

File No. 240208

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: May 16, 2024

Board of Supervisors Meeting:

Date: _____

Cmte Board

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

OTHER

- Annual Report 2022
- Financial Statements 123122
- Additional Financial Reporting
- OEWD Memo 021024
- FYI Referral 031224
- 2022 Surveillance Technology Report
- _____

Prepared by: Monique Crayton

Date: May 10, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Central Market Community Benefit District - Annual Report - CY2022]

2

3 **Resolution receiving and approving an annual report for the Central Market Community**
4 **Benefit District for Calendar Year (CY) 2022, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, et seq.), Section 36650, and the District’s management agreement with**
7 **the City, Section 3.4.**

8

9 WHEREAS, On September 12, 2006, pursuant to the Property and Business
10 Improvement District Law of 1994 (the “Act”), California Streets and Highways Code Sections
11 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
12 Regulations Code, the Board of Supervisors adopted Resolution No. 519-06, expressing the
13 City’s intention to establish the Central Market Community Benefit District (the “Central Market
14 CBD”); and

15 WHEREAS, On October 31, 2006, the Board of Supervisors adopted Resolution
16 No. 631-06 establishing the Central Market CBD ("Resolution to Establish") for a period of 7
17 years, commencing Fiscal Year (FY) 2006-2007; and

18 WHEREAS, On June 19, 2007, the Board of Supervisors adopted Resolution
19 No. 313-07, authorizing an agreement with the owners' association for the
20 administration/management of the Central Market CBD, and a management agreement (the
21 “Management Contract”) with the owners' association, the Central Market Community Benefit
22 District Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 070673; and

25

1 WHEREAS, On July 23, 2013, the Board of Supervisors adopted Resolution No. 264-
2 13 renewing and expanding the Central Market CBD for a period of 15 years, commencing
3 with FY2013-2014;

4 WHEREAS, On February 4, 2014, the Board of Supervisors adopted Resolution
5 No. 019-14, authorizing an agreement with the owners' association for the
6 administration/management of the Central Market CBD, and a management agreement (the
7 "Management Contract") with the owners' association, the Central Market Community Benefit
8 District Corporation, was executed accordingly; and

9 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
10 of Supervisors in File No. 140038; and

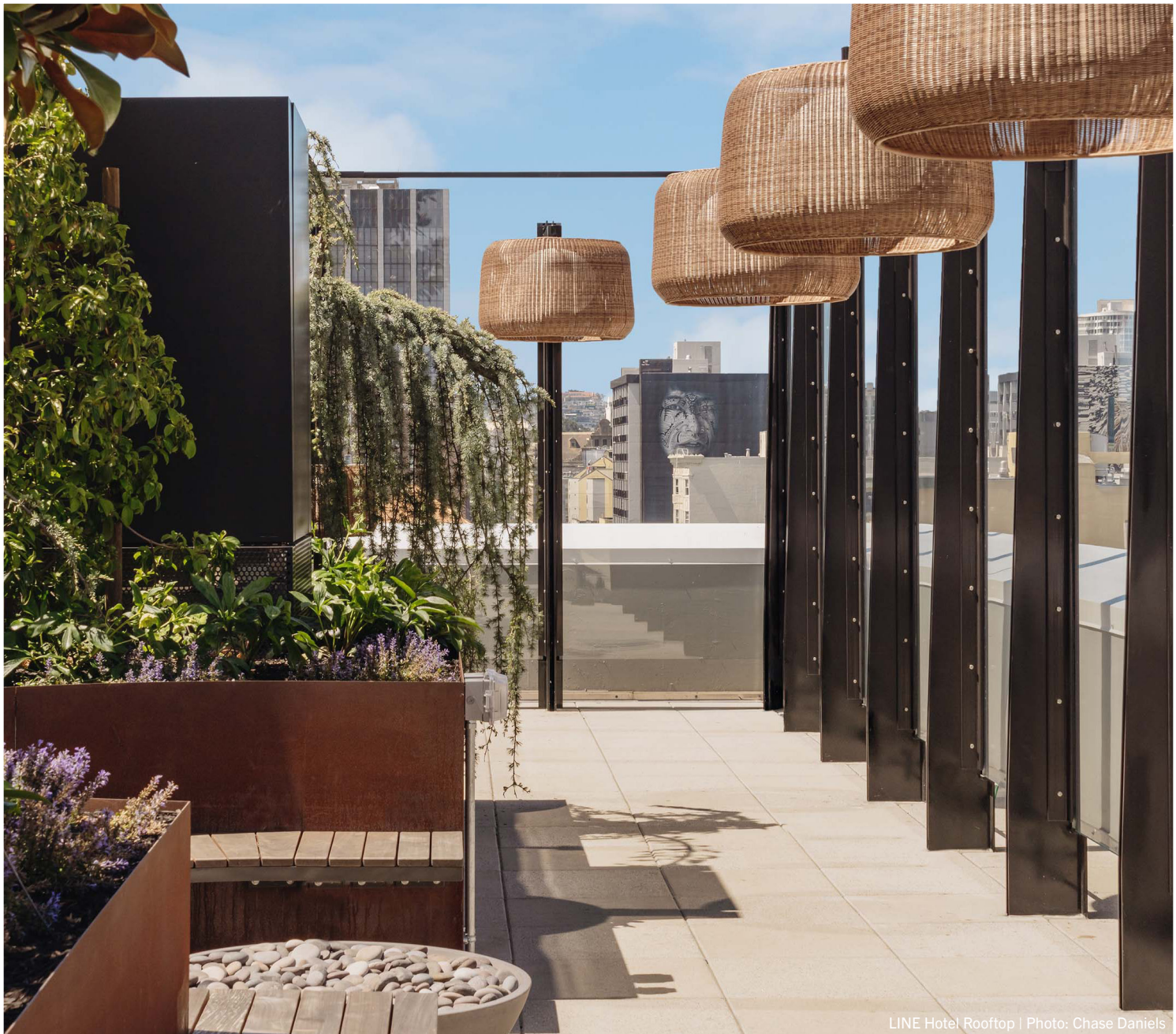
11 WHEREAS, On March 24, 2023, the Board of Supervisors approved the Central
12 Market CBD's annual report for Calendar Year 2021 in Resolution No. 117-23; and

13 WHEREAS, The Central Market CBD has submitted for the Board's receipt and
14 approval the Central Market Annual Report for Calendar Year 2022, as required by Section
15 36650 of the Act and Section 3.4 of the Management Contract; and

16 WHEREAS, The 2022 annual report are on file with the Clerk of the Board of
17 Supervisors in File No. 240208, and are incorporated herein by reference as though fully set
18 forth; and

19 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
20 memorandum report from the City's Office of Economic and Workforce Development, dated
21 February 10, 2024, and documentation from the Central Market CBD for the 2022 annual
22 report are on file with the Clerk of the Board of Supervisors in File No. 240208; now, therefore,
23 be it

24 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
25 report for the Central Market Community Benefit District for Calendar Year 2022.

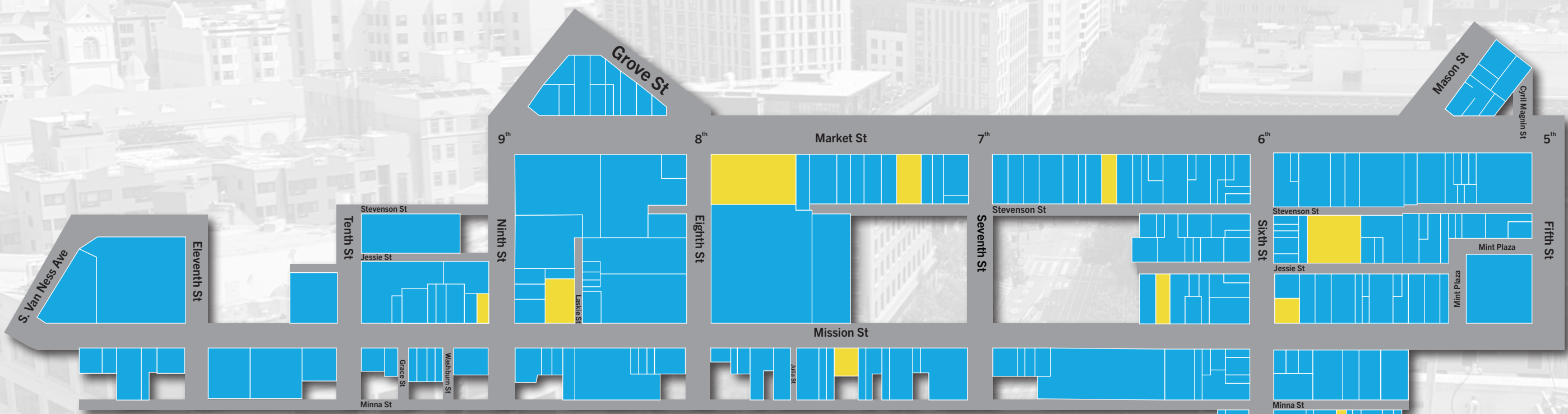


LINE Hotel Rooftop | Photo: Chase Daniels



mid market community benefit district

2022 Annual Report



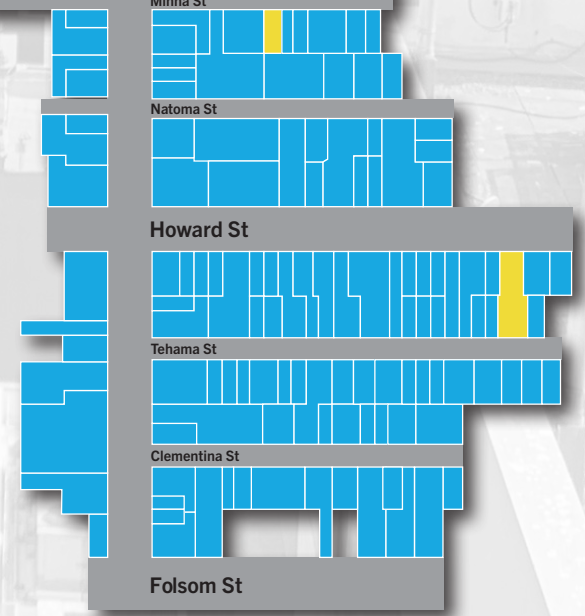
Centrally located along Market Street, MMCBD's 98 acres include parts of Civic Center, SOMA, Tenderloin, and Union Square neighborhoods. With over 900 existing parcels and several new residential and commercial development projects underway, we are one of San Francisco's most dynamic property-based improvement Districts. Home to two of downtown San Francisco's busiest transit stations—Powell Street and Civic Center—early morning commuters, late night theater-goers, residents, and international tourists enjoy convenient access to the City's Municipal Railway (Muni) and Bay Area Rapid Transit (BART).

The heavily-trafficked area requires balancing the needs of the District with a specialized approach and great attention to detail. MMCBD provides core neighborhood services with its Community Ambassadors and Clean Team, while also promoting local businesses, supporting economic development and public improvement efforts, and advocating on behalf of its constituents regarding policy, planning, and quality-of-life issues.

Since 2007, MMCBD has been working with a volunteer Board of Directors, committees and community partners on improving the public realm in Mid Market; in 2014 district property owners renewed the CBD's services for another 15 years. Currently MMCBD remains committed to keeping the public realm as clean and safe as possible in partnership with numerous City agencies, working to recover from the challenges of the pandemic.

MMCBD Dispatch
 (415) 543-5223
 dispatch@midmarketcbd.org
 7am-7pm, 7 days/week

- MMCBD Parcels
- Parcels in development

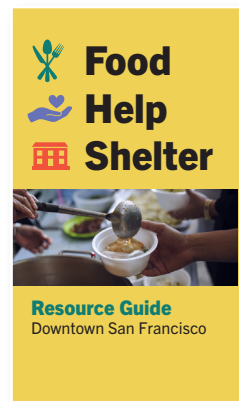




Affordable Housing & Social Service Resources

*Does not include BMR units in Market rate developments

The Mid Market Community Benefit District-produced Resource Guide provides a vital link between those in need who frequent District public spaces and the organizations that help those seeking services. The guide includes everything from where to find housing and employment services, to personal storage options, to where to find a hot meal, clothing and showers. These pocket-sized guides, first created in 2019, are updated throughout the year, and printed and distributed across Mid Market and Civic Center areas of downtown San Francisco through our Ambassadors and Clean Team, and are found at many District businesses and organizations. In 2022, MMCBD distributed over 6,500 of these guides.



- SRO Hotel
- Affordable Housing
- UC Affordable Housing (under construction)
- Social Service Agency
- UC Social Service Agency (under construction)
- Shelter in Place Hotel (SIP) Hotel
- MMCBD District Parcels

CLEANING & MAINTENANCE



4,160
hours of pressure washing



179,475
pounds of trash removed



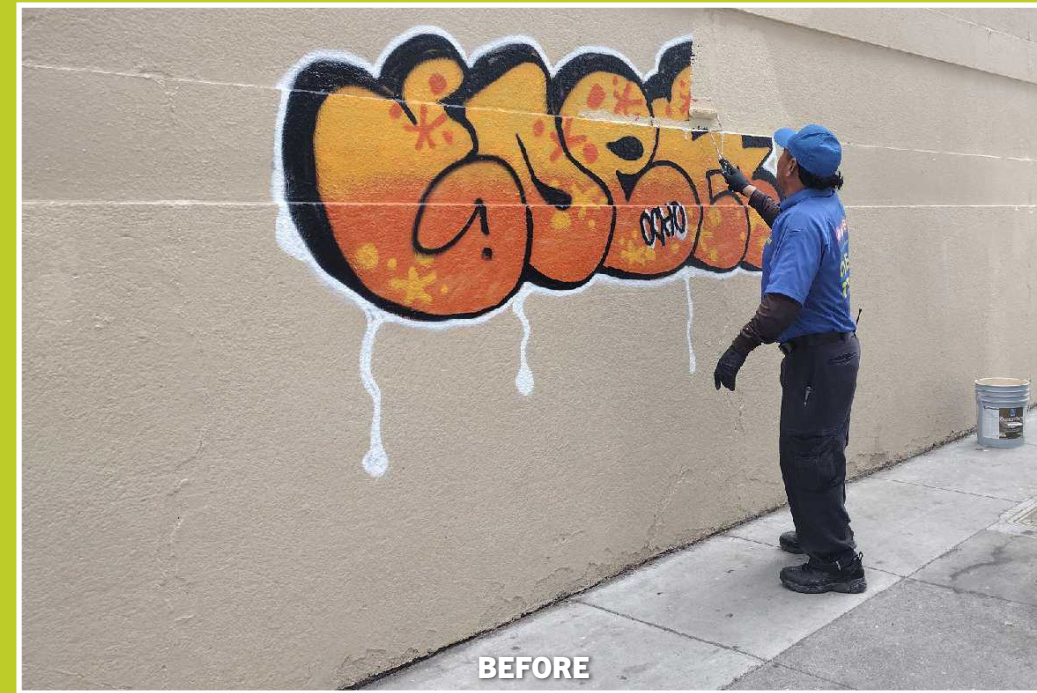
2,631
stickers & flyers removed

CLEAN TEAM

San Francisco Public Works is responsible for street maintenance and street trees, while property owners are responsible for sidewalk maintenance. MMCBD's Clean Team maintains sidewalks and public plazas on behalf of property owners.

In an effort to provide a cleaner, safer and more vibrant environment our Clean Team sweeps and pressure washes sidewalks and plazas, monitors public trash receptacles for overflow, removes litter, conducts graffiti abatement, and weeds tree basins. The Clean Team responds to neighborhood cleaning needs that arrive via 311 or through our Dispatch Office seven days a week, from 7am to 7pm. Cleaners also proactively identify and report the need for Ambassador support while in the field.

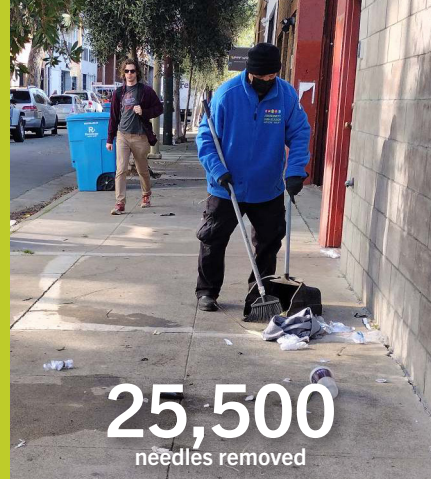
The work of all San Francisco property-based improvement districts is highlighted on the San Francisco Benefit District Alliance webpage: <https://www.sfbda.org/>



BEFORE



AFTER



25,500
needles removed



20,439
graffiti removal, private + public property



22,615
instances of hazardous waste removed

PUBLIC SAFETY



2,038
social service requests



AMBASSADORS

High trained Community Ambassadors provide hospitality and wayfinding support for pedestrians. They also serve as eyes and ears on the street, attempting to proactively deter crime and address anti-social behavior. MMCBD Ambassadors are also trained in social service outreach and able to assist people in need of help. The team is in radio contact with a central dispatch office that logs all incoming calls, dispatches services, and tracks completion.

MMCBD Ambassadors serve as first responders helping to reduce unnecessary calls to local Police and Fire Departments. They have the ability to assess situations and determine the proper course of action without having to involve the authorities. Their presence results in more appropriate and effective help for individuals and provides cost savings for San Francisco taxpayers.

SAFETY TEAMS

MMCBD Safety Teams consist of an SFPD 10B Officer and an MMCBD Ambassador. These co-responder teams proactively walk targeted areas in the District and together respond to calls for service. By drawing upon the combined expertise of the Officer and the Community Ambassador, the team is able to effectively address pedestrian safety issues and connect people in need with appropriate services. The teams consistently work to meet and get to know people in the community, building trust and strengthening communication. Merchants, residents, and visitors greatly appreciate the Safety Teams and the heightened sense of safety they provide.

PUBLIC SAFETY CAMERAS

MMCBD's public safety cameras are a proactive deterrent to illegal activity, and also provide law enforcement with accurate accounts of situations occurring in the public realm should the need arise. Learn more about the program by contacting: video@midmarketcbd.org



ECONOMIC DEVELOPMENT



BUSINESS ATTRACTION, RETENTION & EXPANSION

MMCBD works to ensure that the District is home to a diverse and vibrant mix of retail establishments. We help attract and retain small businesses in the District by vetting and connecting prospective tenants with landlords, and conducting tours of the neighborhood. MMCBD staff facilitate connections to leasing assistance and access to capital, as well as City-sponsored economic development incentives, programs, and permitting.

In 2022 MMCBD also played a critical role advocating for small businesses along 6th Street that are impacted by construction associated with the 6th Street Pedestrian Safety Project. MMCBD is collaborating with City agencies to ensure that wayfinding signage and promotional materials highlight the many small businesses that remain open during construction that may need additional support.

[List of current businesses in Mid Market](#)

[Mid Market marketing brochure](#)

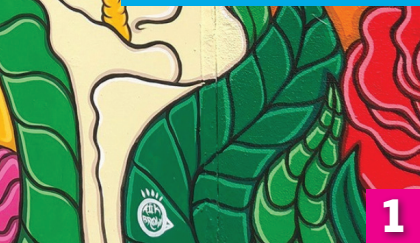
[District wide vacancies](#)

NEW DISTRICT BUSINESSES IN 2022:

- GAI Chicken & Rice
- Rise Over Run
- Solano Pharmacy
- The Tune Cafe
- LINE Hotel
- Pop Star Shwarma
- Tenderheart
- Whole Foods Market



HIGHLIGHTS



1



2



3

The Mid Market District came back to life in 2022, with energy not felt since before the pandemic. Some of our favorite highlights from the year are as follows:

1. Arts organization **Root Division** has a new mural blooming along their Minna Street entrance: "FlowHers & Leaves" by artists Aik Brown and Adriana Raquel.
2. The **SF Pride Parade** returned to Market Street in June after a 2-year hiatus due to the pandemic. Fun and laughter filled the streets and parade goers enjoyed a fun, party atmosphere. Also over Pride weekend, Illuminate the Arts' rainbow lights beamed down Market Street, lighting up the sky with a warm rainbow glow.
3. The San Francisco Chronicle highlighted the success of **The Panoramic Hotel** being turned into supportive housing, with residents receiving supportive care that has been lacking at other housing projects.
4. **Dub Nation** celebrated the return of the newly minted home team champions, the Golden State Warriors, at the Victory Parade through the District in June. An estimated 1 million fans turned out to welcome home the team. Congratulations NBA Finals Champions 2022!
5. Brand new **LINE Hotel** opens with a fantastic rooftop and numerous food and beverage offerings.
6. The popular **Skybridge on Stevenson** events returned on Thursday evenings, welcoming all ages and featuring DJs, dance performances, and food offerings including Stevenson Street's own Montesauro.
7. The largest **Whole Foods** in San Francisco opened in Trinity Place.
8. The **Robin Williams** mural by street artist Cobre has returned to Market Street. Knowing how much the original mural was beloved by locals and visitors, MMCBD identified a storefront and worked with the property owner, the artist, and the City's Community Challenge Grant to bring this piece back to Mid Market.
9. **Circus Bella** delighted audiences at Mint Plaza, with two free performances sponsored by the MMCBD in October. We were delighted to see the faces of neighborhood children light up as Circus Bella flipped, flopped and flew!



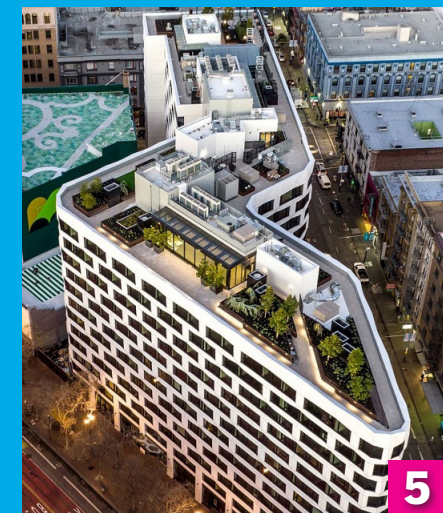
7



4



8



5



9



6

2022 FINANCIALS

FY 2022 Budget

	Assessment	Assessment %
Cleaning & Maintenance	\$497,721	29.61%
Public Safety	\$597,683	35.55%
Management & Administration	\$585,699	34.84%
Total	\$1,681,103	100%

Non-Assessment

Grants	\$15,000
Fee for Service	\$640,588
Other	\$293,832
Total	\$949,420

FY 2022 Actual

	Assessment	Assessment %
Cleaning & Maintenance	\$485,581	29.81%
Public Safety	\$549,597	33.74%
Management & Administration	\$593,840	36.45%
Total	\$1,629,018	100%

Non-Assessment

Grants	\$80,895
Fee for Service	\$623,991
Other	\$103,109
Total	\$808,085

FY2022 Carryover Funds Used

Co-Responder Safety Team	\$13,655
Cleaning Team	\$10,753
Total	\$24,418

Statement of Financial Position

Cash & Contingency	\$2,277,698
Receivables Net	\$98,726
Furniture & Equipment Net	\$34,362
Other Current Assets	\$2,115
Total Assets	\$2,412,900

Liabilities & Net Assets

Accounts Payable & Accrued Expenses	\$341,541
Deferred Revenues	\$1,429,751
Notes Payable (Capital Equipment)	\$36,016
Total Liabilities	\$1,807,308

NET ASSETS

Total Liabilities & Net Assets	\$506,867
Total Liabilities & Net Assets	\$2,314,174



Proper Hotel Rooftop, View from Charmaine's

Board of Directors

Chris Callandrillo Episcopal Community Services **Philip Gerrie** SF Friends Meeting House **David Harrison** Patson Company

Mia Kautovaara Ingka Centres **Jeannie Kim** SAMS American Eatery & Fermentation Lab **Kristie Lober** Related

Dipak Patel Property Owner **Jim Sangiacomo** Trinity Properties **Jane Weil** Resident **Bill Whitfield** Shorenstein Realty

1182 Market Street, Suite 213 | San Francisco, CA 94102 | (415) 957-5985 | info@midmarketcbd.org | midmarketcbd.org



facebook.com/midmarketsf | twitter.com/midmarketcbd | instagram.com/midmarket_cbd

**MID MARKET COMMUNITY BENEFIT DISTRICT
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2022

This Page Left Intentionally Blank

MID MARKET COMMUNITY BENEFIT DISTRICT

**Financial Statements
For the Year Ended December 31, 2022**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7

MID MARKET COMMUNITY BENEFIT DISTRICT

DECEMBER 31, 2022

BOARD OF DIRECTORS

Chris Callandrillo
Philip Gerrie
David Harrison
Mia Kautovaara
Jeannie Kim
Kristie Lober
Dipak Patel
Jim Sangiacomo
Jane Weil
Bill Whitfield

MANAGEMENT

Tracy Everwine, Executive Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mid Market Community Benefit District
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mid Market Community Benefit District (District), which comprises the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Maze & Associates

Pleasant Hill, California
August 11, 2023

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

Current Assets:	
Cash and cash equivalents (Note 3)	\$2,178,972
Cash designated for contingencies and reserve (Note 3)	989,014
Account receivable (Note 2B)	98,726
Security deposits and other	<u>2,115</u>
Total Current Assets	<u>3,268,827</u>
Non Current Assets:	
Property and equipment, net of accumulated depreciation of \$46,054 (Note 2C)	<u>34,362</u>
Total Non Current Assets	<u>34,362</u>
Total Assets	<u>3,303,189</u>

LIABILITIES

Current Liabilities:	
Accounts payable	213,248
Accrued expenses	128,293
Deferred revenue (Note 2D)	<u>1,429,751</u>
Total Current Liabilities	<u>1,771,292</u>
Non Current Liabilities:	
Loans payable (Note 6A)	<u>36,016</u>
Total Non Current Liabilities	<u>36,016</u>
Total Liabilities	<u>1,807,308</u>

NET ASSETS (Note 2A)

Without donor restrictions	<u>1,495,881</u>
Total Net Assets	<u><u>\$1,495,881</u></u>

See accompanying notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Support and Revenues

Local property assessments (Note 5)	\$1,722,753
General Benefit Non-Assessment Revenue:	
Grants	142,047
Fees for Service	626,117
Contributions and Other	2,300
In-kind contributions (Note 2E)	18,648
Interest Income	3,181
	<hr/>
Total Support and Revenues	2,515,046
	<hr/>

Expenses

Program services:	
Public Safety, Cleaning and Maintenance	1,041,018
General Benefit Non-Assessment Expenses	788,435
	<hr/>
Sub-total Program services	1,829,453
	<hr/>
Support services:	
Marketing and Promotions	63,630
Economic Development	65,857
Management and General	359,501
Fundraising	48,079
	<hr/>
Sub-total Support services	537,067
	<hr/>
Total Expenses	2,366,520
	<hr/>

Change in Net Assets	148,526
Net Assets, Beginning of Year	1,347,355
	<hr/>
Net Assets, End of Year	\$1,495,881
	<hr/> <hr/>

See accompanying notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services		Supporting Services				Total
	Public Safety, Cleaning and Maintenance	Non- Assessment	Marketing and Promotions	Economic Development	Management and General	Fundraising	
FUNCTIONAL EXPENSES							
Personnel Costs:							
Salaries		\$455,812	\$47,101	\$50,000	\$177,210	\$38,552	\$768,675
Payroll taxes		37,808			14,477	2,529	54,814
Health and other fringe benefits		82,553			37,193	5,553	125,299
Worker's compensation		9,115			1,877	532	11,524
Payroll fees		14,202			4,673	913	19,788
Subtotal Personnel Costs		599,490	47,101	50,000	235,430	48,079	980,100
Public Safety	550,135	12,245					562,380
Cleaning and maintenance	486,244	10,753					496,997
Economic Development and Marketing:							
Economic development				15,314			15,314
Marketing and promotion			9,519				9,519
Subtotal Economic Development and Marketing Expense			9,519	15,314			24,833
Accounting and auditing fees					68,895		68,895
Consultants and contractors		163,847			4,282		168,129
Dues, membership and subscriptions		2,100	584		9,165		11,849
Insurance					14,866		14,866
Interest	2,610						2,610
In-kind							-
Legal					1,425		1,425
Miscellaneous	64				1,651		1,715
Office supplies	1,030				3,209		4,239
Office equipment					1,087		1,087
Postage and delivery	543		543	543	82		1,711
Printing and reproduction	137		2,336		4,739		7,212
Rent					11,428		11,428
Telephone and internet					(292)		(292)
Travel and meetings	255		3,547		3,534		7,336
Contingency & Reserve- Other							
Total Functional Expenses	\$1,041,018	\$788,435	\$63,630	\$65,857	\$359,501	\$48,079	\$2,366,520

See accompanying notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$148,526
Depreciation expense	24,417
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Accounts receivable	18,188
Security deposits and other	(2,115)
Accounts payable	103,589
Accrued expenses	(15,583)
Deferred revenue	<u>(83,025)</u>
Total adjustments	<u>21,054</u>
Net cash (used) by operating activities	<u>193,997</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital lease additions	39,420
Principal payments made on capital loan	<u>(23,872)</u>
Net cash (used) by financing activities	<u>15,548</u>

CASH FLOWS FROM CAPITAL ACTIVITIES:

Capital asset additions	<u>(39,420)</u>
Net cash provided by capital activities	<u>(39,420)</u>

Net decrease in cash	170,125
Cash and cash equivalents, beginning of year	<u>2,997,861</u>
Cash and cash equivalents, end of year	<u><u>\$3,167,986</u></u>

Cash and cash equivalents as presented on the Statement of Financial Position:

Cash and cash equivalents	\$2,178,972
Cash designated for contingencies and reserve	<u>989,014</u>
Total Cash and Cash Equivalents	<u><u>\$3,167,986</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Property taxes paid	\$471
Interest paid	\$2,610
Non-cash activities: In-kind contributions	\$18,648

See accompanying notes to financial statements.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2022

NOTE 1 – ORGANIZATION AND PROGRAMS

A. Reporting Entity

Mid Market Community Benefit District (District), formally known as Central Market Community Benefit Corporation, is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness, safety and economic development of the District in San Francisco, California.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for MMCBD is allocated into the following spending categories: 28.7% cleaning and maintenance, 35.2% public safety, 24.6% management and economic development and 11.5% contingency.

B. Programs and Activities

Cleaning and Maintenance – MMCBD public realm services include: graffiti abatement, sidewalk sweeping and pressure washing, landscape maintenance and reporting of issues to the Department of Public Works.

Public Safety – MMCBD’s Community Ambassador program provides way-finding assistance, social service outreach and serves as eyes and ears on the street deterring and reporting crime. MMCBD may also from time to time provide a uniformed SFPD 10b Police Officer to support MMCBD field personnel. 10b Officers work alongside MMCBD staff and vendors to address crime and quality of life issues within the neighborhood.

Management and Economic Development – Management oversees the MMCBD’s operations and advocates for more responsive City services. Economic development efforts support District business attraction, retention and expansion; and marketing and special events that enhance District awareness and vitality.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

MMCBD reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

B. *Receivables*

MMCBD considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

C. *Property and Equipment*

Property and equipment acquisitions are recorded at cost or, if donated, at their estimated fair value at date of donation. Property and equipment with a useful life of more than one year and an acquisition cost of \$2,500 or more is capitalized. Depreciation is computed over the estimated useful lives of the respective assets, ranging from 2 to 3 years for furniture and equipment, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred.

As of December 31, 2022, MMCBD’s property and equipment consists of three pressure washers and a vehicle (as discussed in Note 6) recorded at a total cost of \$80,416, less accumulated depreciation of \$46,054, for a net book value of \$34,362.

Depreciation expense for the year ended December 31, 2022 was \$24,418.

D. *Deferred Revenue*

As of December 31, 2022, deferred revenue consisted of the following:

Property Assessments	\$994,563
Silicon Valley Community Foundation - Security Grant	<u>435,188</u>
Total Deferred Revenue	<u><u>\$1,429,751</u></u>

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. In-Kind Contributions

During 2022, MMCBD received in-kind contributions from a neighboring community benefit district for Big Belly cans, recorded using Level 1 fair value inputs, with a value of \$18,648.

F. Lease Accounting

MMCBD recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. As of December 31, 2022, MMCBD did not have any significant leases that should be recorded on the Statement of Financial Position, other than its capital leases (see Note 6) .

G. Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on management’s estimates. Direct costs are allocated to Assessment and Non-Assessment Programs, or Management and General. A portion of Personnel Costs have been allocated to Fundraising based on management’s estimate of time spent on general fundraising efforts.

H. Advertising

MMCBD follows the policy of expensing advertising costs as incurred.

I. Statement of Cash Flows

For purposes of the statement of cash flows, MMCBD considers all highly liquid debt investments purchased with an initial maturity of three months or less to be cash equivalents.

J. 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 results could differ from those estimates.

K. Fair Value Measurements

MMCBD reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the district develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

L. Income Taxes

MMCBD is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the MMCBD qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The MMCBD paid no taxes on unrelated business income for the year ended December 31, 2022.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that MMCBD does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the MMCBD's tax returns will not be challenged by the taxing authorities and that the MMCBD will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, MMCBD's tax returns remain open for federal income tax examination for three years from the date of filing.

M. Subsequent Events

MMCBD evaluated subsequent events for recognition and disclosure through August 11, 2023, the date which these financial statements were available to be issued.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2022

NOTE 3 – CASH AND CASH EQUIVALENTS

MMCBD's cash and cash equivalents of \$3,167,986 are comprised of cash in banks, which is insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 for each account, and is reported using the Level 1 fair value measurement. At December 31, 2022, MMCBD had a balance of \$1,117,509 that was in excess of FDIC insurance. MMCBD has not experienced any losses in such accounts. Management believes MMCBD is not exposed to any significant risk related to the security of its cash.

Of the \$3,167,986 balance of cash and cash equivalents, \$989,014 has been set aside as designated for contingencies and reserve, in accordance with the District's management plan with the City and County of San Francisco

NOTE 4 – RETIREMENT PLAN

MMCBD sponsors a defined contribution plan for its full-time employees. MMCBD contributed \$17,792 to the plan during the year ended December 31, 2022.

NOTE 5 – ASSESSMENT REVENUE

MMCBD receives assessment revenues from the San Francisco City and County on behalf of members in the assessment district as a part of the County tax roll. Conversely, the MMCBD does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received. As of December 31, 2022, MMCBD has yet to receive \$23,320 in past due assessments from District property owners for 2022.

NOTE 6 – CAPITAL LEASES

As part of the agreement for services between MMCBD and Streetplus Company, LLC (Streetplus), Streetplus purchases equipment necessary to perform cleaning and maintenance of MMCBD's area. The equipment is exclusively used for MMCBD, and at the end of the agreement, the equipment will be owned by MMCBD.

In June 2020, Streetplus purchased two pressure washers in the amount of \$40,995 and is leasing them to MMCBD. The lease bears interest at 19.53%, and is payable in monthly installments of \$1,266, including both principal and interest, commencing June 30, 2020 through May 31, 2023. During 2022, MMCBD made lease payments totaling \$15,190, including principal of \$14,242 and interest of \$948. As of December 31, 2022, the principal balance of the lease was \$6,225.

In February 2022, Streetplus purchased a pressure washer in the amount of \$16,154 and is leasing it to MMCBD. The lease bears interest at 6.00%, and is payable in monthly installments of \$491, including both principal and interest, commencing March 1, 2022 through February 1, 2025. During 2022, MMCBD made lease payments totaling \$4,914, including principal of \$4,200 and interest of \$714. As of December 31, 2022, the principal balance of the lease was \$11,941.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2022

NOTE 6 – CAPITAL LEASES (Continued)

In April 2022, Streetplus purchased a vehicle in the amount of \$23,266 and is leasing it to MMCBD. The lease bears interest at 6.00%, and is payable in monthly installments of \$708, including both principal and interest, commencing June 1, 2022 through May 1, 2025. During 2022, MMCBD made lease payments totaling \$4,595, including principal of \$4,203 and interest of \$752. As of December 31, 2022, the principal balance of the loan is \$17,850.

Future lease principal payments for all three leases are as follows:

	Pressure Washers	Pressure Washer	2022 Vehicle	Total
2023	\$6,225	\$5,325	\$7,555	\$19,105
2024		5,653	8,021	13,674
2025		963	2,274	3,237
	\$6,225	\$11,941	\$17,850	\$36,016

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2022:

Total current financial assets:	
Cash and cash equivalents	\$3,167,986
Accounts receivable	98,726
Total current financial assets	3,266,712
Amount set aside for contingencies and reserves	(989,014)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$2,277,698

MMCBD FY 2022 Budget

SERVICE CATEGORY EXPENSES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Cleaning and Maintenance	\$	497,721	\$ 33,648	531,369
Public Safety	\$	597,683	\$ 255,544	853,227
Management and Administration	\$	558,014	\$ 660,227	1,218,241
Contingency and Reserve	\$	27,686	\$ -	27,686
	\$	1,681,103	\$ 949,419	2,630,523

MMCBD FY 2022 Budget

SERVICE CATEGORY PERCENTAGES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Cleaning and Maintenance		29.61%	3.54%	20.20%
Public Safety		35.55%	26.92%	32.44%
Management and Administration		33.19%	69.54%	46.31%
Contingency and Reserve		1.65%	0.00%	1.05%
		100.00%	100.00%	100.00%

MMCBD FY 2022 Actual

SERVICE CATEGORY EXPENSES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Cleaning and Maintenance	\$	485,581	\$ 84,633	570,215
Public Safety	\$	549,597	\$ 65,273	614,870
Management and Administration	\$	498,840	\$ 658,178	1,157,018
Contingency and Reserve	\$	95,000	\$ -	95,000
	\$	1,629,018	\$ 808,085	2,437,103

MMCBD FY 2022 Actual

SERVICE CATEGORY PERCENTAGES		ASSESSMENT	NON-ASSESSMENT	TOTAL
Cleaning and Maintenance		29.81%	10.47%	23.40%
Public Safety		33.74%	8.08%	25.23%
Management and Administration		30.62%	81.45%	47.48%
Contingency and Reserve		5.83%	0.00%	3.90%
		100.00%	100.00%	100.00%

		As of 12/31/2022	Budgeted for 2023	Budgeted for Future Years
CY 2022 Assessment (Special Benefit) Carryforward				
Public Safety	\$	91,493	\$ (61,811)	\$ 29,682
Cleaning and Maintenance	\$	74,598	\$ (24,930)	\$ 49,668
Management and Economic Development	\$	93,832	\$ (12,113)	\$ 81,719
Contingency and Reserve	\$	989,014	\$ 5,000	\$ 994,014
Total Assessment Carry Forward	\$	1,248,937	\$ (93,854)	\$ 1,155,083
Total Non-Assessment Carry Forward	\$	246,943	\$ 35,554	\$ 282,497
Grand Total Carry Forward	\$	1,495,881	\$ (58,300)	\$ 1,437,581

MEMORANDUM

TO: Supervisor Matt Dorsey, District 6 Supervisor

CC: San Francisco Board of Supervisors

FROM: Jackie Hazelwood, Community Benefit District Program Director, OEWD

DATE: February 10, 2024

SUBJECT: Mid Market Community Benefit District; CY 2022 Annual Report

This is a memo summarizing the performance of the Mid Market Community Benefit District (Mid Market CBD), formerly known as the Central Market CBD, and an analysis of their financial statements (based on their audit) for the period between January 1, 2022 and December 31, 2022.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Mid Market 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 Central Market Community Benefit District's Management Contract with the City; and their Management Plan as approved by the Board of Supervisors in 2014.

Also attached to this memo are the following documents:

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



Background

The District is generally described as from the West side of 5th Street to the East side of South Van Ness Avenue, and from the South side of Market Street to the South Side of Mission Street. In addition, one block North of Market between Cyril Magnin and Mason, and one block North of Market between Grove and Larkin are included. Also, properties along Sixth Street between Market and Folsom Streets, along with the properties on adjacent streets and alleys East and West of Sixth Street (to varying distances) are included. The District contains 1,088 parcels, including the former US Mint building and Mint Plaza.

- July 23, 2013, the Board of Supervisors approved the resolution that established (renew and expand) the property-based district called the Central Market Community Benefit District (Resolution #264-13).
- February 4, 2014, the Board of Supervisors approved the contract for the administration and management of the Central Market Community Benefit District (Resolution #019-14).
- February 3, 2015, the Board of Supervisors approved CMCBD’s Annual Reports for CYs 2011, 2012, and 2013 (Resolution #034-15).
- June 7, 2016, the Board of Supervisors approved CMCBD’s Annual Report for CY 2014 (Resolution #230-16).
- September 20, 2016, the Board of Supervisors approved Resolution modifying the Management District Plan and Engineer’s Report to remove the district-wide cap on annual assessment revenues levied on properties located in the property-based business improvement district (community benefit district) known as the “Central Market Community Benefit District;” and making environmental findings (Resolution # 402-16).
- May 9, 2017, the Board of Supervisors approved CMCBD’s Annual Report for CY 2015 (Resolution #170-17).
- November 13, 2018, the Board of Supervisors approved the CMCBD’s Annual Report for CY 2016 (Resolution # 400-18).
- October 29, 2019, the Board of Supervisors approved CMCBD’s Annual Report for CY 2017 (Resolution #467-19).
- January 26, 2021, the Board of Supervisors approved CMCBD’s Annual Report for CY 2018 (Resolution #021-21).
- May 17, 2022, the Board of Supervisors approved CMCBD’s Annual Report for CY 2019 and CY 2020 (Resolution #210-22).
- March 14, 2023, the Board of Supervisors approved CMCBD’s Annual Report for CY 2021 (Resolution #117-23).

Basic Info about Central Market CBD

Year Established	2006
Year Renewed	2013
Year Modified	2016
Assessment Collection Period	2013 - 2027
Services Start and End Date	January 1, 2014 - December 31, 2028
Initial Estimated Annual Budget	\$1,225,433.63
FY 20-21 Assessment Roll Submission	\$1,694,614.78
FY 21-22 Assessment Roll Submission	\$1,695,161.22
FY 22-23 Assessment Roll Submission	\$1,764,676.30



Calendar Year
Executive Director
Name of Nonprofit Entity

January 1 – December 31
Tracy Everwine
Central Market Community Benefit District Corporation
dba Mid Market Community Benefit District

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

Summary of Service Area Goals

Public Safety

Mid-Market CBD’s public safety approach focuses on customer service, hospitality and social service outreach. Community Ambassadors join with SFPD 10B Officers in a co-responder model to proactively walk targeted areas in the District and together respond to calls for service. The organization also maintains a public safety camera program to provide evidentiary support for the investigation of crime.

Cleaning and Maintenance

Mid-Market CBD’s cleaning and maintenance services include supplemental cleaning and maintenance services within the public right-of-way (above and beyond) the baseline level of service provided by the City of San Francisco. This includes sidewalk sweeping, pressure washing, graffiti abatement, landscaping, and monitoring of public trash receptacles removing excess trash. CBD Cleaners also proactively identify and report the need for Ambassador support while in the field.

Management and Economic Development

Daily oversight of the organization, its vendors and partners; as well as advocacy for District needs with City departments and elected officials ensures good and timely service. Economic Development activities include: business attraction, retention and expansion, and the promotion of District offerings through marketing and promotional activities.

Summary of Delivery of Services and Accomplishments

CY2022

Public Safety

During this review period, Mid Market CBD Ambassadors and SFPD 10B Officers anecdotally reported that boarded up storefronts, open air drug use, drug sales, and tent encampments were constant and significant in the public realm. Staff continued their work from the prior year in response to the COVID-19 pandemic as they coordinated with the City and community organizations as employees and other visitors returned.

Key highlights include the following:

- Provided 2,038 social service interventions
- Received 160 non-emergency calls
- Received 51 91 emergency calls



- Maintained weekly tent counts totaling 6,048 submitted to the City’s HSOC team
- Provided resident services 1,943 times
- Distributed 6,500 Affordable Housing & Social Service Resource Guides
- Attended DEM coordination meetings
- Attended SFPD briefings weekly
- Maintained its public safety camera program to support the investigation of crime

Cleaning and Maintenance

The Mid Market CBD cleaning and maintenance activities included removing excessive trash and biohazards and frequent sanitation of touch points in addition to the following:

- 6,398 General Information Assistance Requests Fulfilled
- Disposed 16,155 discarded syringes
- Removed human and/or animal waste 22,615 times. **(Nearly doubled from the prior year)**
- Addressed 3,311 residential requests
- Removed 20,439 graffiti tags in both public and private spaces. Numerous vacant and boarded-up storefronts were kept free of graffiti with daily painting. **(Nearly doubled from the prior year)**
- Filled 7,179 trash bags totaling 179,475 pounds of trash and litter removed **(significant increase from prior year of 111,050 pounds)**
- Removed 2,631 stickers and flyers
- Handed out 1,821 pet bags
- Maintained landscapes 245 times
- Spent 3,723 hours pressure washing the entire district and fulfilled 1,898 special requests

Management and Economic Development

During this review period, Mid-Market CBD’s district faced a significant number of ground floor retail vacancies with the remaining businesses struggling with limited foot traffic, decreased sales, increased theft, increased vandalism and employee retention. Key highlights include the following:

- Provided merchant services 4,686 times
- Maintained an inventory of and marketed the district’s ground-floor retail spaces for lease
- Tracked parcels in development, provided support for project completion and alignment with CBD goals for public realm enhancement
- Maintained website to include District resources including lists of the businesses, social service agencies and non-profit organizations
- Produced a marketing & leasing brochure for Mid Market
- Produced quarterly recap newsletters sharing District news and accomplishments
- Continued to work closely with DPW, SFMTA and BART on planning and implementation of the following projects: the Better Market Street Project and 6th Street re-design work respectively to improve pedestrian safety in and around work sites, ensure work is necessary and prioritized correctly, expedited quickly and as minimally invasive as possible to area stakeholder.
- Notably, the Mid Market CBD brought back Robin Williams Mural (which was previously located on a building that was demolished in 2019) – they identified a storefront at 1055 Market and worked with the property owner, artist, and the City’s Community Challenge Grant to bring the piece back to Mid-Market



Mid Market CBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for Mid Market CBD:

- **BENCHMARK 1:** Whether the variance between the budget percentages for each service category were within 10 percentage points of the percentages in the Management Plan (Agreement for the Administration of the “Central Market Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 2:** Whether three and sixty-eight hundredths percent (3.68%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Central Market Community Benefit District”, Section 3.4 - Annual Reports).
- **BENCHMARK 3:** Whether the variance between the budget expenses and actual expenses within a calendar year was within 10 percent (Agreement for the Administration of the “Central Market Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 4:** Whether MMCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year (CA Streets & Highways Code, Section 36650(B)(5)).

CY 2022 Budget Analysis

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan. **Note: For the purposes of this benchmarking process, OEWD reviews whether the CBD met this requirement solely for the Assessment Variance (rather than Total Variance)*

ANALYSIS: Mid Market CBD met this requirement. See table below.

Service Category	Original Management Plan Budget (Percentage)	CY 2022 Asst. Budget (Percentage)	CY 2022 Total Budget (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Public Safety	\$431,382.73 (35.20%)	\$597,683.00 (35.55%)	\$853,227.00 (32.44%)	+0.35%	-2.77%
Cleaning and Maintenance	\$352,000.00 (28.72%)	\$497,721.00 (29.61%)	\$531,369.00 (20.20%)	+0.88%	-8.52%
Management and Economic Development	\$300,885.66 (24.55%)	\$558,014.00 (33.19%)	\$1,218,241.00 (46.31%)	+8.64%	+21.76%
Contingency and Reserve	\$141,165.24 (11.52%)	\$27,686.00 (1.65%)	\$27,686.00 (1.05%)	-9.87%	-10.47%
TOTAL	\$1,225,433.63 (100.00%)	\$1,681,104.00 (100.00%)	\$2,630,523.00 (100.00%)		

BENCHMARK 2: Whether three and sixty-eight hundredths percent (3.68%) of actuals came from sources other than assessment revenue.



ANALYSIS: *Mid Market CBD met this requirement. MMCBD received \$1,629,018.00 in assessment revenue including penalties, redemption, and redemption penalties, which was approximately 66.84% of their CY 2022 operating budget. The CBD received \$807,995.00 in non-assessment revenue which was approximately 33.16% of their CY 2022 revenue. See table below.*

Revenue Sources	CY 2022 Actuals	% of Actuals
Total Assessment (Special Benefit) Revenue	\$1,629,018.00	66.84%
Grants	\$80,895.00	3.32%
Fee For Service	\$623,991.00	25.60%
Other (In-Kind Contributions & Sponsorships)	\$103,109.00	4.23%
Total Non-Assessment (General Benefit) Revenue	\$807,995.00	33.16%
Grand Total (Assessment and Non-Assessment) Revenue	\$2,437,013.00	100.00%

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

ANALYSIS: *Mid Market CBD met this requirement. See table below.*

Service Category	CY 2022 Asst. Budget (Percentage)	CY 2022 Total Budget (Percentage)	CY 2022 Actuals – Asst. (Percentage)	CY 2022 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Public Safety	\$597,683.00 (35.55%)	\$853,227.00 (32.44%)	\$549,597.00 (33.74%)	\$614,870.00 (25.23%)	-1.82%	-7.21%
Cleaning and Maintenance	\$497,721.00 (29.61%)	\$531,369.00 (20.20%)	\$485,581.00 (29.81%)	\$570,215.00 (23.40%)	+0.20%	+3.20%
Management and Economic Development	\$558,014.00 (33.19%)	\$1,218,241.00 (46.31%)	\$498,840.00 (30.62%)	\$1,157,018.00 (47.48%)	-2.57%	+1.16%
Contingency and Reserve	\$27,686.00 (1.65%)	\$27,686.00 (1.05%)	\$95,000.00 (5.83%)	\$95,000.00 (3.90%)	+4.18%	2.85%
TOTAL	\$1,681,104.00 (100.00%)	\$2,630,523.00 (100.00%)	\$1,629,018.00 (100.00%)	\$2,437,103.00 (100.00%)		



BENCHMARK 4: Whether Mid Market CBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year.

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

CY 2022 Assessment (Special Benefit) Carryforward	As of 12/31/2022	Budgeted for 2022	Budgeted for Future Years
Public Safety	\$91,493.00	(\$61,811.00)	\$29,682.00
Cleaning and Maintenance	\$74,598.00	(\$24,930.00)	\$49,668.00
Management and Economic Development	\$93,832.00	(\$12,113.00)	\$81,719.00
Contingency and Reserve	\$989,014.00	\$5,000.00	\$994,014.00
Total Assessment Carry Forward	\$1,248,937.00	(\$93,854.00)	\$1,155,083.00
Total Non-Assessment Carry Forward	\$246,943.00	\$35,554.00	\$282,497.00
Grand Total Carry Forward	\$1,495,881.00	(\$58,300.00)	\$1,437,581.00

Findings and Recommendations

For the review period of CY 2022 Mid-Market CBD (MMCBD) met all four benchmarks set by the California Street and Highways Code Section 36650-3351 as found on page 4 of this memo; the Agreement of the Mid Market Community Benefit District; and the Agreement for the Administration of the “Mid-Market Community Benefit District.”

While Mid-Market CBD’s annual reporting to OEWD for 2022 was late, the CBD was compliant with legislation and the Agreement for the Administration of the organization. Following their late submission, the Mid-Market CBD was communicative with OEWD surrounding questions that arose as a part of this analysis and continues to work with OEWD to determine solutions on how to expedite report completion and review going forward.

During this review period, the Mid Market CBD continued their work in supporting members to address the lingering economic impacts of the COVID-19. They maintained their role in the corridor as a key partner to small businesses currently located in the district in addition to those who may be interested in securing a storefront there. Specifically, they helped attract and retain small businesses by vetting and connecting prospective tenants with landlords, and conducting tours of the neighborhood.



Further, once new businesses opened in the corridor, the CBD uplifted them on their website and in quarterly reports they share out with partners. The CBD also collaborated with City agencies, including the Office of Small Business, to ensure that wayfinding signage and promotional materials highlighted small businesses that were impacted by construction associated with the 6th Street Pedestrian Safety Project and Better Market Street Phase 1. Mid-Market CBD also addressed the many challenges of vacant, ground floor retail space and worked overtime to address loitering and blight, and to stabilize existing businesses.

The CBD's Ambassador, Safety, and Clean Teams continued to be invaluable assets in this corridor – serving as the eyes and ears on the street while also providing services that promote a cleaner, safer, and more vibrant environment. Notably, the CBD's Clean Teams nearly doubled their service provision in a number of categories including the removal of human and/or animal waste and removal of graffiti tags in both public and private spaces, and largely increased their trash collection throughout the corridor.

OEWD has yet to receive the Mid Market CBD's Surveillance Technology Report for CY 2022 and has requested its immediate submission as of the writing of this memo. However, the CBD's website does include relevant policy information and contact information for interested partners. In the meantime, OEWD is actively following up with the CBD to ensure their compliance with this program.

Mid Market CBD's Board of Directors currently meets requirements set forth by Article 15 of the Business and Tax Regulations Code and there have been no reports of Brown Act violations within the reporting period.

Conclusion

Mid Market CBD performed well, implementing its service plan during the review period and served as a key partner in 'bringing the district back to life' in the wake of the COVID-19 pandemic through their support of corridor activations, filling of key vacancies, and consistent provision of vital cleaning and safety supplemental services throughout the district. The organization has an active Board of Directors and committee members. OEWD believes that the Mid Market CBD is well positioned to continue carrying out its mission.



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: Sarah Dennis-Phillips, Executive Director, Office of Economic and Workforce Development
Greg Wagner, City Controller, Office of the City Controller

FROM: Monique Crayton, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: March 12, 2024

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Matt Dorsey on March 5, 2024.

File No. 240208

Resolution receiving and approving an annual report for the Central Market Community Benefit District for Calendar Year (CY) 2022, 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 additional comments or reports to be included with the file, please forward them to Monique Crayton at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at monique.crayton@sfgov.org.

cc:
Anne Taupier, Office of Economic and Workforce Development
Alesandra Lozano, Office of Economic and Workforce Development
Todd Rydstrom, Office of the City Controller

1 [Central Market Community Benefit District - Annual Report - CY2022]

2

3 **Resolution receiving and approving an annual report for the Central Market Community**
4 **Benefit District for Calendar Year (CY) 2022, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, *et seq.*), Section 36650, and the District’s management agreement with**
7 **the City, Section 3.4.**

8

9 WHEREAS, On September 12, 2006, pursuant to the Property and Business
10 Improvement District Law of 1994 (the “Act”), California Streets and Highways Code Sections
11 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
12 Regulations Code, the Board of Supervisors adopted Resolution No. 519-06, expressing the
13 City’s intention to establish the Central Market Community Benefit District (the “Central Market
14 CBD”); and

15 WHEREAS, On October 31, 2006, the Board of Supervisors adopted Resolution
16 No. 631-06 establishing the Central Market CBD ("Resolution to Establish") for a period of 7
17 years, commencing Fiscal Year (FY) 2006-2007; and

18 WHEREAS, On June 19, 2007, the Board of Supervisors adopted Resolution
19 No. 313-07, authorizing an agreement with the owners' association for the
20 administration/management of the Central Market CBD, and a management agreement (the
21 “Management Contract”) with the owners' association, the Central Market Community Benefit
22 District Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 070673; and

25

1 WHEREAS, On July 23, 2013, the Board of Supervisors adopted Resolution No. 264-
2 13 renewing and expanding the Central Market CBD for a period of 15 years, commencing
3 with FY2013-2014;

4 WHEREAS, On February 4, 2014, the Board of Supervisors adopted Resolution
5 No. 019-14, authorizing an agreement with the owners' association for the
6 administration/management of the Central Market CBD, and a management agreement (the
7 "Management Contract") with the owners' association, the Central Market Community Benefit
8 District Corporation, was executed accordingly; and

9 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
10 of Supervisors in File No. 140038; and

11 WHEREAS, On March 24, 2023, the Board of Supervisors approved the Central
12 Market CBD's annual report for Calendar Year 2021 in Resolution No. 117-23; and

13 WHEREAS, The Central Market CBD has submitted for the Board's receipt and
14 approval the Central Market Annual Report for Calendar Year 2022, as required by Section
15 36650 of the Act and Section 3.4 of the Management Contract; and

16 WHEREAS, The 2022 annual report are on file with the Clerk of the Board of
17 Supervisors in File No. 240208, and are incorporated herein by reference as though fully set
18 forth; and

19 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
20 memorandum report from the City's Office of Economic and Workforce Development, dated
21 February 10, 2024, and documentation from the Central Market CBD for the 2022 annual
22 report are on file with the Clerk of the Board of Supervisors in File No. 240208; now, therefore,
23 be it

24 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
25 report for the Central Market Community Benefit District for Calendar Year 2022.



MMCBD 2022 Surveillance Technology Report

Table of contents:

I. 2022 Map



II. Organizations or Individuals Requesting Information

San Francisco Police Department:

Ballonado, Barcena, Byrne, Durkin, Hurley, Grande, MacMahon, Orantes, Palladino, Rashidian, Rock, Suhrke

San Francisco District Attorney's Office

Morse

San Francisco Public Defender's Office:

Faulkner, Huber, Jowdy, Perez, Schroeder, Suarez, Thompson

Business Owners/Residents:

Lieu, Peterson

III. Program Policy (attached)

Mid Market Community Benefit District Public Safety Camera Program Policy

I. Program Overview

- A. The purpose of the Public Safety Camera Program “the Program” is to make Mid Market Community Benefit District (MMCBD) public spaces safer for everyone. Program cameras are intended to deter crime and safety issues; and to allow for after-the- fact investigation of such issues. The Program will be used in a professional, ethical and legal manner which does not violate reasonable expectation of privacy as defined by California law. MMCBD reserves the right to modify or change these policies at any time.

II. Program Details

- A. Program cameras will be installed within or adjacent to MMCBD boundaries with views of public spaces including, but not limited to: sidewalks, alleys and plazas.
- B. Program cameras are not used to specifically protect private properties within the District and are not located around areas where the public might have an expectation of privacy such as a public restroom.
- C. Program cameras only cover a small fraction of the public space within the MMCBD and even when camera coverage exists, it may not be possible to provide the level of detail necessary to identify: suspicious activity, crime or suspects.
- D. Program cameras are not actively or continuously monitored and no one should have an expectation they are under continuous monitoring when they are within range of a camera. Victims of crime and safety issues in the District should not expect someone to come to their rescue because they are in front of a camera.
- E. Program Users will operate the Program for reports of specific incidents or threats.
- F. MMCBD will not use covert or fake “dummy” cameras. MMCBD also does not record any sounds or voices and does not use any biometric or other monitoring software.
- G. Program cameras are managed and operated by MMCBD and its employees, agents, contractors; and Program Management Designee (collectively “the Users”).
- H. Program Management Designee is a Program technology expert assisting MMCBD with Program management and serving as Custodian of Records for Program video recordings.
- I. Signage may be posted in or near areas with cameras to inform the public they may be recorded, but signage is not required and may not be posted at all locations.
- J. MMCBD and its Program Management Designee may monitor live feed from time-to-time and have the ability to control the cameras for routine maintenance and other MMCBD service programs.

III. Program Recordings

- A. Program camera footage may be released to law enforcement and public safety agencies in response to specific crime and safety incidents per the policies set forth herein.
- B. MMCBD and its Program Management Designee are responsible for the management of the Program and have exclusive control of the release of camera footage.
- C. In the event of a crime or safety incident in an area where Program coverage may be available, individuals should report the incident to the San Francisco Police Department (SFPD). SFPD can then request the video from MMCBD. If relevant video footage is available, a permanent video clip of the incident may be produced and made available to the SFPD or other law enforcement or public safety agencies in accordance with the policies set forth herein.
- D. Requests for video recordings will be approved by MMCBD and processed by MMCBD; or its Program Management Designee who serves as Custodian of Records for subpoenas and court orders.
- E. MMCBD and its Program Management Designee are not crime investigators and may not provide video recordings or conduct searches for general or non-specific inquiries. Video recordings will be provided in response to requests reasonably describing the desired recordings in accordance with the request for video process set forth herein.
- F. Recorded video will be made directly available to the general public only to the extent required by law. MMCBD will also comply with all provisions in its contract with the City and County of San Francisco related to its records.
- G. Recorded video is generally stored for a period of 30 days. Beyond 30 days recorded video is generally deleted, erased or destroyed unless requested under the provisions of this Policy and converted into a permanent video clip.
- H. Copies of permanent video clips will be retained by MMCBD's Program Management Designee for a minimum of 6 months.

IV. Requests for Video, Video Footage Review and Copies of Records

- A. This Policy does not guarantee any records will be provided upon request.
- B. Requests for video, footage review and/or copies of records are to be documented using the Video Retrieval Request Form, attached as Exhibit A, and carried out by and/or under direct supervision of MMCBD or its Program Management Designee at MMCBD designated locations.
- C. Video Retrieval Request Forms should be submitted to MMCBD by email at: video@midmarketcbd.org. MMCBD or its Program Management Designees will typically respond to the request within 10 business days and within the timeframes required by applicable laws.

- D. MMCBD staff or its Program Management Designee will provide assistance to persons

making Public Records Act requests as required by law, and may fill in and submit the Video Retrieval Request Form if the person does not wish to do so. Although preferable, the Form need not be fully completed in order to initiate the request.

- E. Requests to review real-time camera footage are generally prohibited and not the intended use of the Program. Any request by law enforcement or public safety agency to observe real-time video for an exigent circumstance (such as a missing child) will be evaluated on a case-by-case basis and is subject to the policies set forth herein.
- F. Use of retrieved video or copies of records, for any purpose unrelated to the initially approved request is prohibited.
- G. Program Management Designee is the Custodian of Record. MMCBD does not maintain video records or images under its control; and its employees cannot testify to their authentication. Any subpoena for the Custodian of Record to testify shall be directed to the Program Management Designee.
- H. MMCBD reserves the right to charge fees for requests for video that will require extensive staff time, or Program Management Designee's staff time to prepare; and for any materials such as flash drives, CDs, DVDs or other devices necessary to fulfill the request.

PLEASE PRINT CLEARLY & EMAIL TO: video@midmarketcbd.org

Requested video may not be shared, stored or used for any purpose other than investigation of the footage requested by the Requester.
Additional use of requested video requires a separate Video Request Form and approval.

To be completed by Video Requester:	
Date of Request	
Individual(s) Requesting Video	
Agency/Company Affiliation	
Phone Number	
Email (required for video transfer)	
Description of Requested Video Activity	
Date and Time of Requested Video Activity	Date: _____ Start time: _____ End Time: _____
Is requested video/image part of an active police investigation? If so, please provide Case Number	
Is requested video/image part of an active judicial proceeding? If so, please provide Case Number	

CHECK REQUESTED CAMERA LOCATIONS

1200 Market St. - Market & Grove

- D Market Street views
- D Grove Street views

1155 Market St. - midblock

- D Market Street views
- D Stevenson Street views

1127 Market St. - midblock

- D Market Street views

1001 Market St. - Market & 6th, SW corner

- D Market Street views
- D 6th Street views

34 6th Street

- Stevenson & 6th, SW corner**
- Jessie & 6th, NW corner**
- D Stevenson Street views
- D 6th Street views
- D Jessie Street views

93 6th Street

- Jessie & 6th, NW corner**
- Mission & 6th, NE corner**
- D Jessie Street views
- D 6th Street views
- D Mission Street views

981 Mission Street (South side)

- D Mission Street views
- D Minna Street views

132 6th Street - Minna & 6th St, SW corner

- D Minna Street views
- D 6th Street views

496 Natoma - Natoma & 6th St, NE corner

- D Natoma Street views
- D 6th Street views

Odd Fellows

- Market & 7th, SW corner**
- Stevenson & 7th, NW corner**
- D Market Street views
- D 7th Street views
- D Stevenson Street views

101 9th Street - Mission & 9th St, SE corner

- D Mission Street views
- D 9th Street view

Location notes: (optional)

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

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

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

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

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: