

File No. 220212

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: May 5, 2022

Board of Supervisors Meeting:

Date: _____

Cmte Board

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

OTHER

- Annual Report 2019
- Annual Report 2020
- CPA Reports December 31, 2019 and 2020
- OWED Memorandum - February 20, 2022
- FYI Referral March 9, 2022
- _____

Prepared by: Jessica Perkinson

Date: April 29, 2022

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Central Market Community Benefit District - Annual Report - CYs 2019 and 2020]

2

3 **Resolution receiving and approving annual reports for the Central Market Community**
4 **Benefit District for Calendar Years (CYs) 2019 and 2020, submitted as required by the**
5 **Property and Business Improvement District Law of 1994 (California Streets and**
6 **Highways Code, Sections 36600, et seq.), Section 36650, and the District’s management**
7 **agreement with the City, Section 3.4.**

8

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

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

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

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

25

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

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

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

11 WHEREAS, On January 26, 2021, the Board of Supervisors approved the Central
12 Market CBD's annual reports for Calendar Year 2018 in Resolution No. 021-21; and

13 WHEREAS, The Central Market CBD has submitted for the Board's receipt and
14 approval the Central Market annual report for Calendar Years 2019 and 2020 as required by
15 Section 36650 of the Act and Section 3.4 of the Management Contract; and

16 WHEREAS, The 2019 and 2020 annual reports are on file with the Clerk of the Board
17 of Supervisors in File No. 220212, and are incorporated herein by reference as though fully
18 set forth; and

19 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
20 memorandum report from the City's Office of Economic and Workforce Development, dated
21 February 10, 2022, and documentation from the Central Market CBD for the 2019 and 2020
22 annual report are on file with the Clerk of the Board of Supervisors in File No. 220212; now,
23 therefore, be it

24 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
25 reports for the Central Market Community Benefit District for Calendar Years 2019 and 2020.



1460 MISSION ST



mid market community benefit district

2019 Annual Report

THE DISTRICT



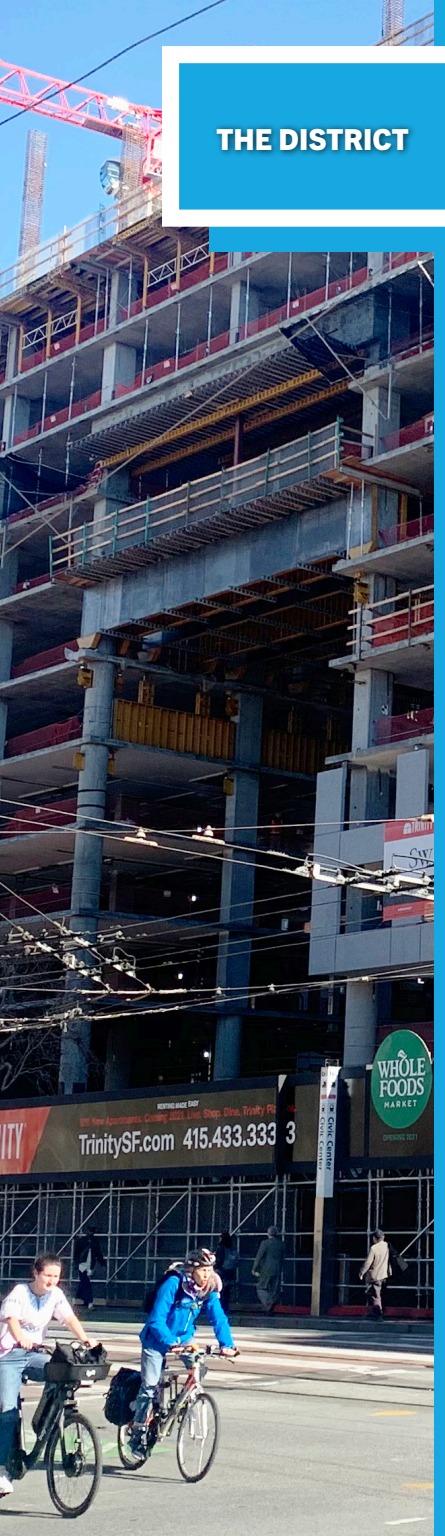
MMCBD Dispatch
 ☎ 415.543.5223
 ✉ dispatch@midmarketcbd.org
 👤 7am-7pm, 7 days/week

- MMCBD Parcels
- Parcels under development

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

The heavily-trafficked area requires balancing the needs of the District with a specialized approach and great attention to detail. MMCBD services were key in 2019. Sidewalks and storefronts continued to endure the impacts of real estate development sites (active and not) and requests for pedestrian safety and social service interventions remained significant. In addition to dispatching crews 7am to 7pm 7 days a week, the MMCBD continued to ensure the City fulfilled its contractual obligation to maintain baseline cleaning, maintenance and public safety services. Economic Development efforts included the attraction and retention of businesses and non-profit organizations, and marketing and promotional activities that illuminated the District's robust amenities. The following pages contain the year's programming highlights, initiatives and outcomes.

Please visit our website for more current and in depth information at midmarketcbd.org



CLEANING & MAINTENANCE

CLEAN TEAM

While Public Works is responsible for street maintenance and street trees, property owners are responsible for sidewalk maintenance.¹ MMCBD's Clean Team maintains sidewalks and public plazas, handling issues such as litter, graffiti and spills on behalf of property owners.

¹ For more information on property owners' sidewalk maintenance responsibilities please visit these links:

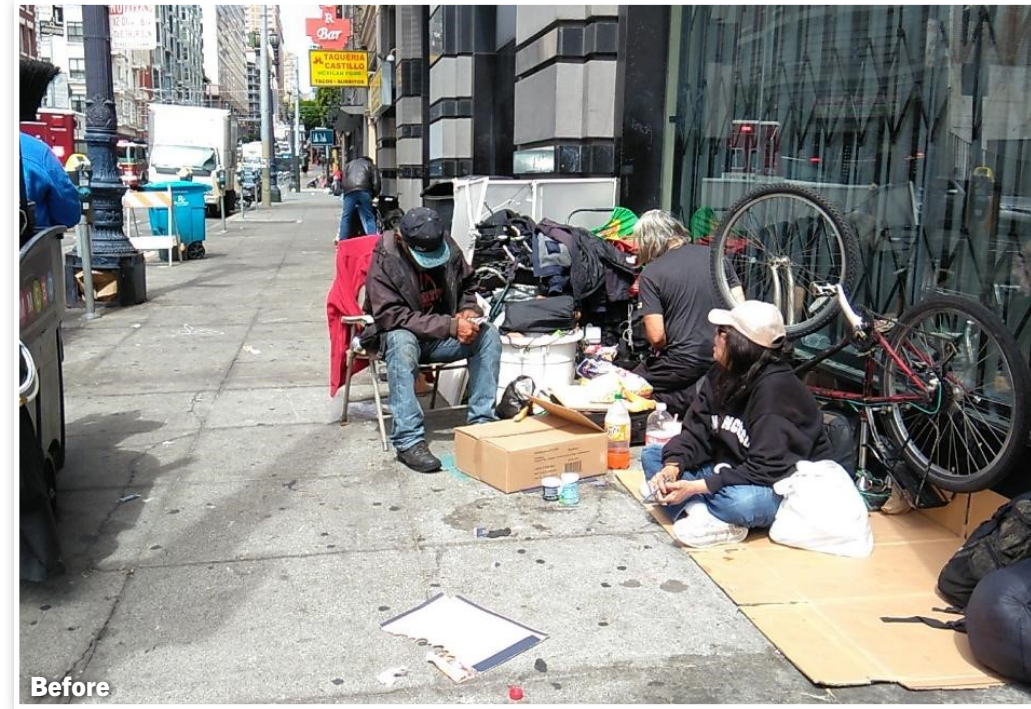
- California SHC 5610
- SF Controller's Office
- SF Better Streets

Our Clean Team works diligently to maintain the sidewalks to ensure a safer and more user-friendly passage through the District. Clean sidewalks benefit everyone – the disabled, visually impaired, children, seniors, employees, customers, pets and visitors to our District. Well maintained public spaces also reduce instances of vandalism and predatory behavior such as drug dealing and solicitation.

MMCBD efforts to improve the quality of life for everyone in the public realm are highlighted on the CBD | GBD | BID | TID CONSORTIUM (sfpbidconsortium.org) web page and acknowledged by our City agency partners, social service agency partners and most importantly those who benefit from our services.

BIGBELLY TRASH CANS

We installed new Bigbelly "smart" refuse collection units that are instrumental in keeping the District cleaner. They also reduce illegal dumping, leaks and spills, and deter rummaging.



PUBLIC SAFETY



MMCBD Ambassador helps Two Blocks of Art attendees navigate the art walk.



MMCBD Ambassador assists a fallen pedestrian.

COMMUNITY AMBASSADORS

Ambassadors provide hospitality and way-finding support for pedestrians. They also serve as eyes and ears on the street, proactively deterring crime and addressing anti-social behavior. MMCBD Ambassadors are also trained social service outreach workers, able to assist people in need of housing or social service support.

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

SAFETY TEAMS

MMCBD Safety Teams consist of an SFPD Officer and a MMCBD Ambassador. The Safety Teams proactively walk the District offering directions and information, deterring crime and addressing health and safety concerns. They consistently work to meet and get to know people in the community, building trust and strengthening communication. Merchants, residents and visitors greatly appreciate the Safety Teams and feel safer when they are working. The co-responder model helps to ensure the appropriate response to varying situations, because not all anti-social behavior requires police attention.

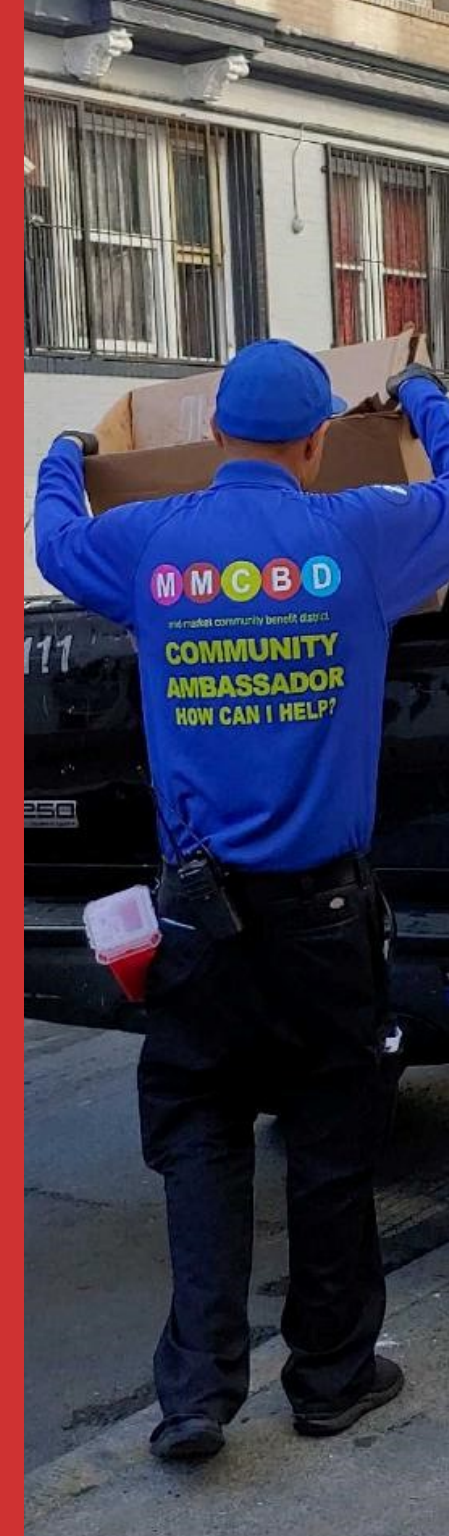


“MMCBD cameras are excellent and we are able to obtain video quickly when we investigate a crime. We have identified and arrested many suspects as a result.”

- San Francisco Police Department

SECURITY CAMERAS

- MMCBD operates a network of cameras
- Cameras are a proactive deterrent to illegal activity
- Cameras provide necessary evidence for the prosecution of crimes
- A network of cameras is more effective than a few isolated cameras
- MMCBD is the point of contact for video requests from law enforcement



ECONOMIC DEVELOPMENT

BUSINESS ATTRACTION, RETENTION & EXPANSION

We work to ensure the District is home to a diverse and vibrant mix of distinctive retail establishments. A list of ground-floor retail spaces for lease throughout the District is available on our website. MMCBD helps vet and connect prospective tenants with landlords, conducts tours of the neighborhood and arranges showings. Staff also provide linkages to leasing assistance, access to capital and City-sponsored economic development incentives, permitting, construction and staffing resources.

NEW DISTRICT BUSINESSES IN 2019 INCLUDED:

- Abe's Pizza
- Bini's Kitchen
- Burma Club
- Create Skateboards
- Falafalland
- Living Room SF
- Nick's on Mission
- Square Pie Guys
- Supreme
- The Nail Hall
- The Pawn Shop



Nail Hall

**ASK ABOUT
CATERING**
SQUARE PIE GUYS
IN
THE BAY
@SQUAREPIEGUYS



Burma Club



Supreme



Square Pie Guys

**GOLDEN BRICK
AWARD**



Chris Foley accepts the Golden Brick Award



2019 Recipient: Chris Foley

Market on Market's Chris Foley received the 2019 MMCBD Golden Brick Award for his dedication and efforts to revitalize the ground floor of the historic Market Square building at 10th and Market. Market on Market has brought much needed goods, services and jobs to the community; and has markedly enhanced pedestrian foot traffic in the area. The urban market also boasts a bent toward sustainability and significant support for local small businesses and entrepreneurs. This year's award was presented by Page & Turnbull's Lada Kocherovsky.



Page & Turnbull's Lada Kocherovsky

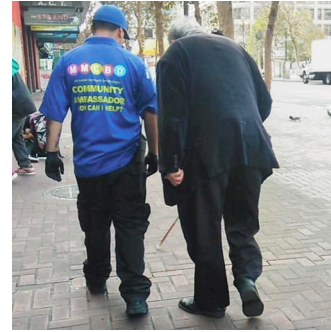
STATS



5,000
Graffiti Tags
Removed

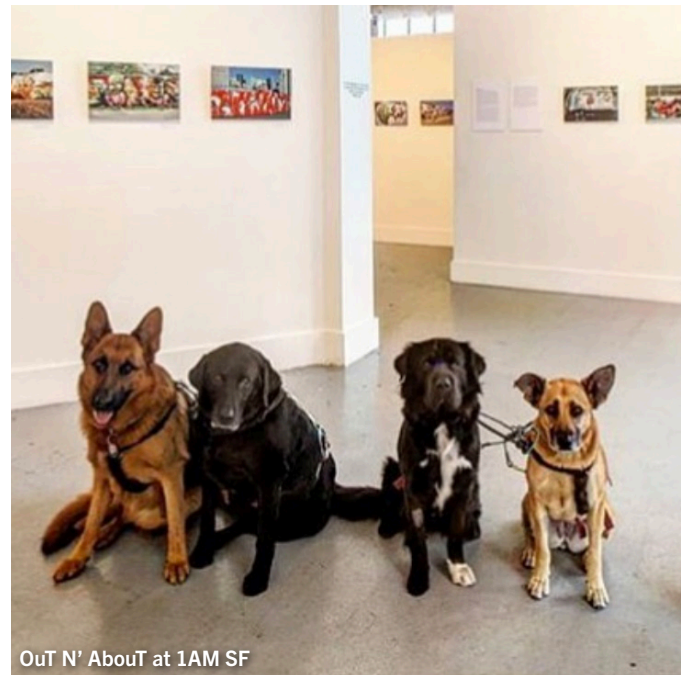


40,678
Linear Feet of
Sidewalk Pressure
Washed Quarterly



330
Social Service
Interventions

2,750
Human/Animal
Waste Clean-Ups



Out N' About at 1AM SF

ASSESSMENT METHODOLOGY

The method of apportioning benefit to parcels within the District reflects the proportional special benefit assigned to each property from the District services, activities and improvements based upon the various property characteristics for each parcel. Each parcel's linear street frontage, lot square footage, building square footage, and use have been used as the primary assessment variables for the benefit point calculation and assignment of parcel factors. Details of the annual assessment calculation are in the District Management Plan at midmarketcbd.org

QUARTERLY RECAPS

Staff produces Quarterly Recaps highlighting service statistics, information, news, events and achievements in and around the District. These comprehensive recaps are sent via email to stakeholders and are available online at midmarketcbd.org/resources/recaps. Visit this portion of the site to also see what properties were featured in the 2019 "District Beauty" section. To submit a photo for recognition in future District Beauty sections of the Recaps please send it via email with a title to: info@midmarketcbd.org

INCOME	BUDGET	ACTUAL
Assessments	\$1,515,631.54	\$1,516,795.60
Non-Assessment/ Fundraising/In-Kind/Interest	\$282,544.48	\$387,573.87
Total Income	\$1,798,176.02	\$1,904,369.47

EXPENSE	BUDGET	ACTUAL
Cleaning & Maintenance	\$446,880.11	\$430,582.54
Public Safety	\$497,089.68	\$433,889.83
Management and Economic Development	\$528,791.06	\$494,113.56
Non-Assessment Expense: Fundraising/In-Kind	\$291,415.85	\$391,587.71
Total Expense	\$1,764,176.70	\$1,750,173.64

ASSETS	ACTUAL
Cash and Cash Equivalents	\$1,080,230.52
Accounts Receivable	\$109,055.42
Prepaid Expenses	\$32,743.01
Security Deposits	\$2,190.00
Total Assets	\$1,224,218.95

LIABILITIES	ACTUAL
Accounts Payable	\$89,930.13
Accrued Expenses	\$84,545.68
Deferred Revenue	\$21,524.69
Total Liabilities	\$196,000.50

NET ASSETS	ACTUAL
Unrestricted	\$1,028,218.45
Total Liabilities & Net Assets	\$1,224,218.95

CARRY OVER	ACTUAL
Contingency & Reserve	\$706,721.41
Net Assets	\$321,497.04
Total Carry Over	\$1,028,218.45

FINANCIALS



Pride March



Board of Directors

Philip Gerrie
SF Friends Meeting House

Chris Hammond
WeWork

David Harrison
Patson Company

Shelley Orlando
Hudson Pacific Properties

Dipak Patel
Property Owner

Liz Pocock
Episcopal Community Services

Jim Sangiacomo
Trinity

Brian Smith
Huckleberry Bicycles

Jane Weil
Resident

Bill Whitfield
Shorenstein Realty

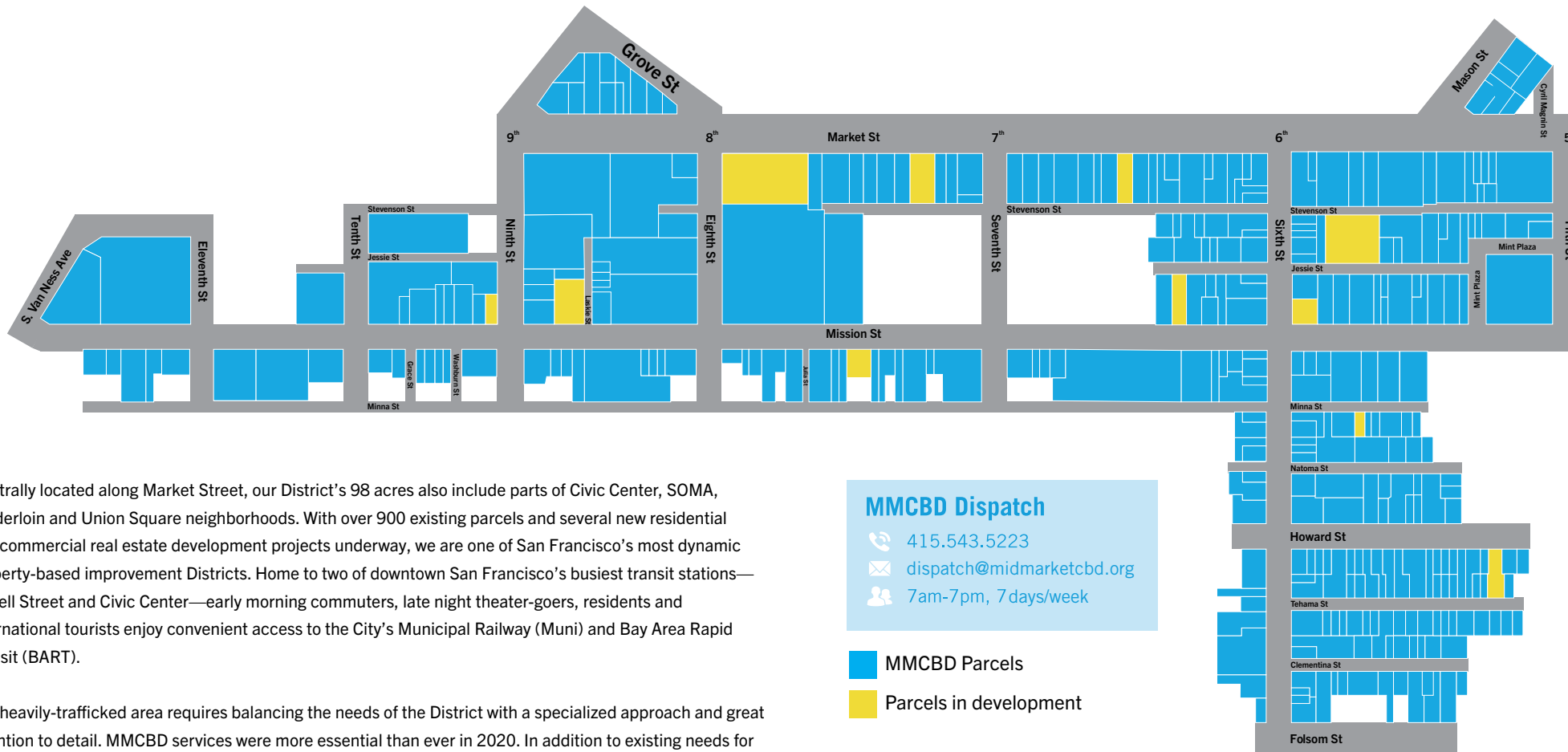
Two Blocks of Art Exhibit, 3D Photobooth



mid market community benefit district

2020 Annual Report

THE DISTRICT



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

The heavily-trafficked area requires balancing the needs of the District with a specialized approach and great attention to detail. MMCBD services were more essential than ever in 2020. In addition to existing needs for public realm clean, safe and economic development support - above and beyond what the City provides - field crews worked amidst the pandemic, civil unrest and an intense wild fire season.

Early spring, the Covid-19 pandemic forced all but the City's "essential workers" to shelter-in-place. MMCBD's entire team, vendors, partner organizations and City agencies didn't miss a beat. While downtown streets and sidewalks saw close to no pedestrian activity, there was heightened demand for safety, sanitation, and business support services throughout the District.

The desolate downtown landscape, with its boarded-up storefronts and empty sidewalks, fostered more anti-social behavior, criminal activity, illegal street vending and homeless encampments - further undermining public health and safety. Protests and acts of vandalism related to political unrest and social justice related to the presidential election and killing of George Floyd also took a heavy toll on District property and public spaces.

MMCBD Dispatch

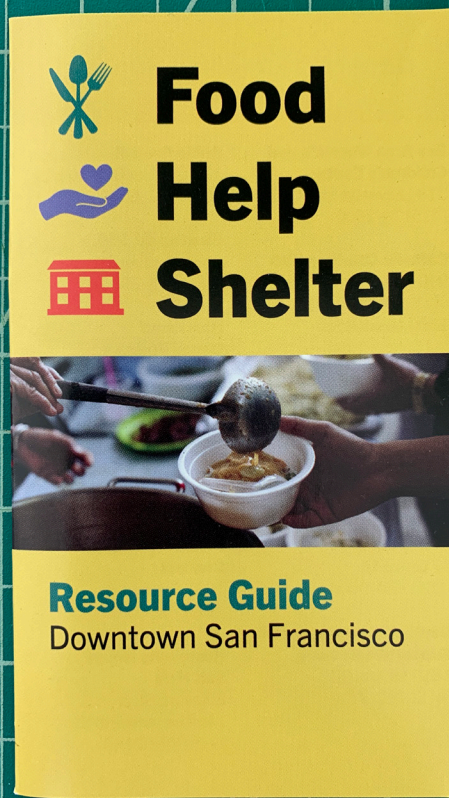
415.543.5223
dispatch@midmarketcbd.org
7am-7pm, 7 days/week

- MMCBD Parcels
- Parcels in development

Despite the compounding challenges, MMCBD remained committed to keeping the public realm as clean and safe as possible. Priority was given to sanitizing touch points throughout the District, removing graffiti from empty and boarded storefronts, assisting City departments such as the Healthy Streets Operations Center (HSOC) with social service outreach, pressure washing, and reporting vandalism and suspicious activity to law enforcement. The following pages contain MMCBD's commitment and dedication to District goals amidst the toughest time in our history.

Please visit our website for more current and in depth information at [midmarketcbd.org](https://www.midmarketcbd.org)

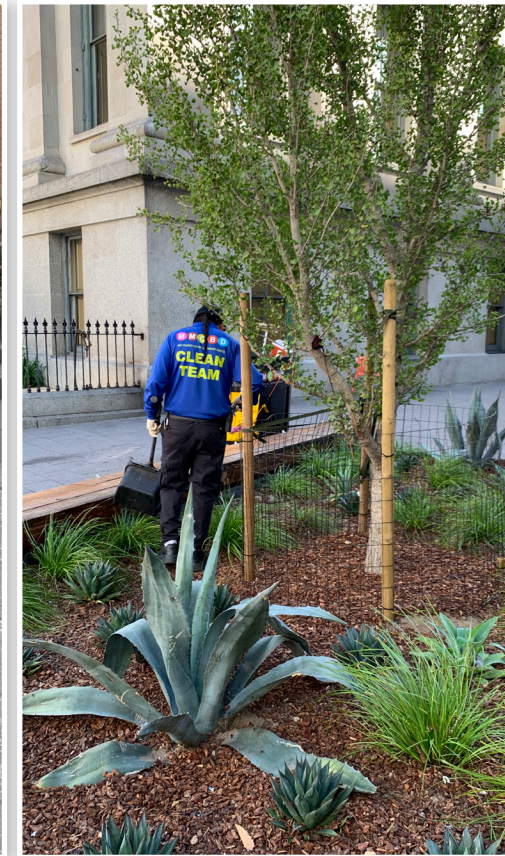
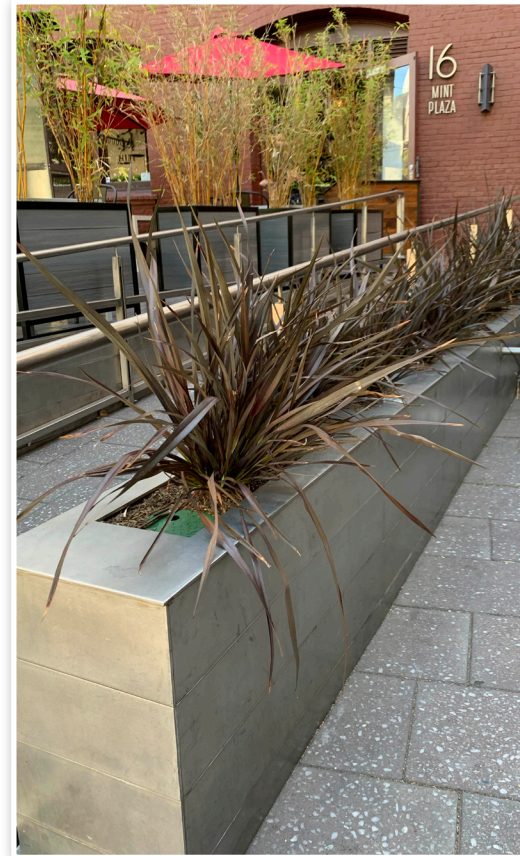
OUTREACH



**Food
Help
Shelter**

Resource Guide
Downtown San Francisco

The cover features three icons: a fork and knife, a hand holding a heart, and a house. Below the icons is a photograph of hands preparing food in a kitchen.



PARTNERSHIPS

MMCBD made personal protective equipment (PPE) and Covid-19 safety information available to District stakeholders – much of which was provided for free from the City's Department of Emergency Management. Field and administrative staff distributed PPE to residential buildings, offices, businesses, and people in need on the street. Homeless individuals were also provided with MMCBD's Food|Shelter|Help Resource Guide and linked to what social service support was still available. Team members also posted City signs in public spaces, especially near homeless encampments, sharing Covid-19 safety protocols.

MMCBD's information sharing via field personnel, email, newsletters and social media became even more critical. MMCBD's marketing and communications team worked overtime making sure breaking news about available support resources was shared. Stakeholders received vast amounts of ever-changing information on where to obtain free masks and other PPE, how to get tested, how to apply for unemployment, childcare, food access, housing support, and grants for businesses. And MMCBD's administrative team regularly hit the streets and made calls to District members to survey their needs.

Our team also collaborated with the Friends of Mint Plaza and the Friends of Stevenson to implement public realm enhancements. MMCBD managed a City grant to make landscaping improvements and install public art in Mint Plaza, and another grant to help facilitate the installation of decorative lighting on the 500 block of Stevenson.

MMCBD staff participated on both the Mid-Market Business Association Board of Directors and the Friends of Mint Plaza Board of Directors helping to build their organizational capacity. Staff also participated on the Better Market Street Project Advisory Committee and 6th Street Revitalization project team sharing our best practices and reinforcing community needs in the planning process for both projects. Board and staff also focused on short and long term goals to aid in the recovery process.

We thank our team and our partners; the community based organizations and business owners who kept their doors open to serve the District; and our property owners, residents and Board who aided in our District's perseverance by providing tools to safeguard Mid-Market and improve its well-being.



CLEANING & MAINTENANCE

Public Works is responsible for street maintenance and street trees, **property owners are responsible for sidewalk maintenance.**

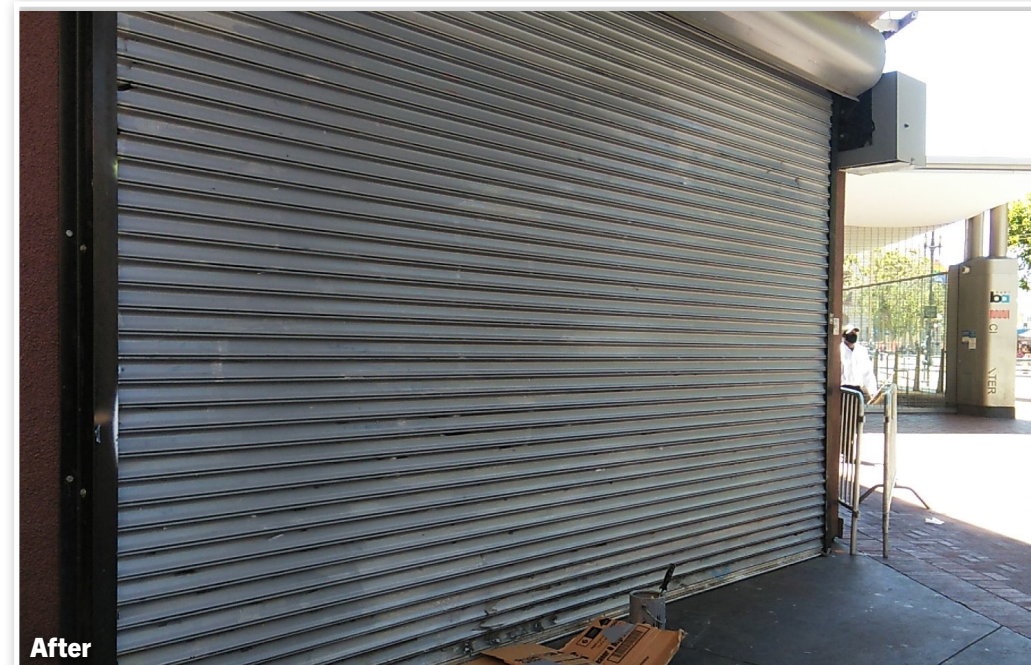
¹ For more information on property owners' sidewalk maintenance responsibilities please visit these links:

- California SHC 5610
- SF Controller's Office
- SF Better Streets

In addition to having significantly more graffiti and broken glass to remove throughout 2020, MMCBD field personnel were left without the eyes and ears of others around for added safety. Workers on our City streets often became the target of verbal and sometimes physical, attacks while serving the District. Smokey air and ashy debris made work days even more challenging as California experienced one of its worst wild fire seasons in history.



CA Wild Fires Smoky Air Day



After



PUBLIC SAFETY



MMCBD Ambassador assists tourists with directions

Ambassadors provide hospitality and way-finding support for pedestrians. They also serve as eyes and ears on the street, attempting to proactively deter crime and address anti-social behavior. MMCBD Ambassadors are also trained in social service outreach and able to assist people in need of help.

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

With many homeless shelters closed to prevent the spread of the virus, downtown streets experienced a tremendous influx of individuals residing on the street. MMCBD field crews did their best to provide services in and around the District's many encampments; and our collaboration with other front-line workers and neighboring Community Benefit Districts: Tenderloin, Civic Center and SoMa West grew stronger.

Ambassadors also rose to the challenge of supporting outdoor dining sites and upkeep around shared spaces.



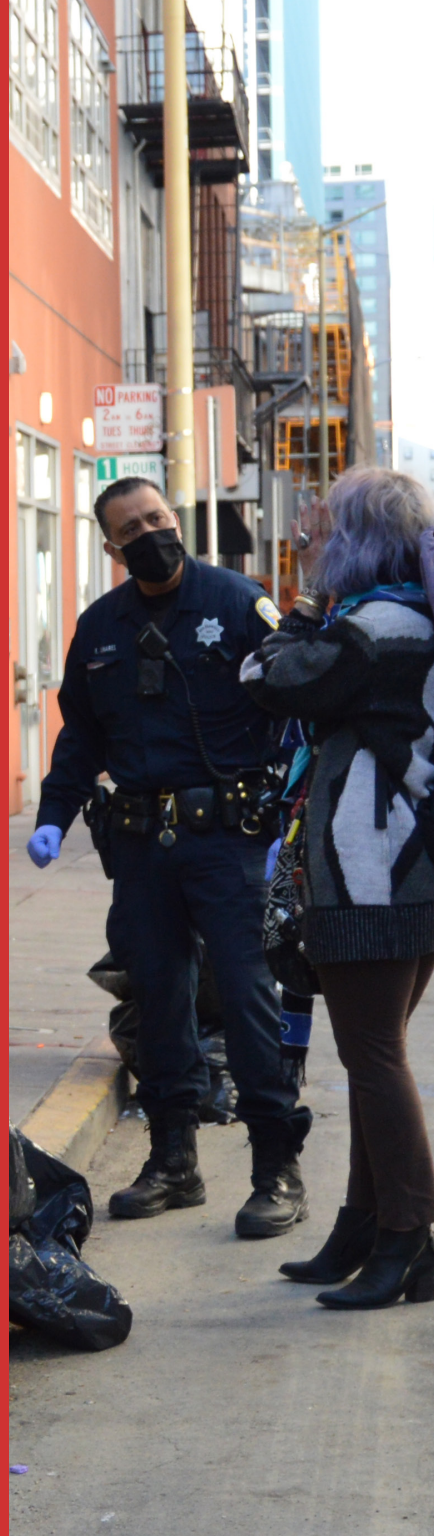
Officer Linares and MMCBD Supervisor Steven conduct a wellness check on Stevenson St.



PUBLIC SAFETY CAMERAS

- Improve public safety
- Decrease theft and vandalism
- Provide undisputable situational evidence
- Improve emergency preparedness and response

**If your building hosts, or would like to host, MMCBD public safety cameras please let us know. MMCBD takes care of installation and on-going maintenance, and fulfills all requests for footage from law enforcement.*



ECONOMIC DEVELOPMENT

We work to ensure the District is home to a diverse and vibrant mix of distinctive retail establishments. A list of ground-floor retail spaces for lease throughout the District is available on MMCBD's website. MMCBD helps vet and connect prospective tenants with landlords, conducts tours of the neighborhood and arranges showings. Staff also provide linkages to leasing assistance, access to capital and City-sponsored economic development incentives, permitting, construction and staffing resources.

NEW DISTRICT BUSINESSES, OFFICES AND RESIDENTIAL UNITS IN 2020 INCLUDED:

- 49 South Van Ness (City offices)
- Fifteen Fifty
- Hetchy's Hots
- Limonnana
- Serif Residential
- Sunset Squares Pizza

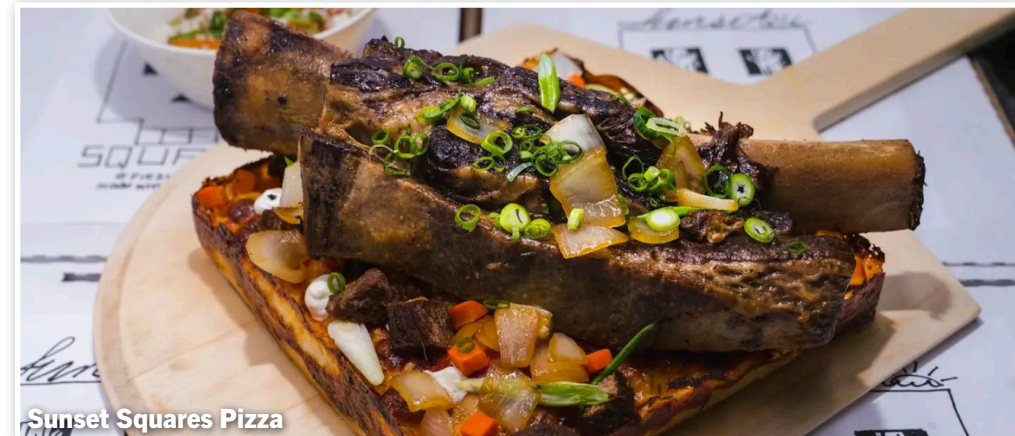


Fifteen Fifty

Serif Residential

Input from District businesses during the pandemic resulted in MMCBD providing best practices for outdoor business operations through the Shared Space program, and promotion of District businesses which remained open to serve the community.

MMCBD also launched its coffee cafe loyalty program, incentivizing customers to visit each and every coffee café in the District; and worked with the Friends of Mint Plaza to produce a directory of Plaza businesses which MMCBD distributed throughout the community and to area hotels and visitor destinations.



Sunset Squares Pizza



Limonnana

STATS



3,900
Graffiti Tags
Removed

40,800
Linear Feet of
Sidewalk Pressure
Washed Quarterly

640
Social Service
Interventions

3,300
Human/Animal
Waste Clean-Ups



Out N' About at David Rio Chai Bar

ASSESSMENT METHODOLOGY

The method of apportioning benefit to parcels within the District reflects the proportional special benefit assigned to each property from the District services, activities and improvements based upon the various property characteristics for each parcel. Each parcel's linear street frontage, lot square footage, building square footage, and use have been used as the primary assessment variables for the benefit point calculation and assignment of parcel factors. Details of the annual assessment calculation are in the District Management Plan at midmarketcbd.org.

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FINANCIALS

INCOME	BUDGET	ACTUAL
Assessments	\$1,608,150.72	\$1,668,912.59
Non-Assessment: Fundraising/In-Kind/Interest	\$452,200.00	\$914,894.79
Total Income	\$2,060,350.72	\$2,583,807.38

EXPENSE	BUDGET	ACTUAL
Cleaning & Maintenance	\$460,273.63	\$529,984.33
Public Safety	\$542,348.70	\$415,653.78
Management and Economic Development	\$631,492.65	\$583,772.01
Non-Assessment Expense: Fundraising/In-Kind	\$477,236.43	\$866,725.29
Total Expense	\$2,111,351.41	\$2,396,135.41

ASSETS	ACTUAL
Cash and Cash Equivalents	\$3,201,317.38
Accounts Receivable	\$169,303.95
Prepaid and Other Assets	\$32,891.87
Security Deposits	\$2,190.00
Total Assets	\$3,405,703.20

LIABILITIES	ACTUAL
Accounts Payable	\$303,080.10
Accrued Expenses	\$230,993.33
Notes Payable	\$106,471.73
Deferred Revenue	\$1,549,267.63
Total Liabilities	\$2,189,812.79

NET ASSETS	ACTUAL
Unrestricted	\$1,215,890.41
Total Liabilities & Net Assets	\$3,405,703.20

CARRY OVER	ACTUAL
Contingency & Reserve	\$810,012.67
Net Assets	\$405,877.74
Total Carry Over	\$1,215,890.41

Better Times

1:AM SF mural by: It's A Living

Board of Directors

Philip Gerrie SF Friends Meeting House **Chris Hammond** WeWork **David Harrison** Patson Company

Shelley Orlando Hudson Pacific Properties **Dipak Patel** Property Owner **Liz Pocock** Episcopal Community Services

Jim Sangiacomo Trinity Properties **Brian Smith** Huckleberry Bicycles **Jane Weil** Resident **Bill Whitfield** Shorestein Realty

**MID MARKET COMMUNITY
BENEFIT DISTRICT**

REVIEWED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

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**MID MARKET COMMUNITY
BENEFIT DISTRICT
REVIEWED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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Statement of Cash Flows	5
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Mid Market Community Benefit District (formerly known as Central Market Community Benefit District), a California nonprofit benefit organization, as of December 31, 2019, and the related statements of activities, functional expense, and cash flows for the year then ended. 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 statement taken 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 the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's 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 in order for them to be in accordance with generally accepted accounting principles in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

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

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive script.

Pleasant Hill, California
August 3, 2020

MID MARKET COMMUNITY BENEFIT DISTRICT

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

Current Assets:	
Cash and cash equivalents (Note 3)	\$373,509
Cash designated for contingencies and reserve (Note 3)	706,721
Account receivable (Note 2B)	109,055
Security deposits and other	<u>34,933</u>
 Total Assets	 <u>1,224,218</u>

LIABILITIES

Current Liabilities:	
Accounts payable	89,930
Accrued expenses	84,546
Deferred revenue (Note 2C)	<u>21,525</u>
 Total Liabilities	 <u>196,001</u>

NET ASSETS (Note 2A)

Without donor restrictions	<u>1,028,217</u>
 Total Net Assets	 <u><u>\$1,028,217</u></u>

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Support and Revenues

Local property assessments (Note 5)	\$1,516,795
General Benefit Non-Assessment Revenue:	
Grants	157,858
Fees for Service	220,023
Contributions and Other	9,310
Investment Income	<u>383</u>
 Total Support and Revenues	 <u>1,904,369</u>

Expenses

Program services:	
Public Safety, Cleaning and Maintenance	813,321
General Benefit Non-Assessment Expenses	<u>359,161</u>
Sub-total Program services	<u>1,172,482</u>
 Support services:	
Management and Economic Development	560,214
Fundraising	<u>17,478</u>
Sub-total Support services	<u>577,692</u>
 Total Expenses	 <u>1,750,174</u>

Change in Net Assets	154,195
 Net Assets, Beginning of Year	 <u>874,022</u>
 Net Assets, End of Year	 <u><u>\$1,028,217</u></u>

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Program Services		Supporting Services		Total
	Public Safety, Cleaning and Maintenance	Non-Assessment	Management and Economic Development	Fundraising	
FUNCTIONAL EXPENSES					
Personnel Costs:					
Salaries		\$134,986	\$201,290	\$13,614	\$349,890
Payroll taxes		12,187	17,676	1,196	31,059
Health and other fringe benefits		20,070	28,772	1,946	50,788
Worker's compensation		1,523	3,493	236	5,252
Payroll fees		3,345	7,192	486	11,023
Recruitment fees			2,351		2,351
Subtotal Personnel Costs		172,111	260,774	17,478	450,363
Public Safety:					
Community guides	\$333,256				333,256
Dispatch services	45,021				45,021
Security camera	48,778				48,778
Subtotal Public Safety Expense	427,055				427,055
Cleaning and maintenance:					
Cleaning and maintenance	386,266				386,266
Subtotal Cleaning and Maintenance Expense	386,266				386,266
Economic Development and Marketing:					
Economic development			54,867		54,867
Marketing and promotion			80,686		80,686
Subtotal Economic Development and Marketing Expense			135,553		135,553
Accounting and auditing fees			49,770		49,770
Consultants and contractors	158,495		41,235		199,730
Dues, membership and subscriptions			1,234		1,234
Insurance			11,879		11,879
Legal			475		475
Miscellaneous	28,555		383		28,938
Office supplies			3,492		3,492
Other equipment			9,564		9,564
Postage and delivery			1,176		1,176
Printing and reproduction			4,484		4,484
Rent			26,932		26,932
Telephone and internet			3,045		3,045
Travel and meetings			10,218		10,218
Total Functional Expenses	\$813,321	\$359,161	\$560,214	\$17,478	\$1,750,174

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$154,195
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Accounts receivable	24,212
Security deposits and other	(32,343)
Accounts payable	(34,225)
Accrued expenses	(753)
Deferred revenue	<u>(875,690)</u>
Total adjustments	<u>(918,799)</u>
Net cash (used) by operating activities	<u>(764,604)</u>
Net decrease in cash	(764,604)
Cash and cash equivalents, beginning of year	<u>1,844,834</u>
Cash and cash equivalents, end of year	<u><u>\$1,080,230</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

No taxes or interest were paid by the District during 2019.

See accountant's review report and notes to financial statements.

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MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2019

NOTE 1 – ORGANIZATION AND PROGRAMS

A. Reporting Entity

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

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

B. Programs and Activities

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

B. *Receivables*

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

C. *Deferred Revenue*

As of December 31, 2019, deferred revenue consisted of the following:

Urban Solutions	\$20,000
Mercy Housing	<u>1,525</u>
Total Deferred Revenue	<u><u>\$21,525</u></u>

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Functional Expenses

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

E. Advertising

MMCBD follows the policy of expensing advertising costs as incurred.

F. Statement of Cash Flows

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

G. Estimates

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

H. Fair Value Measurements

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

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The three-tier hierarchy categorizes the inputs as follows:

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

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

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

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

I. Income Taxes

MMCBD is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the MMCBD qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The MMCBD paid no taxes on unrelated business income for the year ended December 31, 2019.

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

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Subsequent Events

MMCBD evaluated subsequent events for recognition and disclosure through August 3, 2020, the date which these financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the novel strain of Coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, equity markets have significantly declined from their historically high levels. It is probable that this matter will negatively impact the District, however, the ultimate financial impact and duration cannot be reasonably estimated at this time.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2019, the MMCBD's cash is summarized as follows:

Cash in bank	<u>\$1,080,230</u>
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Of the \$1,080,230 total cash and cash equivalents above, \$706,721 has been set aside as designated for contingencies and reserve, in accordance with the MMCBD's management plan with the City and County of San Francisco.

NOTE 4 – RETIREMENT PLAN

MMCBD sponsors a defined contribution plan for its full-time employees. MMCBD contributed \$9,523 to the plan during the year ended December 31, 2019.

NOTE 5 – ASSESSMENT REVENUE

MMCBD receives assessment revenues from the San Francisco City and County on behalf of members in the assessment district as a part of the County tax roll. Conversely, the MMCBD does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2019

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2019:

Total current financial assets:	
Cash and cash equivalents	\$1,080,230
Accounts receivable	<u>109,055</u>
Total current financial assets	1,189,285
Amount set aside for contingencies and reserves	<u>(706,721)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u><u>\$482,564</u></u>

**MID MARKET COMMUNITY
BENEFIT DISTRICT**

REVIEWED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

Final Draft

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**MID MARKET COMMUNITY
BENEFIT DISTRICT
REVIEWED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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Final Draft

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Mid Market Community Benefit District (formerly known as Central Market Community Benefit District), a California nonprofit benefit organization, as of December 31, 2020, and the related statements of activities, functional expense, and cash flows for the year then ended. 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 statement taken 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 the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's 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 in order for them to be in accordance with generally accepted accounting principles in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

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

Pleasant Hill, California
November 1, 2021

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

Current Assets:	
Cash and cash equivalents (Note 3)	\$2,391,173
Cash designated for contingencies and reserve (Note 3)	810,013
Account receivable (Note 2B)	169,304
Security deposits and other	<u>2,190</u>
 Total Current Assets	 <u>3,372,680</u>
Non Current Assets:	
Property and equipment, net of accumulated depreciation of \$8,921 (Note 2C)	<u>33,025</u>
 Total Non Current Assets	 <u>33,025</u>
 Total Assets	 <u>3,405,705</u>

LIABILITIES

Current Liabilities:	
Accounts payable	303,080
Accrued expenses	230,993
Deferred revenue (Note 2C)	<u>1,549,268</u>
 Total Current Liabilities	 <u>2,083,341</u>
Non Current Liabilities:	
Loans payable (Note 6)	<u>106,472</u>
 Total Non Current Liabilities	 <u>106,472</u>
 Total Liabilities	 <u>2,189,813</u>

NET ASSETS (Note 2A)

Without donor restrictions	<u>1,215,892</u>
 Total Net Assets	 <u><u>\$1,215,892</u></u>

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Support and Revenues

Local property assessments (Note 5)	\$1,668,913
General Benefit Non-Assessment Revenue:	
Grants	280,325
Fees for Service	628,289
Contributions and Other	5,869
Investment Income	<u>414</u>
 Total Support and Revenues	 <u>2,583,810</u>

Expenses

Program services:	
Public Safety, Cleaning and Maintenance	927,324
General Benefit Non-Assessment Expenses	<u>858,082</u>
Sub-total Program services	<u>1,785,406</u>
 Support services:	
Management and Economic Development	582,007
Fundraising	<u>28,722</u>
Sub-total Support services	<u>610,729</u>
 Total Expenses	 <u>2,396,135</u>

Change in Net Assets	187,675
 Net Assets, Beginning of Year	 <u>1,028,217</u>
 Net Assets, End of Year	 <u><u>\$1,215,892</u></u>

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services		Supporting Services		Total
	Public Safety, Cleaning and Maintenance	Non- Assessment	Management and Economic Development	Fundraising	
FUNCTIONAL EXPENSES					
Personnel Costs:					
Salaries			\$288,124	\$22,314	\$310,438
Payroll taxes			27,522	2,132	29,654
Health and other fringe benefits			36,233	3,167	39,400
Worker's compensation			2,894	392	3,286
Payroll fees			3,358	717	4,075
Subtotal Personnel Costs			358,131	28,722	386,853
Public Safety	\$407,394				407,394
Cleaning and maintenance	519,930				519,930
Economic Development and Marketing:					
Economic development			40,306		40,306
Marketing and promotion			65,322		65,322
Subtotal Economic Development and Marketing Expense			105,628		105,628
Accounting and auditing fees			64,385		64,385
Consultants and contractors		\$851,060	3,470		854,530
Dues, membership and subscriptions		2,123	1,753		3,876
Insurance			11,646		11,646
Interest			1,586		1,586
Legal			2,425		2,425
Miscellaneous			425		425
Office supplies			4,539		4,539
Other equipment		4,399	4,178		8,577
Postage and delivery			186		186
Printing and reproduction		500	3,594		4,094
Rent			12,539		12,539
Telephone and internet			2,491		2,491
Travel and meetings			5,031		5,031
Total Functional Expenses	\$927,324	\$858,082	\$582,007	\$28,722	\$2,396,135

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$187,675
Depreciation expense	8,921
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Accounts receivable	(60,249)
Security deposits and other	32,743
Accounts payable	213,150
Accrued expenses	146,447
Deferred revenue	<u>1,527,743</u>
Total adjustments	<u>1,859,834</u>
Net cash provided by operating activities	<u>2,056,430</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from capital loan	44,166
Payments made on capital loan	(10,445)
Purchase of property and equipment	(41,946)
Proceeds from SBA loan	<u>72,751</u>
Net cash provided by financing activities	<u>64,526</u>
Net increase in cash	2,120,956
Cash and cash equivalents, beginning of year	<u>1,080,230</u>
Cash and cash equivalents, end of year	<u><u>\$3,201,186</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Property taxes paid	\$186
Interest paid	\$1,586
Non-cash activities: In-kind contributions	\$2,500

See accountant's review report and notes to financial statements.

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MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 1 – ORGANIZATION AND PROGRAMS

A. Reporting Entity

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

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

B. Programs and Activities

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

B. *Receivables*

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

C. *Property and Equipment*

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

As of December 31, 2020, MMCBD's property and equipment consists of office chairs and a pressure washer recorded at a total cost of \$41,946. Depreciation expense during the year was \$8,921.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Deferred Revenue

As of December 31, 2020, deferred revenue consisted of the following:

Property Assessments	\$1,019,465
Silicon Valley Community Foundation	500,000
Urban Solutions	20,000
Mercy Housing	<u>9,803</u>
 Total Deferred Revenue	 <u><u>\$1,549,268</u></u>

E. Functional Expenses

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

F. Advertising

MMCBD follows the policy of expensing advertising costs as incurred.

G. Statement of Cash Flows

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

H. Estimates

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

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fair Value Measurements

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

The three-tier hierarchy categorizes the inputs as follows:

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

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

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

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

J. Income Taxes

MMCBD is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the MMCBD qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The MMCBD paid no taxes on unrelated business income for the year ended December 31, 2020.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

K. Subsequent Events

MMCBD evaluated subsequent events for recognition and disclosure through November 1, 2021, the date which these financial statements were available to be issued.

As discussed in Note 6, MMCBD received notification on April 27, 2021, that the PPP loan obtained from the Small Business Administration was forgiven.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2020, the MMCBD's cash is summarized as follows:

Cash in bank	<u>\$3,201,186</u>
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Of the \$3,201,186 total cash and cash equivalents above, \$810,013 has been set aside as designated for contingencies and reserve, in accordance with the MMCBD's management plan with the City and County of San Francisco.

NOTE 4 – RETIREMENT PLAN

MMCBD sponsors a defined contribution plan for its full-time employees. MMCBD contributed \$12,105 to the plan during the year ended December 31, 2020.

NOTE 5 – ASSESSMENT REVENUE

MMCBD receives assessment revenues from the San Francisco City and County on behalf of members in the assessment district as a part of the County tax roll. Conversely, the MMCBD does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 6 – LOANS PAYABLE

A. *Capital Loan – StreetPlus*

As part of the agreement for services between MMCBD and Streetplus Company, LLC (Streetplus), Streetplus purchased two pieces of equipment necessary for the cleaning and maintenance of the District's area in the amount of \$40,995. The equipment is exclusively used for MMCBD, and at the end of the agreement, the equipment will be owned by MMCBD. The loan bears interest at 19.53%, and is payable in monthly installments of \$1,266, including both principal and interest, commencing June 30, 2020 through May 31, 2023.

During 2020, MMCBD made payments totaling \$8,861, including principal and interest, and as of December 31, 2020, the principal balance of the loan was \$33,721.

B. *U.S. Small Business Administration Loan*

In May 2020, the Organization received a \$72,751 loan from the U.S. Small Business Administration Paycheck Protection Program (PPP), with an interest rate of 1.0% that matures in May 2022. The loan was made pursuant to sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1106 of the CARES Act provides that up to the full principal amount plus interest accrued guaranteed under the PPP may qualify for forgiveness if the Organization uses the loan proceeds for forgivable purposes.

MMCBD received notification on April 27, 2021 that the PPP loan was forgiven by the U.S. Small Business Administration. Management has elected to recognize the \$72,751 as grant revenue in 2021.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2020:

Total current financial assets:	
Cash and cash equivalents	\$3,201,186
Accounts receivable	<u>169,304</u>
Total current financial assets	3,370,490
Amount set aside for contingencies and reserves	<u>(810,013)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u><u>\$2,560,477</u></u>

MEMO

To: Supervisor Matt Haney, District 6

CC: San Francisco Board of Supervisors

From: Mimi Tam Hiraki, OEWD Community Development Specialist

RE: Mid Market Community Benefit District; CY 2019 and 2020 Annual Reports

Date: February 10, 2022

This is a memo summarizing the performance of the Mid Market Community Benefit District (Mid Market CBD), formerly known as the Central Market CBD, and an analysis of their financial statements (based on their audit) for the period between January 1, 2019 and December 31, 2019 and between January 1, 2020 and December 31, 2020.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Mid Market CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Central Market Community Benefit District's Management Contract with the City; and their Management Plan as approved by the Board of Supervisors in 2014.

Also attached to this memo are the following documents:

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



Background

The District is generally described as from the West side of 5th Street to the East side of South Van Ness Avenue, and from the South side of Market Street to the South Side of Mission Street. In addition, one block North of Market between Cyril Magnin and Mason, and one block North of Market between Grove and Larkin are included. Also, properties along Sixth Street between Market and Folsom Streets, along with the properties on adjacent streets and alleys East and West of Sixth Street (to varying distances) are included. The District contains 807 parcels, including the former US Mint building and Mint Plaza.

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

Basic Info about Central Market CBD

Year Established	2006
Year Renewed	2013
Year Modified	2016
Assessment Collection Period	2013 - 2027
Services Start and End Date	January 1, 2014 - December 31, 2028
Initial Estimated Annual Budget	\$1,225,433.63
FY 18-19 Assessment Roll Submission	\$1,515,854.96
FY 19-20 Assessment Roll Submission	\$1,608,150.72
FY 20-21 Assessment Roll Submission	\$1,694,614,78
Calendar Year	January 1 – December 31

Executive Director
Name of Nonprofit Entity

Tracy Everwine
Central Market Community Benefit District Corporation

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

Summary of Service Area Goals

Public Safety

The Mid Market CBD's public safety approach focuses on customer service hospitality, crime prevention and social service outreach. Key programs include: Community ambassadors, SFPD 10B Officers, community meetings, and public safety seminars.

Cleaning and Maintenance

Mid Market CBD's cleaning and maintenance services include enhanced cleaning and maintenance services within the public right-of-ways (above and beyond) the baseline level of service provided by the City of San Francisco. This includes sidewalk sweeping, spot cleaning, steam cleaning, graffiti abatement, landscaping, and monitoring public trash receptacle overflow and trash removal.

Management and Economic Development

Management includes day-to-day management of the organization and advocacy for District needs with various City departments ensuring good and timely service. Economic Development activities such as business attraction, retention and promotion encourage non-residential properties to maximize their development and land use.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2019

Public Safety

- Public Safety Services (*partial list*):
 - Received 2,037 safety related calls or emails into dispatch
 - Provided 330 social service interventions

Cleaning and Maintenance

- Cleaning and Maintenance Services (*partial list*)
 - Removed 158,158 pounds of trash from the district
 - Removed 4,872 graffiti tags, stickers, and flyers
 - 2,750 human/animal waste clean-ups
 - Cleaned 117,476 total linear footage
 - Installed new Bigbelly "smart" refuse collection units
 - Received 1,502 cleaning calls

Management and Economic Development

- Collaborated with neighboring CBDs, other community-based organizations, and multiple City agencies.

- Consistently posted on retail vacancies on MMCBD’s website and available spaces were shown to several prospective tenants. Listings can be found here: <https://www.midmarketcbd.org/retail-space-available/>
- Helped welcome 11 new retail businesses to the District: Abe’s Pizza, Bini’s Kitchen, Burma Club, Create Skateboards, Falafalland, Living Room SF, Nick’s on Mission, Square Pie Guys, Supreme, The Nail Hall, and The Pawn Shop
- Continued management of all CBD programs, ensure district compliance, and implement grants.

CY 2020

Public Safety

- Public Safety Services (*partial list*):
 - Responded to 6,085 safety and behavior situations including trespassers and loiterers, substance use, sleepers and campers, illegal vendors and aggressive/agitated/indecent behavior
 - Received 57 emergency safety calls and 103 non-emergency safety calls
 - Provided 640 social service interventions, including referrals and escorts. Provided people without housing MMCBD’s Food | Shelter | Help Resource Guide
 - Distributed and made personal protective equipment and Covid-19 safety information accessible to residential buildings, offices, businesses and people in need.
 - Posted City signs for Covid-19 safety protocols

Cleaning and Maintenance

- Cleaning and Maintenance Services (*partial list*)
 - Responded to 255 graffiti requests, 2,895 street requests, and 651 pressure washing requests
 - Removed 104,125 pounds of trash and cleaned 100 overflowing trash cans
 - Cleaned 163,200 total linear footage annually
 - Removed total of 4,870 graffiti tags, stickers, and flyers
 - Disposed 25,000 needles
 - 3,300 human/animal waste clean-ups
 - Cleaned 1,446 illegal dumping with 195 of the illegal dumping related to 311 entries
 - Removed or bundled 2,366 cardboard
 - Weeded and/or topped off 337 tree wells
 - Staff faced challenges while cleaning and maintaining the sidewalk including being targets of verbal and physical attacks and unhealthy air quality from the wild fire smoke.

Management and Economic Development

- Collaborated with neighboring CBDs, other community-based organizations, and multiple City agencies, including:
 - The Friends of Mint Plaza and the Friends of Stevenson to implement public realm enhancements
 - Managing a City grant to make landscaping improvements and install public art in Mint Plaza
 - Managing a City grant to facilitate the installation of decorative lighting on the 500 block of Stevenson

- Participating on the Mid-Market Business Association Board of Directors and the Friends of Mint Plaza Board of Directors, Better Market Street Project Advisory Committee, and 6th Street Revitalization
- Consistently posted on retail vacancies on MMCBD's website and available spaces were shown to several prospective tenants. Listings can be found here:
<https://www.midmarketcbd.org/retail-space-available/>
- Helped attract 3 new retail businesses to the District: Hetchy's Hots, Limonnana, and Sunset Squares Pizza
- Launched coffee café loyalty program to incentivize people to visit all coffee cafes in the district.
- Continued management of all CBD programs, ensure district compliance, and implement grants.
- Provided 2,900 Merchants & Owners Meet and Greet service, provided 419 visitors with directions and referrals and distributed 139 flyers and information

MMCBD Annual Budget Analysis

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

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

CY 2019

BENCHMARK 1: Whether the variance between the percentage amounts for each service category were within 10 percentage points of the percentages identified in the Management Plan.

ANALYSIS: MMCBD met this requirement. See table below.

Service Category	Original Management Plan Budget	% of Budget	CY 2019 Budget	% of Budget	Variance Percentage Points
Public Safety	\$431,382.73	35.20%	\$497,089.68	33.44%	-1.77%
Cleaning and Maintenance	\$352,000.00	28.73%	\$446,880.11	30.06%	+1.33%
Management and Economic Development	\$300,885.66	24.55%	\$508,721.29	34.22%	+9.66%
Contingency and Reserve	\$141,165.24	11.52%	\$33,999.32	2.29%	-9.23%
TOTAL	\$1,225,433.63	100%	\$1,486,690.40	100%	

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

ANALYSIS: *MMCBD met this requirement. MMCBD received \$1,516,795.60 in assessment revenue, which was approximately 79.65% of their CY 2019 operating budget. The CBD received \$387,573.87 in non-assessment revenue which was approximately 20.35% of their CY 2019 revenue. See table below.*

Revenue Sources	CY 2019 Actuals	% of Actuals
Special Benefit Assessments	\$1,516,795.60	
Total Assessment Revenue	\$1,516,795.60	79.65%
Contributions and Sponsorships	\$9,310.00	0.49%
Grants	\$157,857.83	8.29%
Fees for Service	\$220,022.58	11.55%
Other	\$383.46	0.02%
Total General Benefit (non-assessment) revenue	\$387,573.87	20.35%
TOTAL	\$1,904,369.47	100%

Non-assessment revenue applied to 3.68% General Benefit requirement

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within the calendar year were within 10 percentage points.

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

Service Category	CY 2019 Budget	% of Budget	CY 2019 Actuals	% of Actuals	Variance Percentage Points
Public Safety	\$497,089.68	33.44%	\$433,889.83	29.52%	-3.91%
Cleaning & Maintenance	\$446,880.11	30.06%	\$430,582.54	29.30%	-0.76%
Management and Economic Development	\$508,721.29	34.22%	\$494,113.56	33.62%	-0.60%
Contingency and Reserve*	\$33,999.32	2.29%	\$111,007.74	7.55%	+5.27%
TOTAL	\$1,486,690.40	100%	\$1,469,593.67	100.00%	

*Contingency and Reserve may be redeployed throughout future years to meet the needs of the CBD.

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

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

CY 2019 Carryover	Total
CY 2019 Assessment Carryforward	\$47,201.93
Total Carryover Assessment Future Years	\$47,201.93

CY 2020

BENCHMARK 1: Whether the variance between the percentage amounts for each service category were within 10 percentage points of the percentages identified in the Management Plan.

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

Service Category	Original Management Plan Budget (Percentage)	CY 2020 Budget – Asst. (Percentage)	CY 2020 Budget – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points - Total
Public Safety	\$431,382.73 (35.20%)	\$542,348.70 (34.27%)	\$800,056.37 (31.69%)	-0.93%	-3.51%
Cleaning and Maintenance	\$352,000.00 (28.73%)	\$460,273.63 (29.08%)	\$679,802.39 (37.29%)	+0.35%	+8.56%
Management and Economic Development	\$300,885.66 (24.55%)	\$546,032.87 (34.50%)	\$631,492.65 (29.44%)	+9.95%	+4.89%
Contingency and Reserve	\$141,165.24 (11.52%)	\$33,999.32 (2.15%)	\$33,999.32 (1.58%)	-9.37%	-9.92%
TOTAL	\$1,225,433.63 (100%)	\$1,582,654.52 (100%)	\$2,145,350.73 (100%)		

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

ANALYSIS: *MMCBD met this requirement. MMCBD received \$1,668,912.59 in assessment revenue, which was approximately 64.59% of their CY 2020 operating budget. The CBD received \$914,897 in non-assessment revenue which was approximately 35.41% of their CY 2020 revenue. See table below.*

Revenue Sources	CY 2020 Actuals	% of Actuals
Special Benefit Assessments	\$1,668,912.59	
Total Assessment Revenue	\$1,668,912.59	64.59%
Contributions and Sponsorships	\$5,869.00	0.23%
Grants	\$280,325.41	10.85%
Fees for Service	\$628,289.63	24.32%
Other	\$414.75	0.02%
Total General Benefit (non-assessment) revenue	\$914,897.79	35.41%
TOTAL	\$2,583,809.38	100.00%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within the calendar year were within 10 percentage points.

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

Service Category	CY 2020 Budget – Asst. (Percentage)	CY 2020 Budget – Total (Percentage)	CY 2020 Actuals – Asst. (Percentage)	CY 2020 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Public Safety	\$542,348.70 (34.27%)	\$800,056.37 (31.69%)	\$415,653.78 (26.38%)	\$883,685.44 (35.36%)	-7.89%	+3.67%
Cleaning and Maintenance	\$460,273.63 (29.08%)	\$679,802.39 (37.29%)	\$529,984.33 (33.64%)	\$928,677.96 (37.16%)	+4.56%	-0.13%
Management and Economic Development	\$546,032.87 (34.50%)	\$631,492.65 (29.44%)	\$526,684.28 (33.43%)	\$583,772.01 (23.36%)	-1.07%	-6.18%
Contingency and Reserve*	\$33,999.32 (2.15%)	\$33,999.32 (1.58%)	\$103,291.26 (6.56%)	\$104,291.26 (4.13%)	+4.41%	+2.55%
TOTAL	\$1,582,654.52 (100%)	\$2,145,350.73 (100%)	\$1,575,613.65 (100%)	\$2,499,426.67 (100%)		

*Contingency and Reserve may be redeployed throughout future years to meet the needs of the CBD.

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

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

CY 2021 Assessment Carryforward Disbursement		Spenddown Timeline
Service Category	Dollar Amount	
Cleaning and Maintenance	\$95,190.14	spending in 2021 & 2022
Public Safety	\$78,003.82	spending in 2021 & 2022
Management & Economic Development	\$41,635.02	spending in 2021 & 2022
Contingency & Reserves	\$810,012.67	when needed
Special Assessment Total	\$1,024,841.65	

FY 2020-21 Non-Assessment Carryforward Disbursement		Spenddown Timeline
Non-Assessment Project or bucket name	Dollar Amount	
Non-Assessment	\$191,048.76	when needed
Non-Assessment Total	\$191,048.76	

Findings and Recommendations

For the review period of CY 2019 Mid Market CBD (MMCBD) met all four benchmarks set by the California Street and Highways Code Section 36650-3351 as found on page 5 of this memo; the Agreement for the Administration of the Mid Market Community Benefit District; and the Agreement for the Administration of the “Mid Market Community Benefit District.”

For the review period of CY 2020 MMCBD met all of the benchmarks set by the California Street and Highways Code Section 36650-3351; the Agreement for the Administration of the Mid Market Community Benefit District; and the Agreement for the Administration of the “Mid Market Community Benefit District.”

CY 2020 was an especially challenging year for the City’s Improvement Districts. In February 2020 pedestrian traffic began to decline with the emergence of the COVID 19 pandemic. On March 16, 2020 the City and County of San Francisco Public Health Officer issued a Public Health Order requiring residents to remain at home, with the exception of essential needs. All public and private gatherings of any number of people occurring outside a single family or living unit were prohibited. And all Non-Essential Businesses and Non-Essential Government Functions were required to cease all operations.

However, OEWD and the Office of the City Attorney acted quickly to clarify Improvement District services in the public realm could continue despite local and state issued shelter in place ordinances.

Furthermore, OEWD diligently worked with the Improvement Districts and the Covid Command Center to ensure District workers were able to acquire additional personal protective equipment (PPE) and hygiene supplies to keep workers and the community safe. The Districts played an important role disseminating PPE to their District's stakeholders and facilitating communication between the City and the District's community throughout the pandemic.

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

Conclusion

Mid Market CBD performed well implementing its service plan during the review period; and was a valuable asset to its District members and the City through the unprecedented circumstances brought on by the Covid-19 pandemic. The CBD continued to successfully implement the service areas stated in its Management Plan while also pivoting to meet pandemic protocols. Mid Market CBD seized opportunities to leverage and add value to its work through fundraising, grants, and collaborative partnerships in CY 2019 and CY2020. The CBD has an active Board of Directors and committee members. OEWD believes that the Mid Market CBD is well positioned to continue carrying out its mission.

BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: 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. 220212

Resolution receiving and approving annual reports for the Central Market Community Benefit District for Calendar Years (CYs) 2019 and 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

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

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

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

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

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: