

BOARD of SUPERVISORS



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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: March 9, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Haney on March 1, 2022:

File No. 220213

Resolution receiving and approving an annual report for the North of Market/Tenderloin Community Benefit District for Fiscal Years (FYs) 2018-2019 and 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 Haney
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

1 [North of Market/Tenderloin Community Benefit District - FYs 2018-2019 and 2019-2020]

2

3 **Resolution receiving and approving an annual report for the North of Market/Tenderloin**
4 **Community Benefit District for Fiscal Years (FYs) 2018-2019 and 2019-2020, submitted**
5 **as required by the Property and Business Improvement District Law of 1994 (California**
6 **Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District’s**
7 **management agreement with the City, Section 3.4.**

8

9 WHEREAS, On June 7, 2005, 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. 422-05, expressing the City’s intention to
13 establish the North of Market Tenderloin Community Benefit District (the “North of
14 Market/Tenderloin CBD”); and

15 WHEREAS, On August 9, 2005, the Board of Supervisors adopted Resolution
16 No. 584-05 establishing the North of Market/Tenderloin CBD ("Resolution to Establish") for a
17 period of 15 years, commencing Fiscal Year (FY) 2005-2006; and

18 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
19 No. 15-06, authorizing an agreement with the owners' association for the
20 administration/management of the North of Market/Tenderloin CBD, and a management
21 agreement (the “Management Contract”) with the owners' association, the North of
22 Market/Tenderloin Community Benefit 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. 052018; and

25

1 WHEREAS, On April 23, 2019, pursuant to the Property and Business Improvement
2 District Law of 1994 (the "Act"), California Streets and Highways Code, Sections 36600 *et*
3 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
4 the Board of Supervisors adopted Resolution No. 195-19, expressing the City's intention to
5 renew and expand the North of Market/Tenderloin Community Benefit District (the "North of
6 Market/Tenderloin CBD"); and

7 WHEREAS, On June 25, 2019, the Board of Supervisors adopted Resolution
8 No. 297-19 renewing and expanding the North of Market/Tenderloin CBD ("Resolution to
9 Establish") for a period of 15 years, commencing FY 2019-2020; and

10 WHEREAS, On November 19, 2019, the Board of Supervisors adopted Resolution
11 No. 508-19, authorizing an agreement with the owners' association for the
12 administration/management of the North of Market/Tenderloin CBD, and a management
13 agreement (the "Management Contract") with the owners' association, the North of
14 Market/Tenderloin Community Benefit Corporation, was executed accordingly; and

15 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
16 of Supervisors in File No. 191084; and

17 WHEREAS, On November 19, 2019, the Board of Supervisors approved the North of
18 Market/ Tenderloin CBD's annual reports for FY 2017-2018 in Resolution No. 507-19 and

19 WHEREAS, The North of Market/Tenderloin CBD has submitted for the Board's receipt
20 and approval the North of Market/Tenderloin annual report for FYs 2018-2019 and 2019-2020
21 as required by Section 36650 of the Act and Section 3.4 of the Management Contract; and

22 WHEREAS, The Annual Reports are on file with the Clerk of the Board of Supervisors
23 in File No. 220213, and are incorporated herein by reference as though fully set forth; and

24 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
25 memorandum report from the City's Office of Economic and Workforce Development, dated

1 February 2, 2022, and documentation from the North of Market/Tenderloin CBD for the
2 Annual Report is on file with the Clerk of the Board of Supervisors in File No. 220213; now,
3 therefore, be it

4 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
5 report for the North of Market/Tenderloin Community Benefit District for FYs 2018-2019
6 and 2019-2020.

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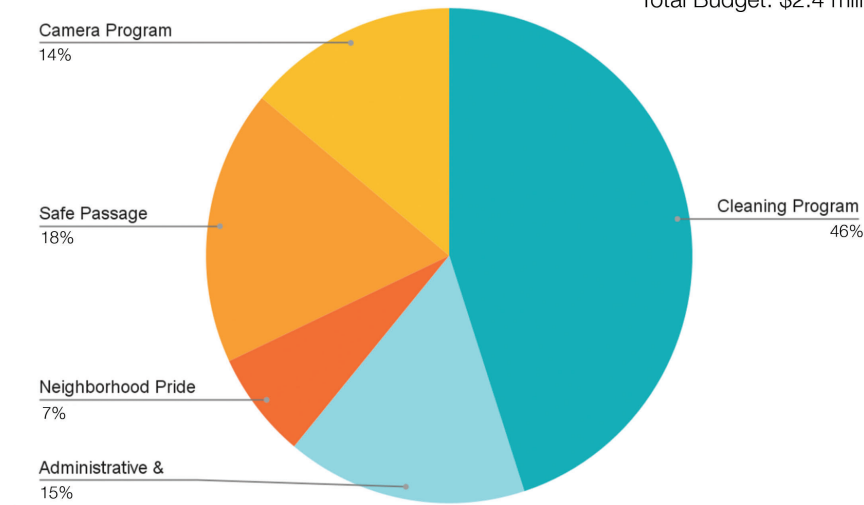


YEAR END REPORT
 July 2018- June 2019

PRESENTED TO:
 City and County of San Francisco Board of Supervisors
 North of Market/Tenderloin Community Benefits District Corporation Board of Directors
 San Francisco Office of Economic and Workforce Development

Fiscal Year 2018-19 Budget

Assessment Total: \$1.1 million
Total Budget: \$2.4 million



Note: FY19 Budget is updated on 1/27/22 to match final financial statements by external auditors.

The Tenderloin Community Benefit District (TLCBD) staff and Board work diligently to implement the objectives of the organization's mandated management plan and to provide supplemental cleaning, safety and beautification services to the special benefits district in the Tenderloin. Fiscal Year 2018-2019 has proven a momentous one for the TLCBD, with a vote by the property owners to renew the assessment for another 15 years, with expanded services starting in January 2020.

In 2005, Tenderloin stakeholders joined together to create the Tenderloin Community Benefit District (TLCBD). For 14 years TLCBD has worked to turn the annual investment by the property owners into much needed supplemental services and programs that benefit everyone in the community. On June 25, 2019, the City's Department of Elections counted the ballots cast to decide on whether to renew and expand that assessment: the vote was 83% in favor!

TLCBD is beyond grateful to the property owners and the community-at-large for the incredible outpouring of support throughout the entire assessment renewal process, including the testimony calling out the importance of TLCBD's work during public comment at the Board of Supervisors.

As Fiscal Year 2018-2019 concludes, TLCBD is stronger than ever with a renewed vision to:

Lead the evolution of the Tenderloin into a vibrant community for ALL.

SUMMARY OF PROGRAMS, EVENTS & ACTIVITIES

LEADERSHIP & OPERATIONAL STRATEGY

- Held third annual Board retreat in February 2019 to build on the Core Purpose and Strategic Framework developed at previous Board retreats and to introduce a new initiative called Tenderloin Thrives as well as Core Values for the organization.
- Embraced four Core Values of Connection, Respect, Responsibility and Courage.
 - Connection: We are rooted in our Love for the Tenderloin. We honor, celebrate, and champion its history, culture, and people. We strive always to represent a collective voice for its diverse communities. The greatest expression of our work is to foster connection among our neighbors.
 - Respect: We approach our work with uncompromising respect for ALL with a lens of empathy and compassion. Our programs, advocacy, and partnerships seek equitable outcomes within and for the neighborhood.
 - Responsibility: We have a deep responsibility to the community. Our organization represents an investment on behalf of Tenderloin property owners for the benefit of everyone. This is our foundation and the most critical element of our decision-making and programs. We work to be transparent, accessible, and accountable.
 - Courage: We hold courage as an inspiration, aspiration, and action. It underscores our choice to lead and work together. We are humbled and driven by daily acts of hope, determination, and beauty displayed in the Tenderloin.
 - How we define ALL: The Tenderloin welcomes people of all ages, races, religions, genders, sexual orientations, experiences, and circumstances. When we say “neighbors,” we are referring to ALL our neighbors including people experiencing homelessness. We believe ALL our neighbors deserve pathways and opportunities to thrive.
- Expanded staff to ensure better daily operations: hired a new part-time Administrative Coordinator, grew part-time Communications Coordinator into a full-time position and the part-time Safe Passage Coordinator into a new full-time Safe Passage Program Manager.
- Drafted an updated TLCBD Financial Policy and Procedures Handbook.
- Completed leadership transition to new full-time Executive Director, using a grant from OEWD’s Non-Profit Resiliency Fund.
- Hired Urban Place Consulting Group to draft a new proposed Management Plan and a supporting Engineer’s Report that included both an expanded boundary for the district and an increased assessment to support increased and improved supplemental services.
- Formed a Steering Committee, chaired by former Board member David Seward, to lead the assessment renewal process and determine the priority for improvements and activities that an expanded TLCBD would deliver.

CLEAN PROGRAM

- Ongoing \$837,000 Block By Bock and \$145,000 Downtown Streets Teams cleaning contracts to provide daily supplemental sidewalk and gutter sweeping including needle pickup, regular graffiti abatement, hot spot human and animal waste sanitizing, hot spot illegal dumping response and monthly pressure washing of every sidewalk in the District. Operations are seven days a week, 361 days a year from 7AM to 3:40PM.
- Raised over \$250,000 from both public and private sources to supplement the almost \$825,000 in assessment spent on the Clean Program
- Rolled out the Micro-Neighborhood Cleaning Program, bringing a dedicated TLCBD Clean Team Member to each of six, smaller “micro-neighborhoods” within the larger District.
- Added a third pickup truck with a pressure washer to increase the ability to respond to hot spot issues in the neighborhood and to provide additional daily services at key locations.
- Installed five Bigbelly trash cans in partnership with OEWD and the Mayor’s Fix-It Office to pilot the enclosed, tamper-proof, solar-powered trash cans. The Bigbellies were wrapped with TLCBD branding promoting the message that “around here, we tend to our sidewalks” and including the Hot-Line Number.
- Supported community events including a regular cleaning event by the Lower Hyde Street Association, the annual District 6 Community Clean Team Event that kicked off in Boeddeker Park in August 2018 and the Mayor’s city-wide “Love Our City” Giants Sweep event that kicked off in Macaulay Park in September 2018.
- Partnered with Public Works to support a volunteer tree planting effort that brought 40 new trees in the Tenderloin as part of the Global Climate Action Summit in September 2018.
- Led the Tenderloin contingent of the June 2019 “Love Our City” Clean Up Day which brought volunteers from the hospitality and tourism industry to do litter pick-up, plant flowers at the Downtown Senior Center, paint in Veterans Alley, and plant 13 trees.



SAFE PROGRAM

- Safe Passage Corner Captains were a 'visible safety presence' along the Safe Passage route during their morning and afternoon shifts throughout the school year, and provided over 200,000 safe street crossings for children & youth.
- Safe Passage continued to grow and expand:
 - The number of Safe Passage Corner Captains grew to 28 paid volunteers.
 - The role of the part-time hourly Coordinator position was transformed into a full-time Manager position and a new hire brought on to better oversee operations.
- Safe Streets for Seniors assisted seniors and people with disabilities with over 119,000 safe street crossings during the year.
- The Safe Streets for Seniors brought a Tenderloin senior pedestrian safety event with over 200 attending to Boeddeker Park, in conjunction with Curry and Downtown Senior Centers
- Safe Streets for Seniors collaborated with San Francisco Senior Center in providing weekly Senior Walking Groups and Fall Prevention Exercise Classes to neighborhood seniors
- As part of Safe Passage's role in the Safe Routes to School program, a crew of Corner Captains was recruited, trained, and put into service in the SoMa neighborhood.
- While some funding for Safe Programs is from the assessment, the program continued to enjoy support from a number of funders including the Office of Economic & Workforce Development (OEWD), the Department of Children, Youth and Families (DCYF), the Municipal Transportation Agency (MTA) and the Saint Francis Memorial Foundation.
- "Safety Code," a data platform built in-house by a Safe Passage Corner Captain, was rolled out for use in collecting data from daily shifts towards improving program performance.
- At Turk Hyde Mini-Park, every weekday afternoon through the end of December 2018, Safe Passage staff provided stewardship and supported activation by neighborhood groups and residents. Recreation and Park Department began a long-planned renovation of the
- The highlight of the year was the celebration of the Safe Passage Ten Year Anniversary, in October 2018. The event, held in the Tenderloin, brought together a large crowd of neighborhood residents, CBOs, and city officials to celebrate this important program, and to raise over \$30,000 towards its continued success.
- Received a commendation from Supervisor Jane Kim at a November 2018 meeting of the Board of Supervisors, recognizing the work over the last 10 years and honoring the Tenderloin residents who are the heart and soul of the program.
- Corner Captains supported a Halloween Trick or Treating Route through the neighborhood.
- Received Commission on the Environment's Environmental Service Award in July 2018.
- Supported the Tenderloin's annual National Night Out event sponsored by the Tenderloin Police Station in July 2018. Hundreds of neighborhood families, community and city partners came together to kick off another new school year.

NEIGHBORHOOD PRIDE PROGRAM

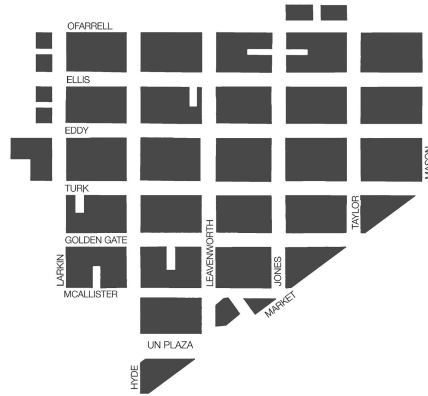
- Continued twice-a-month "Tenderloin Talk" digital newsletter.
- Continued quarterly "Tenderloin Talk LIVE" community discussions.
- Advanced TLCBD's TL Thrives initiative, the organization's commitment to addressing the community trauma and harms associated with the open-air drug trade in the Tenderloin by:
 1. Driving community dialogue to inform strategy and to clarify language and goals,
 2. Cultivating a community-led response through block-based groups, and
 3. Advocating for the creation of a Citywide task force.
- Dedicated staff to help support and build the capacity of five existing Block Groups to engage with neighbors on sidewalks to build relationships and community-based solutions.
- Developed a rating system to assess capacity levels of Block Groups to guide level and type of support from TLCBD.
- Took on lead role in "Four Corner Friday" events, a neighborhood-wide activation during the afternoon on the first Fridays of the month.
- Supported the Safer Inside Demonstration Project at Glide in August 2018 as part of ongoing advocacy to bring a safe injection site to the Tenderloin.
- Recognized as 2019 Comeback Neighborhood of the Year by the Neighborhood Empowerment Network.

CAMERA PROGRAM

- The Tenderloin Camera Network fulfilled 352 requests for after-incident video footage to support the justice system - including the Police, District Attorney and Public Defender, plus victims of crime, and safety incidents - in the prosecution and defense of criminal suspects in the neighborhood
- Continued the rapid expansion of the Tenderloin Camera Network using a new \$750,000 grant from the Silicon Valley Community Foundation.
- As of the end of the Fiscal Year, the Tenderloin Camera Network included:
 - 10 installation sites
 - 53 multi-sensor cameras
 - 123 total camera views

“There’s still work to do. Despite our successes, the District faces unacceptable levels of crime, traffic safety, and wellness disparity. TLCBD is leading a block-based approach to address health and safety in the Tenderloin.”

- Simon Bertrang, TLCBD Executive Director



TLCBD BOARD OF DIRECTORS (FY19)

Pratibha Tekkey (President) | Tenderloin Housing Clinic
Ross Stackhouse (Vice-President) | Tidewater Capital
Lowell Caulder, (Treasurer) | Studio Dental
Frank Manchen, (Secretary) | Hilton Hotel
Toby Shorts | Curry Senior Center
Satish Patel | BMS Hotels
Susie McKinnon | Cova Hotel
James Neal | Property Owner
Charles Deffarges | SF Bicycle Coalition
Paula Fleisher | UCSF
Christian Agulles | PAE Consulting Engineers
Rene Colorado, Jr. | Les Ros, Lapats, Esan Thai
Curtis Bradford | Resident
Christy Shirilla | Resident
Peter Stevens | Resident

TLCBD STAFF (FY19)

Simon Bertrang, Executive Director
Fernando Pujals, Director of Communications & Clean Engagement
Shayna Yasuhara, Communications Coordinator
Kate Robinson, Director of Safe Programs & Neighborhood Pride
Greg Moore, Safe Passage Senior Program Manager
JaLil Turner, Safe Passage Program Manager
Lorraine Lewis, Director of Business Planning & Administration
Phoet Tak, Project Manager



ANNUAL REPORT

FISCAL YEAR 2019-2020



A VIBRANT COMMUNITY FOR ALL

YEAR END REPORT

JULY 2019 – JUNE 2020

PRESENTED TO:

City and County of San Francisco Board of Supervisors
North of Market/Tenderloin Community Benefit Corporation Board of Directors
San Francisco Office of Economic and Workforce Development (OEWD)

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INTRODUCTION

The Tenderloin Community Benefit District (TLCBD) staff and Board of Directors are working diligently to implement the objectives of the organization's newly-approved 2019 management plan and to provide supplemental cleaning, safety and beautification services to the special benefits district in the Tenderloin. Fiscal Year 2019-2020 was a transition year for TLCBD, with the organization finishing the delivery of services to its original 30-block district under the original 2005 management plan and beginning expanded services to a larger 40-block district in January 2020.

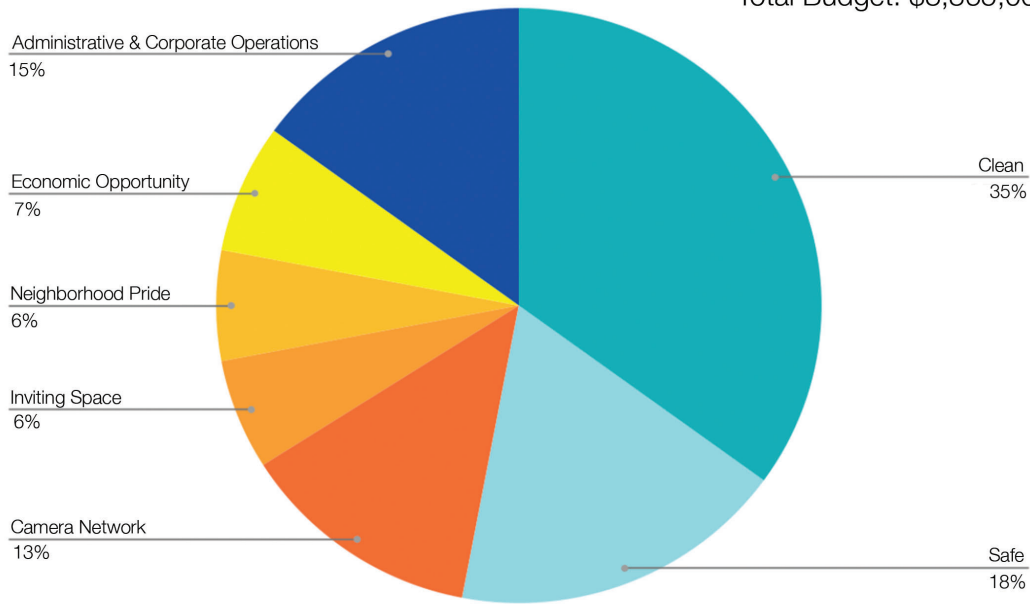
For the last 15 years, TLCBD has turned the annual investment by the property owners into much needed supplemental services and programs that benefit everyone in the community. Now TLCBD is committed to using the renewal of that commitment for another 15 years to lead the evolution of the Tenderloin into a vibrant community for ALL. We began January 2020 with [renewed support from Tenderloin Property Owners](#) and, by leveraging their increased investment in TLCBD, we were able to raise additional public and private funds to support our vision for a vibrant neighborhood by expanding our programs into each area of our Core Framework. We established new programs to support [Tenderloin Parks and Open Spaces](#), [Economic Opportunity](#) for small businesses and residents, [Pedestrian Safety](#), an expanded [Tenderloin Camera Network](#), and [Neighborhood Pride](#) while continuing to deepen the work of [Safe Passage](#) and the [Clean Team](#).

But even as we built these new programs, the cloud of COVID-19 brought uncertainty, exacerbated community trauma, and strained our typical ways of working together. And yet, throughout the pandemic, TLCBD staff relied on collaboration and close connection to neighbors, property owners, merchants, the many neighborhood-serving organizations and City partners to persevere.

As Fiscal Year 2019-2020 concluded, TLCBD was stronger and more capable than ever. At every step of the way we adapted, grew, and continued to ask ourselves what does the neighborhood need in this moment and what can we do? We did not just pivot our work to respond to the crisis, but actually found ways to bring joy in dark times. We are grateful for the ongoing support and partnership of our community.

Fiscal Year 2019-20 Budget

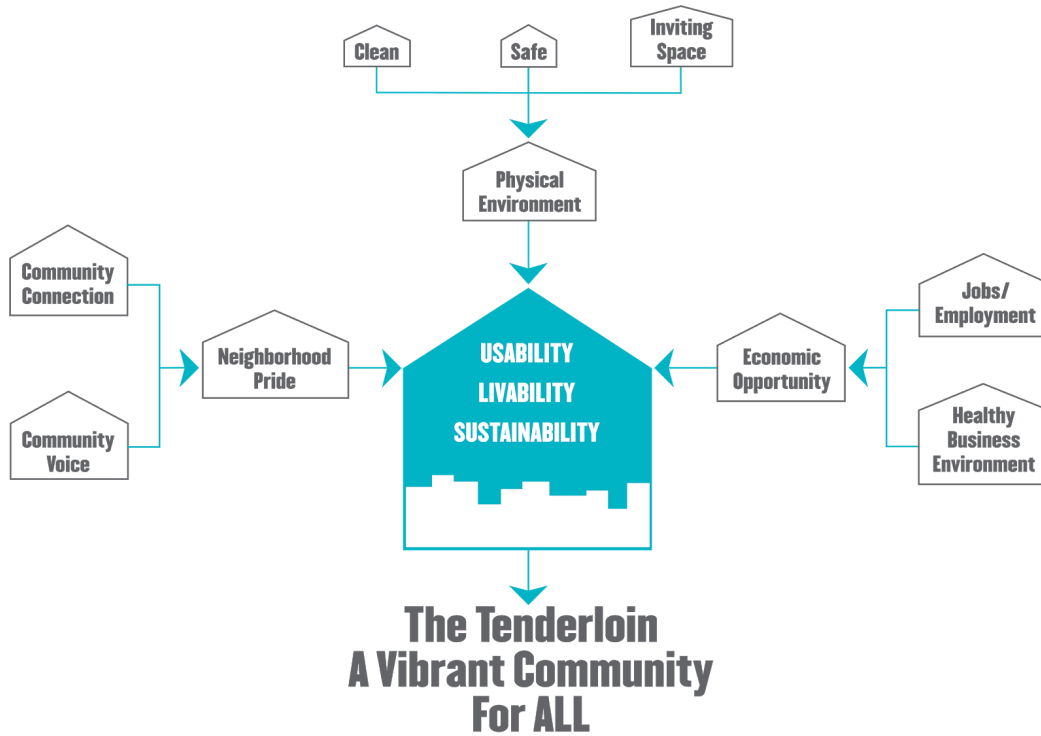
Assessment Total: \$1,969,176
 Total Budget: \$3,365,007



It starts with the property owners' contribution...in fiscal year 2020, TLCBD leverages this investment for an additional \$1,395,831 toward a more vibrant Tenderloin for ALL.

Note: FY20 Budget is updated on 1/27/22 to match final financial statements by external auditors.

TLCBD's Healthy Neighborhood



SUMMARY OF PROGRAMS, EVENTS & ACTIVITIES

LEADERSHIP & OPERATIONAL STRATEGY

- Initiated a TLCBD Evaluation Program to develop performance measures for programs and the organization as a whole, and to identify indicators to measure the effectiveness of the work that TLCBD does in its various programs and in the wider community.
- Hired Facente Consulting with funding from OEWD and Saint Francis Community Foundation to start building the new Evaluation Program using a Results Based Accountability (RBA) process and Theory of Change mapping to help TLCBD establish a data-driven, decision-making process and to tell the story of program impact.
- Established new Committee Structure to engage Board and community partners in expanded programs - rather than the three traditional program committees, Public Right of Way (PROW), Community Engagement & Communications (CEC) and Safe Passage, the new structure matched the programs in the Core Framework that TLCBD started developing in 2016. TLCBD expanded Program Committees to include:
 - **Clean:** Overseeing contracts for third-party vendors to staff a Clean Team and provide supplemental cleaning services as well as building partnerships with other agencies and organizations providing cleaning services in the neighborhood
 - **Safe:** Overseeing TLCBD Safe Passage operations, Safe Routes to School work and a new Pedestrian Safety initiative as well as building partnerships with neighborhood schools and nonprofits providing services for children and seniors
 - Inviting Space: Overseeing a new program to build a Tenderloin Park Network and uphold a vision for beautiful and inviting shared public spaces
 - **Neighborhood Pride:** Overseeing programs that build neighborhood agency and voice by supporting a handful of Block Safety Groups, a vision for Community Pride Through Environmental Design (CPTED) and continuing the TL Thrives initiative
 - **Economic Opportunity:** Overseeing the development of a new program supporting small businesses, building partnerships to support workforce development for neighborhood residents and shepherding the partnership and then eventual acquisition of the Tenderloin Equitable Development Project (TEDP)
 - **Evaluation:** Overseeing the development of the new program to evaluate effectiveness and also serving the function of an Audit Committee
- Held fourth annual Board retreat in November 2019 to introduce Evaluation Program and established clear goals for the newly-formed Board Committee.
- Developed detailed Theories of Change for each Committee in order to help evaluate ongoing work and ensure that any new work aligns with the core purpose and vision.
- Established eight TLCBD Team Norms and a Code of Communication to support a positive staff culture and build organizational effectiveness - 1.) Communicate openly and honestly, 2.) Build a culture of safety, 3.) Support learning and growth, 4.) Dedicate ourselves to the work, 5.) Monitor our pace, 6.) Care about our coworkers, 7.) Take pride in our workplace and 8.) Love the neighborhood.
- Hired a new full-time Administrative Coordinator to ensure improved daily operations.



CLEANING

- Through an ongoing contract with provider Block By Block, TLCBD’s uniformed Clean Team provided daily supplemental cleaning services throughout the District including sweeping sidewalks and gutters, collecting needles, abating graffiti, sanitizing human and animal waste, and reporting illegal dumping seven 7days/week, 361 days/year.
- Increased regular pressure washing of every sidewalk in the District from a monthly schedule to a weekly schedule in January 2020.
- Successfully advocated for the expansion and implementation of an expanded Pit Stop restroom program in Tenderloin, including the launch of the City’s first 24-hour Pit Stop.
- Even in the face of challenges and risks created by the COVID-19 pandemic and the dangerous air quality created by the catastrophic fire season, TLCBD’s Clean Team continued to be a daily, visible presence as “essential workers” for the neighborhood.
- TLCBD’s Clean Team met the challenge of worsening street conditions created by the City’s shelter-in-place and the corresponding increase in trash.
- TLCBD’s Clean & Inviting Space programs collaborated on a new Bigbelly pilot program to install 68 stations, the largest fleet in San Francisco. This has also strengthened partnerships with SF Recology, Public Works, the Chamber of Commerce and Bigbelly.
- Added an empty bed truck to our fleet in order to collect TLCBD Clean Team collected litter and dispose directly with Recology. Bags are regularly not collected by Public Works and then rummaged. This is still an issue TLCBD is trying to address in the Tenderloin.

ECONOMIC OPPORTUNITY

- TLCBD acquired Tenderloin Equitable Development Project (TEDP) and leveraged its assets to build a new Economic Opportunity Program, significantly increasing the support and resources for small businesses in the Tenderloin.
- Pivoted to address the challenges of the COVID-19 pandemic and, in partnership with OEWD, provided more than \$200,000 in grant funding to support more than 80 businesses during the ongoing economic crisis created by the pandemic.
- Provided funding, technical assistance, in-kind services, and resources to restaurants to assist with pivot to curbside pick-up and outdoor dining.



11 YEARS
SAFE PASSAGE
PROGRAM
SERVICES

1116
AVERAGE #
OF YOUTH
SERVED DAILY

680
PEOPLE WITH
DISABILITIES &
SENIORS
SERVED DAILY

202
DISTRICT
BLOG POSTS

SAFETY & NEIGHBORHOOD PRIDE

SAFE PROGRAMS

Safe Passage

- Safe Passage began the 2019-20 school year by serving as a daily, visible, safety presence for kids & families for the 11th year.
- Led a successful neighborhood-wide 'Safe Trick or Treat Route' effort for the second year, providing kids and families a safe Halloween option in the neighborhood.
- Continued to keep vital economic opportunity for Corner Captains by pivoting during Shelter in Place, holding virtual weekly trainings in April 2020.
- Pivoted Safe Passage to support food security and safe park access during the closure of schools due to the pandemic.
- Collaborated with Salvation Army Kroc Center on a weekly Grocery Delivery Program for TL residents unable to venture out for food during the Pandemic, starting in May 2020
- Established deployment plan to support safe access to Boeddeker Park.
- Expanded Food Security work to support SF & Marin Food Bank food distribution efforts for the Tenderloin.

Pedestrian Safety

- Increased Pedestrian Safety Outreach & Advocacy starting in October 2019 with hiring of a Pedestrian Safety Manager.
- Increased pedestrian safety outreach by hiring a team of Safety Captains, who give outreach presentations and provide on-the-ground education on safe crossings throughout the neighborhood.
- TLCBD's Pedestrian Safety Manager begins serving as co-leader of TL Traffic Safety Task Force in May 2020.
- June 2020, Advocated for Covid-19 physical distancing corridors in the TL; assisted in the planning and outreach in selecting and developing corridor changes along Jones and Turk.

NEIGHBORHOOD PRIDE

Communications

- Continued "Tenderloin Talk" digital newsletter, including updates on COVID communications and Clean Team operations, as well as loan and grant opportunities for business owners.
- Developed a Theory of Change for addressing neighborhood issues through a storytelling for change approach.
- Published 202 blog posts showcasing neighborhood news, events, and other stories
- Increased social media following and engagements including promotion of local businesses and events.
- Launched the new #TLTogether stories with interviews featuring community members including merchants and small business proprietors, residents, and CBO representatives among others.
- Continued to advance the TL Thrives initiative, TLCBD's commitment to addressing the community trauma and harms associated with the open-air drug trade in the Tenderloin by building support for six block-based groups, and participating in Street Level Drug Dealing Task Force working group meetings.

Block Groups

- Worked with a consultant to deliver block group organizing, outreach and administrative support, establishing our approach to block improvements.
- Continued lead role in a rebranded "Four Corner Friday" events, a neighborhood-wide activation during the afternoon on the first Fridays of the month, with new table banners, pinwheels and giveaway materials.
- Created a mini grant program for new ideas and activities for participation in Four Corner Friday including: drumming, performances, food giveaways, and music.
- Held two convening events with block groups to bring all six groups together for a whole neighborhood focus including:
 - 1) Block Safety Day: an initial meeting with all block groups with a tour of each block, visioning session
 - 2) Halloween Crawl: an event for kids to go trick-or-treating throughout the neighborhood
- Started a Community Pride Through Environmental Design (CPTED) program where block groups assess each parcel on their block and rate the physical elements of each that help or hinder a sense of care and pride. Two block groups completed this process and began plans for physical improvement projects.
- Led a collaborative process with City Partners to establish roundtable meetings and working groups for the Tenderloin Plan (response to COVID-19).
- Strengthened block group communications with some groups meeting weekly instead of monthly, worked with City partners to close blocks for block-led resource initiatives.
- Improved block group attendance and participation with all block groups advancing to higher levels of self-sufficiency.



INVITING SPACE

- Established the Inviting Space program to complement TLCBD's other programs by fostering safe, clean, and inviting shared public spaces.
- Hired full-time leadership staff for Inviting Space Program.
- Established Inviting Space Committee with neighborhood business owners and residents to help guide this work.
- Led the implementation of the community's vision for a coordinated Park Network
- Hosted the reopening celebration of Turk-Hyde Mini Park with over 200 attendees; speakers included Mayor Breed, Supervisor Haney, other partners and residents.
- Launched Urban Alchemy stewardship program for Turk-Hyde Mini Park and saw early success with 10-15 families consistently using the park in the afternoons.
- Created programming agreements with The Healing Well, a neighborhood wellness organization and CounterPulse, a neighborhood arts organization.
- Supported resident health and safety initiatives by working closely with SF Rec and Park and the Department of Public Health to monitor COVID-19 conditions and implement park closures in March 2020.
- Commissioned seven unique artist designs for the 68 Bigbelly trash receptacles
- Created 3 murals featuring poems written by Tenderloin youths through a partnership with non-profit 826 Valencia.
- Completed a community mural on the 300 block of Ellis to honor local TL legends who symbolically stand in line with Glide's guests.



213
CAMERA
VIEWS AS OF
JUNE 2020

473
FOOTAGE
REQUESTS
FULFILLED

\$750,000
PRIVATELY
RAISED FOR
EXPANSION

94
CAMERAS
INSTALLED AS
OF JUNE
2020

CAMERA NETWORK

- The Tenderloin Camera Network fulfilled 473 requests for video footage to support community safety in the neighborhood. Footage was provided to the Police Department, District Attorney's Office, Public Defender's Office, and the Office of Police Accountability, among others.
- Continued the rapid expansion of the Tenderloin Camera Network using a \$750,000 grant from the Silicon Valley Community Foundation (funding from July 2018 to June 2020).
- As of June 2020, the Tenderloin Camera Network included 94 multi-sensor cameras and 213 camera views.

DISTRICT BOUNDARIES



TLCBD BOARD OF DIRECTORS

(FY 2019-2020)

Lowell Caulder, (President) | Studio Dental
Rhiannon Bailard (Vice President) | UC Hasting Law
Adam Tetenbaum (Treasurer) | Olympic Residential Group
Mike Vuong (Secretary) | Boys & Girls Club San Francisco
Susie McKinnon | Cova Hotel
Beth Borgna | Dolmen Property Group
Regina Guggenheim | Broadway San Francisco
Rene Colorado, Jr. | Lers Ros, Esan Classic
Soha Abdou | Chinatown Community Development Center (CCDC)
Curtis Bradford | Resident
James Neal | Resident
Christy Shirilla | Resident
Kristen Villalobos | Resident
Charles Deffarges | SF Bike Coalition
Paula Fleisher | UCSF

TLCBD STAFF

(FY 2019-2020)

Simon Bertrang, Executive Director
Kate Robinson, Senior Director of Neighborhood Pride
Fernando Pujals, Senior Director of Communications & Clean Engagement
Lorraine Lewis, Director of Business Planning & Administration
Greg Moore, Director of Safe Programs
Hunter Franks, Director of Inviting Space
Shayna Yasuhara, Communications Manager
JaLil Turner, Safe Passage Program Manager
Phoet Tak, Project Manager
Alicia Seleska, Administrative Coordinator
Eric Rozell, Pedestrian Safety Manager



AROUND HERE WE TEND TO KNOW OUR NEIGHBORS



“Back in 1983, my mom got all three of us sisters to the United States. We traveled here by boat. It was just her with the three daughters—ages six, four, and two years old at that time. She left with basically no possessions and not sure what would happen on the journey.”

-Linh
Mong Thu Cafe
Daughter of Restaurant Owner, Kim Lien Nguyen



Examples of TLCBD Communication Outreach in 2019-20

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

FINANCIAL STATEMENTS

June 30, 2020

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

We have reviewed the accompanying financial statements of North of Market/Tenderloin Community Benefit Corporation (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The accompanying summarized comparative information as of and for the year ended June 30, 2019 is derived from financials that were previously reviewed by us and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated June 9, 2021. We have not performed procedures in connection with that review engagement since that date.


Oakland, California
December 16, 2021

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Financial Position
June 30, 2020
(With Comparative Totals as of June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Assets		
Cash and cash equivalents	\$ 1,287,793	\$ 859,630
Assessments receivable	51,191	11,539
Grants and accounts receivable	230,030	338,242
Prepaid expenses	24,570	144,698
Deposits	10,500	10,500
Property and equipment, net	-	1,750
Total Assets	<u>\$ 1,604,084</u>	<u>\$ 1,366,359</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 281,301	\$ 267,703
Accrued vacation	59,557	32,875
Paycheck protection program loan (Note 4)	168,400	-
Total Liabilities	<u>509,258</u>	<u>300,578</u>
Net Assets		
Without donor restrictions	669,334	558,482
With donor restrictions (Note 5)	425,492	507,299
Total Net Assets	<u>1,094,826</u>	<u>1,065,781</u>
Total Liabilities and Net Assets	<u>\$ 1,604,084</u>	<u>\$ 1,366,359</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Statement of Activities
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Support and Revenue				
Assessment revenue (Note 6)	\$ 1,969,176	\$ -	\$ 1,969,176	\$ 1,143,428
Government grants and contracts	642,702		642,702	718,632
Foundation support	126,073	478,358	604,431	903,455
Individual and corporate support	24,188		24,188	53,870
Program service fees	129,926		129,926	-
Interest and other income	23,629		23,629	7,234
Support provided by expiring time and purpose restrictions	560,165	(560,165)	-	-
Total Support and Revenue	3,475,859	(81,807)	3,394,052	2,826,619
Expenses				
Program	3,019,838		3,019,838	1,992,714
Management and general	312,134		312,134	378,448
Fundraising	33,035		33,035	29,550
Total Expenses	3,365,007	-	3,365,007	2,400,712
Change in Net Assets	110,852	(81,807)	29,045	425,907
Net Assets, beginning of year (Note 10)	558,482	507,299	1,065,781	639,874
Net Assets, end of year	\$ 669,334	\$ 425,492	\$ 1,094,826	\$ 1,065,781

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Statement of Cash Flows
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 29,045	\$ 425,907
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	1,750	1,250
Change in assets and liabilities:		
Assessments receivable	(39,652)	65,750
Grants and accounts receivable	108,212	(274,947)
Prepaid expenses	120,128	(129,716)
Accounts payable and accrued expenses	13,598	216,914
Accrued vacation	26,682	32,875
Net cash provided (used) by operating activities	259,763	338,033
Cash flows from investing activities:		
Property and equipment purchases	-	(3,000)
Net cash provided (used) by investing activities	-	(3,000)
Cash flows from financing activities		
Proceeds from paycheck protection program loan	168,400	
Net cash provided (used) by financing activities	168,400	-
Net change in cash	428,163	335,033
Cash and cash equivalents, beginning of year	859,630	524,597
Cash and cash equivalents, end of year	\$ 1,287,793	\$ 859,630

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Statement of Functional Expenses
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	Program	Management and General	Fundraising	Total	
				2020	2019
Salaries	\$ 690,485	\$ 198,270	\$ 23,484	\$ 912,239	\$ 765,272
Employee benefits	88,915	9,217	969	99,101	98,232
Payroll taxes	63,575	13,809	1,620	79,004	64,947
Total Personnel	<u>842,975</u>	<u>221,296</u>	<u>26,073</u>	<u>1,090,344</u>	<u>928,451</u>
Management services	7,936	823	87	8,846	4,852
Accounting fees	-	14,900	-	14,900	16,000
Cleaning services	1,125,620	-	-	1,125,620	918,699
Camera services	366,543	-	-	366,543	257,767
Safety services	245,397	-	-	245,397	23,063
Economic opportunity services	82,580	-	-	82,580	31,568
Neighborhood mini grants	141,000	-	-	141,000	-
Other fees for service	26,692	2,767	291	29,750	100,554
Office expenses and supplies	14,668	2,349	160	17,177	27,506
Occupancy	-	53,191	6,240	59,431	55,411
Depreciation	-	1,566	184	1,750	1,250
Insurance	-	15,242	-	15,242	10,121
Public space improvement	166,427	-	-	166,427	25,470
Total Expenses	<u>\$ 3,019,838</u>	<u>\$ 312,134</u>	<u>\$ 33,035</u>	<u>\$ 3,365,007</u>	<u>\$ 2,400,712</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

NOTE 1: NATURE OF ACTIVITIES

The North of Market/Tenderloin Community Benefit Corporation (“TLCBD” or “Organization”) is a California nonprofit public benefit corporation, which was established in 2005. The core purpose of TLCBD is to lead the evolution of the Tenderloin into a vibrant community for ALL with a focus on providing supplemental cleaning, safety and beautification services to a 40-block special benefits district in the Tenderloin.

Fiscal Year 2019-20 was a transition year for TLCBD, with the organization finishing the delivery of services to its original 30-block district under its original 2005 management plan and beginning expanded services under its renewed 2019 management plan to a larger 40-block district in January 2020. For the last 15 years, TLCBD has turned the annual investment by the property owners, who pay an assessment as part of their property tax bill, into much needed supplemental services and programs that benefit everyone in the community. Now TLCBD is committed to using the renewal of that commitment for another 15 years to expand its programs and impact.

TLCBD continued its long-standing Clean and Safe programs and established new programs to support Tenderloin Parks and Open Spaces, Economic Opportunity for small businesses and residents, Pedestrian Safety, an expanded Tenderloin Camera Network, and Neighborhood Pride

TLCBD’s Clean Program provides supplemental cleaning services in the public right-of-way including sidewalk and gutter sweeping, weekly pressure washing of all sidewalks, needles pick-up, human and animal waste sanitation and graffiti abatement. TLCBD also supports a fleet Bigbelly trash cans with colorful wraps designed by local artists – bringing multiple litter receptacles to every intersection in the district.

TLCBD’s Safe Program operates the celebrated Safe Passage Program, which provides a visible safety presence on key corridors to help children and families get to and from school safely every day and other safety initiatives including a new Pedestrian Safety initiative to do outreach, education and organizing to support safer streets in the neighborhood.

TLCBD’s Camera Program operates a network of cameras in the neighborhood to provide after-the-fact footage to all parties in the criminal justice system – including the Police, District Attorney, Public Defender and others.

TLCBD’s Inviting Space program operates the Tenderloin Park Network to support safe, clean and inviting parks and playgrounds as well as physical improvement and beautification projects to the sidewalks and other public spaces.

TLCBD’s Economic Opportunity Program provides business assistance services, referrals and grants and advocates on behalf of small businesses in the neighborhood.

TLCBD’s Neighborhood Pride Program provides support to multiple block groups as they seek to transform the physical and social conditions on their blocks as well other efforts to organize resident voice and bring attention to the dynamic low-income, affordable multi-racial neighborhood at the heart of San Francisco.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; there were no restrictions of this nature as of June 30, 2020

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time when any of the following conditions are met: The customer receives and consumes the benefits provided by the Organization's performance as the Organization performs; the Organization's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the work does not create an asset with an alternative use to the Organization and the entity has a right to payment for performance completed to date.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue from agreements based on hourly rates are recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization's efforts are expended evenly throughout the performance period the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. Revenue from the sales of goods or merchandise are recognized at the point in time when the goods or merchandise are provided to the customer.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

Assessments Receivable

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible.

Grants and Accounts Receivable

Grants and accounts receivable are primarily unsecured non-interest bearing amounts due from grantors on a cost reimbursement basis or customers on performance contracts. The Organization considers all accounts receivable to be fully collectible at June 30, 2020. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of June 30, 2020 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2020.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Estimates

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

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2020.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$3,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the shorter of the estimated useful lives on the property and equipment or the related lease terms.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on estimated staff allocations at year end.

Occupancy, depreciation and other shared are allocated on dependent on the programs and supporting activities occupying the space.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of staff allocations for program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

NOTE 3: CONTINGENCIES

Community Benefit District

Community benefit district assessments are received under agreement with the City and County of San Francisco and assessments have been currently authorized through June 2034. The assessments and related revenue to the Organization may be terminated at an earlier date if the community benefit district which funds the Organization’s operations is disestablished by a vote of the assessed property owners or in certain other circumstances. The Organization has been late in certain of its standard financial reporting and may incur additional costs to bring its financial reporting current and to comply with its reporting requirements. No reasonable estimate of the costs of such efforts was available.

Grant Awards and Governmental Funding

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization’s management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 4: PAYCHECK PROTECTION PROGRAM

The Organization received a \$168,400 paycheck protection program (PPP) loan bearing interest of 1% and maturing April 2022 which it accounts for under FASB 470 including interest accrual. Based on the guidance in FASB ASC 405-20-40-1, the proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been “legally released” or (2) the Organization pays off the loan. The Organization may be eligible for forgiveness of some or all of this loan, and expect to receive forgiveness or repay the loan within one year.

NOTE 5: NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction consisted of \$425,492 and \$507,299 for specific purposes as of June 30, 2020 and 2019 respectively.

NOTE 6: ASSESSMENT REVENUE

Assessment revenue consists of regular annual property assessments which are recognized as revenue when assessed. In addition, the Organization may receive other related revenue for late fees and other items, which it records when paid. Assessment revenue consisted of the following for the year ended June 30:

	<u>2020</u>	<u>2019</u>
Assessment revenue – regular annual	\$ 1,962,806	\$ 1,129,138
Assessment revenue – penalties and other	<u>6,370</u>	<u>14,290</u>
Total	<u>\$ 1,969,176</u>	<u>\$ 1,143,428</u>

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

NOTE 7: CONCENTRATIONS

Revenue

For the year ended June 30, 2020, the Organization received 58% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

Geographic Area

The majority of the organization's revenue and support are received from corporations, foundations, government agencies and individuals located in the San Francisco area. As such, the organization's ability to generate resources may be dependent upon the economic health of that area.

NOTE 8: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet age and length of service requirements. The Organization may make a matching contribution of up to 3% of the employee's salary. The contribution rate is determined annually. All contributions to an employee's account vest immediately. The Organization made contributions of \$13,670 and \$14,098 for the years ended June 30, 2020 and 2019.

NOTE 9: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 are:

Cash and cash equivalents	\$ 1,287,793
Assessments receivable	51,191
Grants and accounts receivable	230,030
Less purpose restricted net assets	<u>(425,492)</u>
Total	<u>\$ 1,143,522</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements into its bank money market account.

NOTE 10: PRIOR PERIOD ADJUSTMENT

The Organization evaluated its grant funding as of June 30, 2019 and determined that the balances remaining on two grants were more properly classified as restricted rather than deferred. This had no effect on net assets without donor restriction or change in net assets without donor restriction. This change increased net assets with donor restriction and total net assets by \$507,299.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

NOTE 11: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of December 16, 2021, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

Public Health Order – Coronavirus

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic and the Organization. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.

2 February 2022

Christopher Corgas, Program Director
Office of Economic and Workforce Development
1 Doctor Carlton B. Goodlett Place, Room 448
San Francisco, CA 94102

Dear Chris:

For the last several years, TLCBD has contracted with the audit firm Crosby & Kaneda LLP to complete an outside review of our annual financial statements.

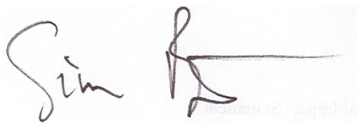
The financial statements for both FY19 and FY20 were delayed due to two primary factors.

First, TLCBD switched bookkeepers several times during this period and with the final switch to Metis Partner Solutions LLC, the new bookkeeper restructured the entire chart of accounts and did a significant reclassification of both expenses and income.

Second, TLCBD lacked the internal financial and administrative support to drive the completion of the annual financial statements. With the hire of a new Senior Director of Finance in October 2021, TLCBD now has the staff structure to support timely reporting.

Do not hesitate to contact me with any questions.

Sincerely,



Simon Bertrang
Executive Director

MEMO

To: Matt Haney, District 6 Supervisor

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Program Director

RE: North of Market/Tenderloin Community Benefit District FY 18-19 and FY 19-20 Annual Reports

Date: February 2, 2022

This is a memo summarizing the performance of the North of Market/Tenderloin Community Benefit District and an analysis of its financial statements (based on financial review by their auditors) for the period between July 1, 2018, 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. North of Market/Tenderloin CBD did not comply with the submission of all these requirements for FY 2018-2019 or FY 2019-2020 in a timely manner; specifically, the CBD turned in its annual report and financial review or audit late. 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 North of Market/Tenderloin CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006 and 2019.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2018-2019
 - b. FY 2019-2020
2. CPA Financial Review Reports
 - a. FY 2018-2019 and FY 2019-2020
3. Memo from the North of Market/Tenderloin Community Benefit District
4. Draft resolution from the Office of Economic and Workforce Development

Background



In FY 2018-2019 the North of Market/Tenderloin Community Benefit District spanned 29 blocks and included 675 parcels. Following its renewal and effective in FY 2019-2020 the district now spans 41 blocks and includes approximately 800 parcels.

- August 2, 2005: the Board of Supervisors approved the resolution that established the North of Market Tenderloin Community Benefit District for 15 years (Resolution # 584-05).
- January 10, 2006: the Board approved the contract for the administration and management of the North of Market Tenderloin Community Benefit District (Resolution # 15-06).
- July 12, 2011: the Board of Supervisors approved the Annual Reports for FYs 2006-2007, 2007-2008, 2008-2009 and 2009-2010 (Resolution #284-11).
- April 28, 2015: the Board of Supervisors approved the Annual Reports for FYs 2010-2011, 2011-2012, and 2012-2013 (Resolution #160-15).
- August 2, 2016: the Board of Supervisors approved the Annual Reports for FY's 2013-2014 and 2014-2015 (Resolution #348-16).
- December 12, 2017: the Board of Supervisors approved the Annual Reports for FY's 2015-2017 (Resolution #449-17).
- November 13, 2018: the Board of Supervisors approved the Annual Reports for FY's 2016-2017 (Resolution #382-18).
- April 23, 2019: the Board of Supervisors approved a resolution declaring the intention of the Board of Supervisors to renew and expand a property-based business improvement district known as the "North of Market/Tenderloin Community Benefit District" and levy a multi-year assessment on all parcels in the district (Resolution #195-19).
- June 25, 2019: the Board of Supervisors approve a resolution to establish (renew and expand) the property-based business improvement district known as the "North of Market/Tenderloin Community Benefit District," ordering the levy and collection of assessments against property located in that District for 15 years commencing with FY2019-2020 (Resolution #297-19).
- November 19, 2019: the Board of Supervisors approved the Annual Reports for FY 2017-2018 (Resolution #507-19).
- November 19, 2019: the Board of Supervisors approved an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the "North of Market/Tenderloin Community Benefit District," pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2034 (Resolution #508-19).

Basic Info about Greater North of Market/Tenderloin CBD:

Year Established	2005
Year Renewed	2019
Assessment Collection Period	FY 2005-2006 to FY 2019-2020 (July 1, 2005 to June 30, 2020) FY 2019-2020 to FY 2033-2034 (July 1, 2019 to June 30 2034)
Services Start and End Date	January 1, 2006 – December 31, 2020 ¹ January 1, 2020 – December 31, 2034

¹ This district was renewed and expanded in 2019, meaning the original iteration of the District sunset on December 31, 2019.

Initial Estimated Annual Budget	\$981,147 (FY 2005-2006 to FY 2019-2020) \$1,963,840 (FY 2019-2020 to FY 2033-2034)
FY 2018-2019 Assessment Submission	\$1,129,137.76
FY 2019-2020 Assessment Submission	\$1,963,834.98
Fiscal Year	July 1 – June 30
Executive Director	Simon Bertrang
Name of Nonprofit Owners' Entity	North of Market/Tenderloin Community Benefit Corporation

The current CBD website www.tlcbd.org, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plans, Mid-Year Reports, Annual Reports and meeting schedules.

Summary of Program Areas – FY 2018-2019

Public Right of Way and Sidewalk Operations

Sidewalk Operations services include: (1) twice daily sidewalk and gutter hand sweeping 5 days a week, (2) bi-monthly soap and water scrub-down of all properties, (3) a “Lead Sweeper” dealing with needles, hazardous waste and bulky items, and (4) graffiti removal 10 to 15 hours per week, and (5) once monthly sidewalk steam cleaning. For the years in review, Public Right of Way initiatives also include: (1) *Safe Passages* program and (2) a public toilet study, access and design project. The CBD contracts with *Block By Block* to provide sidewalk cleaning. The CBD Management Plan calls for 76% of the budget to be spent on Public Right of Way and Sidewalk Operations.

District Identity and Streetscape Improvements

This service area includes but is not limited to promoting the district through brochures, a website, social media outlets (i.e. Facebook and Twitter), sponsoring special events, and enhancing beautification. The CBD dedicates approximately five percent (5%) of its budget to District Identity and Streetscape Improvements.

Management & Operations

The NOM/TL Management Plan calls for 12% of the budget to be spent on management and corporate operations. The CBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for the district. The CBD board has fifteen (15) board members that represent the diverse property and business owners and residents in the district. The board meets every third Monday every month. The CBD has several committees that function to assist the CBD with its goals and objectives.

The four committees include:

- **Executive Committee** - oversees central operations of the organization and ensures the functioning of key areas: staff and contracts; corporate finances; insurance; grants; development of budget; board agendas and meetings; correspondence; outreach; bylaws and policies; public relations; newsletters. The Executive Committee meets the 1st Wednesday of the month.
- **Public Rights of Way (PROW) Committee** – oversees the services in public spaces and ensures the success and efficiency of these services, along with other services designed to promote safety in the neighborhood. These services include the following activities: sidewalk sweeping and cleaning; steam cleaning; relations with the Department of Public Works (DPW); tree planting and

maintenance; improving public right of way experience; and safety programs including Safe Passage and Safe Havens. The PROW Committee meets the 2nd Thursday of the month.

- **District Identity and Streetscape Improvements (DISI) Committee** - oversees programs that promote Tenderloin district identity and provide beautification through visual media such as art and murals. The DISI Committee meets the 1st Monday of the Month.
- **Community Advisory Board Committee** – works to address the needs and concerns of Tenderloin residents and engages in outreach activities to form partnerships among local community organizations. Projects during these years include community benefit agreement negotiations, land use planning discussions and advocacy, and community safety meetings. The Community Advisory Board Committee meets the 2nd Thursday of the month.

Summary of Program Areas – FY 2019-2020

Clean & Safe

The Clean & Safe Program is designed to promote the cleanliness and safety of the area within the North of Market/Tenderloin CBD boundaries. The clean program may include, but is not limited to:

- Sidewalk pressure washing: Uniformed, radio-equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the North of Market/Tenderloin CBD. Paper signs and handbills that are taped or glued on property, utility boxes, poles and telephones are removed.
- Trash collection: Collector truck personnel collect trash from sidewalks as needed. They are also dispatched to collect large bulky items illegally dumped in the North of Market/Tenderloin CBD.
- Graffiti removal: Painters remove graffiti by painting, using solvent and pressure washing. The North of Market/Tenderloin CBD maintains a zero-tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.
- Landscape maintenance: Weeding of District tree wells and sidewalk cracks. In addition, North of Market/Tenderloin CBD personnel may provide landscape maintenance to decorative planters.

The Safe Program provides community-based safety services for the area within the CBD. The Safe Program does not include armed security forces and does not hire private security to remove people from the sidewalks. The Safe Program will support safe initiatives that acknowledge that everyone on the sidewalks deserves to be and feel safe, and that are initiated by the community and led by the community. This program consists of:

- **Safe Passage**: A program that aims to o keep the North of Market/Tenderloin CBD safe and create safe walking groups for youth and seniors will be maintained and may be expanded.
- **Block Safety Groups**: A program to support residents and businesses as they seek to activate the sidewalks in front of their buildings will be maintained and may be expanded.
- **Camera Network**
- **Public Space Activation**

Marketing & Economic Development

The program helps parcel owners in their efforts to attract tenants and support local commerce and investment and work to improve the positive perception of the North of Market/Tenderloin CBD. The programs may include, but are not limited to, the following:

- **Destination Marketing**

- Branding
- Events
- Media Relations
- Website
- District Stakeholder Outreach

Administration

The aforementioned improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the North of Market/Tenderloin CBD’s services, which are delivered seven days a week. Administration staff actively works on behalf of the North of Market/Tenderloin CBD parcels to ensure that City and County services and policies support the North of Market/Tenderloin CBD. Included in this item are office expenses, professional services, organizational expenses such as insurance, and the cost to conduct a yearly financial review.

Contingency/Reserve/City Fees

An operating reserve is budgeted as a contingency for any payment of delinquencies, uncollectible assessments, Community Benefit District establishment and/or renewal efforts, and/or unforeseen budget adjustments.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2018-2019

Public Right of Way and Sidewalk Operations

- 334,899 lbs of trash removed
- 21,862 needles safely removed
- 6,549 instances of graffiti and sticker abatement
- 2,311 block faces pressure washed
- 1,245 instances of hot spots being pressure washed
- 16,198 instances of human or animal waste removal and sanitation
- 273 illegal dumping areas resolved
- Rolled out the Micro-Neighborhood Cleaning Program, bringing a dedicated TLCBD Clean Team Member to each of six, smaller “micro-neighborhoods” within the larger District.

District Identity and Streetscape Improvements

- Supported community events including a regular cleaning event by the Lower Hyde Street Association, the annual District 6 Community Clean Team Event that kicked off in Boeddeker Park in August 2018 and the Mayor’s city-wide “Love Our City” Giants Sweep event that kicked off in Macaulay Park in September 2018.
- Partnered with Public Works to support a volunteer tree planting effort that brought 40 new trees in the Tenderloin as part of the Global Climate Action Summit in September 2018.

- Led the Tenderloin contingent of the June 2019 “Love Our City” Clean Up Day which brought volunteers from the hospitality and tourism industry to do litter pick-up, plant flowers at the Downtown Senior Center, paint in Veterans Alley, and plant 13 trees.
- Installed five Bigbelly trash cans in partnership with OEWD and the Mayor’s Fix-It Office to pilot the enclosed, tamper-proof, solar-powered trash cans. The Bigbellies were wrapped with TLCBD branding promoting the message that “around here, we tend to our sidewalks” and including the Hot-Line Number.
- Took on lead role in “Four Corner Friday” events, a neighborhood-wide activation during the afternoon on the first Fridays of the month.
- Supported the Safer Inside Demonstration Project at Glide in August 2018 as part of ongoing advocacy to bring a safe injection site to the Tenderloin.

Management & Operations

- Expanded staff to ensure better daily operations: hired a new part-time Administrative Coordinator, grew part-time Communications Coordinator into a full-time position, and the part-time Safe Passage Coordination became a new full-time position
- Drafted an updated TLCBD Financial policy and Procedures Handbook
- Completed leadership transition to a new full-time executive director
- Formed a renewal steering committee to lead the assessment renewal process and to determine services of the renewed and expanded CBD

FY 2019-2020

Clean & Safe

- 273,385 lbs of trash removed
- 9,962 needles safely removed
- 7,110 instances of graffiti and stickers abated
- 3,691 block faces pressure washed
- 2,345 instances of hot spots being pressure washed
- 25,996 instances of human or animal waste being removed and sanitized
- Increased regular pressure washing of every sidewalk in the District from a monthly schedule to a weekly schedule in January 2020.
- Successfully advocated for the expansion and implementation of an expanded Pit Stop restroom program in the Tenderloin.

Marketing & Economic Development

- Acquired Tenderloin Equitable Development Project (TEDP) and leveraged its assets to build a new Economic Opportunity Program, significantly increasing the support and resources for small businesses in the Tenderloin.
- Pivoted to address the challenges of the Covid-19 pandemic and. In partnership with OEWD, provided more than \$200,000 in grant funding to support more than 80 businesses during the ongoing economic crisis created by the pandemic.
- Provided funding, technical assistance, in-kind services, and resources to restaurants to assist with pivot to curbside pick-up and outdoor dining,

Administration

- Initiated a TLCBD Evaluation Program to develop performance measures for programs and the organization as a whole, and to identify indicators to measure the effectiveness of the work that the CBD does in its various programs and in the wider community.
- Established new Committee Structure to engage Board and community partners in expanded programs - rather than the three traditional program committees, Public Right of Way (PROW), Community Engagement & Communications (CEC) and Safe Passage, the new structure matched the programs in the Core Framework that TLCBD started developing in 2016. TLCBD expanded Program Committees to include:
 - Clean: Overseeing contracts for third-party vendors to staff a Clean Team and provide supplemental cleaning services as well as building partnerships with other agencies and organizations providing cleaning services in the neighborhood
 - Safe: Overseeing TLCBD Safe Passage operations, Safe Routes to School work and a new Pedestrian Safety initiative as well as building partnerships with neighborhood schools and nonprofits providing services for children and seniors
 - Inviting Space: Overseeing a new program to build a Tenderloin Park Network and uphold a vision for beautiful and inviting shared public spaces
 - Neighborhood Pride: Overseeing programs that build neighborhood agency and voice by supporting a handful of Block Safety Groups, a vision for Community Pride Through Environmental Design (CPTED) and continuing the TL Thrives initiative
 - Economic Opportunity: Overseeing the development of a new program supporting small businesses, building partnerships to support workforce development for neighborhood residents and shepherding the partnership and then eventual acquisition of the Tenderloin Equitable Development Project (TEDP)
 - Evaluation: Overseeing the development of the new program to evaluate effectiveness and also serving the function of an Audit Committee

NOM/TL CBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for NOM/TL CBD:

- **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 "North of Market/Tenderloin Community Benefit District", Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether five percent (5%) in FY 2018-2019 and three and thirty four hundredths percent (3.34%) in FY 2019-2020 of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "North of Market Tenderloin Community Benefit District", Section A - 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 "North of Market Tenderloin Community Benefit District", Section 3.9 – Budget*).

- **BENCHMARK 4:** Whether NOM/TL CBD 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 36651*)

FY 2018-2019

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

ANALYSIS: *NOM/TL CBD met this requirement. See table below.*

Service Category	Management Plan Budget (Percentage)	FY 2018-19 Budget – Asst (Percentage)	FY 2018-19 Budget – Total (Percentage)	Variance Percentage Point – Asst.	Variance Percentage Points - Total
Public Right of Way and Sidewalk Operations	\$749,074 (76.32%)	\$964,968.11 (81.86%)	\$2,621,764.10 (76.73%)	+5.54%	+0.41%
District Identity and Streetscape Improvements	\$45,000 (4.58%)	\$63,939.00 (5.42%)	\$288,736.72 (8.45%)	+0.84%	+3.87%
Management & Operations	\$120,000 (12.23%)	\$149,868.22 (12.71%)	\$412,809.96 (12.08%)	+0.49%	-0.14%
Contingency Reserve	\$67,413 (6.87%)	\$0.00 (0.00%)	\$93,563.20 (2.74%)	-6.87%	-4.13%
TOTAL	\$981,487 (100%)	\$1,178,775.33 (100%)	\$3,416,873.98 (100%)		

BENCHMARK 2: Whether five percent (5%) of NOM/TL CBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NOM/TL CBD met this requirement. Assessment revenue was \$1,143,428.00 or 49.30% of actuals and non-assessment revenue was \$1,140,892.09 or 50.70% of actuals. See table below.*

Revenue Sources	FY 2018-2019 Actuals	% of Actuals
Special Benefit Assessments	\$1,143,428.00	
Total assessment revenue	\$1,143,428.00	49.30%
Grants – Government	\$700,566.00	30.21%
Grants – Foundations and Corporate	\$407,256.00	17.56%
Individual Donations	\$53,870.00	2.32%
Program Service Fees	\$6,966.00	0.30%

Interest and Other Income	\$7,234.09	0.31%
Total non-assessment revenue	\$1,175,892.09	50.70%
TOTAL	\$2,319,320.00	100%

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

ANALYSIS: *NOM/TL CBD met this requirement. See tables below.*

Service Category	FY 2018-19 Budget – Asst. (Percentage)	FY 2018-19 Budget – Total (Percentage)	FY 2018-2019 Actuals – Asst. (Percentage)	2018-2019 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Public Right of Way and Sidewalk Operations	\$964,968.11 (81.86%)	\$2,621,764.10 (76.73%)	\$936,032.09 (81.86%)	\$1,861,712.00 (77.55%)	--	+0.82%
District Identity and Streetscape Improvements	\$63,939.00 (5.42%)	\$288,736.72 (8.45%)	\$62,021.76 (5.42%)	\$164,537.00 (6.85%)	--	-1.60%
Management & Operations	\$149,868.22 (12.71%)	\$412,809.96 (12.08%)	\$145,374.15 (12.71%)	\$373,216.00 (15.55%)	--	+3.46%
Contingency Reserve	\$0.00 (0.00%)	\$93,563.20 (2.74%)	\$0.00 (0.00%)	\$1,248.00 (0.05%)	--	-2.69%
TOTAL	\$1,178,775.33 (100%)	\$3,416,873.98 (100%)	\$1,143,428.00 (100%)	\$2,400,713.00 (100%)		

BENCHMARK 4: Whether NOM/TL CBD 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: NOM/TL CBD met this requirement. See table below.

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.

2018-2019 Carryover Disbursement		Source	Spenddown Timeline
General Benefit Project			
Camera Program	\$ 393,843.00	Silicon Valley Foundation	FY20
Inviting Spaces	\$ 75,000.00	St. Francis Memorial Foundation	FY20
Various	\$ 38,456.00	10th Anniversary Safe Passage Fundraiser	FY20
General Project Total	\$ 507,299.00		
Special Assessment Project			FY20
SA 62 - Tenderloin CBD - Public Rights of Way and Sidewalk Operations	\$ 430,878.97		FY20
SA 62 - Tenderloin CBD - District Identity and Streetscape Improvements	\$ 25,857.25		FY20
SA 62 - Tenderloin CBD - Administrative and Corporate Operations	\$ 69,046.77		FY20
Contingency and Reserve	\$ 58,504.95		FY20
Special Assessment Project Total	\$ 584,287.95		
Total Designated Amount for FY 2019-20	\$ 1,091,586.95		

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: *NOM/TL CBD met this requirement. See table below.*

Service Category	Management Plan Budget (Percentage)	FY 2019-20 Budget – Asst (Percentage)	FY 2019-20 Budget – Total (Percentage)	Variance Percentage Point – Asst	Variance Percentage Points - Total
Clean & Safe	\$1,356,618.00 (66.77%)	\$1,200,694.00 (76.66%)	\$2,547,547.00 (73.63%)	+9.89%	+6.86%
Marketing & Economic Development	\$315,950.00 (15.55%)	\$180,416.00 (11.52%)	\$557,673.00 (16.12%)	-4.03%	+0.57%
Administration	\$309,103.00 (15.21%)	\$185,098.00 (11.82%)	\$354,706.00 (10.25%)	-3.40%	-4.96%
Contingency/ Reserve/City Fees	\$50,000.00 (2.46%)	\$0.00 (0.00%)	\$0.00 (0.00%)	-2.46%	-2.46%
TOTAL	\$2,031,671.00 (100%)	\$1,566,208.00 (100%)	\$3,459,926.00 (100%)		

BENCHMARK 2: Whether five percent (5%) of NOM/TL CBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NOM/TL CBD met this requirement. Assessment revenue was \$1,969,176.00 or 58.02% of actuals and non-assessment revenue was \$1,424,876.00 or 41.98% of actuals.*

Revenue Sources	FY 2019-2020 Actuals	% of Actuals
Special Benefit Assessments	\$1,969,176.00	
Total assessment revenue	\$1,969,176.00	58.02%
Grants - Government	\$642,702.00	18.94%
Grants - Foundations and Corporate	\$604,431.00	17.81%
Individual Donations	\$24,188.00	0.71%
Program Service Fees	\$129,926.00	3.83%
Interest and Other Income	\$23,629.00	0.70%
Total non-assessment revenue	\$1,424,876.00	41.98%
Total	\$3,394,052.00	100%

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

ANALYSIS: NOM/TL CBD met this requirement. See table below.

Service Category	FY 2019-20 Budget – Asst.	FY 2019-20 Budget – Total	FY 2019-2020 Actuals – Asst.	FY 2019-2020 Actuals – Total.	Variance Percentage Points – Asst.	Variance Percentage Points – Total
	(Percentage)	(Percentage)	(Percentage)	(Percentage)		
Clean & Safe	\$1,200,694.00 (76.66%)	\$2,547,547.00 (73.63%)	\$1,534,592.06 (77.93%)	\$2,419,914.00 (71.91%)	+1.27%	-1.72%
Marketing & Economic Development	\$180,416.00 (11.52%)	\$557,673.00 (16.12%)	\$214,508.60 (10.89%)	\$448,700.00 (13.33%)	-0.63%	-2.78%
Administration	\$185,098.00 (11.82%)	\$354,706.00 (10.25%)	\$220,075.34 (11.18%)	\$496,393.00 (14.75%)	-0.64%	+4.50%
Contingency/ Reserve/City Fees	\$0.00 (0.00%)	\$0.00 (0.00%)	\$0.00 (0.00%)	\$0.00 (0.00%)	--	--
TOTAL	\$1,566,208.00 (100%)	\$3,459,926.00 (100%)	\$1,196,176.00 (100%)	\$3,365,007.00 (100%)		

BENCHMARK 4: Whether NOM/TL CBD 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: NOM/TL CBD met this requirement. See table below.

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.

2019-2020 Carryover Disbursement		Source	Spenddown Timeline
General Benefit Project			
Camera Program	\$336,351.00	Silicon Valley Foundation	FY21
Economic Opportunity	\$19,524.00	UC Hastings	FY21
Inviting Spaces	\$57,283.00	St. Francis Memorial Foundation	FY21
Inviting Spaces	\$10,084.00	Dignity Health	FY21

Mural	\$2,250.00	Various	FY21
General Project Total	\$425,492.00		
Special Assessment Project			
SA 62 - Tenderloin CBD - Public Rights of Way and Sidewalk Operations	\$767,296.03		
SA 62 - Tenderloin CBD - District Identity and Streetscape Improvements	\$107,254.30		
SA 62 - Tenderloin CBD - Administrative and Corporate Operations	\$110,037.67		
Special Project Total	\$984,588.00		
Total Designated Amount for FY 2020-21	\$1,410,080.00		

Findings and Recommendations

Within the review periods of FY 2018-2019 and FY 2019-2020, the North of Market/Tenderloin CBD met all of the benchmarks as defined on pages 7 and 8 of this memo.

The North of Market/Tenderloin CBD is a high-capacity entity operating in the neighborhood which is able to work closely with other neighborhood and nonprofit partners as well as the City and County of San Francisco to work on issues affecting its service area. Both the FY 2018-19 and FY 2019-20 annual reports highlight some of these successes. Additionally, the organization continues to grow following the strategic planning session it underwent earlier this decade. OEWD is pleased to see the organization and its governing board continue to improve on lessons learned through that process which will allow the organization to grow and evolve with the needs of the district.

The North of Market/Tenderloin CBD was significantly delayed in providing OEWD a full and complete FY 2018-19 and 2019-20 annual reports and financial statements. Annual reporting is required under both state law and the CBD's management agreement with the City and County of San Francisco. Although this delay was exacerbated by the Covid-19 pandemic, its root cause was that the organization changed bookkeeping services several times during this period. The CBD's various manual processes and lack of consistent systems contributed to the delay, especially without an on-house financial professional to ensure reporting was on time. OEWD is pleased that the CBD worked to address issues relating to the internal structure by hiring a senior director of finance and administration in 2021. OEWD is hopeful that the combination of additional staff, a stronger internal structure, and a new bookkeeper will keep the CBD on track for timely reporting in the future. OEWD further recommends that the CBD avoid making changes to bookkeeping and financial services in the middle of a reporting period, if possible.

In late FY 2018-2019 and early FY 2019-20, the North of Market/Tenderloin CBD was renewed by ratepayers for an additional 15-year term. As a result, this will be the final report on the work of the initial CBD formed in 2005. FY 2019-20 annual reporting serves as the first report for the renewed and expanded North of Market/Tenderloin CBD.

The second half of FY 2019-2020 was particularly challenging for the North of Market/Tenderloin 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 pandemic. On March 16, 2020 City and County of San Francisco Health Officer 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 North of Market/Tenderloin CBD did suspend operations in the early days of the pandemic out of an abundance of caution.

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

During the pandemic OEWD worked with the Covid Command Center to ensure that CBD/BID essential workers were not forgotten during the Covid response and 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 North of Market/Tenderloin CBD worked with the Covid Command Center, through OEWD, to disseminate Covid-19 related information to its stakeholders and provided safety kits to the unhoused community and commuters within the District. Additionally, the CBD provided needed logistical support to OEWD in delivering PPE to other CBDs throughout San Francisco.

Conclusion

North of Market/Tenderloin CBD has performed well in implementing their service plan. The CBD continues to address its core objectives and continues to be successful at partnering with the community-at-large on specific initiatives and goals. The CBD must do a better job of turning in annual reports in a timely manner. The CBD has an active board of directors and committee members; and OEWD believes it will be able to carry out their mission and service plans.

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):

Haney

Subject:

North of Market/Tenderloin Community Benefit District – FYs 2018-2019 and 2019-20

The text is listed:

Resolution receiving and approving annual report for the North of Market/Tenderloin Community Benefit District for FYs 2018-2019 and 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: