

MEMO

To: Supervisor Matt Haney, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Program Director

RE: Civic Center Community Benefit District; CY 2020 Annual Report

Date: 2/10/2022

This is a memo summarizing the performance of the Civic Center Community Benefit District, and an analysis of their financial statements (based on their audit) for the period 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. 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 Community Benefit District's Management Agreement with the City; and their Management Plan as approved by the Board of Supervisors in 2019.

Also attached to this memo are the following documents:

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



Background

The District is located in the Civic Center area of the City. The Civic Center CBD consists of approximately 43 whole or partial blocks and approximately 722 parcels. The District is generally bounded by: Golden Gate Avenue and Turk Street to the North; Market Street to the South; 7th Street to the East; and Gough Street to the West.

- 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).
- May 9, 2017, the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution # 164-17).
- November 13, 2018, the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution # 385-18)
- July 23, 2019, the Board of Supervisors approved the resolution to renew and expand the Civic Center Community Benefit District for 15 years (Resolution #342-19)
- October 29, 2019, the Board of Supervisors approved the Annual Report for FY 2017-2018 (Resolution #466-19).
- January 26, 2021, the Board of Supervisors approved the Annual Report for FY 2018-2019 (Resolution #020-21).

Basic Info about Civic Center CBD

Year Established	2011
Year Renewed	2019
Assessment Collection Period	FY 2019-20 – FY 2033-34
Services Start and End Date	January 1, 2020 - December 31, 2034
Initial Estimated Annual Budget	\$3,161,454.78
FY 19-20 Assessment Roll Submission	\$3,161,451.42
FY 20-21 Assessment Roll Submission	\$3,178,521.87
Calendar Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Civic Center Community Benefit District, Inc.

The current CBD website, <https://sfciviccenter.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

Clean/Safe/Activation

This service areas of the Civic Center CBD consist of:

Clean Program

- 1) Sidewalk Cleaning
 - i. Sidewalk Pressure Washing
 - ii. Trash Collection
 - iii. Graffiti Removal
 - iv. Landscape Maintenance
- 2) Pedestrian Safety
 - i. Daytime Ambassadors and/or stewards
 - ii. Evening Ambassadors and/or stewards

Activation & Beautification

Activation and Beautification may include, but is not limited to: oversight of the Civic Center Plaza café kiosk, the daily setup of tables, chairs, and games in public open space, public art installations, outdoor musical performances, block parties, and the annual Holiday Tree Lighting.

Marketing/Communication

The programs may include, but are not limited to:

- 1) Destination Marketing
- 2) Branding
- 3) Events
- 4) Media Relations
- 5) Website
- 6) District Stakeholder Outreach
- 7) Social Media

Administration/Contingency

Administration oversees Civic Center CBD services, which are delivered seven days a week. Staff actively works on behalf of stakeholders to ensure that City and County services and policies support the District. Expenses in this category may include: professional services, organizational expenses such as insurance, and the cost to conduct a yearly financial review. Civic Center CBD funds from Administration may be used for renewing the Civic Center CBD.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2020

Clean/Safe/Activation

- Removed 238,675 lbs. of litter/trash
- Properly disposed of 26,500 discarded needles
- Removed 5,401 instances of graffiti on public property and 1,894 instances of graffiti on private property
- Removed 1,966 instances of stickers or flyers
- 1,938 instances of illegal dumping addressed
- 6,844 instances of human/animal waste removed
- Responded to 3,744 sweep requests

- Responded to 522 pressure washing requests
- Topped off 274 overflowing City and County of San Francisco trashcans
- 484 instances of broken glass cleaned up
- Made 37 HSOC of SFHOT referrals
- Made 14 social service referrals
- Completed 32 requested escorts

Marketing/Communication

- Provided visitors to district with directions and referrals 2,121 times
- Met with merchants and owners 2,731 times
- Promoted businesses, arts, and cultural venues which were open or operating digitally during the pandemic
- Provided support to OEWD’s Shared Spaces program
- Implemented decorative street tree lighting
- Provided Covid-19 information from the Covid Command Center to district businesses

Administration and Contingency

- Collaborated with neighboring CBDs, other community-based organizations, and multiple City agencies.
- Consistently oversaw the management of CBD programs
- Provided assistance to the Covid Command Center in providing information and PPE to district stakeholders
- Pivoted services to respond to the new challenges brought on by the Covid-19 pandemic

Civic Center CBD Annual Budget Analysis

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

- **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 “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether four and eight tenths percent (4.80%) 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 expenses and actual expenses within a calendar 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 calendar year and designating projects to be spent in that calendar year (*CA Streets & Highways Code, Section 36650(B)(5)*).

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: *Civic Center CBD met this requirement. See table below.*

Service Category	Original Management Plan Budget (Percentage)	CY 2020 Asst. Budget (Percentage)	CY 2020 Asst. Totals (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Clean/Safe/Activation	\$ 2,500,855.86 (75.31%)	\$ 2,325,573.37 (77.07%)	\$2,443,874.28 (77.94%)	+1.76%	+2.63%
Marketing/Communication	\$ 250,000.00 (7.53%)	\$ 239,444.15 (7.94%)	\$239,444.15 (7.64%)	+0.41%	+0.11%
Administration/Contingency	\$ 570,000.00 (17.16%)	\$ 452,351.89 (14.99%)	\$452,351.89 (14.43%)	-2.73%	-2.73%
TOTAL	\$3,320,855.86 (100%)	\$3,017,369.41 (100%)	\$3,135,670.32 (100%)		

BENCHMARK 2: Whether four and eight tenths percent (4.80%) of actuals came from sources other than assessment revenue.

ANALYSIS: *Civic Center CBD met this requirement. CCCBD received \$3,133,813.68 in assessment revenue, which was approximately 86.63% 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	\$3,133,813.68	
Total Assessment Revenue	\$3,133,813.68	86.63%
Grants	\$202,353.30	5.59%
Interest	\$36.58	0.00%
Earned Revenue	\$279,828.98	7.74%
Other	\$1,500.00	0.04%
Total General Benefit (non-assessment) revenue	\$483,718.76	13.37%
TOTAL	\$3,617,532.44	100.00%

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

ANALYSIS: Civic Center CBD met this requirement. See table below.

Service Category	CY 2020 Asst. Budget (Percentage)	CY 2020 Asst. Totals (Percentage)	CY 2020 Actuals – Asst. (Percentage)	CY 2020 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total.
Clean/Safe/Activation	\$2,325,573.37 (77.07%)	\$2,443,874.28 (77.94%)	\$1,816,439.90 (71.07%)	\$2,190,144.13 (72.11%)	-6.00%	-5.83%
Marketing/Communication	\$239,444.15 (7.94%)	\$239,444.15 (7.64%)	\$134,290.91 (5.25%)	\$134,290.91 (4.42%)	-2.69%	-3.22%
Administration/Contingency	\$452,351.89 (14.99%)	\$452,351.89 (14.43%)	\$605,147.77 (23.68%)	\$712,959.02 (23.47%)	+8.69%	+9.04%
TOTAL	\$3,017,369.41 (100%)	\$3,135,670.32 (100%)	\$2,555,878.58 (100%)	\$3,037,394.06 (100%)		

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

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

ANALYSIS: Civic Center CBD met this requirement. See table below.

CY 2021 Assessment Carryforward Disbursement		Spenddown Timeline
Service Category	Dollar Amount	
Clean/Safe/Activation	\$ 513,150.05	spending in 2021 & 2022
Marketing/Communication	\$ 42,567.81	spending in 2021 & 2022
Administration/Contingency	\$ 604,852.30	when needed
Special Assessment Total	\$ 1,160,570.16	

FY 2020-21 Non-Assessment Carryforward Disbursement		Spenddown Timeline
Non-Assessment Project or bucket name	Dollar Amount	
Non-Assessment	\$ 533,785.68	when needed
Non-Assessment - Kiosk (non-cash)	\$ 2,065,098.93	N/A
Non-Assessment Total	\$ 2,598,884.61	

Findings and Recommendations

For the review period of CY 2020 Civic Center CBD met four of the four benchmarks set by the California Street and Highways Code Section 36650-3351 and the Agreement for the Administration of the “Civic Center 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.

CCCBD’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

Civic Center 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. CCCBD continued to successfully implement the service areas stated in its Management Plan while also pivoting to meet pandemic protocols. CCCBD seized opportunities to leverage and add value to its work through fundraising, grants, and collaborative partnerships in CY2020. CCCBD has an active Board of Directors and committee members. OEWD believes that the Civic Center CBD is well positioned to continue carrying out its mission