-20
- 5) Discover Polk CBD – FY 19-20
- 6) Lower Polk CBD – FY 18-19 & FY 19-20



Chris Corgas
CBD/BID Program Director
January 6, 2022



Legislative Overview

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

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



OEWD Review Process

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



Basic Information

CBD Name	Type	Assessment Budget*	FY 19-20 Assessment Submission	Year(s) Formed & Renewed	Expires
Yerba Buena	Property-Based	\$2,991,722.82	\$3,151,269.00	2008, 2014	2030
Ocean Ave	Property-Based	\$239,578.00	\$330,010.32	2010	2025
Castro	Property-Based	\$384,011.00	\$534,128.08	2005, 2020	2035
Noe Valley	Property-Based	\$218,622.00	\$269,328.30	2005, 2020	2035
Discover Polk	Property-Based	\$601,784.00	\$629,414.98	2018	2029
Lower Polk	Property-Based	\$799,093.54	\$876,709.64	2014	2029



BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for each CBD/BID:

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

Benchmark 2 – Whether the CBD met its non-assessment revenue source requirement.

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

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



Yerba Buena CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.08\%$	No
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Yerba Buena CBD – Findings & Recommendations

- Awarded funds from Community Benefit Fund for an outdoor art installation at Yerba Buena Center for the Arts, business acceleration services with Renaissance Entrepreneurship Center, Women’s Suffrage Exhibit at American Bookbinders Museum, Halloween Hoopla, and the Yerba Buena Gardens Festival
- Worked with Planning Department, Public Works, and community stakeholders to discuss long-term project to connect Yerba Buena with the Salesforce Transit Center along Natoma and Minna Streets
- Initially stopped service in early days of Covid-19 pandemic, but quickly reinstated services upon City Attorney and OEWD advice
- Reconfigured community grants to nonprofits and small businesses to defray operating costs due to Covid-19 pandemic
- Adjusted the focus of community guides to check in on neighborhood businesses and merchants to assist them during incremental reopening of the economy
- Increased disinfecting of high-touch public surfaces and continued to report and address cleaning and safety issues
- Has a strong board and robust committees
- The Yerba Buena CBD is an extremely well run organization



Ocean Ave CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	No
Benchmark 2	Non-assessment revenue is $X \geq 1.00\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	No



Ocean Ave CBD – Findings & Recommendations

- Should develop a strategic plan to look at short, mid, and long term needs of the District
- Likely that the CBD violated Brown Act
 - Executive Director did not guide board chair through meetings which allowed individual board members to go off agenda, change subject, and not adhere to standard board behavior
- OEWD perceives an unhealthy relationship between the governing board and executive director at the time
- Recommendations:
 - In recruiting new board members, the organization and nominating committee should make efforts to have applicants represent the vibrant diversity of the Ocean Avenue corridor.
 - Board seats should not be held in perpetuity and reinstatement a forgone conclusion, instead members who have expiring terms should reapply to the board and go through the formal nomination and election process.
 - The Board should create ladders to elevate new board members to leadership positions.
 - The governing board and the executive director need to complete the strategic plan process and follow all recommendations issued.
 - The governing board should have an annual retreat where they identify annual objectives and growth opportunities for the organizations.
 - The organization should hire outside legal counsel familiar with CBD/BID laws to advise them rather than rely on board members and the City for legal advice.
 - The governing board should set a maximum term limit for board members at which point they take at least a 2 year break away from the board, but may reapply to join after that period expires.
 - The board needs to clearly spell out expectations for board members.
 - The board needs to create an onboarding process for new board members.
 - Each board member needs to participate fully at board meetings and not allow individuals to control the meetings.
 - The board needs to establish a performance evaluation and metrics for the executive director.
 - The board needs to ensure rules are in place pertaining to the awarding of subcontracts and proper fiduciary management.
 - The board needs to provide overall direction to the executive director and ensure that the director is meeting all tasks and responsibilities



Castro CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	No
Benchmark 2	Non-assessment revenue is $X \geq 5.00\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Castro CBD – Findings & Recommendations

- Met 3 out of 4 benchmarks
- Did incredibly well on Benchmark 2 (over 45% of budget was from non-assessment sources)
- Facilitated communication between the Covid Command Center and Castro/Upper Market community.
- Successfully completed a renewal and expansion of the district with 75% of the weighted ballots cast voting to renew and expand for another 15 year term,
- Initially stopped service when Covid-19 stay at home issued, but returned to work once OEWD and the City Attorney's Office provided guidance.
- Partners with the City and County of San Francisco to implement numerous grants such as Castro Cares and Jane Warner Plaza Activation.
- The CBD improved coordination and relationships with neighborhood stakeholders.
- Well positioned to carry out its mission.



Noe Valley CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	No
Benchmark 2	Non-assessment revenue is $X \geq 5.00\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Noe Valley CBD – Findings & Recommendations

- Met 3 out of 4 benchmarks
- Did incredibly well on Benchmark 2 (over 30% of budget was from non-assessment sources)
- Facilitated communication between the Covid Command Center Noe Valley community.
- Successfully completed a renewal of the district with approximately 75% of the weighted ballots cast voting to renew for another 15 year term,.
- Partners with the City and County of San Francisco to implement activation of the Noe Valley Town Square.
- Programming at the Noe Valley Town Square was suspended or canceled due to the Covid-19 pandemic.
- The CBD improved coordination and relationships with neighborhood stakeholders.
- Well positioned to carry out its mission.



Discover Polk CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 3.37\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Discover Polk CBD – Findings & Recommendations

- Met all benchmarks
- Ended service contract with the Lower Polk CBD
 - Contract has Lower Polk CBD provide the services within DPCBD
 - Ended so districts could better respond to unique needs of both districts
- Led hiring process to hire new executive leadership
 - Hired Duncan Talento Ley and Ben Bleiman as co-executive directors
- Had process to hire a service contractor – StreetsPlus selected
- Facilitated communication between district stakeholders and the Covid Command Center
- Continued operations once shelter in place was declared
- Modified services to better address unique concerns at beginning of the Covid-19 pandemic
- Implemented BigBellies within the CBD area.
- The CBD improved coordination and relationships with neighborhood stakeholders.
- Well positioned to carry out its mission.



Lower Polk CBD – Benchmarks

Benchmark	Question	Was This Met in FY 18-19?	Was this met in FY 19-20?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	Yes	No
Benchmark 2	Non-assessment revenue is $X \geq 5.55\%$	Yes	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes	Yes



Lower Polk CBD – Findings & Recommendations

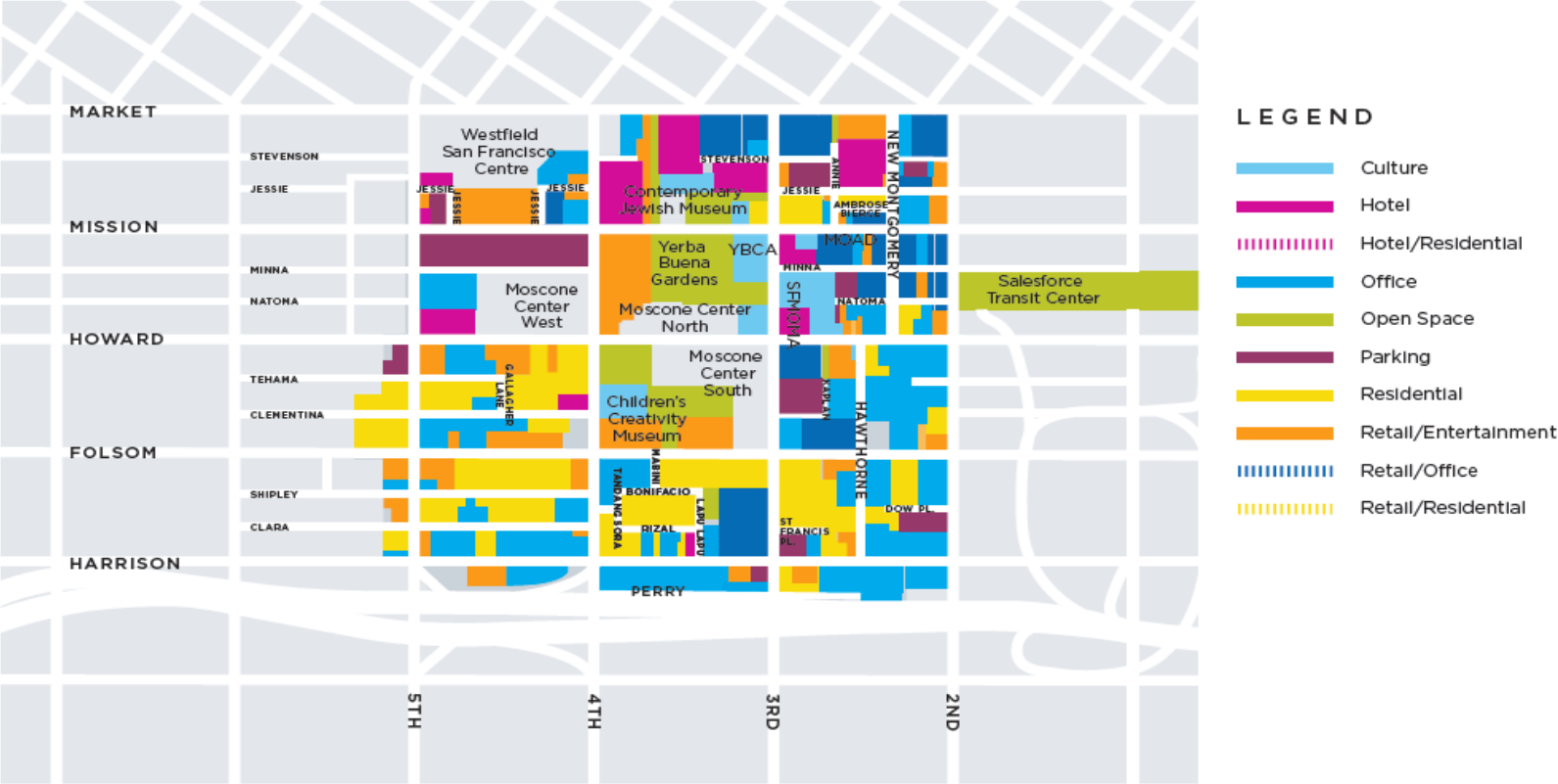
- Did not turn in annual reports and financial statements for either FY 2018-2019 or 2019-2020 in a timely manner.
 - Provided summary memo explaining the delays, part of board packet.
 - Delay initially caused by staff turnover and exacerbated by change in financial professional.
 - Reports are difficult to access online
 - OEWD recommends making them more easily accessible on CBD's website
- Initially suspended services at the beginning of the Covid-19 pandemic, but reinstated upon advice from OEWD and the City Attorney.
- Partnered with Covid Command Center to disseminate information to Lower Polk stakeholders.
- Supported local businesses and continued efforts of Lower Polk Tenant Landlord Clinic throughout the pandemic.
- Continues to be an asset to Lower Polk community.
- Generally performed well in implementing its service plan, but must improve on timely reporting,





Presentation to the San Francisco Board of Supervisors
Government Audit and Oversight Committee
January 6, 2022

What is the Yerba Buena District?



What does the YBCBD do?

YBCBD Mission Statement:

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

1. Cleaning

Clean Team
Steam Cleaning
Bigbelly Program



3. Streetscape

Public Art
Pedestrian Safety
Community Spaces



5. Community Benefit Grants

Public Art
Community Building
Streetscape Improvements
Safety Enhancements

2. Safety

Community Guides
SFPD Bike Patrol
Social Services Specialist



4. Marketing

Events
Marketing Campaigns
Social Media



Pre Pandemic Highlights

- 9th Annual Yerba Buena Night
- Bigbelly Art
- 2nd SOMA Sunday Streets
- Yerba Buena Walking Tours
- Yerba Buena Gardens Conservancy formation
- Community Benefit Fund Grants
 - Yerba Buena Center for the Arts
 - Renaissance Entrepreneurship Center
 - American Bookbinders Museum
 - Children's Creativity Museum
 - Contemporary Jewish Museum
 - SPUR
 - Yerba Buena Gardens Festival



Yerba Buena Night 2019

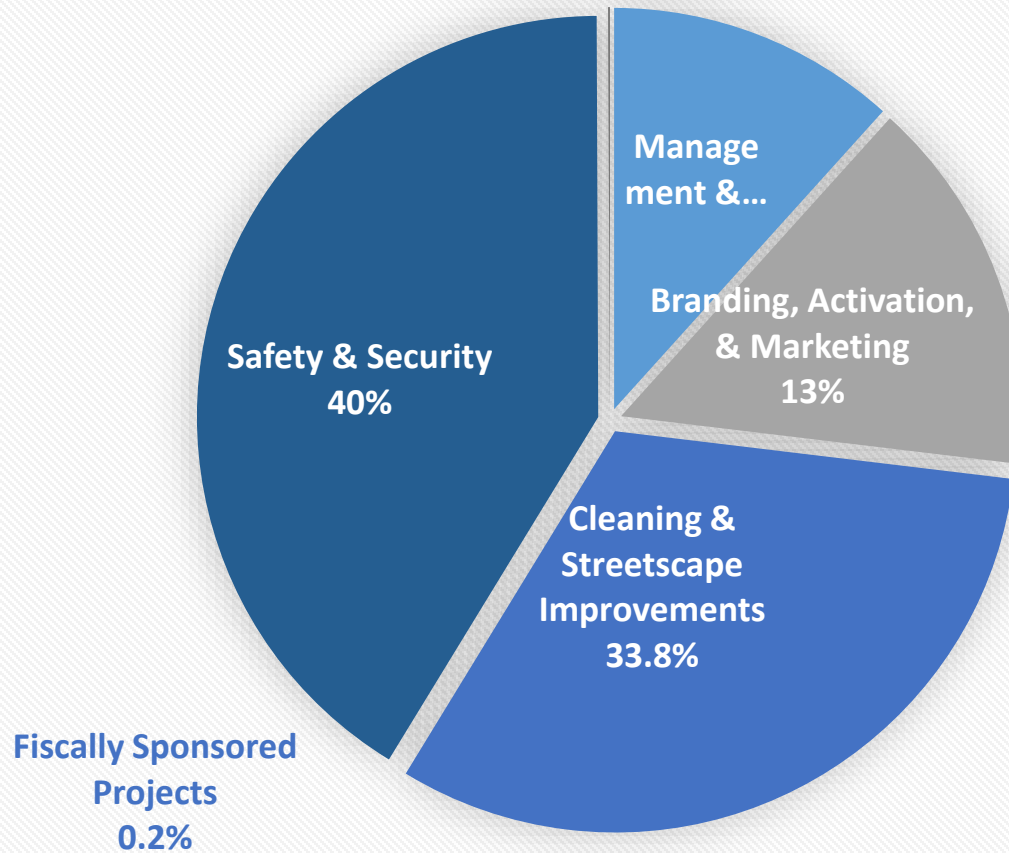
After March 2020

- Continued Clean and Services with adjusted focus
- Created “resource center” to share general pandemic-related information and resources
- Acquired PPE and distributed to businesses and non-profits in need
- Distributed masks to anyone in need in collaboration with Supervisor Haney
- Marketing focus on open businesses with short videos
- Adjusted structure for FY20-21 Community Benefit Fund Grants
- Developed structure for Small Business Grants

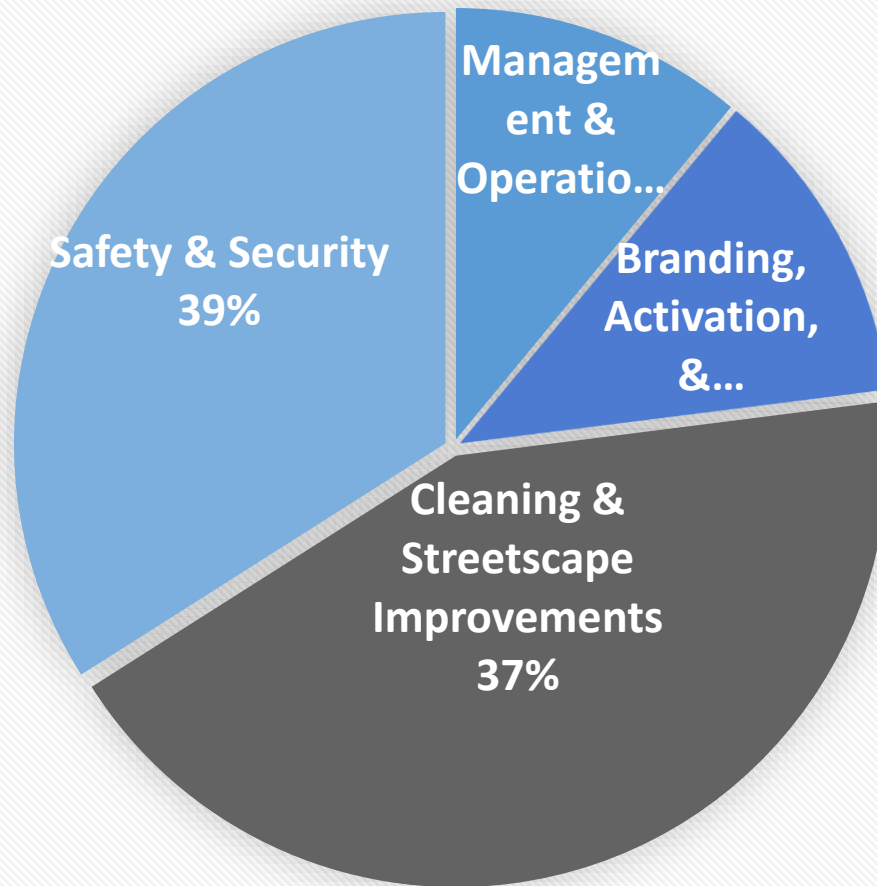


YBCBD Community Guide disinfecting high-touch surfaces

FY19-20 ACTUALS



FY20-21 BUDGET



Bigbelly Art Ribbon Cutting





Annual Report
2019-2020

Pierre Smit,
Executive Director

Jordan Mar,
Small Business &
Marketing Manager

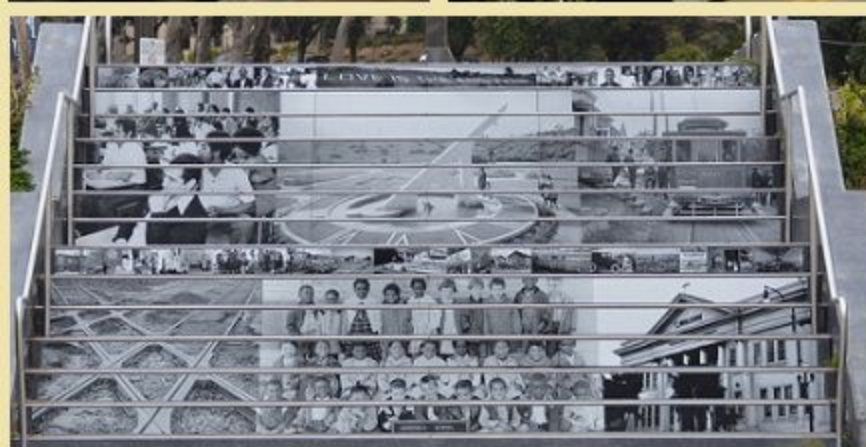




Accessibility | Literacy | Proximity | Unity

- Easy Access by BART, MUNI, FWY280, Junipero Serra
- A Corridor to Literacy with CCSF, SFSU, HS, MS, ES
- Steps Away from Many Distinct Neighborhoods
- A Place of Unity for Businesses Serving Folks of All Backgrounds

AR 19/20





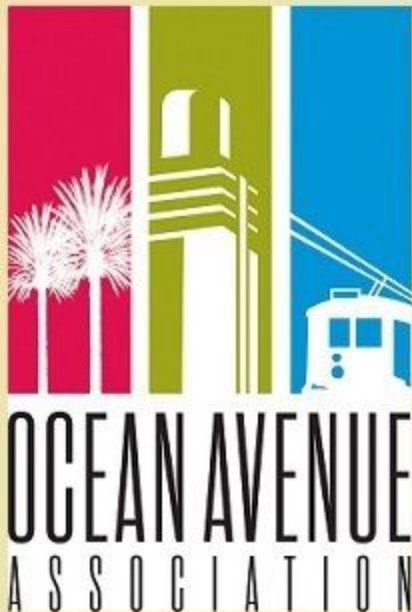
The OAA Clean Team

- Sweeping twice daily in most area of the CBD
- Pressure washing sidewalk a block per week
- Graffiti removal/covering within 24 hours
- Community clean-up of some neighboring areas

x Trash & Cardboard removed in FY19-20.....	66,000 lbs
x Animal & Human Waste Pick ups.....	1,450
x Graffiti Removal.....	780
x Instances of Steam Cleaning.....	1,075
x Illegal Dumping - 311 Calls.....	220

AR 19/20





Beautification & Maintenance

- Planting areas
- On wide sidewalks
 - Watered weekly
 - Maintained as needed

Trees planted with the assistance of DPW on different side streets

AR 19/20

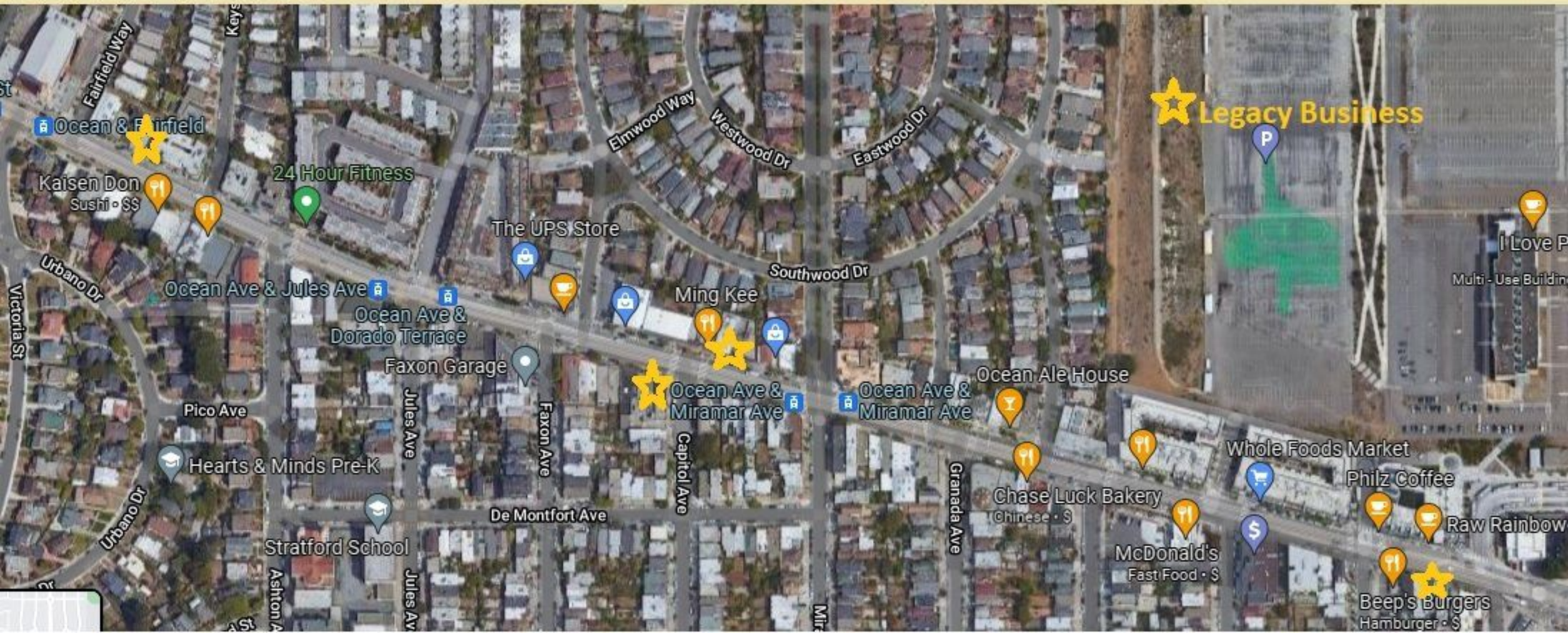




Small Business Program

- Pandemic Response to Small Businesses
- Free Legal Services
- Legacy Businesses Filing
- Commercial Space Inventory
- Assisting Prospective Businesses

AR 19/20

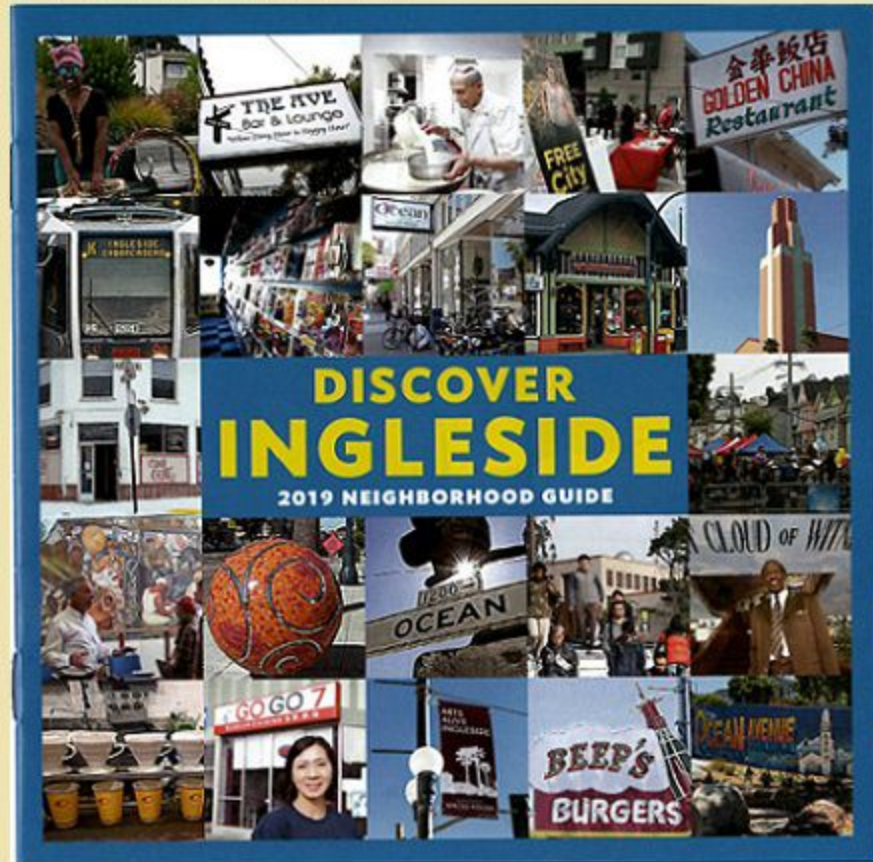




Discover
Ingleside
2019
Neighborhood
Guide

Renewal
and
Expansion
Including
- Balboa Upper Yard
- Balboa Reservoir

AR 19/20



OACBD 2019/2020
Expansion estim. 2023



Events, Promotions & Projects

- Lunar New Year
- Promotion of OMI-CPP and SF Turkey Drive
- Public Live Survey
- Public Art
 - Ingleside Library Gateway
 - Murals

AR 19/20



Castro/Upper Market Community Benefit District

San Francisco Board of Supervisors Government & Oversight
Committee



DISTRICT MAP



ACTIVE COMMITTEES

- ◆ Executive Committee
- ◆ Finance Committee
- ◆ District Identity & Streetscape Committee
- ◆ Services Committee
- ◆ Land Use Committee
- ◆ Retail Strategy Committee
- ◆ Castro Cares Leadership Team
- ◆ Renewal Committee

GRANTS

- ◆ OEWD Castro Cares
- ◆ OEWD Jane Warner Plaza Improvement
- ◆ OEWD Castro Corridor Manager

Cleaning Services



CLEANING UP IN FY 2019-20

- Daily Sweeping
- Monthly + steam cleaning
- TRASH! 87,420 pounds of trash removed
- GRAFFITI! 7,048 incidences of graffiti abated
- NEEDLES! 2,823 dirty/hazardous needles collected
- CARDBOARD! 16,728 yards of flattened cardboard
- HAZARDOUS WASTE! 4,674 incidences of human feces removed

PUBLIC SAFETY

- SF Patrol Special Police 7 Nights/Week
- Evening Foot Patrols:
 - Jane Warner Plaza, Harvey Milk Plaza
 - Castro Street
- Vehicle Patrols:
 - Market Street
 - Church Street
 - Bikeway behind Safeway

(collaboration between late night businesses and Castro CBD)

Public Space Management & Activation

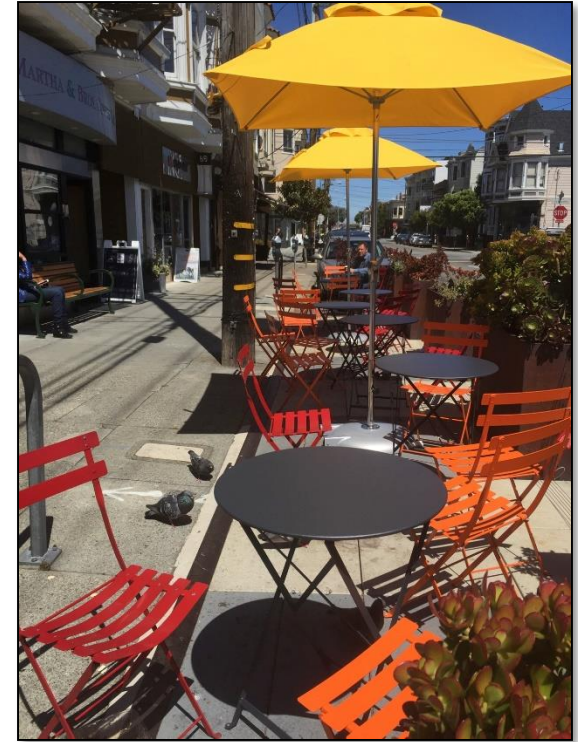
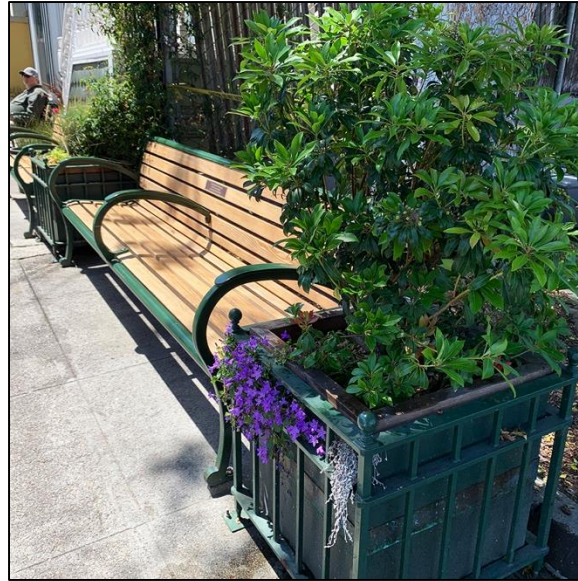


THANK YOU!



Noe Valley Association
A Community Benefit District
noevalleyassociation.org

FY 19-20 Annual Report
Government Audit & Oversight Committee
January 6, 2022



NVA Street porters worked full time through COVID-19, not missing a day of work in the district.

Public seating was well-used during the pandemic lock down.



Noe Valley Association
A Community Benefit District
noevalleyassociation.org

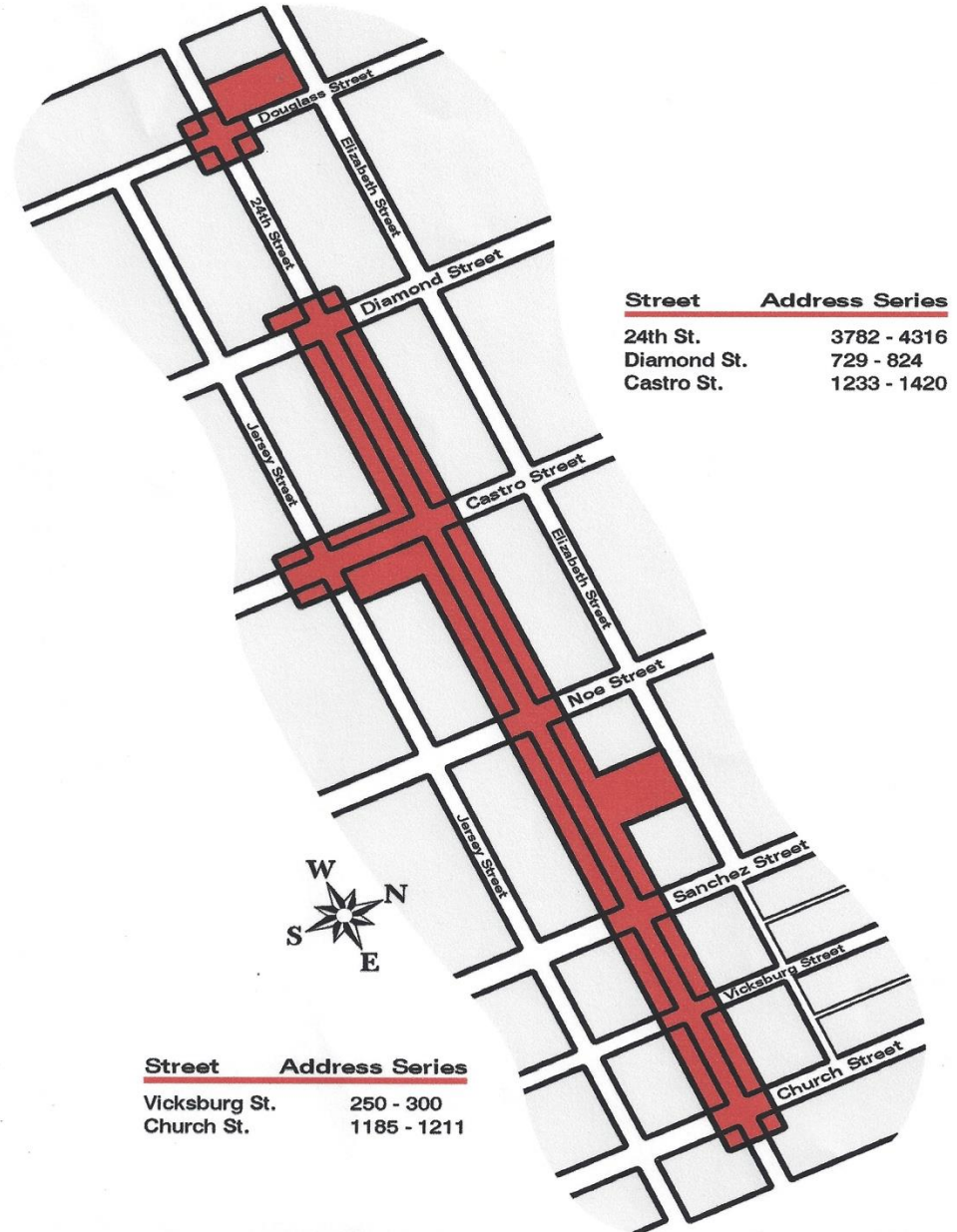
The NVA Renewed in 2020!

- Property Owners renewed the district for another 15 years with a favorable vote of 76% to 24%.
- This is a 19% increase in “yes” votes compared to the original vote to create the CBD in 2005.
- The new Management Plan changes include the elimination of four property corners.



**Noe Valley Association- A Community Benefits District
Address Range Map**

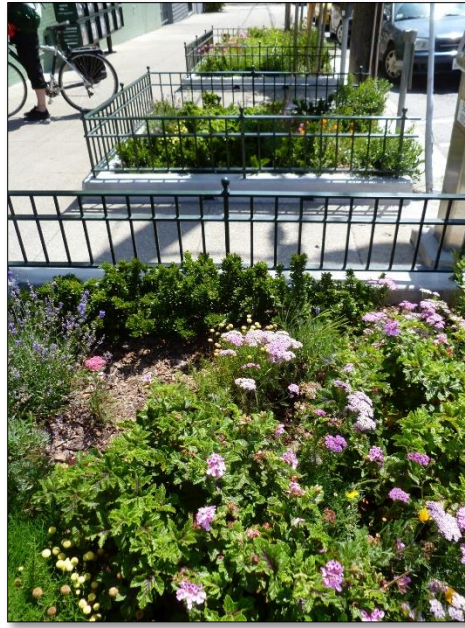
Noe Valley CBD Area Map



Noe Valley Association
A Community Benefit District
noevalleyassociation.org

NVA Active Committees

Green Committee - Streetscape Improvements



Noe Valley Association
A Community Benefit District
noevalleyassociation.org

Community Event Marketing

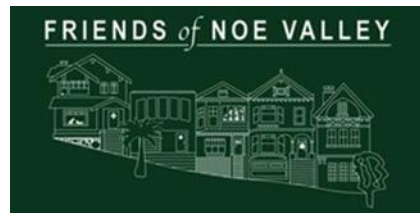


NVA Partner Organizations



Noe Valley Merchants & Professionals Association

<http://www.noevalleymerchants.com>

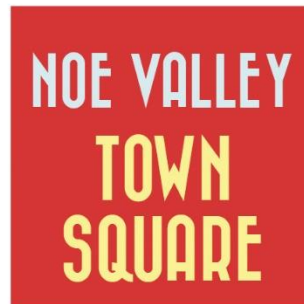


Friends of Noe Valley

<http://friendsofnoevalley.com>



Noe Valley Association
A Community Benefit District
noevalleyassociation.org



Noe Valley Town Square

<http://noevalleytownsquare.com>

Grants

NVA as Fiscal Agent for the Noe Valley Town Square



Noe Valley Association
A Community Benefit District
noevalleyassociation.org

Day to Day Operations

- Annual removal of **258** bulky trash items
- Annual removal of **262** graffiti marks, stickers
- **9** annual power washings of sidewalks
- **223** calls to 311 for removal of bulky items
- **201** tree wells weeded and watered
- **24** flower baskets hung every six months
- **27** Planter boxes replanted every six months
- **7** large sidewalk garden areas maintained monthly
- **1** public park & **2** parklets maintained year-round
- **Two** full-time street porters and a part-time gardener.



Opportunities

Continue to support activation of the Noe Valley Town Square – a widely used and valued public space in the heart of Noe Valley



Thank You.

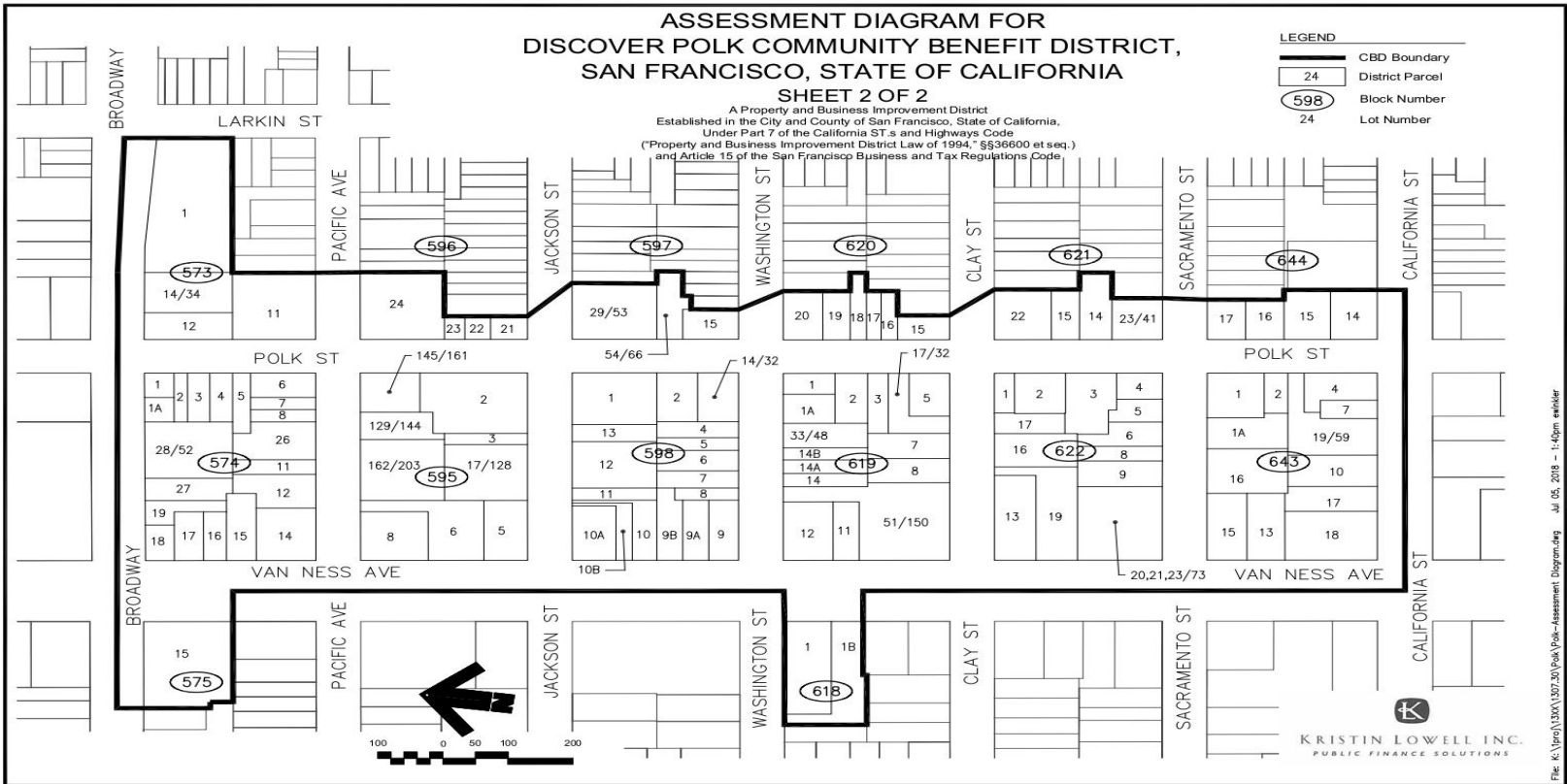


Noe Valley Association
A Community Benefit District
noevalleyassociation.org

Annual Report Highlights – FY 19/20



District Map - 535 total parcels



Board & Staffing Changes

- DPCBD maintained the same twelve (12) Board members throughout the period of the 2019/2020 Annual Report.
- The previous executive management – contracted through LPCBD - resigned two months before the end of 2019. DPCBD finished 2019 operating two (2) months without the support of an Executive Director or District Coordinator.
- In November 2019, the Board approved a job description for Executive Director and a search was launched. A working group interviewed four (4) qualified candidates in December 2019 and January 2020, and unanimously approved the application of a local hospitality and community affairs management company, Tonic Nightlife Group; the Board ratified the choice at a special meeting on January 10, 2020 and the new Executive Management Team accepted the offer on January 20, 2020.

- **Neighborhood Cleanliness**

- In December 2019, DPCBD conducted a rubbish audit with rubbish.love and the results were surprising. The bulk of sidewalk soil is gum stains (64%) and cigarette butts (19%). The data from this audit has helped DPCBD prioritize cleaning efforts.

- StreetPlus ramped up to near full levels by Q1 2020 (COVID19 challenges notwithstanding), including regular power washing and steam cleaning of every sidewalk in the district at a minimum of once per every two (2) weeks.

- DPCBD was notified in December 2019 that it had received a grant from OEWD for five (5) Big Belly trash bins. DPCBD worked with OEWD to identify ideal locations for the cans and contracted with a designer for the artwork that would “wrap” the cans in order to provide additional branding for the DPCBD.

- The Big Belly trash cans were installed and operational by June 2020; including a socially distanced press conference with D3 Supervisor Peskin as the main speaker.

- **Statistical Summary of Services Provided by LPCBD February 2019 to November 2019 and StreetPlus December 2019 to July 2020***

Pounds of trash removed	73,163
Hazardous waste (needles) disposed	1,182
Graffiti abated (number of instances)	373
Linear frontage steam cleaned (sq ft)	115,000
Calls addressed for cleaning (direct calls are rare)	7
Call addressed for public safety	3

Budget

FY 2020-21

REVENUE AND SUPPORT

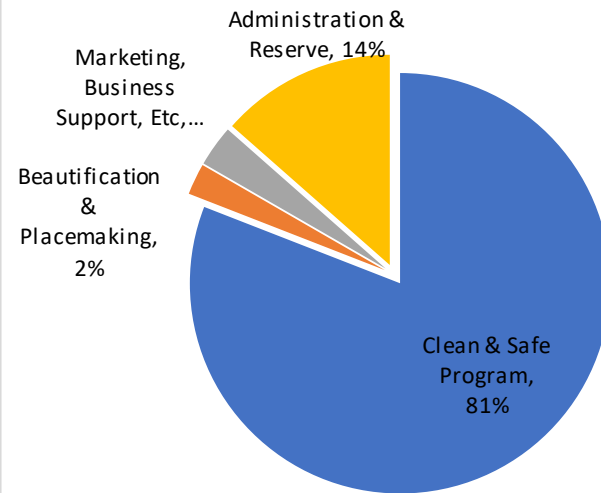
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820

EXPENSES

Clean & Safe Program	432,713
Beautification & Placemaking	12,882
Marketing, Business Support, Etc	16,950
Administration & Reserve	72,235
TOTAL EXPENSES	534,779

* Financial data from the audited financial statements.

FY 2020-2021 budget



Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	630,940	628,327	2,614
Fundraising/In-Kind	22,605	37,000	(14,395)
Interest Income	0	0	0
TOTAL REVENUE AND SUPPORT	653,546	665,327	(11,781)
EXPENSES			
Clean & Safe Program	280,668	349,181	68,512
Beautification & Placemaking	13,998	21,864	7,866
Marketing, Business Support, Etc	36,172	28,768	(7,404)
Administration & Reserve	93,115	76,521	(16,594)
TOTAL EXPENSES	423,953	476,334	52,381
Change in Net Assets	229,592	188,992	64,162
Prior Year Net Assets (Carryover)	424,195	424,195	0
TOTAL NET ASSETS	653,787	613,187	64,162

Statement of Financial Position

As of 06/30/2020

ASSETS

Cash and Cash Equivalents	654,681
Assessment and Other Receivables	7,320
Prepaid Expenses	308
Equipment, net	1,679
TOTAL ASSETS	663,988

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	10,200
TOTAL LIABILITIES	10,200

NET ASSETS

Without Donor Restrictions	646,468
With Donor Restrictions	7,320
TOTAL NET ASSETS (CARRYOVER)	653,788
TOTAL LIABILITIES & NET ASSETS	663,988

Financial Notes

Revenue

- Assessment revenues followed very closely to plan for the fiscal year. The District's non-assessment revenues (General Benefit) is below plan by \$14,395 but above the mandatory \$20,000 requirement.

Expense

- Overall expenses for the fiscal year are under budget by \$52,381 relative to plan.

Clean & Safe

- Clean & Safe expenses are significantly under the budget due to understaffing issues at StreetPlus mostly related to the COVID19 crisis.

Beautification & Placemaking

- Beautification & Placemaking expenses are \$7,866 under the budget due to the COVID19 crisis.

Marketing & Business Support

- Marketing & Business Support expenses are \$7,404 over the budgeted plan due to the transition phase between Executive Management teams, additional spend related to communication campaigns and funds utilized for DPCBD branding on the BigBelly Trash cans.

Admin & Reserve

- Admin & Reserve expenses are \$16,594 over the budgeted plan due to rent expense for StreetPlus equipment along with additional professional service expenses.

Conclusion

For much of the latter portion of FY2019/2020, DPCBD was consumed with helping the district adapt to and manage the challenges of the COVID19 pandemic. This included but was not limited to working with StreetPlus to modify their cleaning processes to utilize PPE and social distancing protocols, partnering with local businesses to help build their outdoor “parklets” through the City’s Shared Spaces program and addressing myriad concerns and questions from residents to ensure the safety and wellbeing of everyone in the district during the pandemic.

We were extremely fortunate that our assessments came in at (or very near to) budget.



Lower Polk Community Benefit District
Annual Reports
FY 18-19 and FY 19-20

Chris Schulman
Executive Director

• LOWER POLK •

COMMUNITY BENEFIT DISTRICT



District Map

★

• LOWER POLK •

COMMUNITY BENEFIT DISTRICT

LOWER POLK COMMUNITY BENEFIT DISTRICT



22 whole or partial blocks

480 Parcels

Generally Alice B. Toklas Pl/Myrtle Alley to the South to California Street to the North

Generally Van Ness Avenue to the West and Larkin to the East

Includes CPMC Medical Center and Sgt. John MacAulay Park parcels

Legend

□ District Lots
 ■ District Boundary

Prepared by



Services and Programs

Cleaning and Maintenance

- Pan and broom sweeping
- Pressure washing
- Graffiti Abatement
- Other maintenance including tree wells, trash receptacles, etc.
- Staff restroom adjacent to Sgt. Macaulay Park (through March 2020)

Safety

- Work with neighborhood and City stakeholders to improve safety in the community
- Deploy an ambassador focused on community/social service outreach at Sgt. Macaulay Park
- (2022) Deploying roving team of community ambassadors throughout district

Neighborhood Beautification/Streetscape Improvements/Activations

- Fern Alley Streetscape Improvements/Polk Street Beautification Project
- Partner with Lower Polk Neighbors on activations
- Lower Polk/Tenderloin Art Walk and Wine Walks





Lower Polk Tenant Landlord Clinic

With support and funding from the City of San Francisco, LPCBD continued to operate the award-winning Lower Polk Tenant Landlord Clinic, which helps landlords, small merchants, and tenants resolve issues that may lead to tenant or merchant displacement.

- The TLC is a unique interdisciplinary program that works to keep residential tenants and small “mom and pop” merchants stably sited in their current places of residence or business
- The TLC accomplishes this via education, outreach, referrals, and when needed, alternative dispute resolution. When alternative dispute resolution is required, we work on a rapid response model.
- Primary Partner is the Bar Association of San Francisco
- Hundreds of residential and small business clients served annually



Lower Polk Tenant Landlord Clinic

Client Demographics:

- Ages Range from Teens to 80's with most clients middle aged or senior citizens
- Clients are split identifying as Male and Female with 4% of clients being trans or gender non-conforming.
- Only about 48 percent of our clients identify as straight, with the remainder either choosing not to identify, or identifying as gay or bisexual or "not listed."
- The vast majority of our clients earn under \$18,000 per year, and people who identify as white make up less than 30 percent of our clients.



Financial Data*

Statement of Operations

for the fiscal year ended June 30, 2019

	Actual
REVENUE AND SUPPORT	
Assessments	879,223
Fundraising/In-Kind	596,094
Interest Income	94
Loss on Assets Disposal	(639)
Other	281
TOTAL REVENUE AND SUPPORT	1,475,053
EXPENSES	
Cleaning, Maintenance, and Safety	889,560
Marketing, Streetscape, and Beautification	585,581
Management and Operations	303,429
TOTAL EXPENSES	1,778,570
Change in Net Assets	(303,517)
Prior Year Net Assets (Carryover)	1,014,722
TOTAL NET ASSETS	711,205



Statement of Financial Position

As of 06/30/2019

ASSETS

Cash and Cash Equivalents	500,560
Assessment and Other Receivables	103,954
Prepaid Expenses	73,350
Equipment, net	382,517
TOTAL ASSETS	1,060,381

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	21,397
Accrued Liabilities	226,894
Advances and Unearned Revenue	100,885
TOTAL LIABILITIES	349,176

NET ASSETS

Without Donor Restrictions	696,828
With Donor Restrictions	14,377
TOTAL NET ASSETS (CARRYOVER)	711,205
TOTAL LIABILITIES & NET ASSETS	1,060,381



Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	903,505	876,710	26,795
Fundraising/In-Kind	599,573	750,295	(150,722)
Interest Income	81	-	81
Loss on Assets Disposal	-	-	-
Other	-	-	-
TOTAL REVENUE AND SUPPORT	1,503,159	1,627,005	(123,846)
EXPENSES			
Cleaning, Maintenance, and Safety	836,515	1,109,932	273,417
Marketing, Streetscape, and Beautification	485,491	424,631	(60,860)
Management and Operations	228,953	285,447	56,494
TOTAL EXPENSES	1,550,959	1,820,010	269,051
Change in Net Assets	(47,800)	(193,005)	(145,205)
Prior Year Net Assets (Carryover)	711,205	711,205	-
TOTAL NET ASSETS	663,405	518,200	(145,205)



Statement of Financial Position

As of 06/30/2020

ASSETS

Cash and Cash Equivalents	548,456
Assessment and Other Receivables	140,226
Prepaid Expenses	33,871
Equipment, net	256,289
TOTAL ASSETS	978,842

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	37,080
Accrued Liabilities	94,940
CARES Act PPP Loan	183,417
TOTAL LIABILITIES	315,437

NET ASSETS

Without Donor Restrictions	636,865
With Donor Restrictions	26,540
TOTAL NET ASSETS (CARRYOVER)	663,405
TOTAL LIABILITIES & NET ASSETS	978,842



Chris Schulman
Executive Director
cschulman@lowerpolkcbd.org
415-775-1185



d p c b d

Discover Polk ANNUAL REPORT FY 2019-2020

Discover Polk Community Benefit District

www.discoverpolk.org

PO Box 642097
San Francisco, CA 94164

TABLE OF CONTENTS

Executive Summary _____	4
Status & Progress of District Programs _____	5
Management and Operations _____	5
Board & Staff _____	5
Operations _____	5
Neighborhood Cleanliness _____	6
Branding, Activation & Marketing _____	6
Commercial vacancies as of June 30, 2020: 31 _____	7
Financial Data* _____	8
Statement of Operations (Actual vs. Budget) _____	8
Statement of Financial Position _____	8
Budget _____	9
Financial Notes _____	10
Revenue _____	10
Expense _____	10
Description and Status of Each Contract to Provide Programs/Services _____	11
StreetPlus _____	11
Executive Management Team (Tonic Nightlife Group) _____	11
Preview of FY 2020/2021 _____	11
Appendix _____	13



Delicious TO GO

"Delicious to Go," the Discover Polk-wide art show



Discover Polk businesses utilizing the Share Spaces program



Supervisor Peskin showing off one of the new Big Belly



Interim Manager of StreetPlus, Cleveland



Damon Lew, owner of Johnson Leathers

EXECUTIVE SUMMARY

Discover Polk is a unique Community Benefit District in that seventy-eight percent (78%) of the parcels in the six-block long district are condominiums, and that there are 37 mixed-use buildings with residential rental units above the street level and two single-room occupancy hotels. There are three houses of worship and an eclectic mix of businesses, many of which have been on Polk Street for decades. Incorporated as a 501 (c)(3) in September 2018, Discover Polk CBD (“DPCBD”) was sanctioned by a City agreement on 20 November 2018, and received its first assessments in early January 2019.

Most of the Board of Directors were active in the feasibility and formation phase of DPCBD; they represent large and small property owners, business owners and other community stakeholders. Currently our Board meets bi-monthly, and convenes regular working groups focusing on cleanliness & safety, streetscape, and marketing & communications.

For much of the latter portion of FY2019/2020, DPCBD has been consumed with helping the district adapt to and manage the challenges of the COVID19 pandemic. This included but was not limited to working with StreetPlus to modify their cleaning processes to utilize PPE and social distancing protocols, partnering with local businesses to help build their outdoor “parklets” through the City’s Shared Spaces program and addressing myriad concerns and questions from residents to ensure the safety and wellbeing of everyone in the district during the pandemic.



STATUS & PROGRESS OF DISTRICT PROGRAMS

Management and Operations

Board & Staff

- DPCBD maintained the same twelve (12) Board members throughout the period of the 2019/2020 Annual Report.
- The previous executive management - contracted through LPCBD - resigned two months before the end of 2019. DPCBD finished 2019 operating two (2) months without the support of an Executive Director or District Coordinator.
- In November 2019, the Board approved a job description for Executive Director and a search was launched. A working group interviewed four (4) qualified candidates in December 2019 and January 2020, and unanimously approved the application of a local hospitality and community affairs management company, Tonic Nightlife Group; the Board ratified the choice at a special meeting on January 10, 2020 and the new Executive Management Team accepted the offer on January 20, 2020.

Operations

- From July 2019 to November 2020, DPCBD was in contract with LPCBD for clean & Safe services. The two districts agreed to terminate the management contract as of November 30, 2019.
- In the interim, DPCBD had performed due diligence, soliciting proposals from three experienced providers who deliver services elsewhere in the city. At the November 13, 2019 Board meeting, the ten (10) Board members present unanimously approved the selection of StreetPlus, who began services on December 2, 2019. StreetPlus is a national service provider for urban CBDs and BIDs, with a strong presence in the Bay Area, including a Regional Vice President based in Union Square. They came highly recommended by other San Francisco CBDs and were open to favorable contract negotiations with DPCBD.
- StreetPlus is contracted to provide 192 hours of service per week as follows:
 - Operations Supervisor: 40 hours
 - Team Leader (weekend coverage for Ops Supervisor): 16 hours
 - Cleaning Ambassadors: 96 hours
 - Special Projects: 40 hours
- The StreetPlus contract with DPCBD includes, among other provisions, appropriate training and regional supervision of staff, quarterly performance audits, and regular meetings with the DPCBD Board and Executive Management.
- In late February 2020, the Executive Management team found and leased a space in the district for the StreetPlus service team to utilize as an office, storage facility and warehouse for their supplies and equipment.

Neighborhood Cleanliness

- In December 2019, DPCBD conducted a rubbish audit with rubbish.love and the results were surprising. The bulk of sidewalk soil is gum stains (64%) and cigarette butts (19%). The data from this audit has helped DPCBD prioritize cleaning efforts.
- StreetPlus ramped up to near full levels by Q1 2020 (COVID19 challenges notwithstanding), including regular power washing and steam cleaning of every sidewalk in the district at a minimum of once per every two (2) weeks.
- DPCBD was notified in December 2019 that it had received a grant from OEWD for five (5) Big Belly trash bins. DPCBD worked with OEWD to identify ideal locations for the cans and contracted with a designer for the artwork that would “wrap” the cans in order to provide additional branding for the DPCBD.
- The Big Belly trash cans were installed and operational by June 2020; including a socially distanced press conference with D3 Supervisor Peskin as the main speaker.
- **Statistical Summary of Services Provided by LPCBD February 2019 to November 2019 and StreetPlus December 2019 to July 2020***

Pounds of trash removed	73,163
Hazardous waste (needles) disposed	1,182
Graffiti abated (number of instances)	373
Linear frontage steam cleaned (sq ft)	115,000
Calls addressed for cleaning (direct calls are rare)	7
Call addressed for public safety	3

Branding, Activation & Marketing

- The Executive Management Team commenced regular meetings of the Marketing & Communications Working Group with the board.
- Emails were gathered of local residents, merchants, and fans of DPCBD, and put into a main database for use through Mailchimp and regular email. DPCBD began sending out bi-monthly newsletters with updates on the district to these groups, as well as sending out ad hoc updates to merchants and residents with more time sensitive updates, such as COVID19 PSA's.
- Through an anonymous donor, DPCBD helped offset the costs of DPCBD restaurants “parklets” built to accommodate outdoor seating for patrons during the COVID19 pandemic.

Commercial vacancies as of June 30, 2020: 31 (see attached as Exhibit A)

- Eight (8) of these have been vacant for between one and six years. Five (5) of these eight (8) units are owned by two (2) property owners, neither of whom appears to be motivated to lease their properties.
- Five (5) storefronts became vacant in 2019; three (3) of these were restaurants, one a gym and one a retail store in a building scheduled for seismic retrofit.
- Two (2) of the thirty-one (31) vacancies have submitted applications to planning and are awaiting initial hearings

FINANCIAL DATA*

Statement of Operations (Actual vs. Budget)

For the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	630,940	628,327	2,614
Fundraising/In-Kind	22,605	37,000	(14,395)
Interest Income	0	0	0
TOTAL REVENUE AND SUPPORT	653,546	665,327	(11,781)
EXPENSES			
Clean & Safe Program	280,668	349,181	68,512
Beautification & Placemaking	13,998	21,864	7,866
Marketing, Business Support, Etc	36,172	28,768	(7,404)
Administration & Reserve	93,115	76,521	(16,594)
TOTAL EXPENSES	423,953	476,334	52,381
Change in Net Assets	229,592	188,992	64,162
Prior Year Net Assets (Carryover)	424,195	424,195	0
TOTAL NET ASSETS	653,787	613,187	64,162

Statement of Financial Position

As of June 30, 2020

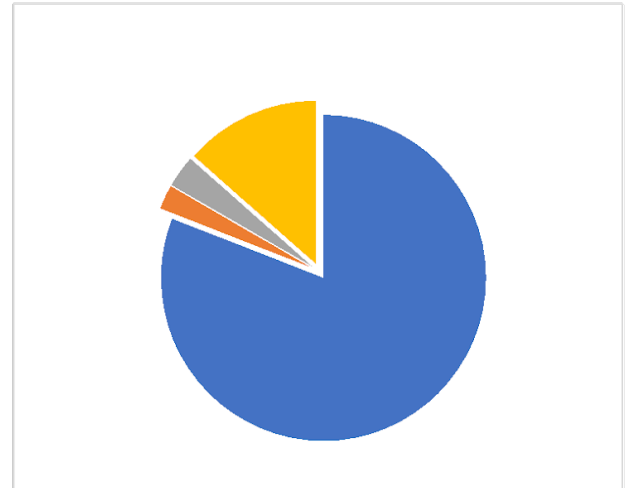
ASSETS	
Cash and Cash Equivalents	654,681
Assessment and Other Receivables	7,320
Prepaid Expenses	308
Equipment, net	1,679
TOTAL ASSETS	663,988
LIABILITIES & NET ASSETS	
LIABILITIES	
Accounts Payable	10,200
TOTAL LIABILITIES	10,200
NET ASSETS	
Without Donor Restrictions	646,468
With Donor Restrictions	7,320
TOTAL NET ASSETS (CARRYOVER)	653,788
TOTAL LIABILITIES & NET ASSETS	663,988

Budget

FY 2020-2021

REVENUE AND SUPPORT	
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820
EXPENSES	
Clean & Safe Program	432,713
Beautification & Placemaking	12,882
Marketing, Business Support, Etc	16,950
Administration & Reserve	72,235
TOTAL EXPENSES	534,779

* Financial data from the audited financial statements.



FINANCIAL NOTES

Revenue

- Assessment revenues followed very closely to plan for the fiscal year. The District's non-assessment revenues (General Benefit) is below plan by \$14,395 but above the mandatory \$20,000 requirement.

Expense

- Overall expenses for the fiscal year are under budget by \$52,381 relative to plan.

Clean & Safe

- Clean & Safe expenses are significantly under the budget due to understaffing issues at StreetPlus mostly related to the COVID19 crisis.

Beautification & Placemaking

- Beautification & Placemaking expenses are \$7,866 under the budget due to the COVID19 crisis.

Marketing & Business Support

- Marketing & Business Support expenses are \$7,404 over the budgeted plan due to the transition phase between Executive Management teams, additional spend related to communication campaigns and funds utilized for DPCBD branding on the BigBelly Trash cans.

Admin & Reserve

- Admin & Reserve expenses are \$16,594 over the budgeted plan due to rent expense for StreetPlus equipment along with additional professional service expenses.

Carryover Status

- DPCBD has a carryover of \$653,788.

Other Notable Items

- DPCBD District elected to change its fiscal year end to go from calendar year end of 12.31 to a fiscal year end of 6.30 to match that of the City and County of San Francisco's year end convention. DPCBD is retaining greater than average reserve funds due to the uncertainty in the following year(s) due to the COVID19 crisis.

DESCRIPTION AND STATUS OF EACH CONTRACT TO PROVIDE PROGRAMS/SERVICES

StreetPlus

DPCBD entered into a three (3) year Maintenance and Hospitality Services agreement on December 1, 2019 with StreetPlus. StreetPlus will handle all of the Clean & Safe activities for DPCBD which include but is not limited to trash pick-up, graffiti abatement, needle pick-up, feces clean-up, power washing, gum removal, weed abatement, hospitality services, etc. Services are provided from 07:00am to 3:30pm, seven (7) days a week except for six (6) Federally recognized holidays. DPCBD meets monthly with the StreetPlus team to discuss the previous months operations and talk about how to optimize service to DPCBD.

Executive Management Team (Tonic Nightlife Group)

DPCBD entered into a six (6) month contract with Tonic Nightlife Group to provide services as the Executive Management Team on January 20, 2020 with automatic renewal for successive one (1) year terms and sixty (60) day termination clauses for both parties. The scope of services includes: accomplishing DPCBD's goals; serving as the principal resource to and primary advocate for the Board; developing and maintaining effective communications with the Board, working groups, and community members; ensuring DPCBD compliance with the Management Plan, DPCBD policies, federal, state, and local regulations, and assure its fiscal health; promoting and supporting local business through marketing programs and city liaison role; directing the administrative work of DPCBD. The Executive Management Team presents at the bi-monthly board meetings, hosts regular meetings of board working groups, and works closely with Board leadership to accomplish DPCBD goals.

Preview of FY 2020/2021

The district is consumed with the challenges of the COVID19 pandemic. Fortunately, the Executive Management Team and StreetPlus cleaning services have been functioning at a high level and meeting their respective goals.

The merchant community has been devastated by the forced closures, reductions of operating hours, and lack of customers. The residents and visitors to DPCBD are also adapting to the health regulations and socially distanced activities. The Executive Management Team will continue to work closely with merchants and residents to help them weather this unprecedented time.

Management & Operations

- StreetPlus
 - Work to achieve and maintain full staffing levels
 - Compile statistically significant data on cleanliness issues to better inform decisions by the Board and Executive Management Team on allocation of resources and advocacy
- Finance and Fund Development (Budget for next fiscal year)

Clean & Safe

- Increase the number of graffiti abatement authorizations for private properties
- Utilize StreetPlus cleaning data to better target cleanliness “hotspots” and direct resources/advocate, accordingly
- Build relationships with new police Captain Yep to address safety concerns and increase police presence in the district

Marketing & Communications

- Activate social media presence including Facebook, Twitter, LinkedIn, Instagram & Nextdoor
- Grow communications list across all channels
- Build “historical archive” of written, photographed, and filmed material of district for use in further communications

StreetScape & Events

- Organize three socially distanced events for the district: Discover Polk Delivers to benefit local restaurants; Delicious To Go, a free outdoor art walk for residents and visitors; and a TBD holiday event which will also be free and outdoors.
- Design and codify an official DPCBD board policy for review of proposed development or business projects in the district

APPENDIX

Exhibit A – Summary of Commercial Vacancies

APN	Address	Use	SQFT	Former Use	Owner
0573-012	2044 Polk St	Residential Hotel (Mixed Use)	950	Molte Cose (Retail)	Raymond G & Lorraine Choy
0573-011	2030 Polk St	Commercial	700	Manicurist (merry manicures)	Karen Quan Revoc Tr
0573-012	2056 Polk St	Residential Hotel (Mixed Use)	800	Retail	Raymond G & Lorraine Choy
0574-011	1648 Pacific Ave	Office Building	3,000	Retail	1648 Pacific LLC
0574-012	1650 Pacific Ave	Commercial	7,762	TRX Gym/Corp	Griffith 1995 Credit Shelter
0574-018	1548 Broadway	Residential (Mixed Use)	2,500	SignoGraphics	David Lipshultz
0574-005	2023 Polk St	Residential (mixed Use)	1,400	n/a	Rose Wing Properties
0595-005	2000 Van Ness Ave	Office Building	1,965	Retail	H E I R Property Holdings LLC
0595-008	2050 Van Ness Ave	Commercial	12,242	Restaurant	2050 Van Ness LLC
0596-021	1906 Polk St	Commercial	1,030	Optometrist (Posinelli)	Peter Gumina
0597-015	1800 Polk St	Residential (mixed Use)	1,900	It's a Grind (coffee Shop)	Raymond Li Tom
0597-015	1804 Polk St	Residential (mixed Use)	800	Fregosi Paints	Raymond Li Tom
0597-029	1850 Polk St	Commercial Condo	2,000	Town School Closet	1850 Polk Street Properties
0597-054	1812 Polk St	Commercial Condo		Escape Room	Karina Vaysman
0598-010A	1946 Van Ness Ave	Industrial	7,405	Bakery	1946 Van Ness Avenue LLC
0598-010B	1940 Van Ness Ave	Commercial	3,130	Cross Fit Gym	Stephen Honnert
0598-014/015	1801 Polk St	Commercial Condo	2,100	Dry Cleaners	Polk/Washington Association LLC
0619-002	1735 Polk St	Mix Flat & Store	5,227	Restaurant	Nguyen Venture LLC
0619-005	1701 Polk St	Residential (mixed Use)	650	Retail (Smith)	Wai-Man Lee
0619-005	1713 Polk St	Residential (mixed Use)	1,103	Florist	Wai-Man Lee
0619-012	1860 Van Ness Ave	Residential (mixed Use)	1,179	n/a	WVN Association
0619-150 ?	1810 Van Ness Ave	Commercial Condo	2,583	Gym	Channers Inc
0620-019	1742 Polk St	Residential (mixed Use)	1,680	Retail (Terrasol)	Devpac LLC

0620-019	1738 Polk St	Residential (mixed Use)	1,680	Modern Design	Devpac LLC
0621-013	1608 Polk St	Residential (mixed Use)	5,600	Restaurant	1688 Sacramento Street LLC
0621-013	1610 Polk St	Residential (mixed Use)	1,000	Salon	1688 Sacramento Street LLC
0621-022	1640 Polk St	Commercial	8,330	Grocery (Big Apple)	Joe & Annie Eng
0622-002	1639 Polk St	Residential (mixed Use)	1,400	Restaurant (Panchos)	Tooran G Khayam-Bashi
0643-001	1553 Polk St	Commercial	950	Retail	Housser Family Trust
0643-002	1541 Polk St	commercial	3,300	Church	Moskowitz Family Trust
0644-016	1538 Polk St	Residential Hotel (Mixed Use)	900	Dry cleaner (Anytime)	Wai-Man Lee

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2020

CONTENTS

	<u>Page</u>
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	1
Statement of Activities	2
Statement of Cash Flows	3
Statement of Functional Expenses	4
Notes to Financial Statements	5 - 11

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Discover Polk Community Benefit District
San Francisco, California

We have audited the accompanying financial statements of Discover Polk Community Benefit District (DPCBD) (a California nonprofit public benefit corporation) which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, statement of functional expenses and statement of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Discover Polk Community Benefit District as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

August 31, 2020

Bunker + Company LLP

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
June 30, 2020

	2020
ASSETS	
Current assets	
Cash and cash equivalents (Note 2)	\$ 654,681
Assesment and other receivables	7,320
Prepaid expenses	308
Total current assets	<u>662,309</u>
Equipment, net of accumulated depreciation of \$622 in 2020 (Notes 2 and 3)	<u>1,679</u>
Total assets	<u><u>\$ 663,988</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	<u>10,200</u>
Total current liabilities	<u>10,200</u>
Net assets:	
Net assets without restrictions	646,468
Net assets with restrictions (Note 4)	7,320
Total net assets	<u>653,788</u>
Total liabilities and net assets	<u><u>\$ 663,988</u></u>

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

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	Net Assets without Donor Restrictions	Net Assets with Temporary Donor Restrictions	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 136,007	\$ 494,933	\$ 630,940
Grant revenue	-	-	-
Contributions	4,250	-	4,250
In-kind contributions	-	18,355	18,355
Fiscal agent fee	-	-	-
Interest	-	-	-
Loss on assets disposal	-	-	-
Total Revenue, gains and other support	140,257	513,288	653,545
Net assets released from restrictions	508,431	(508,431)	-
	648,688	4,857	653,545
EXPENSES			
Program			
Cleaning, maintenance, and safety	294,666	-	294,666
Community events	36,172	-	36,172
Total program services	330,838	-	330,838
Supporting services			
Management and general	89,416	-	89,416
Fundraising	3,698	-	3,698
Total supporting services	93,114	-	93,114
Total expenses	423,952	-	423,952
Change in net assets	224,736	4,857	229,593
Net assets, beginning of year	421,732	2,463	424,195
Net assets, end of year	\$ 646,468	\$ 7,320	\$ 653,788

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

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS
For the year ended June 30, 2020

	2020
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	<u>\$ 229,593</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	460
Changes in assets and liabilities:	
Assessments and other receivables	(4,858)
Deposit with grantee	24,795
Prepaid expenses	789
Prepaid grant expense	4,340
Accounts payable	7,211
Total adjustments	<u>32,737</u>
Net cash (used) provided by operating activities	<u>262,330</u>
Net change in cash and cash equivalents	262,330
Cash and cash equivalents, beginning of year	<u>392,351</u>
Cash and cash equivalents, end of year	<u><u>\$ 654,681</u></u>

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

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020

	Program Services			Support Services		Total
	Environmental Enhancements	Economic Enhancements	Total Programs	Management and General	Fundraising	
Grant Expenses	\$ 103,672	\$ 28,430	\$ 132,102	\$ 33,284	\$ 3,698	\$ 169,084
Cleaning and janitorial	140,237	-	140,237	-	-	140,237
Professional services	28,170	6,050	34,220	43,304	-	77,524
Rent, utilities, occupancy	18,470	819	19,289	10,364	-	29,653
Travel and meals	-	-	-	73	-	73
Supplies, tools, postage, printing, software	4,117	873	4,990	597	-	5,587
Dues, licenses, advertising	-	-	-	1,301	-	1,301
Bank fees and interest	-	-	-	33	-	33
Depreciation and amortization	-	-	-	460	-	460
Total Expenses	<u>\$ 294,666</u>	<u>\$ 36,172</u>	<u>\$ 330,838</u>	<u>\$ 89,416</u>	<u>\$ 3,698</u>	<u>\$ 423,952</u>
Percent of Total	70%	9%	78%	21%	1%	100%

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

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Discover Polk Community Benefit District (DPCBD) is a not-for-profit community-based organization, whose mission is to improve the quality of life for all residents, businesses and visitors to the Polk Street neighborhood, centered along the Polk Street corridor from California Street to Broadway Street. The Polk Street neighborhood contains an eclectic mix of unique small and independent businesses, and DPCBD aims to support and provide funding for enhanced maintenance, hospitality, beautification and business support programs, above and beyond those provided by the City of San Francisco.

DPCBD will advance the quality of life for residents, workers and visitors by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of the area's economic base.

DPCBD exists to implement programs to create a neighborhood that is safer, cleaner and a better place to conduct business and live. These programs and services are funded by district property owners in the Discover Polk neighborhood, contributions from donors, and various grants.

Programs and services provided by DPCBD include:

Environmental Enhancements – includes litter and graffiti removal, pressure washing sidewalks, spot or detailed cleaning of public areas, safety patrols, outreach and case management with the homeless, landscaping, planters, seasonal decorations, cosmetic improvements, lighting, signage, and similar items.

Economic Enhancements – includes support for businesses within the district including dining, shopping, and services to promote a healthy and vibrant mixed use environment; marketing and communications to support all components of the DPCBD's Management Plan; local events such as pop-up art galleries, outdoor concerts or movies, farmers' markets, community events, or similar programs.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The financial statements of the DPCBD are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Basis of Presentation – The DPCBD is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions.

Net assets with temporary donor restrictions - Net assets resulting (a) from contributions and other inflows of assets whose use by the DPCBD is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the DPCBD pursuant to those stipulations, (b) from other asset enhancements and diminishment that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets.

Net assets with permanent donor restrictions - Net assets resulting (a) from contributions and other inflows of assets whose use by the DPCBD is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the DPCBD, (b) from other asset enhancements and diminishment that are subject to the same kinds of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

Fair Value Measurements – The DPCBD carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the DPCBD to classify these financial instruments into a three-level hierarchy. The DPCBD classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

The DPCBD's carrying amounts of its assets and liabilities, approximate fair value under Level 1 for the year ended June 30, 2020.

As of June 30, 2020, there were no permanently restricted net assets.

Property, Equipment, and Leasehold Improvements - The DPCBD records property, equipment, and leasehold improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from three to five years. The DPCBD capitalizes all property, equipment, and improvements with a cost in excess of \$2,500.

Contributions, Revenue Recognition, and Accounts Receivable – Assessments and other receivables represent amounts due from the City and County of San Francisco (CCSF) for obligations of local property owners collected on the behalf of DPCBD, and other amounts due to DPCBD for city hiring programs. Unpaid receivables do not accrue interest.

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

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Multi-year pledges are recorded at present value, if applicable.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to net assets without donor restrictions.

Advertising Costs – It is the policy of the DPCBD to expense advertising costs as incurred.

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses - The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates and analysis of personnel time spent on each program and activity.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual future results could differ from those estimates.

Income Taxes - The DPCBD is exempt from federal and state taxes under Section 501(c) (3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be a Corporation other than a private Foundation. In the opinion of management, there is no unrelated business income.

Recent Accounting Pronouncements –

In August 2016, the Financial Accounting Standards Board issued ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*, amending the ASC 958. This update changes the presentation of certain information in the financial statements and footnote disclosures of not-for-profit entities. The update also changes the way that not-for-profit entities classify net assets. The new guidance is effective for the DPCBD for the year beginning July 1, 2019.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). These amendments clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations. The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. ASU 2018-08 is effective for the Corporation's year beginning July 1, 2019, with early adoption permitted.

Discover Polk Community Benefit District is in full compliance with both of the above pronouncements.

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2020</u>
Computer and office equipment	\$ 2,301
Accumulated depreciation and amortization	<u>(622)</u>
Property and equipment, net	<u>\$ 1,679</u>

Depreciation and amortization expense was \$460 for the year ended June 30, 2020.

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2020, consisted of the following:

	<u>2020</u>
Assessment receivable (FYE 2019)	<u>\$ 7,320</u>

NOTE 5 COMMITMENTS

DPCBD subleases storage space in San Francisco, California under an operating lease that commenced on February 1, 2020 and expires June 30, 2021, with opportunity to renegotiate at that time. The lease calls for monthly payments at \$3,000 with estimated future payments as follows:

Fiscal year ended,	
<u>June 30</u>	
2021	<u>\$ 36,000</u>

During the year ended June 30, 2020, DPCBD paid rent in the amount of \$13,345.

DPCBD contracts with two entities to help with management, governance, and executing the mission of DPCBD.

DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020

NOTE 5 COMMITMENTS (continued)

Tonic Nightlife LLC, a management company that performs functions of governance for DPCBD is in contract for \$100,000 through June 30, 2020 and renews on a perpetual basis until cancelled by either party with a 60 day written notice.

DPCBD contracts annually with Streetplus for \$339,422 to perform activities including daily sidewalk cleaning, graffiti abatement, and pressure washing of trouble spots. This contract expires November 30, 2020 and thereafter is extendable for 1 year with 60 days written notice from DPCBD to Streetplus.

NOTE 6 LIQUIDITY MANAGEMENT

As part of DPCBD's liquidity management strategy, the Corporation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of assessments and grants. The Corporation has sufficient cash and cash equivalents to meet its current needs.

NOTE 7 CORONA VIRUS

The novel coronavirus (COVID-19) pandemic continues to spread around the globe rapidly. The virus has taken its toll on not just human life, but financial markets, businesses and nonprofit organizations as well, the extent of which is currently indeterminate. DPCBD is closely monitoring its liquidity, and is actively working to minimize the impact of the economic disruption and other factors effecting its cash-flows.

NOTE 8 FUNDRAISING REQUIREMENTS

The CCSF's contract requires DPCBD to annually raise not less than 3.375% of its annual budget from sources other than CCSF's assessments. For the year ended June 30, 2020, DPCBD satisfied this requirement.

**DISCOVER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2020**

NOTE 9 CONCENTRATION OF RISK

Revenue concentration of risk – During the year ended June 30, 2020, DPCBD received 96.5% of its total income from the City and County of San Francisco in the form of assessments and revenue from other programs.

As of June 30, 2020, DPCBD had cash balances with financial institutions which exceeded the Federal Deposit Insurance Corporation insured limit of \$250,000 by approximately \$483,300.

NOTE 10 SUBSEQUENT EVENTS

Management has evaluated all material subsequent events through the Auditor's Report date, the date the financial statements were available to be issued, and are asserting there are none.

MEMO

To: Supervisor Aaron Peskin, District 3

CC: San Francisco Board of Supervisors

From: Chris Corgas; OEWD Senior Program Manager

RE: Discover Polk Community Benefit District; FY 2019-2020 Annual Report

Date: July 22, 2021

This is a memo summarizing the accomplishments of the Discover Polk Community Benefit District and an analysis of its financial statements for the period between July 1, 2019 and June 30, 2020.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Discover Polk 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 Discover Polk CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2018.

Also attached to this memo are the following documents:

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



Background

The Discover Polk Community Benefit District includes 570 property-based parcels.

- July 24, 2018: the Board of Supervisors approved the resolution that established the property-based district called the Discover Polk Community Benefit District for 11 years commencing with FY 2018-2019 (Resolution # 238-18).
- July 28, 2015: the Board of Supervisors approved the resolution approving an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the "Discover Polk Community Benefit District" (Resolution #402-18)).

Basic Info about Discover Polk CBD

Year Established	July 2018
Assessment Collection Period	FY 2018-19 to FY 2028-29 (July 1, 2014 to June 30, 2029)
Services Start and End Date	January 1, 2019 – December 31, 2029
Initial Estimated Annual Budget	\$622,784
FY 19-20 Assessment Submission	\$629,414.98
Fiscal Year	July 1 – June 30
Executive Director(s)	Christian Martin (former) Duncan Talento Ley; co-Executive Director (current) Ben Bleiman; co-Executive Director (current)
Name of Nonprofit Owners' Association	Discover Polk Community Benefit District

The current CBD website, <https://discoverpolk.org/>, includes all the pertinent information about the organization and their programs, meeting agendas, and their Management Plan.

Summary of Service Area Goals

Environmental Enhancements

Environmental enhancements are designed to make the neighborhood a more welcoming, clean, and beautiful place for all live, work, play, and visit the area. The CBD's Management Plan provides for the weekly deployment of 250 hours of uniformed Cleaning and Hospitality Ambassadors throughout the district whose duties include: litter removal, detail cleaning of public amenities, graffiti removal, weed removal, pressure washing of sidewalks, and requested spot cleanings. Additionally, this service area includes funding for beautification and placemaking which is designed to invest in highly visible improvements to add to the attractiveness of public spaces throughout the district, including: landscaping, seasonal decorations, wayfinding, and temporary or permanent public art installations.

Economic Enhancements

Economic enhancements are designed to strengthen the district's business corridor. This includes business support which includes time spent to attract new tenants, new investments, and to promote continued mixed-use development. Additionally, this service areas funds a marketing and communications program. This program is focused on creating awareness of the environmental

enhancements performed by the CBD and of the district's business offerings. It also supports property owners in efforts to attract unique tenants and explores ways to connect district residents to local stores and restaurants, such as "buy local" campaigns and the development of a district directory, district website, and supporting social media.

District Coordinator, Administration, and Reserve

To maximize the benefits to rate payers, the CBD requires a professional staff to properly manage programs, communicate with stakeholders, and provide leadership. Additional administrative costs may include: accounting and financial review or audits, insurance, program support costs, and other administrative costs associate with the overhead and administrative support of programming. Additionally, a reserve is budgeted to provide a contingency for unforeseen program needs and to provide a cushion for delinquent assessments. Reserve funds may also be used for costs associated with strategic planning and renewal.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2019-2020

Environmental Enhancements

- Conducted a rubbish audit with rubbish.love which determined that the bulk of sidewalk stains consisted of gum stains (64%) and cigarette butts (19%).
- Received a grant from Office of Economic and Workforce Development (OEWD) for five (5) Big Belly trash receptacles which were installed in June 2020.
- 73,163 lbs of trash removed
- 1,182 needles properly disposed of
- Abated 373 instances of graffiti
- 115,000 linear feet steam cleaned
- Responded to 7 spot requests for cleaning services

Economic Enhancements

- Executive Management Team commenced regular meetings of the Marketing & Communications Working Group with the board.
- Created an email database of local residents, businesses, and other stakeholders to include for regular mailings.
- Began sending out bi-monthly newsletters with district updates.
- Provided information on vacant storefronts within the CBD area.

District Coordinator, Administration, and Reserve

- FY 2019-20 saw the DPCBD end its relationship with the Lower Polk CBD and seek out its own executive management team and service provider. This resulted in the hiring of Duncan Talento Ley and Ben Bleiman as co-Executive Directors of the CBD and of StreetsPlus as the CBD's service provider.

DPCBD Annual Budget Analysis

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

- **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 “Discover Polk Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether three and thirty-six hundredths percent (3.36%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Discover Polk 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 “Discover Polk Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether DPCBD 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: *DPCBD met this requirement.. See tables below.*

Service Category	Management Plan Budget (Percentage)	FY 2019-20 Budget (Percentage)	Variance Percentage Points
Environmental Enhancements	\$399,000.00 (66.30%)	\$349,181.00 (73.31%)	+7.01%
Economic Enhancements	\$75,000.00 (12.46%)	\$50,632.00 (10.63%)	-1.83%
District Coordinator, Administration, & Reserve	\$127,784.00 (21.23%)	\$76,521.00 (16.06%)	-5.17%
TOTAL	\$601,784.00 (100%)	\$476,334.00 (100%)	

BENCHMARK 2: Whether three and thirty-six hundredths percent (3.36%) of actuals came from sources other than assessment revenue

ANALYSIS: *DPCBD met this requirement. Assessment revenue was \$630,940.00 or 96.54% of actuals and non-assessment revenue was \$22,605.00 or 3.46% of actuals. See table below.*

Revenue Sources	FY 2019-2020	% of Actuals

	Actuals	
Special Benefit Assessments	\$630,940.00	
Total assessment revenue	\$630,940.00	96.54%
Contributions	\$4,250.00	0.65%
Grants	\$18,335.00	2.81%
Total non-assessment revenue	\$22,605.00	3.46%
Total	\$653,545.00	100%

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

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

Service Category	FY 2019-20 Budget (Percentage)	FY 2019-20 Actuals	Variance Percentage Points
Environmental Enhancements	\$349,181.00 (73.31%)	\$280,668.00 (66.20%)	-7.11%
Economic Enhancements	\$50,632.00 (10.63%)	\$50,170.00 (11.83%)	+1.2%
District Coordinator, Administration, & Reserve	\$76,521.00 (16.06%)	\$93,115.00 (21.96%)	+5.9%
TOTAL	\$476,334.00 (100%)	\$423,953.00 (100%)	

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

FY 2019-20 Carryover Disbursement	
Designated Projects	
Environmental Enhancements	\$ 216,403.72

Economic Enhancements	\$ 38,573.49
District Coordinator, Administration, & Reserve	\$ 71,589.79
Total Designated amount for FY 20-21	\$326,567.00
Total Designated amount for Future Years	\$327,221.00

Findings and Recommendations

This is the DPCBD's first annual report required under State law and the district's management agreement with the City and County of San Francisco. DPCBD has met all of the benchmarks as defined on page 4 of this memo.

FY 2019-20 was one of change and challenge for the CBD. In the early part of FY 19-20 the CBD ended its association and service contract with the Lower Polk CBD. This contract had Lower Polk CBD staff implementing services within the Discover Polk CBD footprint. The arrangement ended to better ensure that both DPCBD and LPCBD could respond to the unique needs of each district more effectively. The DPCBD governing board oversaw a robust process to hire an executive director and a service provider. In the end they hired Duncan Talento Ley and Ben Bleiman as co-executive directors of the CBD; additionally, they hired StreetsPlus to provide day to day environmental enhancements within the district footprint.

The second half of FY 2019-2020 was particularly challenging for the Discover Polk 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 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 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 as to whether or not they were to cease operations. The Discover Polk CBD did not suspend operations and continued to perform essential services in the early days of the pandemic ensuring that the public rights of way in the area maintained were clean. OEWD worked with the Covid Command Center to ensure that these essential workers were not forgotten during the Covid response and was able to acquire personal protective equipment and hygiene supplies to keep workers and the community safe. CBD/BIDs played an important role in facilitating communication between the City and their stakeholders throughout the pandemic.

The CBD was effective at adapting its services due to the Covid-19 pandemic. This included, but was not limited to working with their service contractor to modify their cleaning processes to utilize PPE and social distancing protocols, partnering with local businesses to help build their outdoor

“parklets” through the City’s Shared Spaces program, and addressing other concerns and questions from residents, businesses, and stakeholders to ensure the safety and wellbeing of everyone in the district during the pandemic. DPCBD has been in an instrumental partner in ensuring timely pandemic related information is distributed to stakeholders within the district.

Conclusion

The Discover Polk CBD has performed well in implementing the services outline in their management plan and addressing new realities caused by the Covid-19 global pandemic. DPCBD has done an outstanding job in partnering with community stakeholders and numerous municipal agencies for the activation and improvement of public spaces. DPCBD is a well-run organization with an active Board, committee members and will continue to successfully carry out its mission as a community benefit district.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Kate Sofis, Director, Office of Economic and Workforce Development
Ben Rosenfield, City Controller

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

DATE: November 3, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on October 26, 2021:

File No. 211135

Resolution receiving and approving an annual report for the Discover Polk Community Benefit District for Fiscal Year (FY) 2019-2020, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Offices of Chair Preston and Supervisor Peskin
Todd Rydstrom, Office of the Controller
Anne Taupier, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

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

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

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

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

Sponsor(s):

Supervisor Peskin

Subject:

[Discover Polk Community Benefit District – Annual Report for FY 2019-2020]

The text is listed:

Resolution receiving and approving annual report for the Discover Polk Community Benefit District for fiscal year 2019-2020, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only