

File No. 190814

Committee Item No. 6

Board Item No. 21

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight  
Board of Supervisors Meeting:

Date: October 17, 2019  
Date: October 29, 2019

#### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>OEWD Presentation – October 17, 2019</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report – FY2017-2018</u>          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CPA Report – FY2017-2018</u>             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo – June 14, 2019</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI – July 30, 2019</u>         |

Prepared by: John Carroll  
Prepared by: John Carroll

Date: October 11, 2019  
Date: October 24, 2019

1 [Yerba Buena Community Benefit District - Annual Report - FY2017-2018]

2  
3 **Resolution receiving and approving an annual report for the Yerba Buena Community**  
4 **Benefit District for FY2017-2018, submitted as required by the Property and Business**  
5 **Improvement District Law of 1994 (California Streets and Highways Code,**  
6 **Sections 36600, *et seq.*), Section 36650, and the District's management agreement with**  
7 **the City, Section 3.4.**

8  
9 WHEREAS, On June 2, 2015, pursuant to the Property and Business Improvement  
10 District Law of 1994 (the "Act"), California Streets and Highways Code Sections 36600 *et*  
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,  
12 the Board of Supervisors adopted Resolution No. 197-15, expressing the City's intention to  
13 renew and expand the Yerba Buena Community Benefit District (the "Yerba Buena CBD");  
14 and

15 WHEREAS, On July 31, 2015, the Board of Supervisors adopted Resolution  
16 No. 300-15 renewing and expanding the Yerba Buena CBD ("Resolution to Establish") for a  
17 period of 15 years, commencing FY2015-2016; and

18 WHEREAS, On December 8, 2015, the Board of Supervisors adopted Resolution  
19 No. 502-15, authorizing an agreement with the owners' association for the  
20 administration/management of the Yerba Buena CBD, and a management agreement (the  
21 "Management Contract") with the owners' association, the Yerba Buena 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. 151108; and

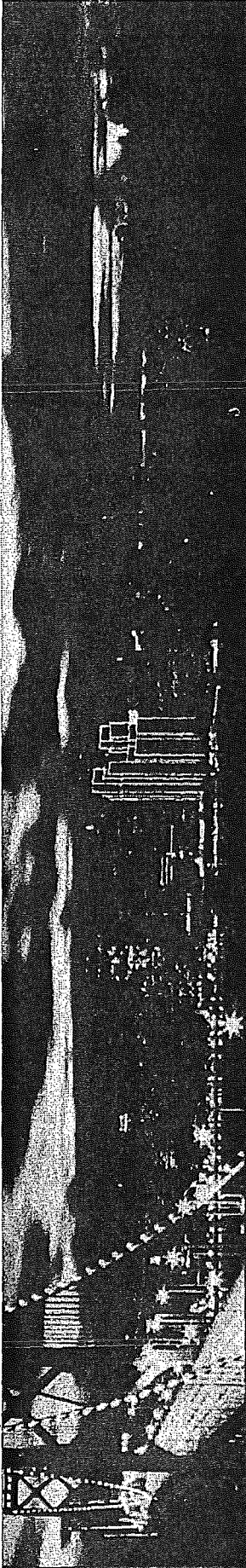
1           WHEREAS, On April 10, 2018, the Board of Supervisors approved the Yerba Buena  
2 CBD's annual report for FY2016-2017 in Resolution No. 095-18; and

3           WHEREAS, The Yerba Buena CBD has submitted for the Board's receipt and approval  
4 the Yerba Buena CBD's annual report for FY 2017-2018 as required by Section 36650 of the  
5 Act and Section 3.4 of the Management Contract; and

6           WHEREAS, The annual report for FY2017-2018 is on file with the Clerk of the Board of  
7 Supervisors in File No. 190814, and is incorporated herein by reference as though fully set  
8 forth; and

9           WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and  
10 memorandum report from the City's Office of Economic and Workforce Development, dated  
11 June 14, 2019, and documentation from the Yerba Buena CBD for the annual report  
12 for FY2017-2018 are on file with the Clerk of the Board of Supervisors in File No. 190814;  
13 now, therefore, be it

14           RESOLVED, That the Board of Supervisors hereby receives and approves the annual  
15 report for the Yerba Buena Community Benefit District for FY2017-2018.



# Yerba Buena Community Benefit District FY 2017-2018 Annual Report



Office of Economic and Workforce Development

# Legislative Overview

**Community Benefit Districts (CBDs) /  
Business Improvement Districts (BIDs) are  
governed by:**

- **State law**
  - “1994 Act”
- **Local law**
  - “Article 15”

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# Review Process

## **This resolution covers the Annual Report for FY 2017-18**

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of Annual Reports and CPA Financial Reviews.
- OEWD provides the Board Supervisors with a summary memo.

# YBCBD Formation

YBCBD	Type	Initial Assessment Budget*	FY 2017-18 Assessment Budget	Year Established	Expires
	Property-Based	\$ 2,991,722.82	\$ 3,009,970.38	2015	December 31, 2030

*\*budget identified in management plan*

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# YBCBD Operations

- **Staff**

- Executive Director – Cathy Maupin

- **Service Areas**

- **Cleaning and Streetscape Improvement**

- This program aims to ensure maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and building throughout the CBD.

- **Safety and Security**

- This service area works with stakeholders on a variety of strategies and initiatives to prevent crime and increase pedestrian safety within the CBD.

- **Branding, Activation, and Marketing**

- This program promotes YBCBD's properties and businesses through specially targeted programs and initiatives; additionally, it supports the creation and production of special events.

- **Management and Operations**

- Admin and operations includes oversight of service contract, implementation of major projects, staffing the Board of Directors and Committees, and general day to day operations.



# BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for YBCBD:

Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

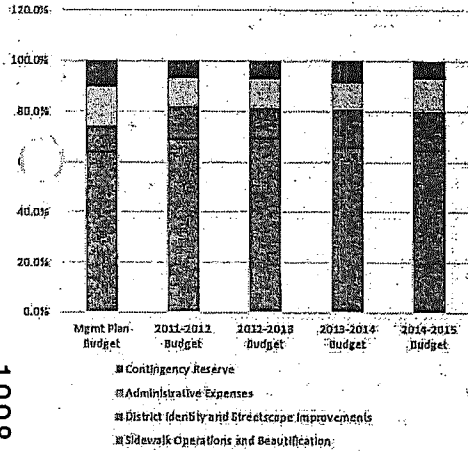
Benchmark 2 – Whether five percent (5.08%) of YBCBD's actuals came from sources other than assessment revenue.

Benchmark 3 - Whether the variance between the budget amounts for each service category was within 10 percentage points from the actuals.

Benchmark 4 - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

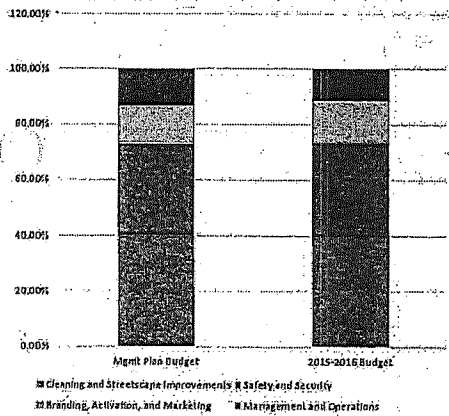
# Management Plan vs. Annual Budgets

Management Plan vs FY Budget Variances  
Fiscal Years 2011/12 – 2014/15

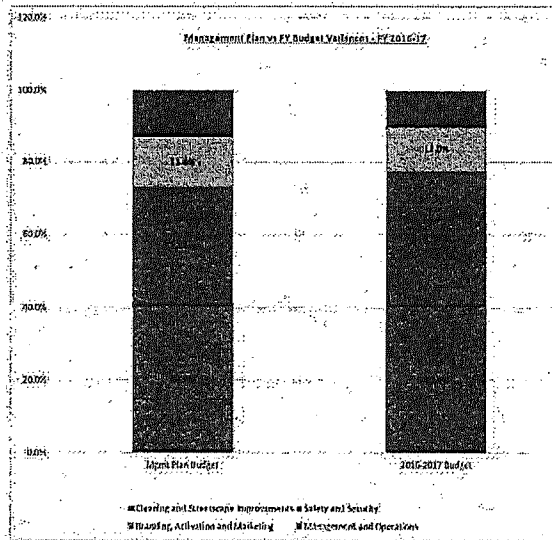


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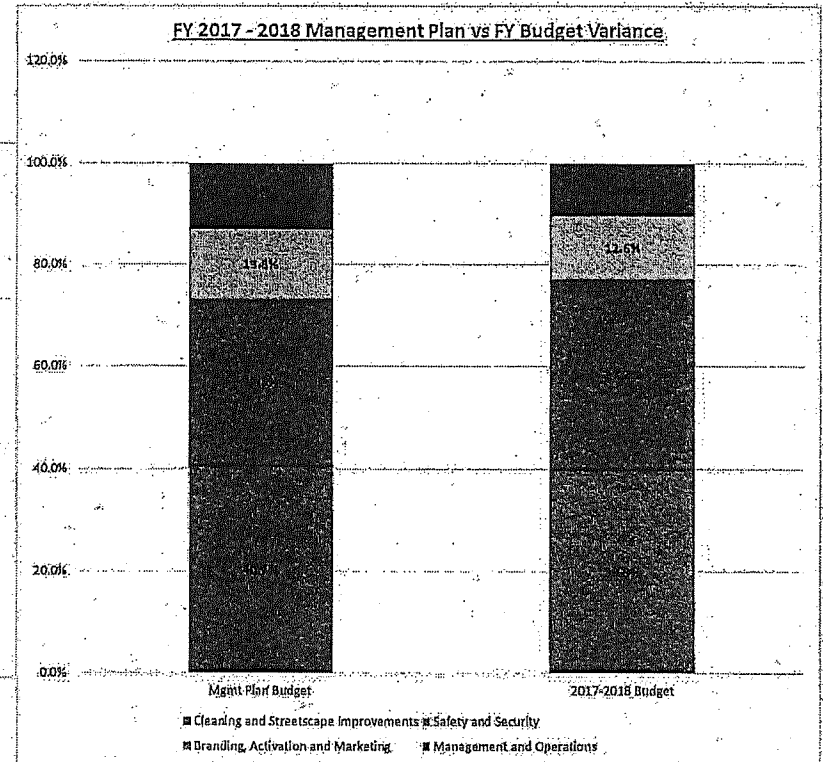
Management Plan vs Budget Variances FY 15-16



Management Plan vs FY Budget Variances - FY 2016/17

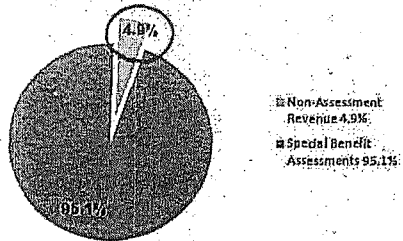


FY 2017 - 2018 Management Plan vs FY Budget Variance

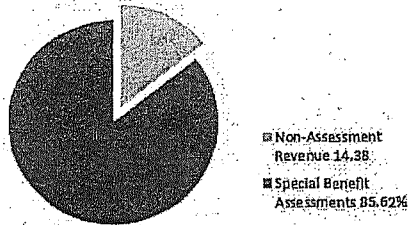


# Assessment Revenue & Other Income

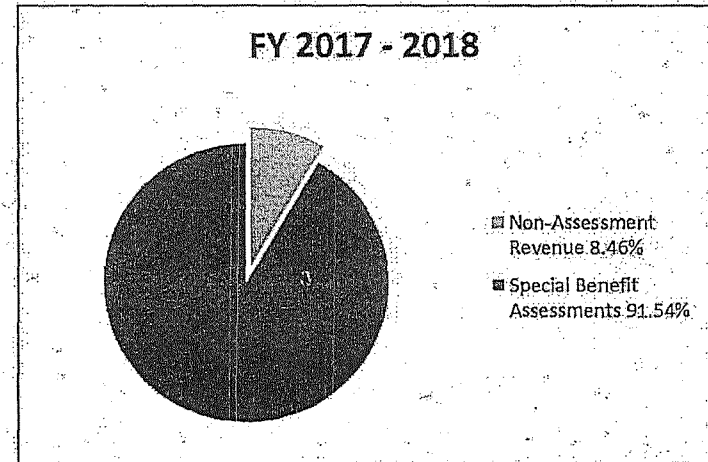
FY 2013 - 2014



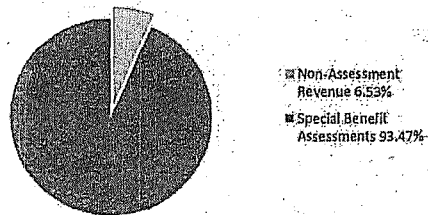
FY 2015 - 2016



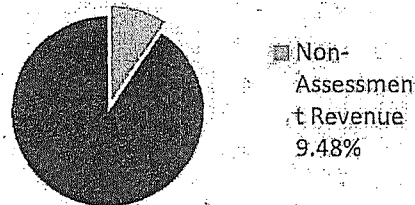
FY 2017 - 2018



FY 2014 - 2015



FY 2016 - 2017



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# Budget vs Actuals

Service Category	FY 2013- 2014 Variance % Points	FY 2014- 2015 Variance % Points	Service Category	FY 2015- 2016 Variance % Points	FY 2016- 2017 Variance % Points	FY 2017- 2018 Variance % Points
<b>SOBO</b>	+2.5	+2.42%	<b>Cleaning and Streetscape Improvements</b>	-6.75%	-7.10%	-10.74%
<b>DISI</b>	+1.5	+0.52%	<b>Safety and Security</b>	+1.32%	+8.65%	+5.49%
<b>Admin Expenses</b>	+4.6	+3.81%	<b>Branding, Activation, and Marketing</b>	+0.22%	+0.46%	+2.81%
<b>Contingency Reserve</b>	0%	-6.75%	<b>Management and Operations</b>	+5.21%	-2.02%	+2.45%

# Carryover

<b>FY 17-18 Carryover Disbursement</b>	<b>\$4,354,706.00</b>
<b>DESIGNATED PROJECTS</b>	
<b>Cleaning and Streetscape Improvements</b>	\$1,961,012
<b>Safety and Security</b>	\$707,302
<b>Branding, Activation, and Marketing</b>	192,177
<b>Management and Operations</b>	\$1,182,488
<b>Capital Assets</b>	\$311,355
<b>TOTAL DESIGNATED AMOUNT</b>	<b>\$4,158,190.00*</b>

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# Conclusion

Yerba Buena CBD has met 3 out of 4 requirements placed on it through State code and the CBD's Management Agreement with the City

Yerba Buena CBD has performed well in implementing the service plan in the district:

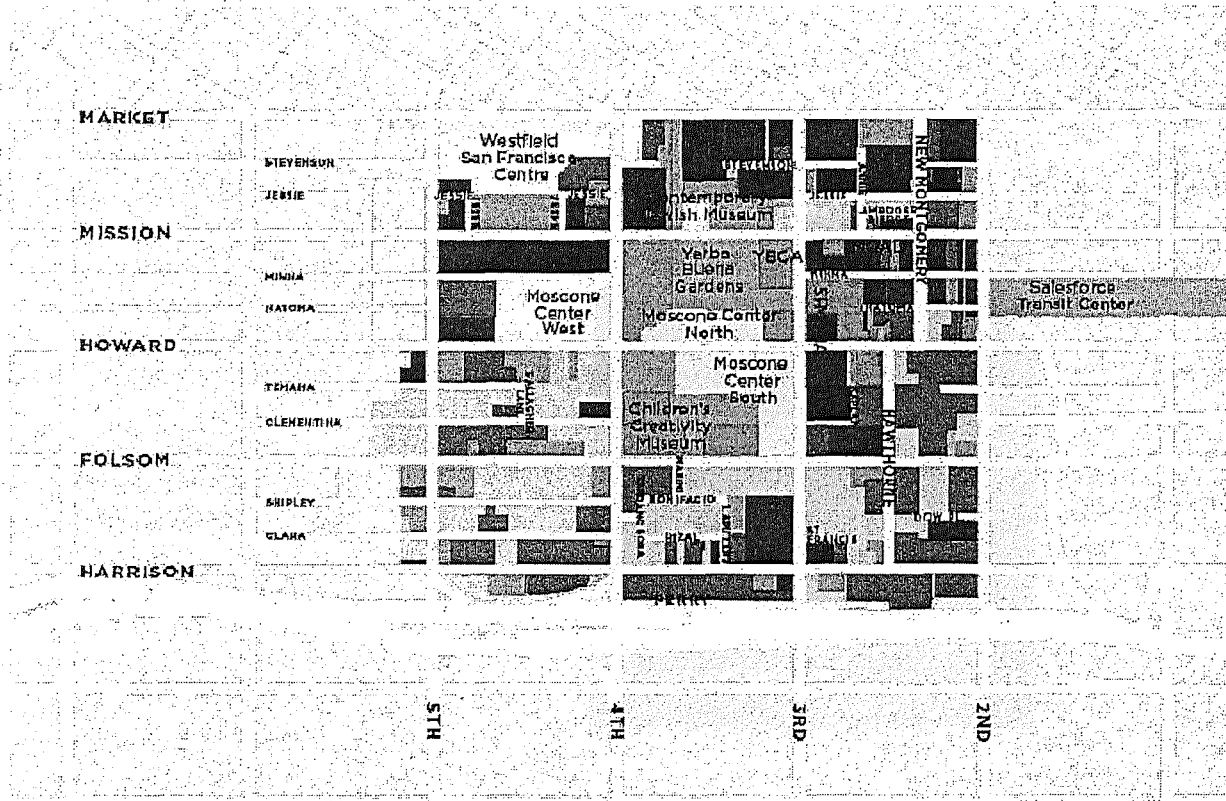
- Continued to successfully market and produce community events, such as Yerba Buena Night
- Increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund.
- Maintained an active board of directors and several sub committees.



Presentation to the San Francisco Board of Supervisors  
Government Audit and Oversight Committee  
October 17, 2019

# What is the Yerba Buena District?

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## LEGEND

- Culture
- Hotel
- Hotel/Residential
- Office
- Open Space
- Parking
- Residential
- Retail/Entertainment
- Retail/Office
- Retail/Residential



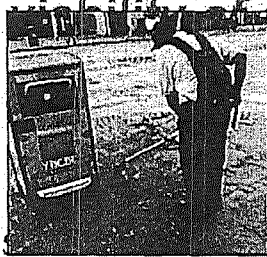
# What does the YBCBD do?

## YBCBD Mission Statement:

Advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a **safer and more secure community**, enhancing **environmental quality and beauty**, and reinforcing the **vitality of our economic base**.

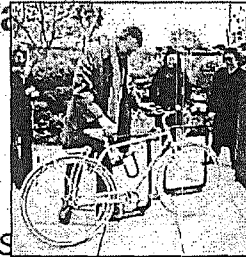
### 1. Cleaning

Clean Team  
Bigbelly Program  
Cigarette Receptacle



### 3. Streetscape

Public Art  
Pedestrian Safety  
Community Spaces



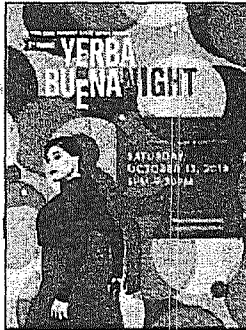
### 2. Safety

Community Guides  
SFPD Bike Patrol  
Social Services Speciali



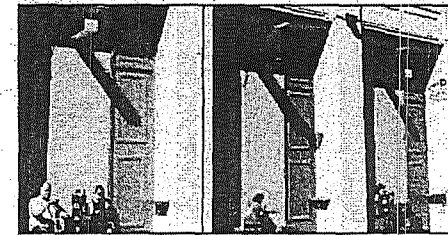
### 4. Marketing

Events  
Marketing Campaign  
Social Media



### 5. Community Benefit Grants

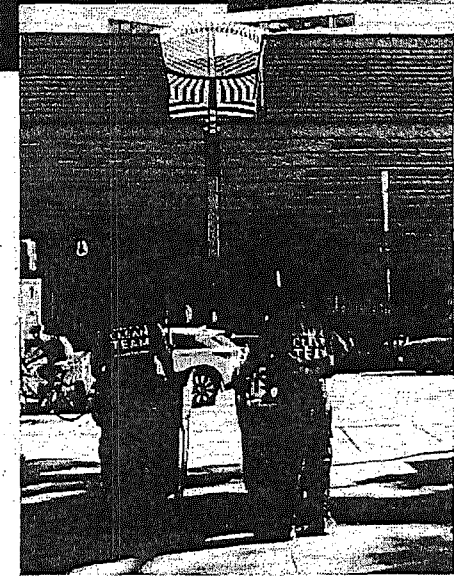
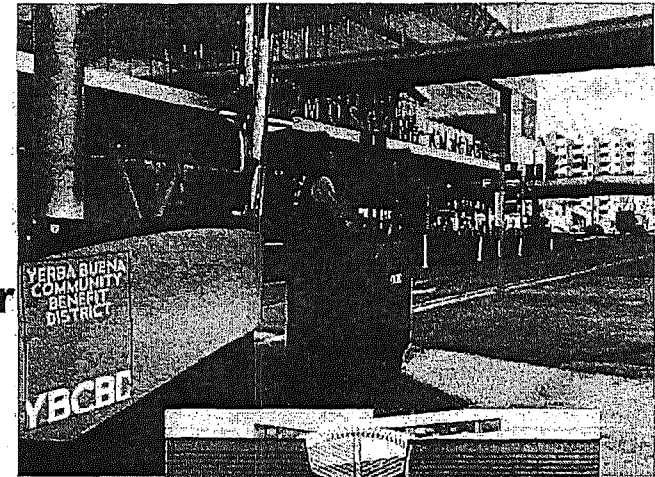
Public Art  
Community Building  
Streetscape Improvements  
Safety Enhancements



# CLEANING

**Responded to 63,200 overall requests for services**

- 323,750 pounds of trash picked up and disposed
- 5,385 graffiti tags, stickers, and flyers removed
- 19,780 syringes disposed of properly
- 6.4 million square feet of sidewalks steam cleaned
- Responded to 2,067 additional requests for sweeping, spot cleaning, and steam cleaning
- 300 instances of illegal dumping addressed



# SAFETY

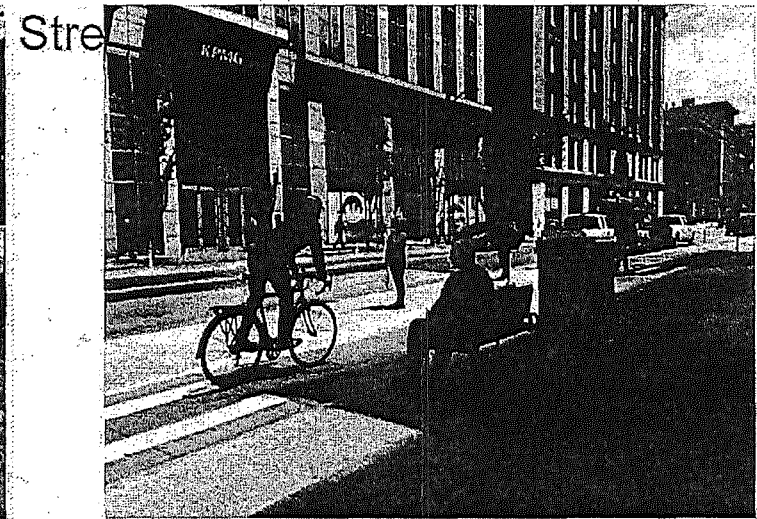
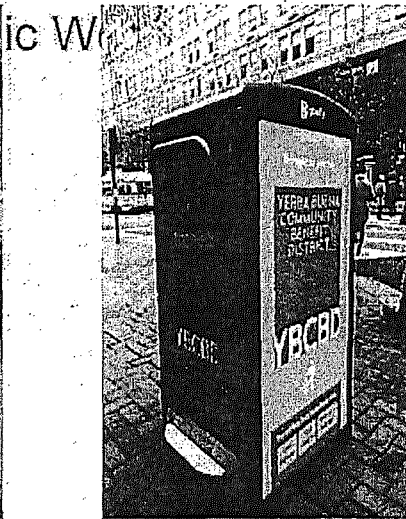
**Community Guides, Social Services Specialist, SFPD Bike Patrol Officer**

- SFPD Bike Patrol Officer responded to 5,231 quality of life issues including:
  - Aggressive panhandling
  - Public intoxication
  - Indecent exposure
  - Noise complaints
- Average of 53 people sleeping on Yerba Buena streets each night
- Responded to 7,695 public safety requests



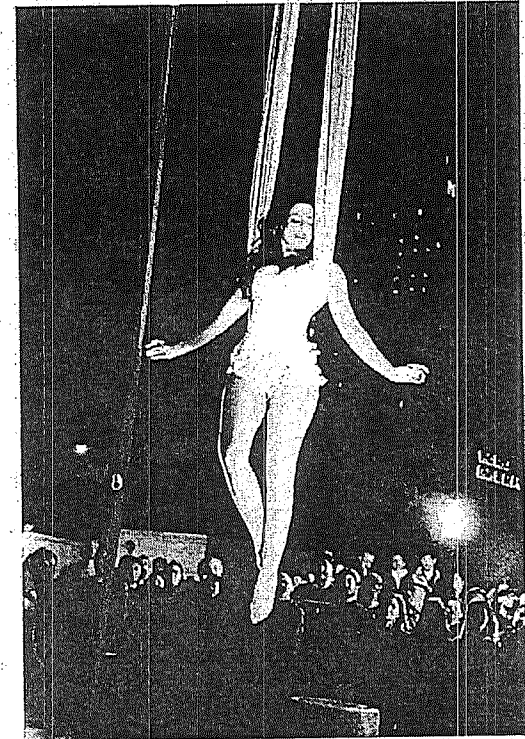
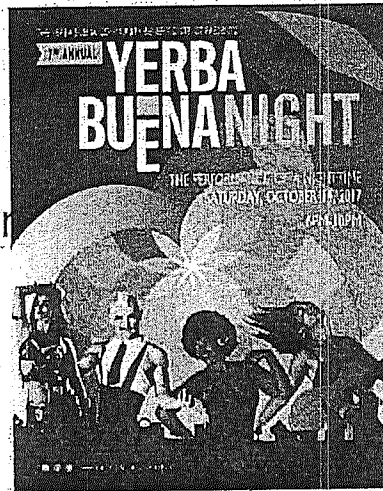
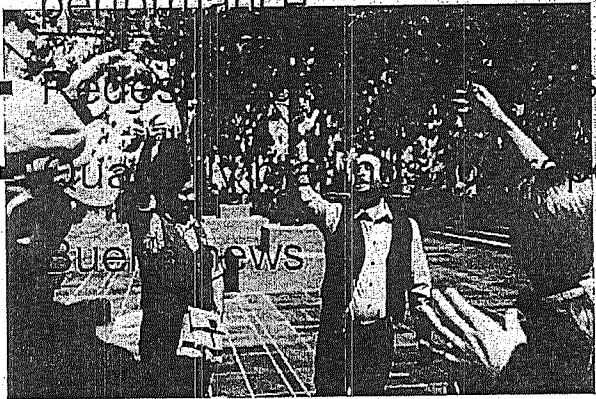
# STREETSCAPE IMPROVEMENTS

- Installed 9 Bigbelly SMART waste receptacles
- New two new public art installations – painted niches on Natoma and light instal
- Installed additional custom-designed Yerba Buena bike racks



# MARKETING

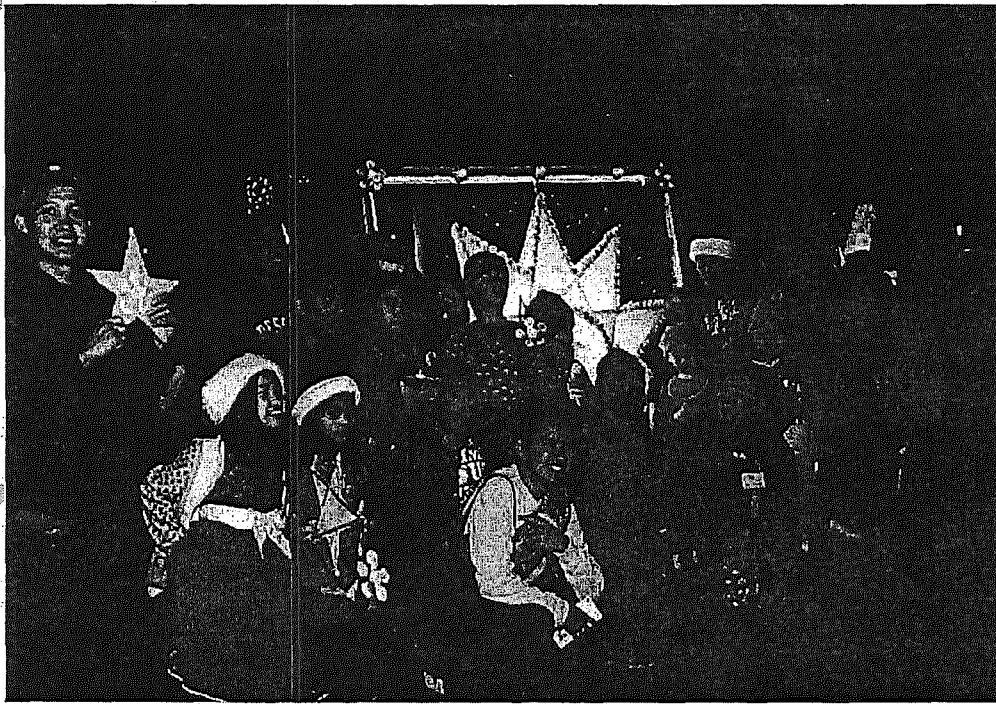
- Launched monthly Hidden San Francisco Walking Tours
- Hosted the 7<sup>th</sup> Annual Yerba Buena Night – a free outdoor evening festival of art, music, dance and performance



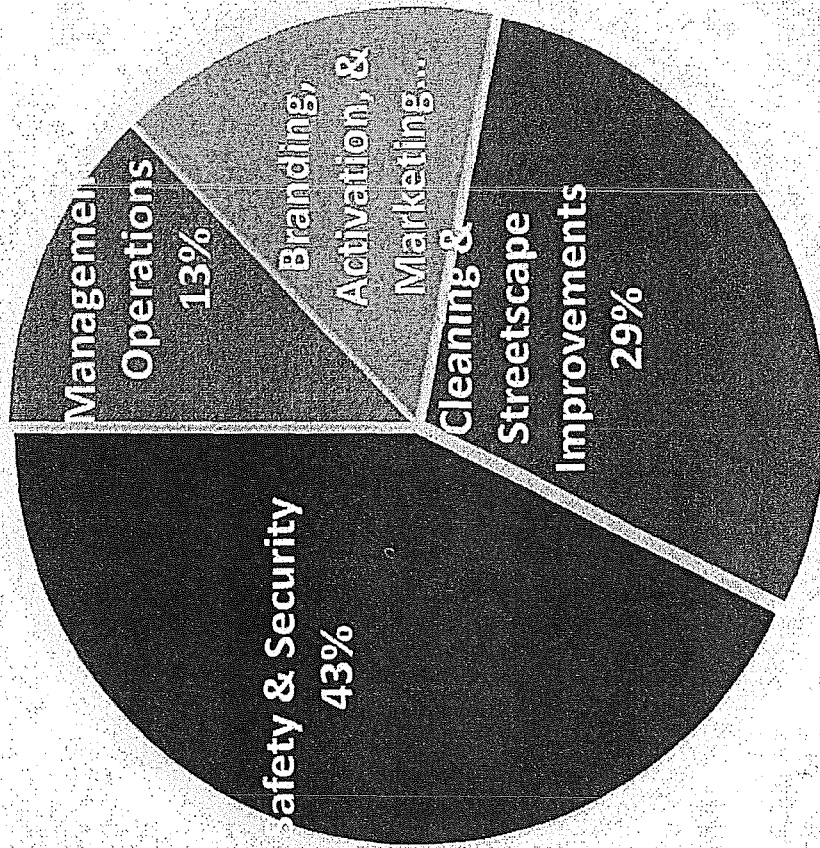
# COMMUNITY BENEFIT FUND

**\$165,250 awarded in grants**

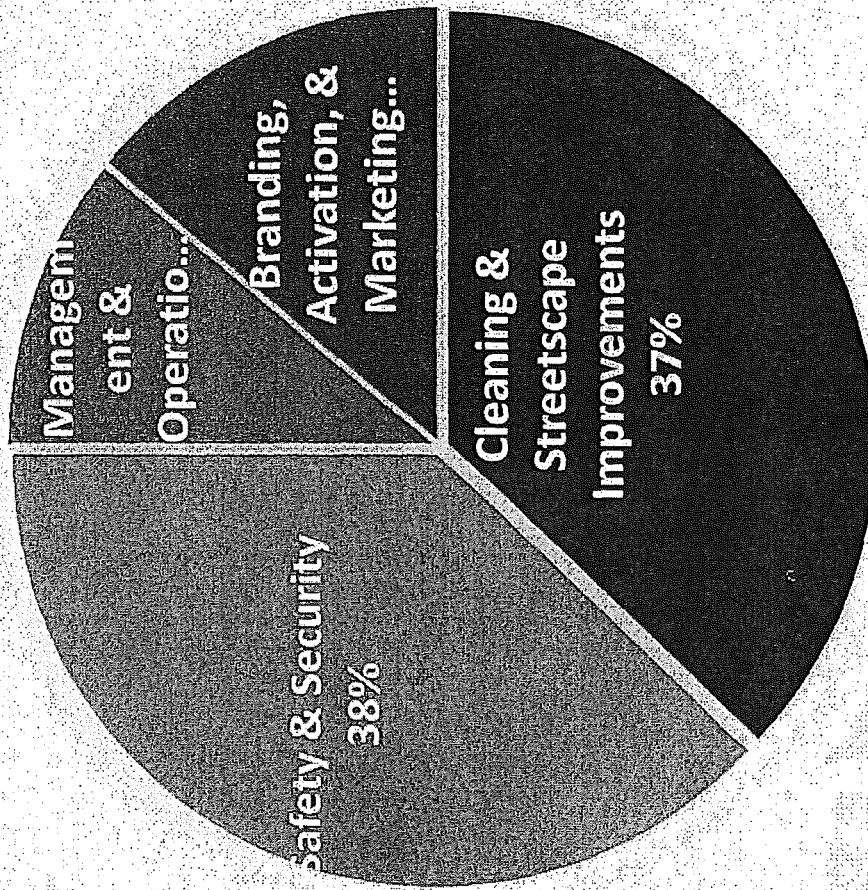
- Annual Parol Festival
- Art Walk
- Black History Month
- Free Family Days at Yerba Buena museums
- 5<sup>th</sup> Street Corridor Project
- Halloween Hoopla
- MLK, Jr. Birthday Celebration
- Transportation forum and



# FY17-18 ACTUALS

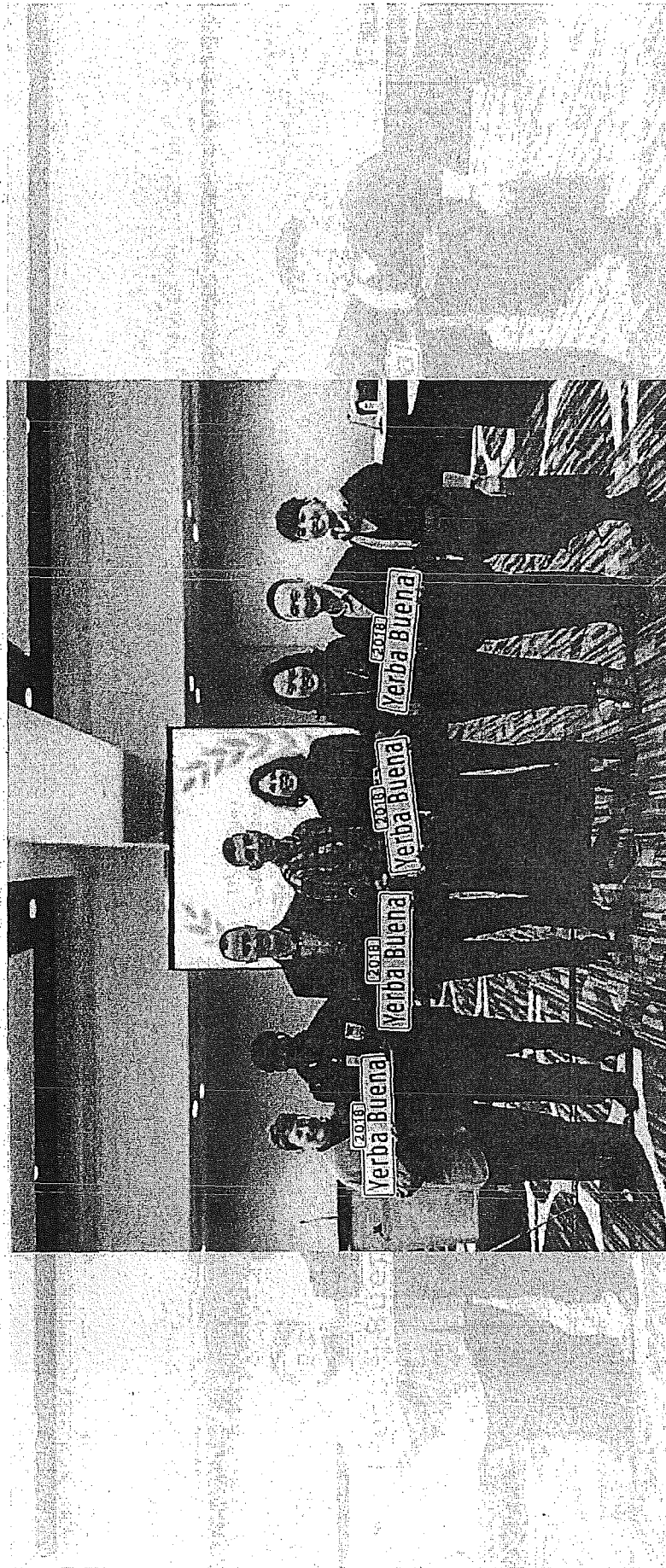


# FY18-19 BUDGET





# Yerba Buena Community Excellence Award Recipients



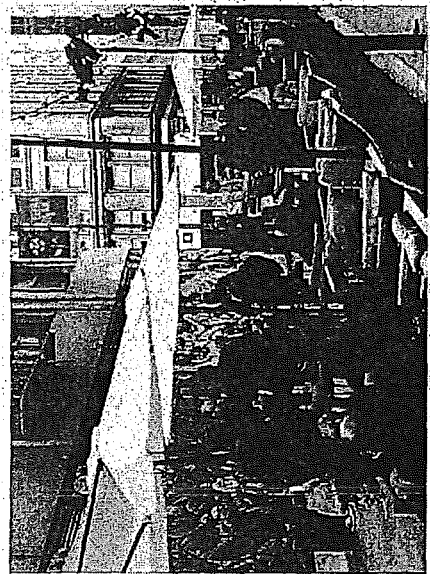
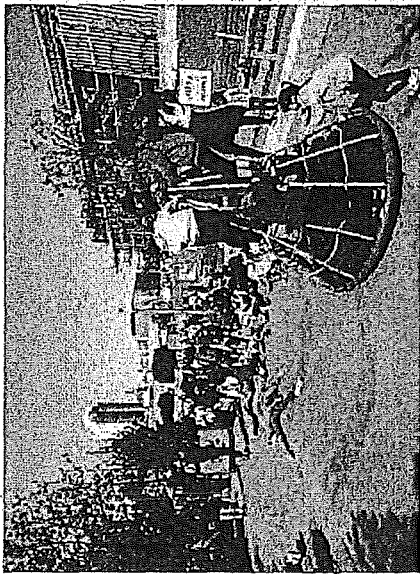


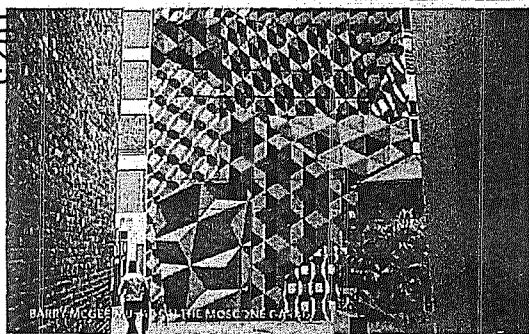
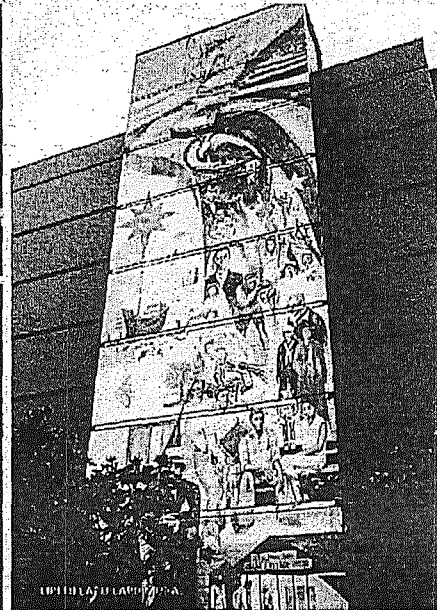
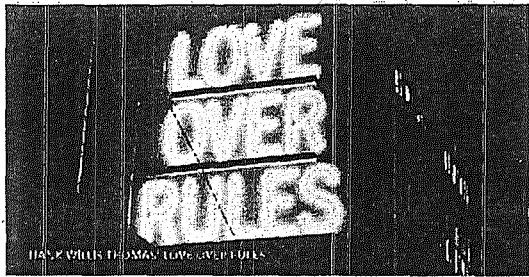
**YERBA BUENA**  
**IT'S ALL HERE**

YERBA BUENA  
COMMUNITY  
DISTRICT

YCBCD

YCBCD ANNUAL REPORT 2017-2018





## IT'S ALL HERE

Dear Friends and Neighbors,

People from all walks of life who live, work and visit here create our colorful canvass. Yerba Buena is teeming with prominent cultural institutions, renowned architecture and flowering gardens. Unique places to dine, shop and play are the norm. Diverse businesses, educational organizations and artistic groups cultivate original thinking. According to a recent report from San Francisco Travel, 3 of San Francisco's top 20 visitor attractions are in Yerba Buena: the San Francisco Museum of Modern Art, Yerba Buena Gardens and The Contemporary Jewish Museum, which reinforces the importance of caring for our neighborhood.

We are focused on sustaining what's great about our neighborhood and addressing urban challenges to ensure a better future. The YBCBD's body of work is wide-ranging, but remains principally focused on providing clean and safe services beyond what is done by the city. During the year, we added members to our Clean Team and Community Guides, funded more hours for our San Francisco Police Department bike patrol officer and hired a second Social Service Specialist to compassionately address the needs of the street population. Our teams do an incredible job each year to remove graffiti, sweep sidewalks, address quality of life issues, assist visitors, merchants and residents, and much more.

In addition to our focus on clean and safe services, the YBCBD continued to implement streetscape improvements, public safety enhancements and neighborhood marketing and community engagement programs. For example, we debuted two major works of public art, partnered with property owners to ease vehicle congestion at street corners and funded nine new "Bigbelly" "smart" receptacles to reduce litter. Thousands attended Yerba Buena Night, our free showcase of music, art, dance and performance. Our Community Benefit Fund provided grants to 17 projects and events that help to celebrate and improve our neighborhood.



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And this year, our first Community Excellence Awards exemplified how fortunate we are to have staff, a volunteer board of directors and committee members, and community members who care deeply about the neighborhood. Thank you to all who participate in making a difference in Yerba Buena.

Looking ahead, we will remain diligent in all that we do to improve Yerba Buena. That includes continuing to participate on committees to promote neighborhood interests such as the SFPD Southern Station Community Police Advisory Board, Yerba Buena Gardens Conservancy Board, Tourism Improvement District Board and the Batter Market Street Community Advisory Committee. We will complete an update to our Street Life Plan for streetscape improvements, add more Bigbelly receptacles and update our neighborhood website to better connect our community to neighborhood events and offerings. Finally, as part of our large body of work, we will debut a new campaign to create awareness of the rich tapestry of Yerba Buena's places, culture and energy. In all that we do, we will use the funds entrusted to the organization responsibly.

Thank you for your support of the YBCBD and participation in making Yerba Buena the city's most captivating neighborhood. We're excited about the year ahead.



Sincerely,

Gandace Sine  
Chair, YBCBD Board of Directors





1027

NEW BIG-BELLY™ "SMART" RECEPTACLES

CLEAN TEAM MEMBER

## OUR MISSION

"Advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base."

Yerba Buena is a thriving hub of cultural charisma, entrepreneurship, and diversity. The area bustles with more than 400 shopping, dining and entertainment venues, world-class museums, convention space, hotels, and educational institutions. Technology companies, retailers and culinary artists incubate the next big thing. Senior housing blends with live/work lofts, family homes and condominiums.

The YBCBD achieves its mission by working as partners with the community. We were formed in 2006 and renewed in 2015 for a 15-year period by district property owners and the San Francisco Board of Supervisors. Our services and programs supplement city services and cover the area of Second to Fifth and Market to Perry streets.

## SERVICES AND PROGRAMS

**CLEAN TEAM.** Our team sweeps and steam-cleans sidewalks, removes graffiti, picks up litter, and responds to immediate neighborhood cleaning needs every day 6 a.m.-9:30 p.m.

**SFPD PATROL AND SAFETY.** On top of existing police services, the YBCBD funds an SFPD bike patrol officer to keep us safer - 12 hours a day, 7 days a week. We also implemented and continue to develop pedestrian safety and traffic enforcement initiatives to make it safer for everyone to traverse the neighborhood.

**COMMUNITY GUIDES.** Our Guides not only assist people in the neighborhood by directing visitors to local businesses, they contact our dispatcher to have areas cleaned and report safety issues, and help those in need — every day 6 a.m.-midnight.

**SOCIAL SERVICES SPECIALIST.** We added a second specialist in 2018 to compassionately connect people living on our neighborhood streets to available services.

**MARKETING & EVENTS.** We promote Yerba Buena with websites, events, social media, street banners, and more to keep our economic engine humming.

**COMMUNITY BENEFIT FUND.** We give grants to neighborhood nonprofits that support family programs, public art projects and cultural exhibits, and public safety.

**STREETSCAPE IMPROVEMENTS.** We fund streetscape programs — large and small — to improve our public spaces with artful bike racks, seating, alley and crosswalk designs, public art, and more.

**YOU CAN HELP!** Anyone can report neighborhood cleanliness and non-emergency issues to YBCBD's dispatcher by calling (415) 543-9223, texting (415) 559-1382, and emailing [dispatch@ybcbd.org](mailto:dispatch@ybcbd.org), using our free mobile app, YBCBD-Assist, or on our website, [www.YBCBD.org](http://www.YBCBD.org).

COVER FOR THE NEW YERBA BUENA STREET LIFE

**YERBA BUENA  
STREET LIFE  
PLAN 2019  
AN EVOLUTION**

**YERBA  
BUENA**

YERBA BUENA COMMUNITY BENEFIT DISTRICT

## 2017-2018 HIGHLIGHTS

### BECAUSE IT'S ALL HERE...

#### WE ADDED CORE SERVICES

In 2018, we added two more members to our Clean Team. We also hired a second Social Service Specialist. The YCBCD is the only Community Benefit District in San Francisco to have Social Service Specialists dedicated to addressing the complex needs of its street population. Our specialists spend time building relationships, establishing trust, and helping individuals navigate the complex system of city services available to help them. During the past year, because of our approach, more than 700 people accepted referrals to support services.

#### WE CLEAN

Our yearlong tally of services is noteworthy. The YCBCD Clean Team responded to more than 1,741 requests for extra sidewalk sweeping, steam cleaning and spot cleaning; removed more than 5,385 graffiti tags, stickers and flyers; addressed more

than 173 overflowing trashcans and 300 instances of illegal dumping; and picked up more than 323,750 pounds of trash from district streets. Nearly 20,000 syringes were removed from neighborhood streets and sidewalks. We received more than 63,200 service requests over the past year online, using mobile phones and other tools.

#### WE WELCOME

Our Community Guides conducted nearly 3,391 meet and greets with merchants and residents and assisted visitors, merchants, and residents with directions, neighborhood advice, cleanliness and safety issues, and more.

#### WE GIVE BACK

Each year, we provide grants to nonprofits and residences in the neighborhood that support our mission. Grants support

public art, community engagement, streetscape improvements, and public safety enhancements. Since 2008, we've granted more than \$1.3 million to neighborhood organizations.

#### WE IMPROVE STREETSCAPES

We implement public projects determined by the community, both large and small, to improve our pedestrian experience, alleys, streets, and open spaces. In 2018, we will complete an update to our Yerba Buena Street Life Plan to guide efforts to improve our streetscape. During the last year, we finalized a new design and secured funding to improve the plaza at Market and north Annie streets. Two major public art pieces were installed. More distinctive, YBCBD-designed bike racks were installed, bringing the total number we've produced to 240.

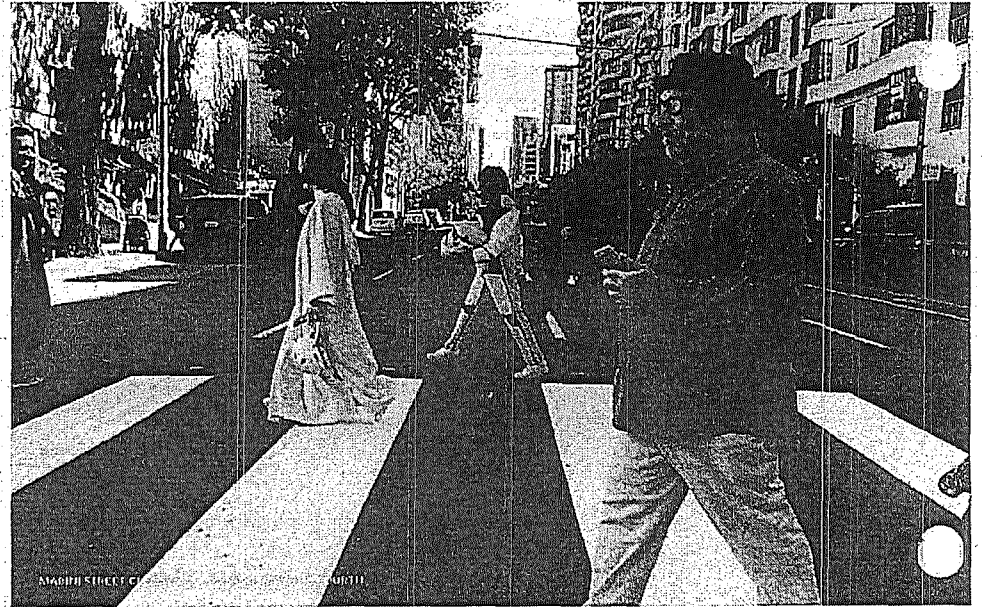
#### WE PROMOTE

We promote the neighborhood and its many offerings as a cultural destination. Our annual Yerba Buena Night celebrates our cultural heartbeat. We initiated a monthly Hidden San Francisco Walking Tour to engage visitors and residents in

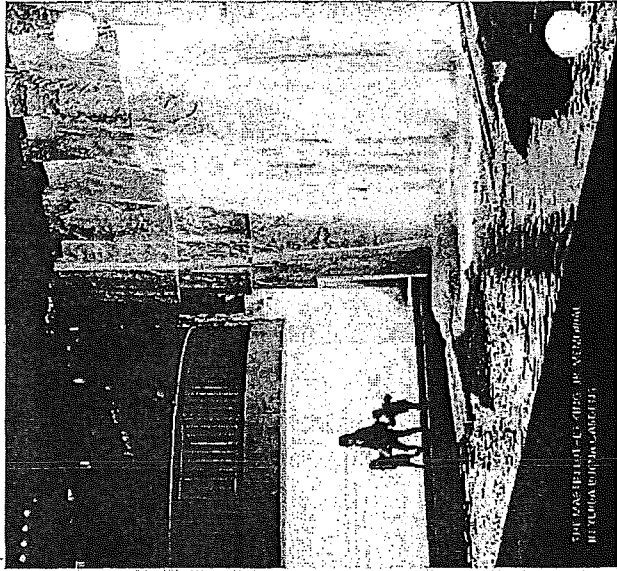
learning about the neighborhood's history and attractions. We produce a monthly newsletter, promote an events calendar, post on social media and hand out maps with information about businesses and attractions. Last year, we redesigned YBCBD.org to make it more user friendly. In the year ahead, we will be improving VisitYerbaBuena.org, our website of neighborhood offerings and events. In 2019, we will debut a new campaign to brand the neighborhood to reinforce all of the reasons people love Yerba Buena and in support of the many places and events to enjoy.

#### WE REPRESENT

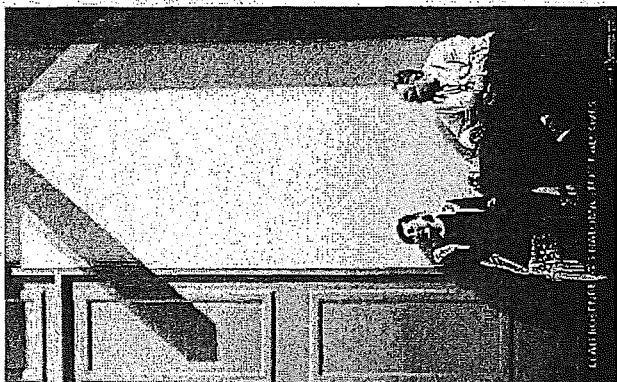
We serve on advisory panels to promote the neighborhood's interests such as: the SFPD Southern Station Community Police Advisory Board; Yerba Buena Gardens Conservancy Board; Tourism Improvement District Board; Better Market Street Community Advisory Committee; Clean Civil Sidewalks Coalition; CleanSafe365 Coalition; San Francisco CBD Consortium; and Yerba Buena Culture Cabinet.



MARKET STREET CROSSWALK



THE EASTERN TEMPLE OF ANKUR  
AT TULLA BURIA, LAMBAHARA



THE EASTERN TEMPLE OF ANKUR  
AT TULLA BURIA, LAMBAHARA



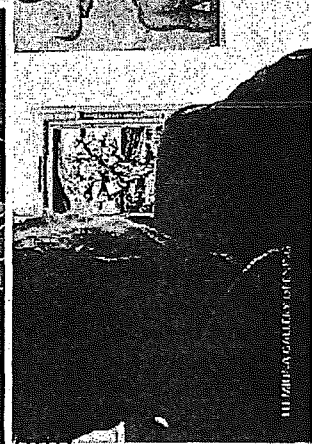
THE EASTERN TEMPLE OF ANKUR  
AT TULLA BURIA, LAMBAHARA



THE EASTERN TEMPLE OF ANKUR  
AT TULLA BURIA, LAMBAHARA



THE EASTERN TEMPLE OF ANKUR  
AT TULLA BURIA, LAMBAHARA







## BUDGET + BALANCE SHEET

### JULY 2017-JUNE 2018 ACTUALS

INCOME	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Assessments	\$3,055,597.00	\$3,004,913.00	\$50,684.00
Fundraising/In-Kind	\$266,222.00	\$173,300.00	\$92,922.00
Interest Income	\$16,247.00	\$1,000.00	\$15,247.00
<b>TOTAL INCOME</b>	<b>\$3,338,066.00</b>	<b>\$3,179,213.00</b>	<b>\$158,853.00</b>
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER) BUDGET
Management & Operations	\$378,666.00	\$406,392.00	\$(27,726.00)
Cleaning & Streetscape Improvements	\$867,838.00	\$1,578,061.00	\$(710,223.00)
Safety & Security	\$1,205,727.00	\$1,471,376.00	\$(185,649.00)
Branding, Activation & Marketing	\$458,378.00	\$498,274.00	\$(39,896.00)
Fiscally Sponsored Projects	\$115,941.00	-	\$115,941.00
Contingency	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$3,106,550.00</b>	<b>\$3,954,103.00</b>	<b>\$(847,553.00)</b>
<b>NET INCOME/(CARRYOVER USED)</b>	<b>\$231,516.00</b>	<b>\$(774,890.00)</b>	<b>\$1,006,406.00</b>

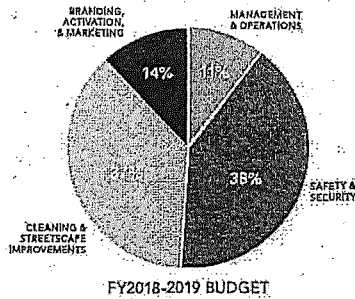
### JULY 2017-JUNE 2018 BALANCE SHEET

ASSETS	
Cash in Bank	\$4,495,210.00
Accounts Receivable, Net	\$112,599.00
Other	\$333,446.00
<b>TOTAL ASSETS</b>	<b>\$4,941,255.00</b>
LIABILITIES	
Accounts Payable	\$528,852.00
Other Liabilities	\$22,697.00
<b>TOTAL LIABILITIES</b>	<b>\$551,549.00</b>
<b>TOTAL NET ASSETS (CARRYOVER)</b>	<b>\$4,389,706.00</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$4,941,255.00</b>

**JULY 2018-JUNE 2019 BUDGET**

INCOME	
Assessments	\$3,019,986
Fundraising/In-Kind	\$206,241
Interest Income	\$7,500
Carryover Used	\$990,134
<b>TOTAL INCOME</b>	<b>\$4,253,861</b>

EXPENSES	
Management & Operations	\$473,002
Cleaning & Streetscape Improvements	\$1,564,705
Safety & Security	\$1,623,158
Branding, Activation, & Marketing	\$592,916
<b>TOTAL EXPENSES</b>	<b>\$4,253,861</b>



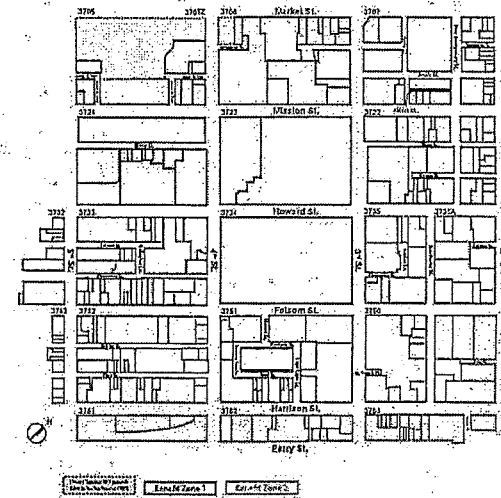
**PROJECTED CARRYOVER DISBURSEMENT**

CARRYOVER	AS OF 6.30.18	BUDGETED FOR FY19	BUDGETED FOR FUTURE YEARS
Management & Operations	\$1,182,488.00	\$108,402.00	\$1,073,806.00
Cleaning & Streetscape Improvements	\$1,861,012.00	\$701,862.00	\$1,259,050.00
Safety & Security	\$707,302.00	\$109,773.00	\$597,529.00
Branding, Activation, & Marketing	\$192,177.00	\$69,797.00	\$122,380.00
Fiscally Sponsored Projects	\$33,872.00	-	\$33,872.00
Other Projects	\$1,500.00	-	\$1,500.00
Capital Assets	\$311,355.00	-	\$311,355.00
<b>TOTAL</b>	<b>\$4,389,706.00</b>	<b>\$990,134.00</b>	<b>\$3,399,572.00</b>

**AREA MAP OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT**

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and condominiums.

New district boundaries shown here were approved as part of the YCBCD renewal, but generally remain the same as before. The district includes parcels from Second to Fifth streets and Market to Perry streets. Specific changes to YCBCD's boundaries are in the District Management Plan at [www.YCBCD.org](http://www.YCBCD.org).



## ASSESSMENT METHODOLOGY AND CALCULATION

The YCBCD is funded through an annual assessment from district property owners. A new methodology for annual assessments was approved as part of the district renewal. The calculation for each property assessment is based on a formula that weighs the benefit of the YCBCD's services for all types of properties in the district.

The formula assigns values to Land Use, Benefit Zone, Linear Street Frontage, and Building Square Footage to determine benefit points for each parcel. The parcel benefit point total is then multiplied by \$9.38 based on the FY16-17 YCBCD Budget to calculate the assessment.

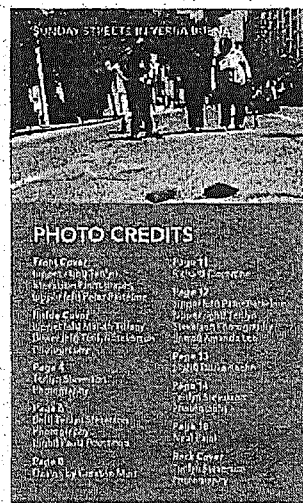
For example, a commercial property (Land Use, 4) in Benefit Zone 1 (Zone Factor, 1.5) that has 50 feet of linear frontage (Linear Frontage, 50) and 5,000 building square footage (Building Factor, 2) would calculate their assessment as follows:

$$[(\text{Linear Frontage} + \text{Building Factor}) \times \text{Zone Factor}] \times \text{Land Use} = \text{Total \# of Benefit Points}$$

$$[(50 + 2) \times 1.5] \times 4 = 300 \text{ Benefit Points}$$

$$300 \times \$9.38 = \$2,814.00 \text{ Total Assessment}$$

As a result, properties like hotels, office buildings, museums and retailers with substantial street frontage, higher volumes of pedestrian traffic and more overall building square footage have different assessments than residential units because they benefit more from the YCBCD's services. Details of the annual assessment calculation are in the District Management Plan at [www.YCBCD.org](http://www.YCBCD.org).



### YCBCD BOARD OF DIRECTORS:

**BOARD CHAIR**  
Candace Sue, SFMTA

**BOARD VICE CHAIR**  
Scott Rowitz, YUCA

**SECRETARY/TREASURER**  
John Noguech, The Moscone Center

**BOARD MEMBERS:**  
Laura Arvanitidis, Resident  
Catherine Barlet, Bloomington's  
Yoshi Barlett, SFMOMA\*\*  
James Gordon, St Regis Hotel & Residences  
Michelle Delaney, 111 Minna Gallery  
John Elsbjerg, TODCO\*  
Lynn Farswell, Tourism Improvement District  
Kerith Gonser, Millennium Partners  
Helen Han, Boston Properties  
Linda Harrison, Museum of the African Diaspora\*\*

Peter Hartman, Resident  
Jon Kimball/Clliff Clark, The Palace Hotel  
Kerry King, The Contemporary Jewish Museum  
Lisa Kivlin, Renaissance Entrepreneurship Center  
Lawrence Li, SFUR  
Frank Makris, Brookfield Office Properties  
Misty Rasche, B Restaurant & Bar  
Richard Rendon, VA Community-Based  
Outpatient Clinic  
Gail Ringot, Kifroy Realty  
Wilfred Solvira, Resident  
Dan Soine, University of the Pacific/Dugoni  
School of Dentistry  
Christopher Sullivan/Shelly Robb, San Francisco  
Marriott Marquis  
Mieah Toll, The Keystone\*\*  
Steven Vargas/Dan Harms, InterContinental Hotel  
Brennan Zerbe, Hearst Corporation

\*Office/Director term ended January 2018  
\*\*Office/Director term started January 2018

### YCBCD COMMITTEES

Audit, Community Benefit Fund, Executive, Finance,  
Marketing, Nominating, Services, Streets & Public  
Space

### YCBCD STAFF:

Cathy Maupin, Executive Director  
Neal Patel, Associate Executive Director  
Constance Cavallari, Director of Neighborhood  
Services & Projects  
Richard Ciccareone, Events & Administrative Manager

### COMMUNITY SUPPORT:

The YCBCD would like to thank the individuals and organizations below for their financial contributions and in-kind support. Their generosity allowed us to exceed our fundraising goals and improve the district.

111 Minna Street Gallery, Bloomington's, Brookfield Office Properties, California Historical Society, Julie Chisté, Contemporary Jewish Museum, Dr. and Mrs. Davis Family Fund, Hearst Corporation, Impact Management Group, Cathy Maupin, Millennium Partners, The Moscone Center, Red Door Coffee, Risk Press Foundation, Gustavo Ramos Rivera, San Francisco Media Company, San Francisco Marriott Marquis, SFMOMA, San Francisco Travel Association, SFMTA, SFUR, St. Regis Hotel, Tarrin Smith, Ms. Susan Swig, World Cafe, Yerba Buena Center for the Arts, Yerba Buena Gardens Festival



YERBA BUENA  
COMMUNITY  
BENEFIT  
DISTRICT

**YBCBD**

5 Third Street, Suite 914  
San Francisco, CA 94103  
T 415.644.0728  
E info@ycbd.org  
W www.ycbd.org

**IMPORTANT NUMBERS AND LETTERS**

**YBCBD DISPATCH:**

There are five ways to report cleanliness and non-emergency safety issues to our dispatcher.

PHONE: 415-543-9223

EMAIL: dispatch@ycbd.org

TEXT: 415-559-1362

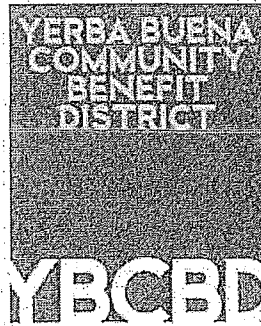
ONLINE: www.YBCBD.org

MOBILE APP: YBCBD Assist for iPhones and Androids

Contact us for non-emergency services, public area cleaning and maintenance issues, and social services outreach.

**EMERGENCY SERVICES:** Call 9-1-1

Learn more about YBCBD programs and services at [www.ycbd.org](http://www.ycbd.org) and about neighborhood offerings and happenings at [www.visityerbabuena.org](http://www.visityerbabuena.org).



**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

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Statements of Activities and Changes in Net Assets ..... 4-5  
Statements of Functional Expenses ..... 6-7  
Statements of Cash Flows.....8

**Notes to Financial Statements..... 9-22**



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Yerba Buena Community Benefit District

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Yerba Buena Community Benefit District (a nonprofit organization) which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yerba Buena Community Benefit District as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Marcum LLP*

San Francisco, California  
September 12, 2018



YERBA BUENA COMMUNITY BENEFIT DISTRICT

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 4,248,292	\$ 3,649,343
Certificates of deposit	246,918	495,829
Assessments receivable, net	112,599	40,267
Prepaid expenses	22,090	19,871
Capital assets, net	<u>311,356</u>	<u>298,386</u>
<b>Total Assets</b>	<u>\$ 4,941,255</u>	<u>\$ 4,503,696</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 528,852	\$ 328,890
Accrued benefits	<u>22,697</u>	<u>16,616</u>
<b>Total Liabilities</b>	<u>551,549</u>	<u>345,506</u>
<b>Net Assets</b>		
Unrestricted	4,354,334	4,096,954
Temporarily restricted	<u>35,372</u>	<u>61,236</u>
<b>Total Net Assets</b>	<u>4,389,706</u>	<u>4,158,190</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,941,255</u>	<u>\$ 4,503,696</u>

*The accompanying notes are an integral part of these financial statements.*

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>Revenue, Gains and Other Support</b>			
Assessment revenue	\$ 3,055,597	\$ --	\$ 3,055,597
Contributions	42,444	44,354	86,798
Other income	179,424	--	179,424
Interest	16,247	--	16,247
Net assets released from restrictions	<u>70,218</u>	<u>(70,218)</u>	<u>--</u>
<b>Total Revenue, Gains and Other Support</b>	<u>3,363,930</u>	<u>(25,864)</u>	<u>3,338,066</u>
<b>Expenses</b>			
Program services	2,727,884	--	2,727,884
Supporting services:			
Management and operations	345,594	--	345,594
Fundraising	<u>33,072</u>	<u>--</u>	<u>33,072</u>
<b>Total Expenses</b>	<u>3,106,550</u>	<u>--</u>	<u>3,106,550</u>
<b>Change in Net Assets</b>	257,380	(25,864)	231,516
<b>Net Assets - Beginning</b>	<u>4,096,954</u>	<u>61,236</u>	<u>4,158,190</u>
<b>Net Assets - Ending</b>	<u>\$ 4,354,334</u>	<u>\$ 35,372</u>	<u>\$ 4,389,706</u>

*The accompanying notes are an integral part of these financial statements.*

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>Revenue, Gains and Other Support</b>			
Assessment revenue	\$ 3,075,683	\$ --	\$ 3,075,683
Contributions	32,749	123,898	156,647
Other income	164,494	--	164,494
Interest	1,065	--	1,065
Net assets released from restrictions	<u>374,010</u>	<u>(374,010)</u>	<u>--</u>
<b>Total Revenue, Gains and Other Support</b>	<u>3,648,001</u>	<u>(250,112)</u>	<u>3,397,889</u>
<b>Expenses</b>			
Program services	2,592,072	--	2,592,072
Supporting services:			
Management and operations	203,762	--	203,762
Fundraising	<u>26,567</u>	<u>--</u>	<u>26,567</u>
<b>Total Expenses</b>	<u>2,822,401</u>	<u>--</u>	<u>2,822,401</u>
<b>Change in Net Assets</b>	825,600	(250,112)	575,488
<b>Net Assets - Beginning</b>	<u>3,271,354</u>	<u>311,348</u>	<u>3,582,702</u>
<b>Net Assets - Ending</b>	<u>\$ 4,096,954</u>	<u>\$ 61,236</u>	<u>\$ 4,158,190</u>

*The accompanying notes are an integral part of these financial statements.*

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services				Supporting Services			Total
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	
Community guides	\$ --	\$ 699,242	\$ --	\$ --	\$ 699,242	\$ --	\$ --	\$ 699,242
Cleaning contract	685,120	--	--	--	685,120	--	--	685,120
Public safety	--	473,384	--	--	473,384	--	--	473,384
Salaries and benefits	69,796	78,955	85,299	--	234,050	137,987	28,521	400,558
Consulting fees	--	--	44,637	108,758	153,395	82,562	--	235,957
Grants	11,250	20,000	125,000	--	156,250	--	--	156,250
Events	--	--	106,076	--	106,076	--	--	106,076
Greening expenses	83,727	--	--	--	83,727	--	--	83,727
Marketing and branding	--	--	56,392	--	56,392	--	--	56,392
Rent and utilities	9,504	9,936	9,720	--	29,160	18,186	4,546	51,892
In-kind goods and services	--	--	22,520	--	22,520	17,348	--	39,868
Depreciation and amortization	--	--	--	--	--	34,806	--	34,806
Other expenses	--	--	5,032	7,183	12,215	19,824	5	32,044
Office supplies and postage	--	--	3,702	--	3,702	19,509	--	23,211
Bad debt expense	--	--	--	--	--	15,372	--	15,372
Uniforms	3,065	4,210	--	--	7,275	--	--	7,275
Streetscape expenses	5,376	--	--	--	5,376	--	--	5,376
<b>Total</b>	<b>\$ 867,838</b>	<b>\$ 1,285,727</b>	<b>\$ 458,378</b>	<b>\$ 115,941</b>	<b>\$ 2,727,884</b>	<b>\$ 345,594</b>	<b>\$ 33,072</b>	<b>\$ 3,106,550</b>

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*The accompanying notes are an integral part of these financial statements.*

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2017**

	Program Services				Total	Supporting Services		Total
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects		Management and Operations	Fundraising	
Community guides	\$ --	\$ 673,359	\$ --	\$ --	\$ 673,359	\$ --	\$ --	\$ 673,359
Cleaning contract	687,440	--	--	--	687,440	--	--	687,440
Public safety	--	480,755	--	--	480,755	--	--	480,755
Salaries and benefits	66,158	73,488	82,944	--	222,590	111,283	26,567	360,440
Consulting fees	--	--	40,794	72,665	113,459	89,136	--	202,595
Grants	27,500	17,000	105,500	--	150,000	--	--	150,000
Events	400	--	50,841	--	51,241	--	--	51,241
Greening expenses	113,039	--	--	--	113,039	--	--	113,039
Marketing and branding	72	--	35,728	--	35,800	--	--	35,800
Rent and utilities	--	--	--	--	--	57,141	--	57,141
In-kind goods and services	3,000	--	20,000	--	23,000	8,188	--	31,188
Depreciation and amortization	--	--	--	--	--	22,261	--	22,261
Other expenses	--	--	4,813	570	5,383	22,892	--	28,275
Office supplies and postage	--	--	2,438	--	2,438	11,312	--	13,750
Bad debt recovery	--	--	--	--	--	(118,451)	--	(118,451)
Uniforms	9,920	9,620	--	--	19,540	--	--	19,540
Streetscape expenses	14,028	--	--	--	14,028	--	--	14,028
<b>Total</b>	<u>\$ 921,557</u>	<u>\$ 1,254,222</u>	<u>\$ 343,058</u>	<u>\$ 73,235</u>	<u>\$ 2,592,072</u>	<u>\$ 203,762</u>	<u>\$ 26,567</u>	<u>\$ 2,822,401</u>

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*The accompanying notes are an integral part of these financial statements.*

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>Cash Flows Provided by (Used in) Operating Activities</b>		
Change in net assets	\$ 231,516	\$ 575,488
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense (recovery)	15,372	(118,451)
Depreciation and amortization	34,806	22,261
Loss on disposal of capital assets	--	480
Changes in operating assets and liabilities:		
Assessments receivable	(87,704)	147,650
Promise to give	--	100,000
Prepaid expenses	(2,219)	(6,145)
Accounts payable and accrued expenses	199,962	71,778
Accrued benefits	6,081	4,201
<b>Net Cash Provided by Operating Activities</b>	<u>397,814</u>	<u>797,262</u>
<b>Cash Flows Provided by (Used in) Investing Activities</b>		
Purchase of certificates of deposit	(494,089)	(495,829)
Proceeds on maturity of certificates of deposit	743,000	-
Purchase of capital assets	<u>(47,776)</u>	<u>(292,186)</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>201,135</u>	<u>(788,015)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	598,949	9,247
<b>Cash and Cash Equivalents - Beginning</b>	<u>3,649,343</u>	<u>3,640,096</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 4,248,292</u>	<u>\$ 3,649,343</u>

*The accompanying notes are an integral part of these financial statements.*

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *PURPOSE AND ORGANIZATION*

The Yerba Buena Community Benefit District (the "YBCBD") was formed in 2008 by property owners to improve the quality of life in the neighborhood by making the area cleaner, safer, and more vibrant. The YBCBD has a contract with the City and County of San Francisco (the "City") for a term of 15 years, expiring on December 31, 2030. The YBCBD stretches from about Second to Fifth and Market to Harrison Street in San Francisco, California.

The YBCBD exists to implement programs to create a neighborhood that is safer, cleaner, greener and a better place to conduct business and live. These programs and services are funded by district property owners in the Yerba Buena neighborhood.

The YBCBD's mission statement is as follows:

The Yerba Buena Community Benefit District will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

Programs and services provided by the YBCBD include:

- **Clean Team** - The Clean Team ("Team") works to improve the appearance and cleanliness of the district daily from 6:00am to 9:00pm. The Team steam cleans all sidewalks in the district once or twice a month, works daily on sidewalk cleaning and gutter sweeping, and removes trash on a frequent basis. The Team also pulls weeds, cleans tree wells, removes graffiti, and paints poles, mailboxes, and fire plugs.
- **Community Guides Program** - The Community Guides ("Guides") serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. Guides report maintenance issues such as areas in need of cleaning. Guides do not provide emergency response, but will call emergency dispatch to report issues. Up to six guides work 6:00am to midnight, seven days a week. The YBCBD also engages two Social Services Specialists to work with the street population and connect them to services.

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *PURPOSE AND ORGANIZATION (CONTINUED)*

- **SFPD 10B Officer** - In addition to existing police services, the San Francisco Police Department ("SFPD") provides officers to the YBCBD under City Administrative Code Section 10B. These officers are funded by the YBCBD and work 12 hours a day, 7 days a week. The 10B Officer primarily addresses quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions. The additional police presence adds 84 hours per week of police time to the 5,000 hours a week already provided by the Southern District Police Station.
- **Marketing and Branding** - Marketing programs help strengthen the area's economic viability to make it more inviting to businesses and visitors. The YBCBD established a name and brand for the neighborhood, along with a neighborhood website that lists all businesses, events, and neighborhood news. The YBCBD also coordinates events that bring people to the neighborhood.
- **Streetscape Improvements** - Guided by the Yerba Buena Street Life Plan, the YBCBD invests in public realm improvements including greening, public art, pedestrian and bicycle improvements as well as advocates for real public benefits related to neighborhood development projects.
- **Community Benefit Fund** - The YBCBD Community Benefit Fund supports district initiatives by providing small grants to organizations in the neighborhood that help to achieve the mission of the YBCBD.
- **Sponsored Projects** - The YBCBD continues to serve as the sponsor for two projects related to its mission. One is focused on a neighborhood public art project that aims to locate public art and programming in seven Yerba Buena alleyways, known as Sites Unseen. The other is a coalition of neighborhood organizations advocating for the long-term maintenance and preservation of the Yerba Buena Gardens, also known as The Yerba Buena Gardens Conservancy. As the Yerba Buena Gardens Conservancy transition from a former Redevelopment Agency holding to a City asset, the coalition is collaborating with all stakeholders to secure a vibrant future for the Yerba Buena Gardens. YBCBD was granted variance power over such contributions and, accordingly, they are recognized as YBCBD contributions. The Yerba Buena Gardens Conservancy obtained exempt status from federal income taxes under §501(c)(3) of the Internal Revenue Code in July 2018.



# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BASIS OF ACCOUNTING*

The YBCBD prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

#### *CLASSIFICATION OF NET ASSETS*

U.S. GAAP requires that YBCBD report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, the net assets of the YBCBD are classified and reported as described below:

*Unrestricted:* Those net assets and activities which represent the portion of expendable funds that are available to support YBCBD's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

*Temporarily Restricted:* Those net assets and activities which are donor-restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets.

*Permanently Restricted:* Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

As of June 30, 2018 and 2017, the YBCBD did not have any net assets meeting the definition of permanently restricted.

#### *FAIR VALUE OF FINANCIAL INSTRUMENTS*

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. The carrying amounts of cash and cash equivalents, certificates of deposit, receivables, and accounts payable approximate fair value because of the short-term maturity of these instruments.

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ESTIMATES*

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

#### *CASH AND CASH EQUIVALENTS*

The YBCBD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### *CERTIFICATES OF DEPOSIT*

The YBCBD's certificates of deposit are valued at fair value based upon quoted prices.

#### *ASSESSMENTS RECEIVABLE*

Assessments receivable represents obligations of local property owners due to the YBCBD. Unpaid receivables do not accrue interest.

The YBCBD uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2018 and 2017, the allowance for uncollectible assessments was \$205,417 and \$201,840, respectively.

#### *CAPITAL ASSETS*

The YBCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value at the date of acquisition. Depreciation on furniture and equipment and public art are calculated using the straight-line method based upon estimated useful lives ranging from 3 to 10 years. Website development costs are amortized using the straight-line method over 3 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statement of activities and changes in net assets.

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *IMPAIRMENT OF LONG-LIVED ASSETS*

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended June 30, 2018 and 2017.

#### *ACCRUED VACATION*

Full-time employees may accrue up to 13.33 hours per month depending on the number of years employed. Part-time employees accrue vacation on a prorated basis. Employees can accrue a maximum of 160 vacation hours.

#### *REVENUE RECOGNITION*

##### *Assessment Revenue*

The YBCBD receives its support primarily from a special assessment levied by the City on properties located within the YBCBD in accordance with City Ordinance. The assessment is recorded by the YBCBD when assessed by the City. The City remits the assessments to the YBCBD as the assessments are collected from the property owners. Interest is not charged on late assessments, however late penalties are charged in accordance with the City's policy.

##### *Contributions*

The YBCBD recognizes all contributions when they are received or unconditionally promised, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction.

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities and changes in net assets. Such transactions are recorded as net assets released from restrictions and are reported separately from other transactions.

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REVENUE RECOGNITION (CONTINUED)*

##### *Contributed Goods and Services*

Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the YBCBD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YBCBD reclassifies temporarily restricted net assets to unrestricted net assets at that time. For the years ended June 30, 2018 and 2017, the YBCBD did not receive donated material and equipment.

The YBCBD records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the years ended June 30, 2018 and 2017, the YBCBD received contributed goods and services in the amounts of \$39,868 and \$31,188, respectively.

#### *ADVERTISING*

The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2018 and 2017, was \$31,250 and \$19,709, respectively.

#### *INCOME TAXES*

The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code ("IRC") and §23701d of the California Revenue and Taxation Code, respectively.

The YBCBD recognizes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. The YBCBD's evaluation on June 30, 2018 and 2017, revealed no tax positions that would have a material impact on the financial statements.

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *INCOME TAXES (CONTINUED)*

The YBCBD's tax returns are subject to examination by federal and state taxing authorities. However, management is unaware of any pending examinations nor are there any in progress.

#### *CONCENTRATIONS OF RISK*

##### *Financial Instruments*

Financial instruments which potentially subject the YBCBD to concentrations of credit risk consist principally of cash and cash equivalents. The YBCBD maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. At June 30, 2018 and 2017, the YBCBD exceeded Federal Deposit Insurance Corporation coverage by approximately \$640,000 and \$471,000, respectively. The YBCBD has not experienced any losses in such accounts. Management believes that the YBCBD is not exposed to any significant credit risk related to concentrations.

##### *Assessments Receivable*

As of June 30, 2018, 77% of assessments receivable were due from three property owners. As of June 30, 2017, 57% of assessments receivable were due from three property owners.

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management.

#### *NEW ACCOUNTING STANDARDS*

The Financial Accounting Standards Board ("FASB") issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, representing the completion of the first phase of a two-phase project to amend not-for-profit ("NFP") financial reporting requirements as set out in FASB ASC 958, *Not-for-Profit Entities*.

This standard eliminates:

- The distinction between resources with permanent restrictions and those with temporary restrictions from the face of the financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets with donor restrictions and net assets without donor restrictions).

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NEW ACCOUNTING STANDARDS (CONTINUED)*

- Removes the current requirement to present or disclose the indirect method (reconciliation) when using the direct method of reporting cash flows.
- Requires NFP entities to report investment return net of external and direct internal investment expenses and no longer requires disclosure of those netted expenses.
- Requires NFP entities to use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset.

NFP entities will reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption. This amendment eliminates the current option that, in the absence of explicit donor stipulations, had allowed a NFP entity to delay reporting of an expiration of a donor imposed restriction for the acquisition or construction of a long-lived asset by electing to report the expiration over time (as the asset is used or consumed) rather than when placed in service.

ASU 2016-14 also requires enhanced disclosures about:

- Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions as of the end of the period.
- Composition of net assets with donor restrictions at the end of the period and how the restrictions affect the use of resources.
- Qualitative information that communicates how a NFP entity manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position.
- Quantitative information and additional qualitative information in the notes as necessary, that communicates the availability of a NFP entity's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year of the statement of financial position date.
- Amounts of expenses by both their natural classification and their functional classification and the methods used to allocate costs among program and support functions.
- Underwater endowment funds.

# YERBA BUENA COMMUNITY BENEFIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NEW ACCOUNTING STANDARDS (CONTINUED)*

NFP entities are required to adopt this standard for annual reporting periods beginning after December 15, 2018. Management is evaluating the impact of this new guidance.

#### *RECLASSIFICATIONS*

Certain amounts in the 2017 financial statements have been reclassified to confirm to the 2018 presentation. These reclassifications have no effect on previously reported net assets or change in net assets.

### NOTE 2 - FAIR VALUE MEASUREMENTS

YBCBD's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

#### *Level 1*

Inputs are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

#### *Level 2*

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

#### *Level 3*

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect YBCBD's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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**NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the valuation methodologies during the years ended June 30, 2018 and 2017.

*Certificates of deposit:* The fair value is based on market price. These securities are classified within Level 2 of the fair value hierarchy.

The following table provides information about YBCBD's financial assets measured at fair value on a recurring basis as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ <u>          --</u>	\$ <u>  246,918</u>	\$ <u>          --</u>	\$ <u>  246,918</u>

The following table provides information about YBCBD's financial assets measured at fair value on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ <u>          --</u>	\$ <u>  495,829</u>	\$ <u>          --</u>	\$ <u>  495,829</u>

YBCBD's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. YBCBD had no transfers into or out of levels of the fair value hierarchy during the years ended June 30, 2018 and 2017.



**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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**NOTE 3 - CAPITAL ASSETS**

Capital assets at June 30, consist of the following:

	<u>2018</u>	<u>2017</u>
Public art	\$ 337,447	\$ 209,836
Website development	75,012	75,012
Street furniture	40,424	40,424
Furniture and equipment	<u>10,773</u>	<u>9,433</u>
	463,656	334,705
Less: accumulated depreciation and amortization	<u>(152,300)</u>	<u>(117,495)</u>
	311,356	217,210
Construction in progress	<u>--</u>	<u>81,176</u>
<b>Total</b>	<b><u>\$ 311,356</u></b>	<b><u>\$ 298,386</u></b>

**NOTE 4 - UNRESTRICTED NET ASSETS**

Unrestricted net assets at June 30, consist of the following:

	<u>2018</u>	<u>2017</u>
Board designated:		
Cleaning and Streetscape Improvements	\$ 1,961,012	\$ 1,546,612
Management and operations	1,182,487	1,037,993
Safety and Security	707,302	860,970
Branding, Activation, and Marketing	192,177	231,758
Sponsored projects:		
Sites Unseen	--	102,399
Yerba Buena Gardens	--	18,836
Invested in capital assets	<u>311,356</u>	<u>298,386</u>
<b>Total</b>	<b><u>\$ 4,354,334</u></b>	<b><u>\$ 4,096,954</u></b>

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, may be expended for:

	<u>2018</u>	<u>2017</u>
Sponsored projects:		
Sites Unseen	\$ 33,872	\$ 49,899
Yerba Buena Gardens	--	8,837
Other	<u>1,500</u>	<u>2,500</u>
<b>Total</b>	<u>\$ 35,372</u>	<u>\$ 61,236</u>

**NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, as follows:

	<u>2018</u>	<u>2017</u>
Sponsored projects:		
Sites Unseen	\$ 57,881	\$ 367,635
Yerba Buena Gardens	8,837	6,375
Other	<u>3,500</u>	<u>--</u>
<b>Total</b>	<u>\$ 70,218</u>	<u>\$ 374,010</u>

**NOTE 7 - GRANTS**

The YBCBD distributes annual grants called Community Benefit Fund grants to community organizations providing services, within the district, that support the improvements and activities of the YBCBD. Grant expense for the years ended June 30, 2018 and 2017, was \$156,250 and \$150,000, respectively. Grants payable at June 30, 2018 and 2017, was \$18,750 and \$12,500, respectively.

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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**NOTE 8 - RETIREMENT PLAN**

The YBCBD established an employer non-contributory defined contribution retirement plan (the "Plan") for employees. Eligible employees may make voluntary contributions by salary reduction to the Plan, up to the limit allowed by IRC regulations.

**NOTE 9 - COMMITMENTS**

The YBCBD is obligated under a non-cancelable operating lease agreement for office space in San Francisco, California which expires on December 31, 2018. The lease provides the landlord the option to terminate the lease with a written notice, six months in advance.

The YBCBD also leases office equipment that requires monthly lease payments; the lease was renewed in January 2016 and expires on January 14, 2021.

The following is a schedule of minimum lease commitments:

For the Years Ending	
June 30,	Amount
2019	23,736
2020	2,268
2021	1,229
<b>Total</b>	<b>\$ 27,233</b>

Rent expense for the years ended June 30, 2018 and 2017, was \$49,268 and \$48,950, respectively.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

The property owner of the building the YBCBD leases for office space is a member of YBCBD's Board of Directors (the "Board"). Rent paid for the office lease during the years ended June 30, 2018 and 2017, was \$44,281 and \$43,794, respectively.

Members of the Board are also associated with organizations that received Community Benefit Fund grants from the YBCBD. Pursuant to the YBCBD's conflict of interest policy, all conflicted YBCBD Board members refrain from the decision-making process and abstain from the voting process.

**YERBA BUENA COMMUNITY BENEFIT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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**NOTE 10 - RELATED PARTY TRANSACTIONS (CONTINUED)**

The YBCBD has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which the member (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the YBCBD does business with an entity in which a Board member has a material financial interest. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the YBCBD.

Community Benefit Fund grants paid to organizations of related parties for the years ended June 30, 2018 and 2017, totaled \$73,750 and \$22,000, respectively. At June 30, 2018 and 2017, no amounts were due to related parties.

**NOTE 11 - SUBSEQUENT EVENTS**

The YBCBD has evaluated all subsequent events through September 12, 2018, the date the financial statements were available to be issued. Except as described below, no events requiring recognition or disclosure in the financial statements have been identified.

The YBCBD approved an interest free, unsecured loan to the Yerba Buena Gardens Conservancy (formerly a fiscally sponsored project that obtained exempt status from federal income taxes under §501(c)(3) of the Internal Revenue Code) for up to \$300,000 to help fund start-up costs. The loan will be paid in increments based on need. During July 2018 and August 2018, two separate amounts have been funded for a total of \$97,000. The total loan amount is due in full one year from the commencement date of a lease between the City and the Yerba Buena Gardens Conservancy.

**MEMO**

To: Supervisor Matt Haney, District 6  
CC: San Francisco Board of Supervisors  
From: Chris Corgas, OEWD Senior Program Manager  
RE: Yerba Buena Community Benefit District  
Date: June 14, 2019

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This is a memo summarizing the performance of the Yerba Buena Community Benefit District (YBCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2017 and June 30, 2018.

Each year the YBCBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Yerba Buena 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 Yerba Buena's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2015.

Also attached to this memo are the following documents:

1. Annual Reports
  - a. FY 2017-2018
2. CPA Financial Review Reports
  - a. FY 2017-2018
3. Draft resolution from the Office of Economic and Workforce Development

### Background

Yerba Buena Community Benefit District spans 40 blocks, contains approximately 2,150 parcels, and is divided between two benefit zones. Benefit zones are determined by the property owners who have specified the level of special services they desire.

- July 29, 2008: the Board of Supervisors approved the resolution that established the property-based district called the Yerba Buena Community Benefit District (Resolution # 330-08).
- February 10, 2009: the Board approved the contract for the administration and management of the Yerba Buena Community Benefit District (Resolution # 44-09).
- June 2, 2015: the Board of Supervisors approved the resolution to renew and expand the Yerba Buena Community Benefit District (Resolution # 197-15).
- April 11, 2017: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2015 – 2016 (Resolution # 117-17).
- April 10, 2018: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2016-2017 (Resolution # 095-18).

### Basic Info about Yerba Buena CBD

Year Established	June 2008
Assessment Collection Period	FY 2008 - 2009 to FY 2014 - 2015 (initial) FY 2015 - 2016 to FY 2029 - 2030 (renewal)
Services Start and End Date	July 31, 2015 – December 31, 2030 (District renewed in FY 14-15)
Initial Estimated Annual Budget	\$2,991,722.82
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

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

### Summary of Service Area Goals

#### Cleaning and Streetscape Improvement Plan

The Cleaning and Streetscape Improvement Plan is a comprehensive program that aims to ensure the maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and building throughout the YBCBD. This includes regular sidewalk and gutter sweeping, scheduled steam cleanings, power washing, refuse removal, graffiti removal and streetscape improvements based on, but not limited to, the Yerba Buena Street Life Plan. The YBCBD also distributes small annual grants to community organizations working to improve the neighborhood through its Community Benefit Fund.

#### Safety and Security Program

The Safety and Security Program works with residents, merchants, the SFPD, and greater YBCBD community on a variety of strategies and initiatives to prevent crime and increase pedestrian safety throughout the District. The YBCBD provides Community Guides to assist visitors, connect those in need with social services, and report cleaning and safety issues. They also engage a Social Services Specialist to provide additional services to the street population in the District, spending extra time to meet their needs and connect and/or escort them to appointments for services.

### **Branding, Activation, and Marketing Program**

The Branding, Activation, and Marketing Program promotes YBCBD's properties and businesses through specially targeted programs and initiatives. These activities play the dual role of contributing to the economic and social vitality of the area, and helps with the recruitment and retention of businesses and other entities.

The YBCBD also supports the creation and production of special events, such as the annual free outdoor festival Yerba Buena Night that welcomes visitors into the YBCBD area as a means of additional exposure. The YBCBD marketing and promotion services makes sure visitors, employees, patrons, and residents know about area attractions and helps them enjoy their experience within the YBCBD.

### **Management and Operations**

The YBCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Yerba Buena CBD as well as a Director of Neighborhood Partnerships and an Events and Administrative Manager. The YBCBD Management Plan calls for 13% of the budget to be spent on administration and corporate operations.

The YBCBD board has twenty-eight (28) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions, and businesses. Board member seats are determined using the following guidelines: At-Large (14%), Community Organizations (14%), Government or Education Institutions (14%), Non-Profit Arts (14%), Residents (14%), Commercial (30%). Board members are all asked to actively participate in committees including Community Benefit Fund, Executive, Finance, Marketing, Services, and Streets & Public Space. The YBCBD also has Ad Hoc Audit and Nominating Committees to accomplish specific tasks for a shorter period of time each year. The full board meets five times a year.

The eight committees and meeting times are detailed below:

#### **Standing Committees**

- **Community Benefit Fund** – meets the 2<sup>nd</sup> Monday of March and October
- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the month
- **Marketing** - the third Thursday of the month
- **Services** - the second Thursday of the month
- **Streets and Public Space** –the third Wednesday of the month

#### **Ad Hoc Committees**

- **Audit** –as needed
- **Nominating** – as needed

## Summary of Accomplishments, Challenges, and Delivery of Service Areas

### **FY 2017-2018**

#### **Cleaning and Streetscape Improvements**

- Removed more than 300,000 pounds of trash from YCBCD public rights-of-way
- Removed 5,385 instances of graffiti tags, flyers and stickers
- Addressed 7,171 sleeper/camper issues
- Completed more than 2,000 requests for sidewalk sweeping, steam cleaning, and spot cleaning
- Addressed over 200 issues of overflowing trash cans
- Addressed over 300 issues of illegal dumping
- Identified crosswalks for graphic crosswalk designs to increase visibility at six locations

#### **Safety and Security**

- Community Guides worked 365 days a year to connect those who need help with services, provide information about the neighborhood and serve as an additional set of eyes to report safety issues
- New Social Services Specialist engaged with and connected people living on district streets to available services
- Addressed over 10,500 quality of life issues: aggressive panhandling, trespassing/loitering, sleeper/camper issues, drunk and disorderly and assisting people in need
- Partnered with Millennium Partners to provide additional 10B officer coverage related to the 706 Mission construction project
- SFPD 10B Bike Patrol officers worked 10 hour shifts daily to address quality of life issues and provide a reassuring presence in the district

#### **Branding, Activation, and Marketing**

- Assisted and provided information to 8,000 visitors and merchants
- Launched a monthly Hidden San Francisco Walking tour
- Produced and distributed quarterly newsletters, re-designed and distributed monthly e-newsletters to over 650 subscribers
- Developed and posted a brief video explaining YCBCD services on the YCBCD website
- Provided a calendar of neighborhood events
- Ongoing promotion of the district's businesses and attractions

#### **Management and Operations**

- Exceeded fundraising goals
- Day-to-day management of the District
- Continued to stay abreast of new developments in the neighborhood and their overall impact.
- Held leadership positions with The Yerba Buena Gardens Conservancy (a new nonprofit being formed to oversee and manage Yerba Buena Gardens), Moscone Expansion Strategic Advisory Group, Southern Station Community Police Advisory Board, and Better Market Street Citizen's Advisory Counsel and Yerba Buena Culture Cabinet



YBCBD Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether five and eight hundredths percent (5.08%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*).

**FY – 2017-2018**

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

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

Service Category	Management Plan Budget	% of Budget	FY 2017-2018 Budget	% of Budget	Variance Percentage Points
Cleaning and Streetscape Improvements	\$1,281,665.91	40.66%	\$1,497,895.50	39.91%	-0.75%
Safety and Security	\$1,024,744.40	32.51%	\$1,396,630.10	37.21%	+4.70%
Branding, Activation, and Marketing	\$434,614.14	13.79%	\$472,961.68	12.60%	-1.19%
Management and Operations	\$410,811.64	13.03%	\$385,747.29	10.28%	-2.76%
<b>TOTAL</b>	<b>\$3,151,836.09</b>	<b>100%</b>	<b>\$3,753,234.57</b>	<b>100%</b>	

**BENCHMARK 2:** Whether five percent (5.08%) of actuals came from sources other than assessment revenue

**ANALYSIS:** *YBCBD met this requirement. Assessment revenue was \$3,055,597.00 or 91.54% of actuals and non-assessment revenue was \$282,469.00 or 8.46% of actuals. See table below.*

Revenue Sources	FY 2017-2018 Actuals	% of Actuals
Special Benefit Assessments	\$3,055,597.00	91.54%
<b>Total assessment revenue</b>	<b>\$3,055,597.00</b>	<b>91.54%</b>
Contributions and Sponsorships	\$266,222.00	7.98%
Interest Earned	\$16,247.00	0.49%
<b>Total non-assessment revenue</b>	<b>\$282,469.00</b>	<b>8.46%</b>
<b>Total</b>	<b>\$3,338,066.00</b>	<b>100%</b>

Non-assessment revenue applied to 5.08% General Benefit requirement

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

**ANALYSIS:** *YBCBD did not meet this requirement. See table below. Yerba Buena CBD spent 0.75% less than the allowable variance on Cleaning and Streetscape Improvements. This does not reflect a decrease in cleaning service, but was due to underspending in the portion allocated to Streetscape Improvements due to project delays. Of note: There was an additional \$115,941 which is designated toward fiscally sponsored projects. This amount is entirely made up of non-assessment dollars. It has not been included in this spreadsheet for simplification.*

Service Category	FY 2017-2018 Budget	% of Budget	FY 2017-2018 Actuals	% of Actuals	Variance Percentage Points
Cleaning and Streetscape Improvements	\$1,497,895.50	39.91%	\$823,701.03	29.17%	-10.74
Safety and Security	\$1,396,630.10	37.21%	\$1,205,857.65	42.70%	+5.49%
Branding, Activation, and Marketing	\$472,961.68	12.60%	\$430,092.55	15.41%	+2.81%
Management and Operations	\$385,747.29	10.28%	\$359,429.77	12.73%	+2.45%

<b>TOTAL</b>	<b>\$3,753,234.57</b>	<b>100%</b>	<b>\$2,824,081.00</b>	<b>100%</b>	
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**BENCHMARK 4:** Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

**ANALYSIS:** YBCBD met this requirement. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBDAs a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. Yerba Buena also includes its ongoing Contingency/Reserve fund as part of this reporting. See table below.

<b>FY 2017-2018 Carryover Disbursement</b>	<b>\$4,389,706.00</b>	<b>Anticipated Spendown</b>
<b>Designated Projects – Special Assessment</b>		
Cleaning and Streetscape Improvements	\$1,961,012.00	FY 2024
Safety and Security	\$707,302.00	FY 2024
Branding, Activation, and Marketing	\$192,177.00	FY 2024
Management and Operations	\$1,182,488.00	FY 2024
Capital Assets	\$311,355.00	FY 2024
<b>Total Designated Amount</b>	<b>\$4,354,334.00</b>	

**Findings and Recommendations**

Within the review period of FY 2017-2018, the Yerba Buena CBD met 3 out of the 4 benchmarks mentioned on Page 5 of this memo and most expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the “Yerba Buena Community Benefit District; and the Agreement for the Administration of the “Yerba Buena Community Benefit District.” The only violation of these provisions pertains to Benchmark 3.

YBCBD did not meet Benchmark 3, which is placed on it by its management agreement with the City and County of San Francisco. Historically, the CBD has met this benchmark. OEWD recommends YBCBD review the management agreement with their financial and executive committees and the full governing board to make sure they have a clear understanding of what variances violate the management agreement with the City and County of San Francisco.

YBCBD’s Community Benefit Fund is continually supporting public art, community engagement, streetscape improvements, and public safety enhancements. Yerba Buena CBD continued collaborations with adjacent property owners to redesign the public plaza at Annie and Market Street. Additionally, YBCBD met with the community to develop new initiatives to improve road safety for pedestrians, cyclists and neighborhood drivers. Based on neighborhood input, YBCBD increased hours for the San Francisco

Police Department bike patrol officer, added members to the Clean Team and Community Guides, as well as onboarding a second Social Service Specialist.

### Conclusion

Yerba Buena CBD has performed incredibly well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events such as Yerba Buena Night. Yerba Buena CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund. Yerba Buena CBD is an extremely well run organization with an active board of directors and committee members. OEWD believes the Yerba Buena CBD will continue to successfully carryout their mission and service plans.

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller  
Joaquin Torres, Director, Office of Economic and Workforce Development

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

DATE: July 30, 2019

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Haney on July 23, 2019:

**File No. 190814**

**Resolution receiving and approving an annual report for the Yerba Buena Community Benefit District for FY2017-2018, 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: Todd Rydstrom, Office of the Controller  
Ken Rich, Office of Economic and Workforce Development  
J'Wel Vaughan, 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

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2010 JUL 19 PM 3:5  
Time stamp  
or meeting date

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

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

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

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

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

Sponsor(s):

Haney

Subject:

Yerba Buena Community Benefit District - FY 2017-2018 Annual Report to the City.

The text is listed:

Resolution receiving and approving annual reports for the Yerba Buena CBD for fiscal year 2017-2018, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: [ ]

For Clerk's Use Only