

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, Senior Program Manager

RE: Civic Center Community Benefit District

Date: February 1, 2017

This is a memo summarizing the performance of the Civic Center Community Benefit District (CCCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2015 and June 30, 2016.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2008.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2015-2016
2. CPA Financial Review Report
 - a. FY 2015-2016
3. Draft resolution from the Office of Economic and Workforce Development



Background

The CCCBD includes both privately and publicly owned properties. The district covers 35 blocks and includes approximately 289 parcels.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).
- April 28, 2015, the Board of Supervisors approved the Annual Reports for FYs 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 162-15).
- August 2, 2016, the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution #347-16).

Basic Info about Civic Center CBD

Year Established	January 2011
Assessment Collection Period	FY 2011-2012 to FY 2020-2021 (July 1, 2011 to June 30, 2021)
Services Start and End Date	February 1, 2012 – June 31, 2021
Initial Estimated Annual Budget	\$691,964
Fiscal Year	July 1 – June 30
Executive Director	Donald W. Savoie
Name of Nonprofit Entity	Civic Center Community Benefit District Corporation

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

Summary of Service Area Goals

Safety Program

The Safety Program supports both uniformed Ambassadors and activates the sidewalks and open space. CCCBD contracts with MJM Management Group to staff a team of Community Safety Ambassadors (CSAs). There is a daily assignment of four uniformed Community Service Ambassadors who support police and property owners in crime prevention, assist visitors with area information and provide street population/homeless with social services information and referrals. CSAs provide services for 12 hours a day, five days/week. The CBD also trains CSA team members to develop strong, supportive relationships with SFPD officers. The CCCBD Management Plan calls for 63.5% of the budget to be spent on the Safety Program.

Additional Evening Public Safety (Zone 2 only) -includes four uniformed Community Service Ambassadors to work for 200 evenings/year for 4 five hour shifts from 6:30pm - 11:30pm or the equivalent as deemed necessary by the district.

Cleaning Program and On-Call Graffiti Removal

This service area provides a uniformed maintenance worker to respond to maintenance calls to remove graffiti, wash down the sidewalk or pick up an accumulation of debris on the sidewalk 20 hours/week. This individual is supported by calls by the CBD staff to the Department of Public Works (DPW) to coordinate delivery of the maintenance services that the City provides. In addition, Zone 3 deploys one maintenance worker providing daily sidewalk sweeping or steam cleaning and graffiti removal between 7:30 a.m. – 4:00 p.m. The CCCBD Management Plan allocates 11% of their funds to this service area.

Beautification

The Beautification program area includes streetscape improvements such as way finding signage and sidewalk lighting and capital enhancements. The program focuses on the greening of the streetscapes throughout district. One example of this effort is their hanging flower baskets at intersections and key entry points to the district. The CCCBD Management Plan allocates 11% of their funds to this service area.

Activation of Public Spaces (Zone 2)

This service area implements programs that support Civic Center Plaza's night time activation. Civic Center CBD coordinates with municipal agencies, community based organizations and local business owners to develop and provide planned night time based events.

Staff – Executive Director

CCCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Civic Center CBD. In addition, the Executive Director produces a newsletter to district organizations, merchants, property owners, and members of the media. The CCCBD Management Plan calls for 15% of the budget to be spent on administration and corporate operations. The CCCBD board has fourteen (14) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. The full board meets bi-monthly. All committees meet as needed. The six committees are detailed below:

- **Executive** – creates agendas for the board meetings and is comprised of the four corporate officers (Chair, Vice Chair, Treasurer, and Secretary).
- **Finance** - reviews financial reports, budgets and expenditures.
- **Capital Improvements and Planning** – discusses improvements, including signage beautification, furnishings, transportation and real estate development.
- **External Affairs** – reviews and comments on the policies, laws and the regulations that impact the CBD and the Civic Center. In addition, the committee manages and develops marketing strategies and public relations.
- **Safety** – discusses the overall safety of the district including police and criminal activity as well as data analysis of these statistics and news reports.
- **Services** – drafts the request for proposals for services contracts and manages the ongoing relationship between the CBD and their contracts.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2015-2016

Safety Program/Community Service Ambassadors

- Safety & Security Services:
 - Emergency Services; Quality of Life Crimes; Quality of Life Issues; General Neighborhood Issues.

Total Safety & Security Services: 13,375

Cleaning Program and On-Call Graffiti Removal

- Litter and Trash Removal:
 - .
 - Removed 105,000 pounds of trash from District.
- Graffiti Issues:
 - Removed 2,189 instances of graffiti.
- Request for CBD Services:
 - Painting Request; Scrub Request; Steam Cleaning Request; Sweep Request.

Total Cleaning/Maintenance Services Completed: 19,178

Activation of Public Places Zone 2 Only

The CBD presented its holiday musical event, “Holiday Fanfare,” on weekends in December 2014. Spearheaded by the External Affairs Committee, “Holiday Lights and Fanfare” is a series of performances meant to activate neighborhood streets and bring holiday cheer to the residents and the thousands of visitors and arts patrons

Administration and Corporate Operations

- Partnered with City agencies and/or neighborhood groups on the following projects: “Coalition Impacts Parking, Transit, and Pedestrian Safety” study, the Better Market Street Project, and began planning the Summer Concert Series, which will be implemented in FY 15-16.
- Successful in promoting the CBD, its programs and services through direct contact via Facebook, Twitter and Instagram. We also automatically post news on sites that propel our articles to the top of search engines, such as Google+, LinkedIn, and Tumblr. The CCCBD continues to update and expand its website, sfciviccenter.org, with information about the CBD, resources, demographics, an enhanced calendar, and deeper integration with social media.

CCCBD Annual Budget Analysis

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

- **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 “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B) (6); Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether CCCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*).

FY 2015-2016

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: *CCCBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2015-2016 Budget	% of Budget	Variance Percentage Points
Safety/CSAs	\$357,495	51.7%	\$404,000.00	53.21%	+1.55%
Cleaning Program	\$139,890	20.2%	\$142,060 .00	18.71%	-1.51%
Beautification	\$22,876	3.3%	\$28,050 .00	3.69%	+.39%
Activation of Public Places	\$24,081	3.5%	\$28,050.00	3.69%	+.21%
Administration and Corporate Operations	\$140,702	20.3%	\$149,884.00	19.74%	-.59%
Non-Assessment Funds	\$6,920	1.0%	\$7,211.40	0.95%	-.05%
TOTAL	\$691,964 .00	100.0%	\$759,255.40	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *CCCBD met this requirement. Assessment revenue was \$781,612.00 or 96.95% of actuals and non-assessment revenue was \$24,579 or 3.05% of actuals. See table below.*

Revenue Sources	FY 2015-2016 Actuals	% of Actuals
Special Benefit Assessments	\$781,612.00	
Total assessment revenue	\$781,612.00	96.95%
Grants	\$23,171.00	2.87%
Interest Earned	\$1,408.00	.17%
Other	\$0.00	0%
Total non-assessment revenue	\$24,579.00	3.05%
Total	\$806,191.00	100%

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

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

Service Category	FY 2015-2016 Budget	% of Budget	FY 2015-2016 Actuals	% of Actuals	Variance Percentage Points
Safety/CSAs	\$404,000.00	53.21%	\$449,522.00	60.02%	+6.81%
Cleaning Program	\$142,060 .00	18.71%	\$141,400.00	18.88%	+ .17%
Beautification	\$28,050 .00	3.69%	\$358	0.05.%	-3.65%
Activation of Public Places	\$28,050.00	3.69%	\$40,905	5.46%	+1.77%
Administration and Corporate Operations	\$149,884.00	19.74%	\$116,748.00	15.59%	-4.15%
Non-Assessment Funds	\$7,211.40	0.95%	\$0	0.0%	-.95%
TOTAL	\$759,255.40	100.0%	\$748,933.35	100.0%	

BENCHMARK 4: Whether CCCBD 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: *CCCBD 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*

FY 2015-16 Carryover Disbursement	\$77,000	To be used in FY 2016-2017
Designated Projects		
10B Officers Program	\$47,000	\$47,000
elevator Greeter	\$30,000	\$30,000
Other		
Total Designated Amount	\$77,000	\$77,000

Findings and Recommendations

CCCBD has met all of its required benchmarks as defined on page 4 of this memo. Civic Center CBD worked with OEWD throughout FY 15-16 to ensure all reporting benchmarks were met by the district.

The CCCBD continues to implement its spenddown plan from the FY 13-14 annual report. As indicated in the FY 14-15 annual report, the CBD is currently ahead of schedule in completing its spenddown plan. OEWD anticipates the spenddown will be completed no later FY 17-18.

The CCCBD expires in 2020, OEWD recommends that the CBD's governing board evaluates the effectiveness of the CBD in preparation for the district's renewal and expansion campaign.

Conclusion

CCCBD has performed well in implementing its service plan. CCCBD has continued to successfully sponsor and help implement events and programs in the district. CCCBD is a well-run organization with active board and committee members and will continue to successfully carryout its mission as a community benefit district.