

File No. 210880

Committee Item No. 1

Board Item No. 13

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: January 6, 2022

Board of Supervisors Meeting:

Date: January 25, 2022

Cmte Board

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| <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 checked="" type="checkbox"/> | <input checked="" 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 – January 6, 2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD Annual Report - FY 2019-2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD CPA Report – FY2019-2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo – July 22, 2021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>FYI Referral – August 8, 2021</u> |

Prepared by: John Carroll

Date: Dec. 17, 2021

Prepared by: John Carroll

Date: January 10, 2022

Prepared by: John Carroll

Date: _____

1 [Yerba Buena Community Benefit District - Annual Report - FY2019-2020]

2

3 **Resolution receiving and approving an annual report for the Yerba Buena Community**
4 **Benefit District for Fiscal Year (FY) 2019-2020, submitted as required by the Property**
5 **and Business Improvement District Law of 1994 (California Streets and Highways**
6 **Code, Sections 36600, et seq.), Section 36650, and the District’s management**
7 **agreement with 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 Fiscal Year (FY) 2015-2016; 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

25

1 WHEREAS, On December 1, 2020, the Board of Supervisors approved the Yerba
2 Buena CBD's annual report for FY2018-2019 in Resolution No. 539-20; 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 FY2019-2020 as required by Section 36650 of the
5 Act and Section 3.4 of the Management Contract; and

6 WHEREAS, The annual report for FY2019-2020 is on file with the Clerk of the Board of
7 Supervisors in File No. 210880, 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 July 22, 2021, and documentation from the Yerba Buena CBD for the annual report for
12 FY2019-2020 are on file with the Clerk of the Board of Supervisors in File No. 210880; now,
13 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 FY2019-2020.



Community Benefit District Annual Report

- 1) Yerba Buena CBD - FY 19-20
- 2) Ocean Ave CBD - FY 19-20
- 3) Castro CBD – FY 19-20
- 4) Noe Valley CBD – FY 19-20
- 5) Discover Polk CBD – FY 19-20
- 6) Lower Polk CBD – FY 18-19 & FY 19-20



Chris Corgas
CBD/BID Program Director
January 6, 2022



Legislative Overview

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

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



OEWD Review Process

- 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 of Supervisors with a summary memo.



Basic Information

CBD Name	Type	Assessment Budget*	FY 19-20 Assessment Submission	Year(s) Formed & Renewed	Expires
Yerba Buena	Property-Based	\$2,991,722.82	\$3,151,269.00	2008, 2014	2030
Ocean Ave	Property-Based	\$239,578.00	\$330,010.32	2010	2025
Castro	Property-Based	\$384,011.00	\$534,128.08	2005, 2020	2035
Noe Valley	Property-Based	\$218,622.00	\$269,328.30	2005, 2020	2035
Discover Polk	Property-Based	\$601,784.00	\$629,414.98	2018	2029
Lower Polk	Property-Based	\$799,093.54	\$876,709.64	2014	2029



BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for each CBD/BID:

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 the CBD met its non-assessment revenue source requirement.

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.



Yerba Buena CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.08\%$	No
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Yerba Buena CBD – Findings & Recommendations

- Awarded funds from Community Benefit Fund for an outdoor art installation at Yerba Buena Center for the Arts, business acceleration services with Renaissance Entrepreneurship Center, Women’s Suffrage Exhibit at American Bookbinders Museum, Halloween Hoopla, and the Yerba Buena Gardens Festival
- Worked with Planning Department, Public Works, and community stakeholders to discuss long-term project to connect Yerba Buena with the Salesforce Transit Center along Natoma and Minna Streets
- Initially stopped service in early days of Covid-19 pandemic, but quickly reinstated services upon City Attorney and OEWD advice
- Reconfigured community grants to nonprofits and small businesses to defray operating costs due to Covid-19 pandemic
- Adjusted the focus of community guides to check in on neighborhood businesses and merchants to assist them during incremental reopening of the economy
- Increased disinfecting of high-touch public surfaces and continued to report and address cleaning and safety issues
- Has a strong board and robust committees
- The Yerba Buena CBD is an extremely well run organization



Ocean Ave CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	No
Benchmark 2	Non-assessment revenue is $X \geq 1.00\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	No



Ocean Ave CBD – Findings & Recommendations

- Should develop a strategic plan to look at short, mid, and long term needs of the District
- Likely that the CBD violated Brown Act
 - Executive Director did not guide board chair through meetings which allowed individual board members to go off agenda, change subject, and not adhere to standard board behavior
- OEWD perceives an unhealthy relationship between the governing board and executive director at the time
- Recommendations:
 - In recruiting new board members, the organization and nominating committee should make efforts to have applicants represent the vibrant diversity of the Ocean Avenue corridor.
 - Board seats should not be held in perpetuity and reinstatement a forgone conclusion, instead members who have expiring terms should reapply to the board and go through the formal nomination and election process.
 - The Board should create ladders to elevate new board members to leadership positions.
 - The governing board and the executive director need to complete the strategic plan process and follow all recommendations issued.
 - The governing board should have an annual retreat where they identify annual objectives and growth opportunities for the organizations.
 - The organization should hire outside legal counsel familiar with CBD/BID laws to advise them rather than rely on board members and the City for legal advice.
 - The governing board should set a maximum term limit for board members at which point they take at least a 2 year break away from the board, but may reapply to join after that period expires.
 - The board needs to clearly spell out expectations for board members.
 - The board needs to create an onboarding process for new board members.
 - Each board member needs to participate fully at board meetings and not allow individuals to control the meetings.
 - The board needs to establish a performance evaluation and metrics for the executive director.
 - The board needs to ensure rules are in place pertaining to the awarding of subcontracts and proper fiduciary management.
 - The board needs to provide overall direction to the executive director and ensure that the director is meeting all tasks and responsibilities



Castro CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	No
Benchmark 2	Non-assessment revenue is $X \geq 5.00\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Castro CBD – Findings & Recommendations

- Met 3 out of 4 benchmarks
- Did incredibly well on Benchmark 2 (over 45% of budget was from non-assessment sources)
- Facilitated communication between the Covid Command Center and Castro/Upper Market community.
- Successfully completed a renewal and expansion of the district with 75% of the weighted ballots cast voting to renew and expand for another 15 year term,
- Initially stopped service when Covid-19 stay at home issued, but returned to work once OEWD and the City Attorney's Office provided guidance.
- Partners with the City and County of San Francisco to implement numerous grants such as Castro Cares and Jane Warner Plaza Activation.
- The CBD improved coordination and relationships with neighborhood stakeholders.
- Well positioned to carry out its mission.



Noe Valley CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	No
Benchmark 2	Non-assessment revenue is $X \geq 5.00\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Noe Valley CBD – Findings & Recommendations

- Met 3 out of 4 benchmarks
- Did incredibly well on Benchmark 2 (over 30% of budget was from non-assessment sources)
- Facilitated communication between the Covid Command Center Noe Valley community.
- Successfully completed a renewal of the district with approximately 75% of the weighted ballots cast voting to renew for another 15 year term,.
- Partners with the City and County of San Francisco to implement activation of the Noe Valley Town Square.
- Programming at the Noe Valley Town Square was suspended or canceled due to the Covid-19 pandemic.
- The CBD improved coordination and relationships with neighborhood stakeholders.
- Well positioned to carry out its mission.



Discover Polk CBD – Benchmarks

Benchmark	Question	Was This Met?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 3.37\%$	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes



Discover Polk CBD – Findings & Recommendations

- Met all benchmarks
- Ended service contract with the Lower Polk CBD
 - Contract has Lower Polk CBD provide the services within DPCBD
 - Ended so districts could better respond to unique needs of both districts
- Led hiring process to hire new executive leadership
 - Hired Duncan Talento Ley and Ben Bleiman as co-executive directors
- Had process to hire a service contractor – StreetsPlus selected
- Facilitated communication between district stakeholders and the Covid Command Center
- Continued operations once shelter in place was declared
- Modified services to better address unique concerns at beginning of the Covid-19 pandemic
- Implemented BigBellies within the CBD area.
- The CBD improved coordination and relationships with neighborhood stakeholders.
- Well positioned to carry out its mission.



Lower Polk CBD – Benchmarks

Benchmark	Question	Was This Met in FY 18-19?	Was this met in FY 19-20?
Benchmark 1	Variance between management plan budget and Fiscal Year budget is $X < 10\%$?	Yes	No
Benchmark 2	Non-assessment revenue is $X \geq 5.55\%$	Yes	Yes
Benchmark 3	Variance between Fiscal Year budget and Fiscal Year Actuals is $X < 10\%$?	Yes	Yes
Benchmark 4	Were carryforward funds indicated from one FY to the next FY and were projects designated to be spent on?	Yes	Yes



Lower Polk CBD – Findings & Recommendations

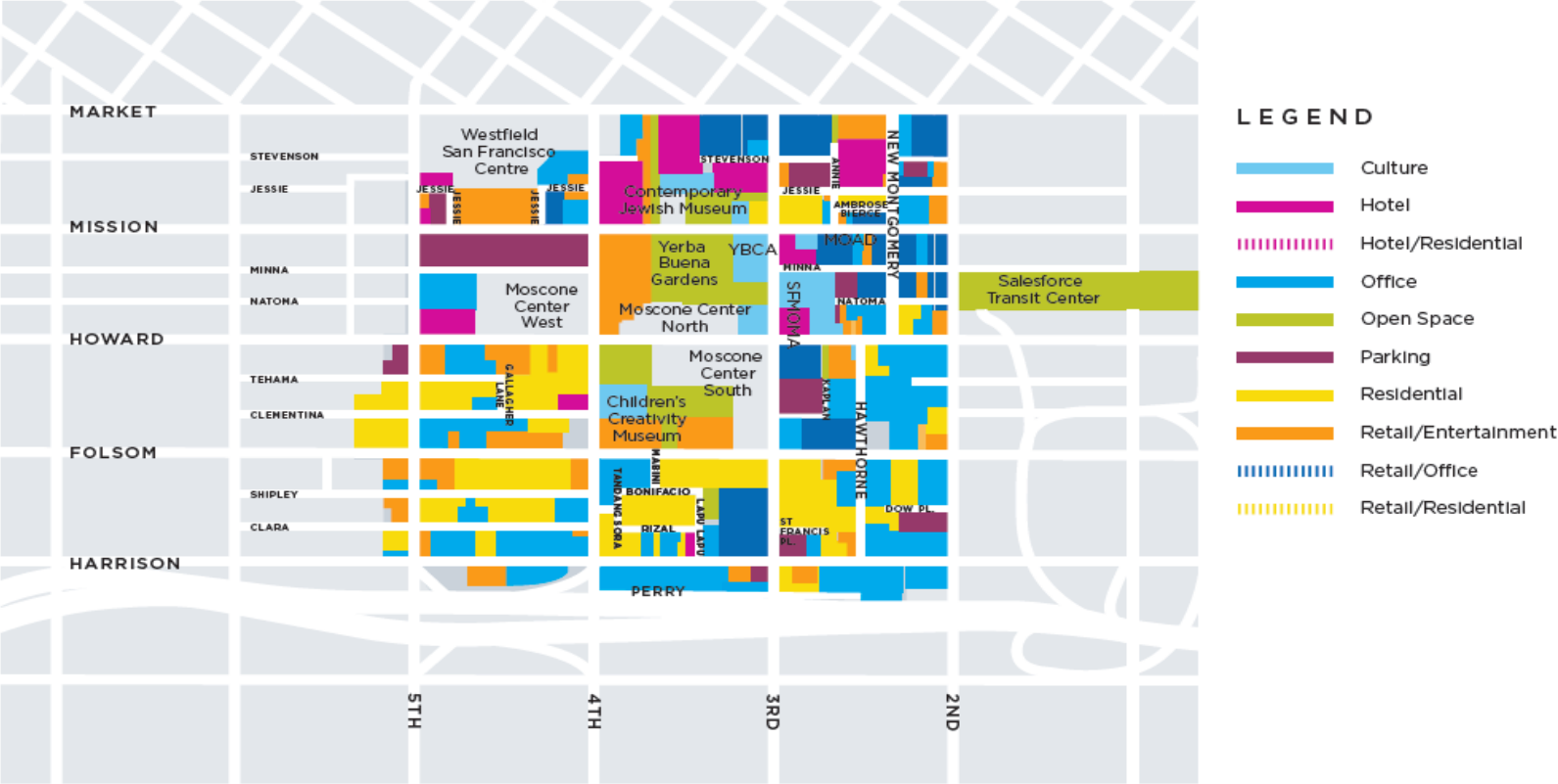
- Did not turn in annual reports and financial statements for either FY 2018-2019 or 2019-2020 in a timely manner.
 - Provided summary memo explaining the delays, part of board packet.
 - Delay initially caused by staff turnover and exacerbated by change in financial professional.
 - Reports are difficult to access online
 - OEWD recommends making them more easily accessible on CBD's website
- Initially suspended services at the beginning of the Covid-19 pandemic, but reinstated upon advice from OEWD and the City Attorney.
- Partnered with Covid Command Center to disseminate information to Lower Polk stakeholders.
- Supported local businesses and continued efforts of Lower Polk Tenant Landlord Clinic throughout the pandemic.
- Continues to be an asset to Lower Polk community.
- Generally performed well in implementing its service plan, but must improve on timely reporting,





Presentation to the San Francisco Board of Supervisors
Government Audit and Oversight Committee
January 6, 2022

What is the Yerba Buena District?



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 **viability of our economic base**.

1. Cleaning

Clean Team
Steam Cleaning
Bigbelly Program



3. Streetscape

Public Art
Pedestrian Safety
Community Spaces



5. Community Benefit Grants

Public Art
Community Building
Streetscape Improvements
Safety Enhancements

2. Safety

Community Guides
SFPD Bike Patrol
Social Services Specialist



4. Marketing

Events
Marketing Campaigns
Social Media



Pre Pandemic Highlights

- 9th Annual Yerba Buena Night
- Bigbelly Art
- 2nd SOMA Sunday Streets
- Yerba Buena Walking Tours
- Yerba Buena Gardens Conservancy formation
- Community Benefit Fund Grants
 - Yerba Buena Center for the Arts
 - Renaissance Entrepreneurship Center
 - American Bookbinders Museum
 - Children's Creativity Museum
 - Contemporary Jewish Museum
 - SPUR
 - Yerba Buena Gardens Festival



Yerba Buena Night 2019

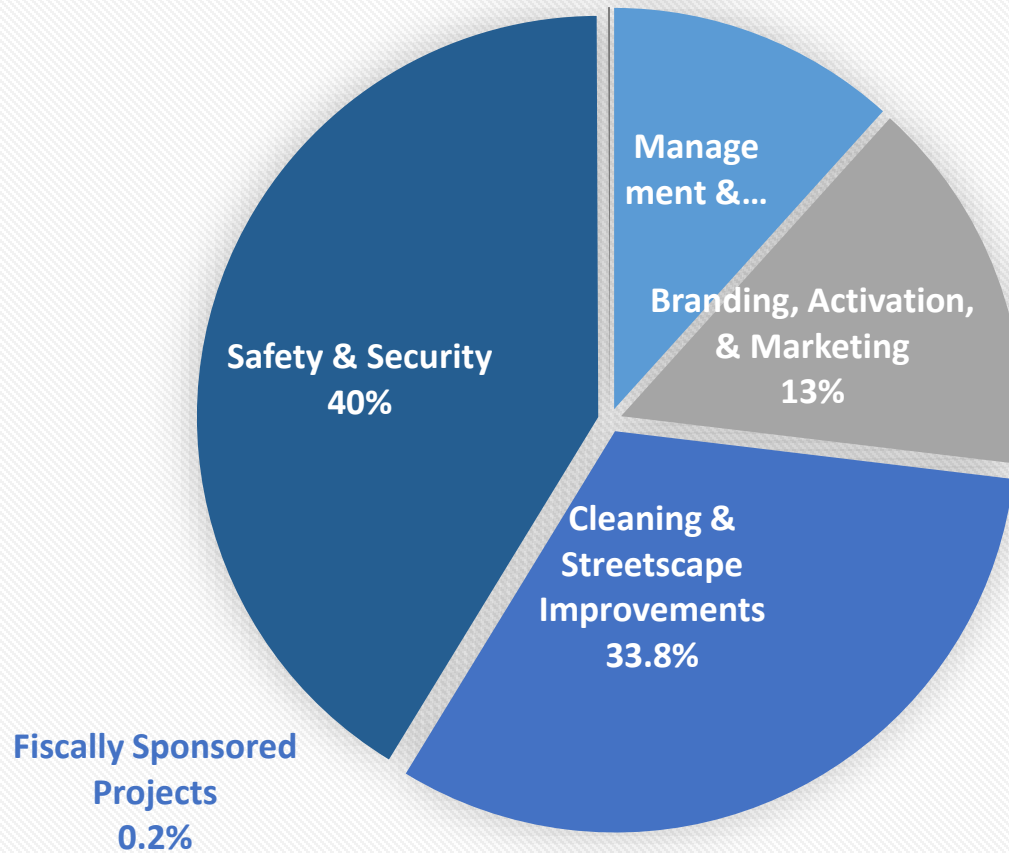
After March 2020

- Continued Clean and Services with adjusted focus
- Created “resource center” to share general pandemic-related information and resources
- Acquired PPE and distributed to businesses and non-profits in need
- Distributed masks to anyone in need in collaboration with Supervisor Haney
- Marketing focus on open businesses with short videos
- Adjusted structure for FY20-21 Community Benefit Fund Grants
- Developed structure for Small Business Grants

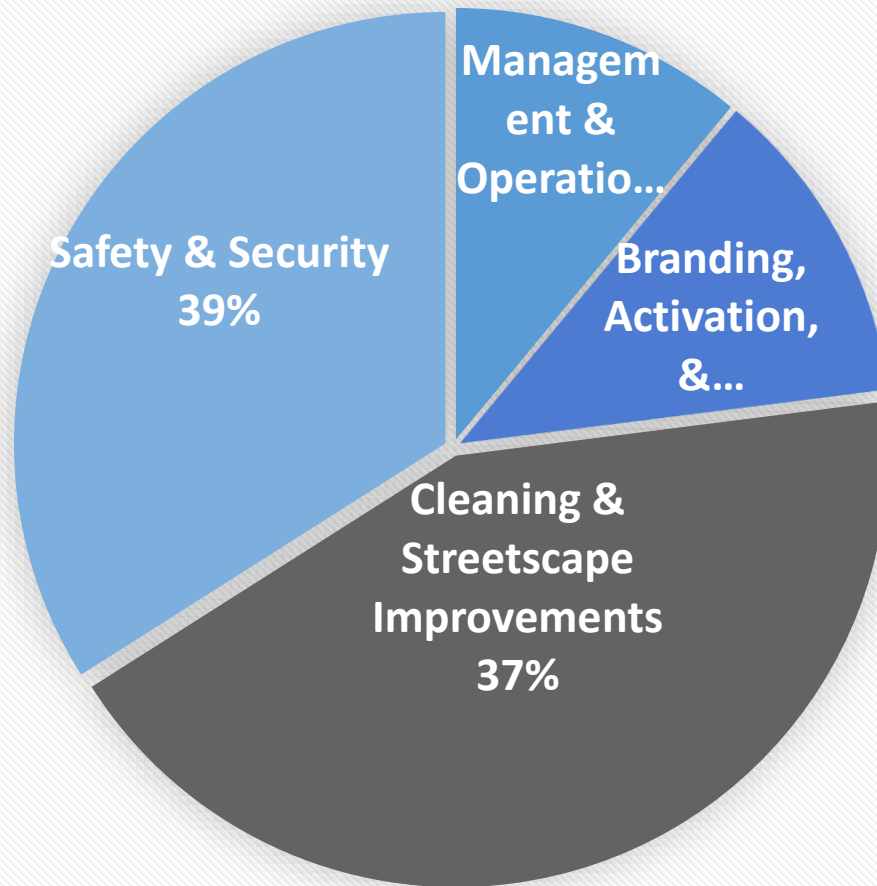


YBCBD Community Guide disinfecting high-touch surfaces

FY19-20 ACTUALS



FY20-21 BUDGET



Bigbelly Art Ribbon Cutting





Annual Report
2019-2020

Pierre Smit,
Executive Director

Jordan Mar,
Small Business &
Marketing Manager



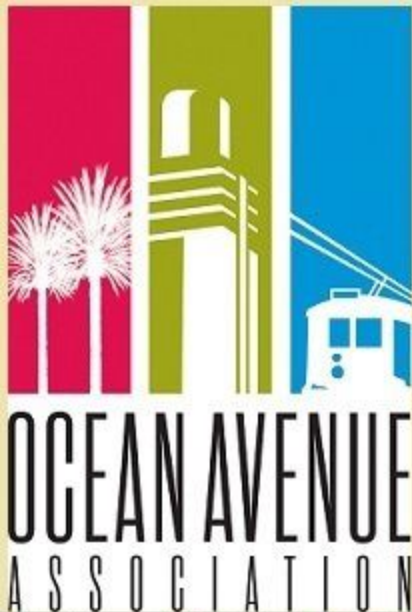


Accessibility | Literacy | Proximity | Unity

- Easy Access by BART, MUNI, FWY280, Junipero Serra
- A Corridor to Literacy with CCSF, SFSU, HS, MS, ES
- Steps Away from Many Distinct Neighborhoods
- A Place of Unity for Businesses Serving Folks of All Backgrounds

AR 19/20





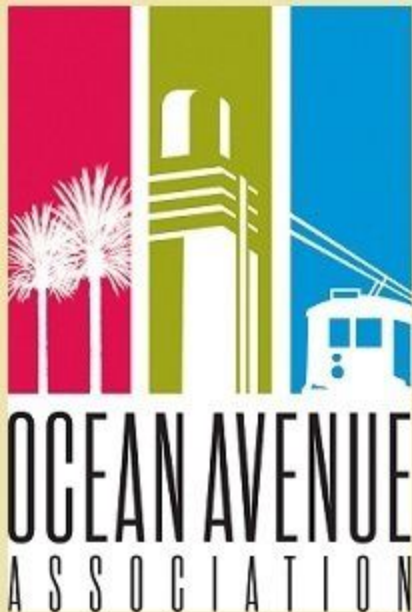
The OAA Clean Team

- Sweeping twice daily in most area of the CBD
- Pressure washing sidewalk a block per week
- Graffiti removal/covering within 24 hours
- Community clean-up of some neighboring areas

x Trash & Cardboard removed in FY19-20.....	66,000 lbs
x Animal & Human Waste Pick ups.....	1,450
x Graffiti Removal.....	780
x Instances of Steam Cleaning.....	1,075
x Illegal Dumping - 311 Calls.....	220

AR 19/20





Beautification & Maintenance

- Planting areas
- On wide sidewalks
 - Watered weekly
 - Maintained as needed

Trees planted with the assistance of DPW on different side streets

AR 19/20

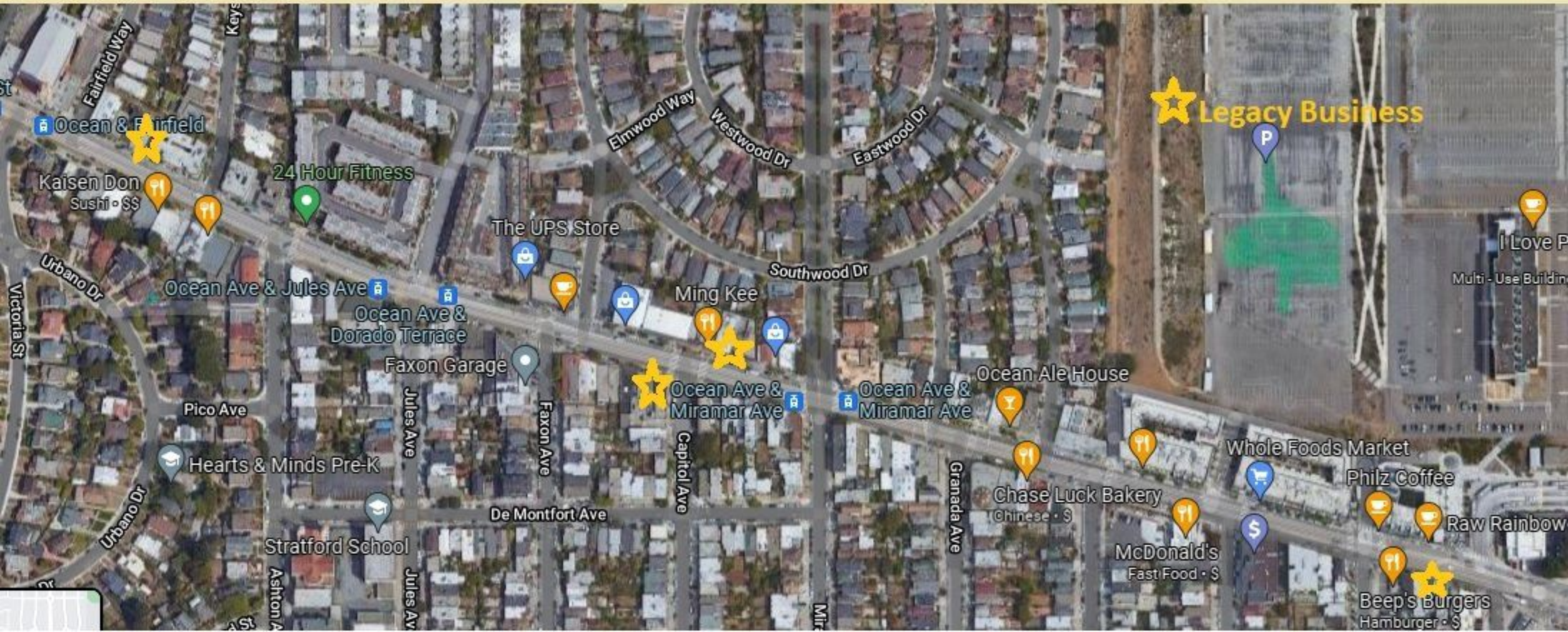




Small Business Program

- Pandemic Response to Small Businesses
- Free Legal Services
- Legacy Businesses Filing
- Commercial Space Inventory
- Assisting Prospective Businesses

AR 19/20

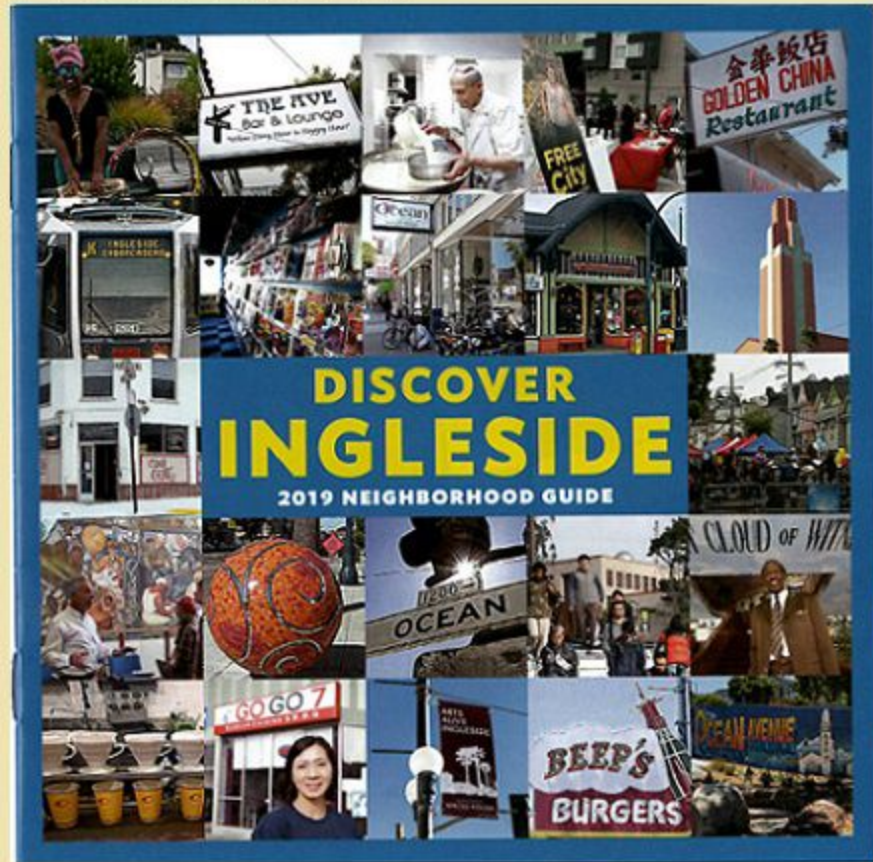




Discover
Ingleside
2019
Neighborhood
Guide

Renewal
and
Expansion
Including
- Balboa Upper Yard
- Balboa Reservoir

AR 19/20





Events, Promotions & Projects

- Lunar New Year
- Promotion of OMI-CPP and SF Turkey Drive
- Public Live Survey
- Public Art
 - Ingleside Library Gateway
 - Murals

AR 19/20



Castro/Upper Market Community Benefit District

San Francisco Board of Supervisors Government & Oversight
Committee



DISTRICT MAP



ACTIVE COMMITTEES

- ◆ Executive Committee
- ◆ Finance Committee
- ◆ District Identity & Streetscape Committee
- ◆ Services Committee
- ◆ Land Use Committee
- ◆ Retail Strategy Committee
- ◆ Castro Cares Leadership Team
- ◆ Renewal Committee

GRANTS

- ◆ OEWD Castro Cares
- ◆ OEWD Jane Warner Plaza Improvement
- ◆ OEWD Castro Corridor Manager

Cleaning Services



CLEANING UP IN FY 2019-20

- Daily Sweeping
- Monthly + steam cleaning
- TRASH! 87,420 pounds of trash removed
- GRAFFITI! 7,048 incidences of graffiti abated
- NEEDLES! 2,823 dirty/hazardous needles collected
- CARDBOARD! 16,728 yards of flattened cardboard
- HAZARDOUS WASTE! 4,674 incidences of human feces removed

PUBLIC SAFETY

- SF Patrol Special Police 7 Nights/Week
- Evening Foot Patrols:
 - Jane Warner Plaza, Harvey Milk Plaza
 - Castro Street
- Vehicle Patrols:
 - Market Street
 - Church Street
 - Bikeway behind Safeway

(collaboration between late night businesses and Castro CBD)

Public Space Management & Activation

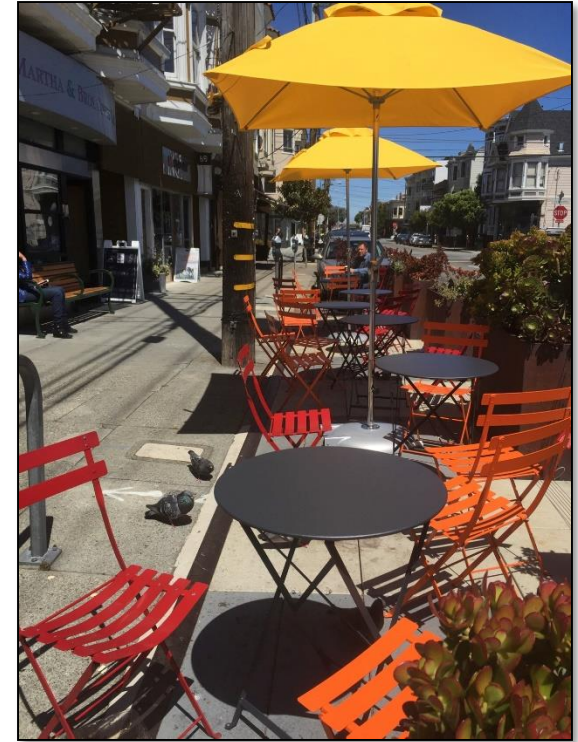
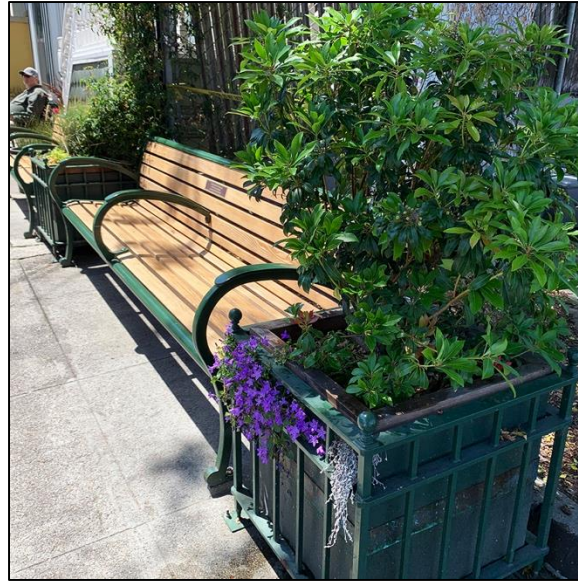


THANK YOU!



Noe Valley Association
A Community Benefit District
noevalleyassociation.org

FY 19-20 Annual Report
Government Audit & Oversight Committee
January 6, 2022



NVA Street porters worked full time through COVID-19, not missing a day of work in the district.

Public seating was well-used during the pandemic lock down.



Noe Valley Association
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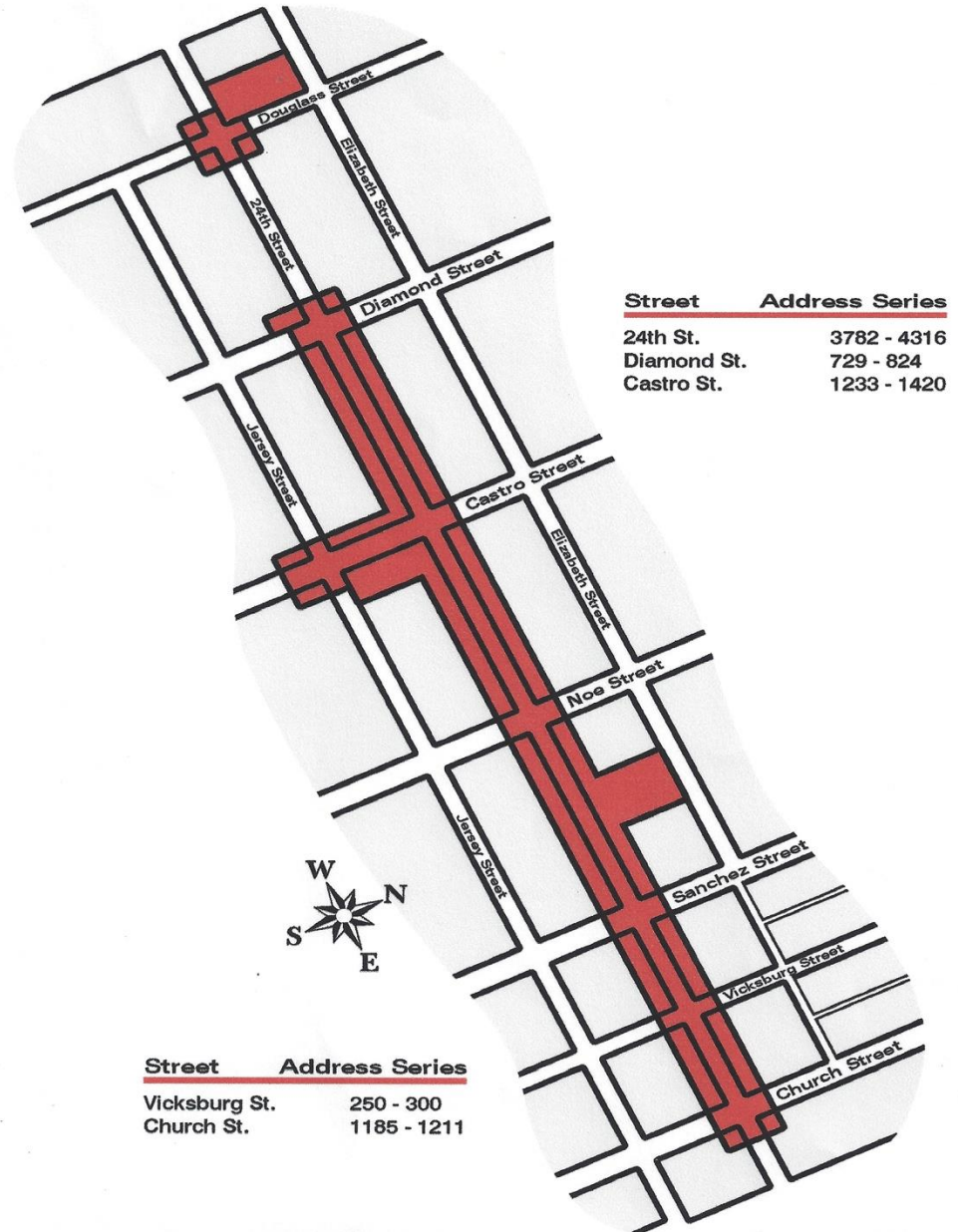
The NVA Renewed in 2020!

- Property Owners renewed the district for another 15 years with a favorable vote of 76% to 24%.
- This is a 19% increase in “yes” votes compared to the original vote to create the CBD in 2005.
- The new Management Plan changes include the elimination of four property corners.



**Noe Valley Association- A Community Benefits District
Address Range Map**

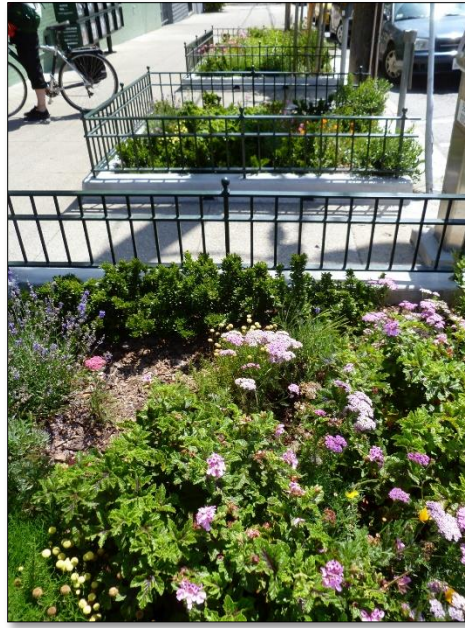
Noe Valley CBD Area Map



Noe Valley Association
A Community Benefit District
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NVA Active Committees

Green Committee - Streetscape Improvements



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Community Event Marketing

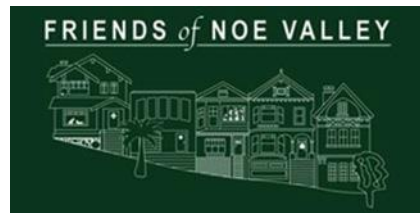


NVA Partner Organizations



Noe Valley Merchants & Professionals Association

<http://www.noevalleymerchants.com>

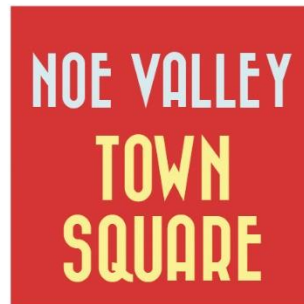


Friends of Noe Valley

<http://friendsofnoevalley.com>



Noe Valley Association
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noevalleyassociation.org



Noe Valley Town Square

<http://noevalleytownsquare.com>

Grants

NVA as Fiscal Agent for the Noe Valley Town Square



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Day to Day Operations

- Annual removal of **258** bulky trash items
- Annual removal of **262** graffiti marks, stickers
- **9** annual power washings of sidewalks
- **223** calls to 311 for removal of bulky items
- **201** tree wells weeded and watered
- **24** flower baskets hung every six months
- **27** Planter boxes replanted every six months
- **7** large sidewalk garden areas maintained monthly
- **1** public park & **2** parklets maintained year-round
- **Two** full-time street porters and a part-time gardener.



Opportunities

Continue to support activation of the Noe Valley Town Square – a widely used and valued public space in the heart of Noe Valley



Thank You.

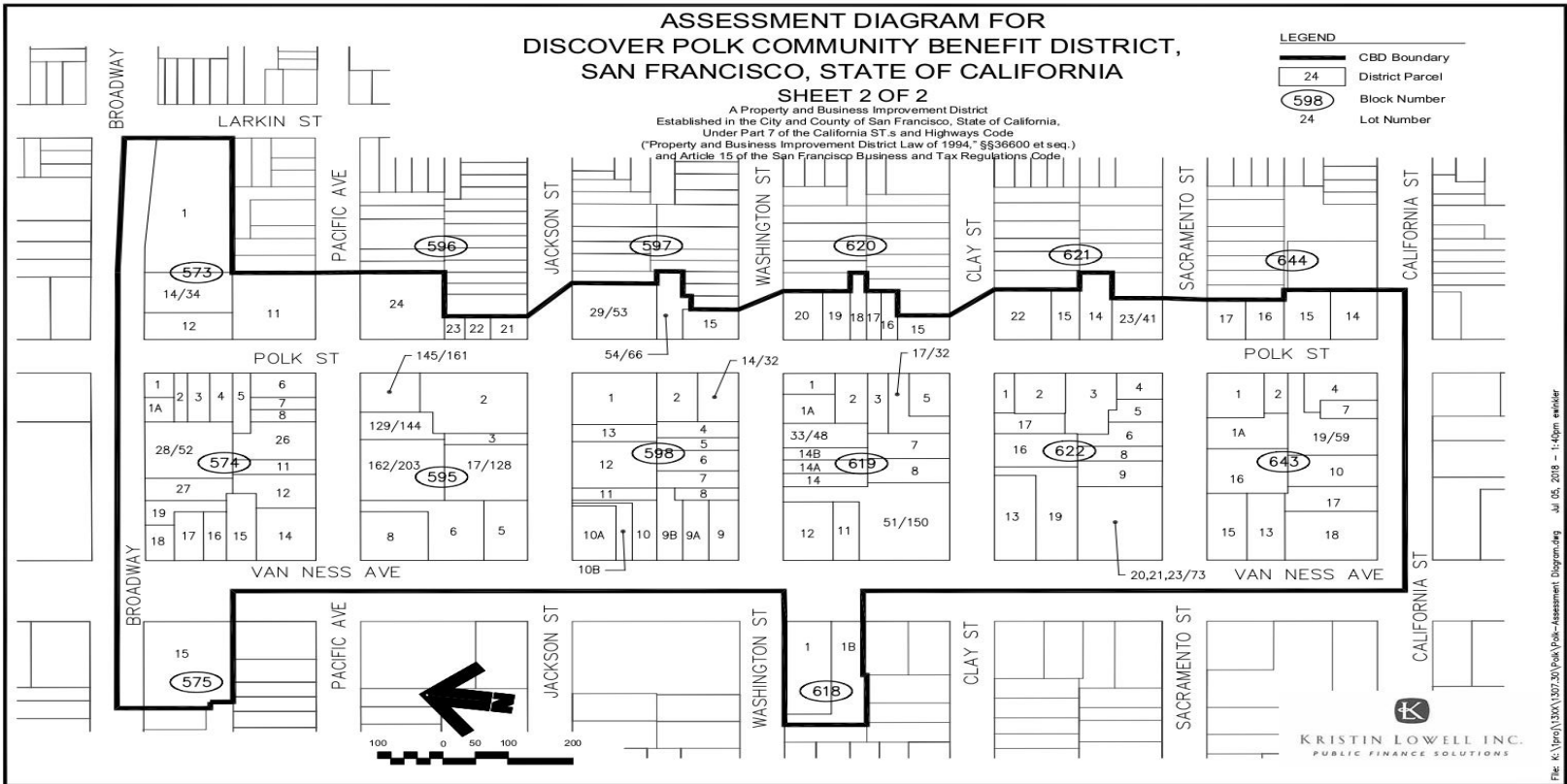


Noe Valley Association
A Community Benefit District
noevalleyassociation.org

Annual Report Highlights – FY 19/20



District Map - 535 total parcels



Board & Staffing Changes

- DPCBD maintained the same twelve (12) Board members throughout the period of the 2019/2020 Annual Report.
- The previous executive management – contracted through LPCBD - resigned two months before the end of 2019. DPCBD finished 2019 operating two (2) months without the support of an Executive Director or District Coordinator.
- In November 2019, the Board approved a job description for Executive Director and a search was launched. A working group interviewed four (4) qualified candidates in December 2019 and January 2020, and unanimously approved the application of a local hospitality and community affairs management company, Tonic Nightlife Group; the Board ratified the choice at a special meeting on January 10, 2020 and the new Executive Management Team accepted the offer on January 20, 2020.

- **Neighborhood Cleanliness**

- In December 2019, DPCBD conducted a rubbish audit with rubbish.love and the results were surprising. The bulk of sidewalk soil is gum stains (64%) and cigarette butts (19%). The data from this audit has helped DPCBD prioritize cleaning efforts.

- StreetPlus ramped up to near full levels by Q1 2020 (COVID19 challenges notwithstanding), including regular power washing and steam cleaning of every sidewalk in the district at a minimum of once per every two (2) weeks.

- DPCBD was notified in December 2019 that it had received a grant from OEWD for five (5) Big Belly trash bins. DPCBD worked with OEWD to identify ideal locations for the cans and contracted with a designer for the artwork that would “wrap” the cans in order to provide additional branding for the DPCBD.

- The Big Belly trash cans were installed and operational by June 2020; including a socially distanced press conference with D3 Supervisor Peskin as the main speaker.

- **Statistical Summary of Services Provided by LPCBD February 2019 to November 2019 and StreetPlus December 2019 to July 2020***

Pounds of trash removed	73,163
Hazardous waste (needles) disposed	1,182
Graffiti abated (number of instances)	373
Linear frontage steam cleaned (sq ft)	115,000
Calls addressed for cleaning (direct calls are rare)	7
Call addressed for public safety	3

Budget

FY 2020-21

REVENUE AND SUPPORT

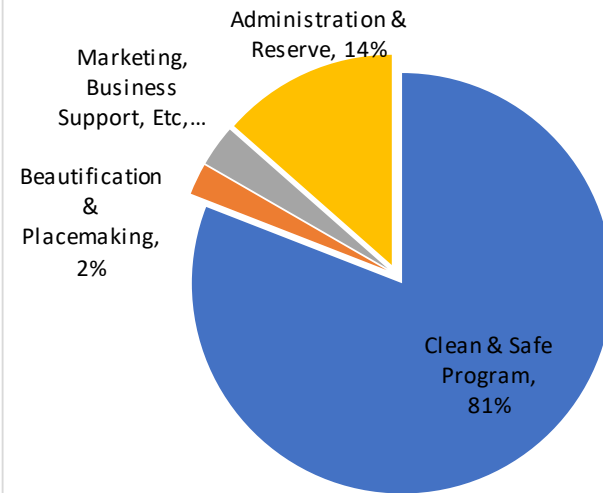
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820

EXPENSES

Clean & Safe Program	432,713
Beautification & Placemaking	12,882
Marketing, Business Support, Etc	16,950
Administration & Reserve	72,235
TOTAL EXPENSES	534,779

* Financial data from the audited financial statements.

FY 2020-2021 budget



Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	630,940	628,327	2,614
Fundraising/In-Kind	22,605	37,000	(14,395)
Interest Income	0	0	0
TOTAL REVENUE AND SUPPORT	653,546	665,327	(11,781)
EXPENSES			
Clean & Safe Program	280,668	349,181	68,512
Beautification & Placemaking	13,998	21,864	7,866
Marketing, Business Support, Etc	36,172	28,768	(7,404)
Administration & Reserve	93,115	76,521	(16,594)
TOTAL EXPENSES	423,953	476,334	52,381
Change in Net Assets	229,592	188,992	64,162
Prior Year Net Assets (Carryover)	424,195	424,195	0
TOTAL NET ASSETS	653,787	613,187	64,162

Statement of Financial Position

As of 06/30/2020

ASSETS

Cash and Cash Equivalents	654,681
Assessment and Other Receivables	7,320
Prepaid Expenses	308
Equipment, net	1,679
TOTAL ASSETS	663,988

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	10,200
TOTAL LIABILITIES	10,200

NET ASSETS

Without Donor Restrictions	646,468
With Donor Restrictions	7,320
TOTAL NET ASSETS (CARRYOVER)	653,788
TOTAL LIABILITIES & NET ASSETS	663,988

Financial Notes

Revenue

- Assessment revenues followed very closely to plan for the fiscal year. The District's non-assessment revenues (General Benefit) is below plan by \$14,395 but above the mandatory \$20,000 requirement.

Expense

- Overall expenses for the fiscal year are under budget by \$52,381 relative to plan.

Clean & Safe

- Clean & Safe expenses are significantly under the budget due to understaffing issues at StreetPlus mostly related to the COVID19 crisis.

Beautification & Placemaking

- Beautification & Placemaking expenses are \$7,866 under the budget due to the COVID19 crisis.

Marketing & Business Support

- Marketing & Business Support expenses are \$7,404 over the budgeted plan due to the transition phase between Executive Management teams, additional spend related to communication campaigns and funds utilized for DPCBD branding on the BigBelly Trash cans.

Admin & Reserve

- Admin & Reserve expenses are \$16,594 over the budgeted plan due to rent expense for StreetPlus equipment along with additional professional service expenses.

Conclusion

For much of the latter portion of FY2019/2020, DPCBD was consumed with helping the district adapt to and manage the challenges of the COVID19 pandemic. This included but was not limited to working with StreetPlus to modify their cleaning processes to utilize PPE and social distancing protocols, partnering with local businesses to help build their outdoor “parklets” through the City’s Shared Spaces program and addressing myriad concerns and questions from residents to ensure the safety and wellbeing of everyone in the district during the pandemic.

We were extremely fortunate that our assessments came in at (or very near to) budget.

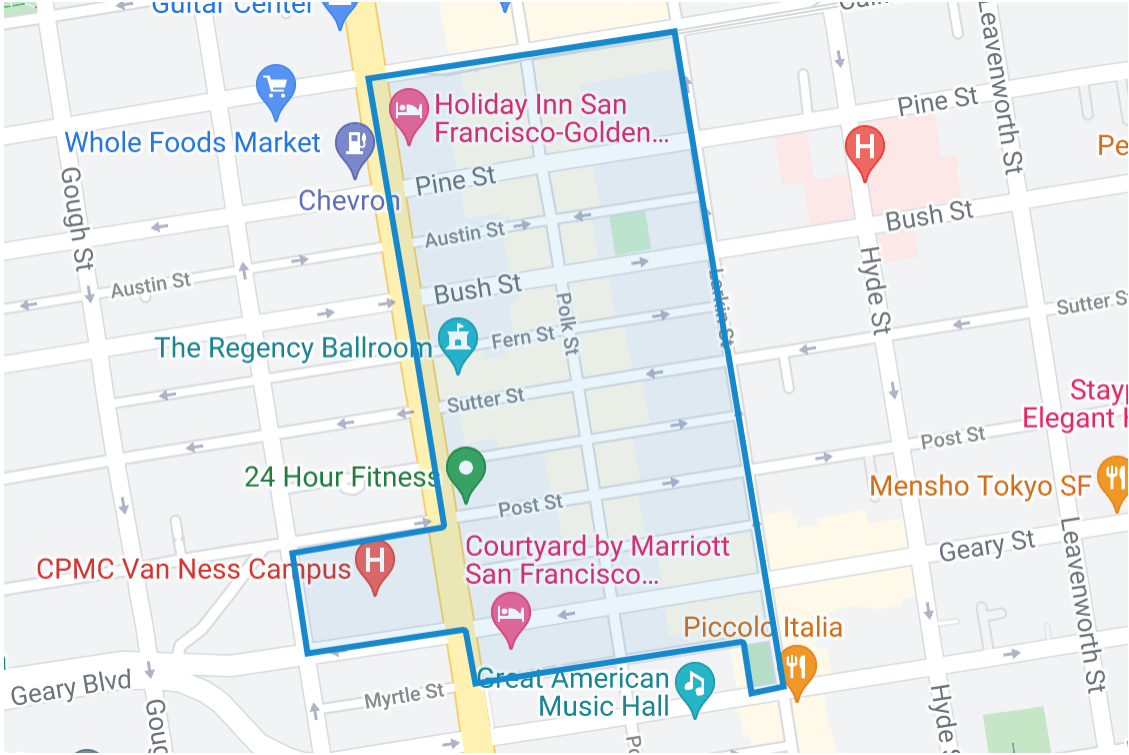


Lower Polk Community Benefit District
Annual Reports
FY 18-19 and FY 19-20

Chris Schulman
Executive Director

• LOWER POLK •

COMMUNITY BENEFIT DISTRICT



District Map

★

• LOWER POLK •

COMMUNITY BENEFIT DISTRICT

LOWER POLK COMMUNITY BENEFIT DISTRICT



22 whole or partial blocks

480 Parcels

Generally Alice B. Toklas Pl/Myrtle Alley to the South to California Street to the North

Generally Van Ness Avenue to the West and Larkin to the East

Includes CPMC Medical Center and Sgt. John MacAulay Park parcels

Legend

□ District Lots
 ■ District Boundary

Prepared by



Services and Programs

Cleaning and Maintenance

- Pan and broom sweeping
- Pressure washing
- Graffiti Abatement
- Other maintenance including tree wells, trash receptacles, etc.
- Staff restroom adjacent to Sgt. Macaulay Park (through March 2020)

Safety

- Work with neighborhood and City stakeholders to improve safety in the community
- Deploy an ambassador focused on community/social service outreach at Sgt. Macaulay Park
- (2022) Deploying roving team of community ambassadors throughout district

Neighborhood Beautification/Streetscape Improvements/Activations

- Fern Alley Streetscape Improvements/Polk Street Beautification Project
- Partner with Lower Polk Neighbors on activations
- Lower Polk/Tenderloin Art Walk and Wine Walks





Lower Polk Tenant Landlord Clinic

With support and funding from the City of San Francisco, LPCBD continued to operate the award-winning Lower Polk Tenant Landlord Clinic, which helps landlords, small merchants, and tenants resolve issues that may lead to tenant or merchant displacement.

- The TLC is a unique interdisciplinary program that works to keep residential tenants and small “mom and pop” merchants stably sited in their current places of residence or business
- The TLC accomplishes this via education, outreach, referrals, and when needed, alternative dispute resolution. When alternative dispute resolution is required, we work on a rapid response model.
- Primary Partner is the Bar Association of San Francisco
- Hundreds of residential and small business clients served annually



Lower Polk Tenant Landlord Clinic

Client Demographics:

- Ages Range from Teens to 80's with most clients middle aged or senior citizens
- Clients are split identifying as Male and Female with 4% of clients being trans or gender non-conforming.
- Only about 48 percent of our clients identify as straight, with the remainder either choosing not to identify, or identifying as gay or bisexual or "not listed."
- The vast majority of our clients earn under \$18,000 per year, and people who identify as white make up less than 30 percent of our clients.



Financial Data*

Statement of Operations

for the fiscal year ended June 30, 2019

	Actual
REVENUE AND SUPPORT	
Assessments	879,223
Fundraising/In-Kind	596,094
Interest Income	94
Loss on Assets Disposal	(639)
Other	281
TOTAL REVENUE AND SUPPORT	1,475,053
EXPENSES	
Cleaning, Maintenance, and Safety	889,560
Marketing, Streetscape, and Beautification	585,581
Management and Operations	303,429
TOTAL EXPENSES	1,778,570
Change in Net Assets	(303,517)
Prior Year Net Assets (Carryover)	1,014,722
TOTAL NET ASSETS	711,205



Statement of Financial Position

As of 06/30/2019

ASSETS

Cash and Cash Equivalents	500,560
Assessment and Other Receivables	103,954
Prepaid Expenses	73,350
Equipment, net	382,517
TOTAL ASSETS	1,060,381

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	21,397
Accrued Liabilities	226,894
Advances and Unearned Revenue	100,885
TOTAL LIABILITIES	349,176

NET ASSETS

Without Donor Restrictions	696,828
With Donor Restrictions	14,377
TOTAL NET ASSETS (CARRYOVER)	711,205
TOTAL LIABILITIES & NET ASSETS	1,060,381



Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	903,505	876,710	26,795
Fundraising/In-Kind	599,573	750,295	(150,722)
Interest Income	81	-	81
Loss on Assets Disposal	-	-	-
Other	-	-	-
TOTAL REVENUE AND SUPPORT	1,503,159	1,627,005	(123,846)
EXPENSES			
Cleaning, Maintenance, and Safety	836,515	1,109,932	273,417
Marketing, Streetscape, and Beautification	485,491	424,631	(60,860)
Management and Operations	228,953	285,447	56,494
TOTAL EXPENSES	1,550,959	1,820,010	269,051
Change in Net Assets	(47,800)	(193,005)	(145,205)
Prior Year Net Assets (Carryover)	711,205	711,205	-
TOTAL NET ASSETS	663,405	518,200	(145,205)



Statement of Financial Position

As of 06/30/2020

ASSETS

Cash and Cash Equivalents	548,456
Assessment and Other Receivables	140,226
Prepaid Expenses	33,871
Equipment, net	256,289
TOTAL ASSETS	978,842

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	37,080
Accrued Liabilities	94,940
CARES Act PPP Loan	183,417
TOTAL LIABILITIES	315,437

NET ASSETS

Without Donor Restrictions	636,865
With Donor Restrictions	26,540
TOTAL NET ASSETS (CARRYOVER)	663,405
TOTAL LIABILITIES & NET ASSETS	978,842



Chris Schulman
Executive Director
cschulman@lowerpolkcbd.org
415-775-1185



YERBA BUENA CHANGING TIMES

YBCBD ANNUAL REPORT 2019-2020

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD

CHANGING TIMES

Dear Friends and Neighbors,

This 2019-2020 fiscal year spanned two dramatically different realities as the pandemic first closed our great City in March. In the eight months prior to the pandemic hitting the U.S., we helped launch the Yerba Buena Gardens Conservancy with support and financing. We initiated and broke ground on improvement projects including the plaza at Market and north Annie streets. We expanded important programs that enhanced the quality and character of our shared public spaces including adding art in surprising and unexpected places such as our Big Belly art program. We continued our commitment to ensuring cleanliness of our streets and sidewalks and sharing the unique sights and stories of our neighborhood. Our Clean Team removed hundreds of graffiti tags, hundreds of thousands of pounds of trash, and our Community Guides helped visitors navigate, explore, and enjoy Yerba Buena.

After the pandemic hit San Francisco, we changed direction and refocused on ways to best support our community. Our priority was to protect the health of our teams, volunteers, staff, and community. We adjusted our operations and implemented plans that allowed our organization to continue to provide essential services in the context of the pandemic. Our administrative operations and all Board and Committee activities continued at full pace and became virtual.

We witnessed Yerba Buena businesses and nonprofits struggle to survive without the symbiotic relationship between guests and patrons of the convention center, museums, hotels, restaurants, and shops. To assist, we developed new grant-based programs to support nonprofits and small businesses in their efforts to weather the many hardships of the past 12 months and to be able to reopen when possible. In addition to grant funding, we were able to supply neighborhood businesses with personal protective equipment and provide reimbursements to small businesses for property protections, such as plywood. We remain vigilant in providing the services needed to support the recovery of our neighborhood.

As we move forward in 2020-2021, we will continue providing essential services, supporting businesses, nonprofits, and cultural organizations in relevant ways, and supporting the recovery of our vibrant neighborhood. We hope to open with new spaces and neighborhood amenities such as Annie Street North Plaza and new dog spots at Yerba Buena Gardens in time. When it is safe to do so, we plan to celebrate the 10th Yerba Buena Night with a free night of music, dance and art. Throughout this period of truly unprecedented change, our partnerships with the City and connections to the many sectors that make our neighborhood so distinctive have only grown stronger.

In Yerba Buena, we remain optimistic and believe that because of our neighborhood's unique creativity, perseverance, and commitment that better days lie ahead. Each day there is renewed hope, sense of purpose, and belonging as we continue to come together to help each other and restate our commitment to our community.

The YCBCD Board of Directors, committees and staff, and our exceptional teams in the field, are dedicated to making our neighborhood cleaner, safer, and even more inviting for all. I want to thank each of you for your unwavering commitment to our neighborhood.

Sincerely,

Noah Bartlett

Chair, YCBCD Board of Directors



A handwritten signature in black ink, appearing to read 'Noah Bartlett', written over a horizontal line.

OUR MISSION

WHAT WE DO + WHERE

Every day, our organization dedicates itself to help make Yerba Buena — San Francisco’s cultural hub — a thriving, welcoming, and vibrant downtown neighborhood. To sustain that goal, our district must be clean, safe, and welcoming.

Since 2008, we’ve been working with our volunteer Board of Directors, committees, and community partners on ways to improve Yerba Buena, and in 2015 district property owners renewed our services for 15 more years. The YBCBD’s services focus on cleaning, safety, marketing, events, and more. Our Clean Team scours our streets, sidewalks, and public spaces. Trained Community Guides assist residents, visitors, and people in need, and keep an eye out to report areas in need of cleaning or safety issues. We fund an SFPD Bike Patrol officer to help keep us safe, and we have a Social Service Specialist to help our street population find services.

Our services and programs stretch from Second to Fifth and Market to Perry streets, serving a neighborhood that residents share with world-class museums, convention space, public gardens, and educational institutions, and enjoy exceptional dining, shopping, and entertainment.

SPECIFIC 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.

SFPD BIKE OFFICER. On top of existing police services, the YBCBD funds an SFPD bike patrol officer to keep us safer seven days a week.

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, report safety issues, and help those in need every day.

SOCIAL SERVICES SPECIALIST. Our specialist compassionately connects people living on our neighborhood streets to available services.

MARKETING & EVENTS. We promote Yerba Buena with websites, events, social media, street banners and more in support of neighborhood businesses and organizations.

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

PUBLIC REALM IMPROVEMENTS. We fund and advocate for streetscape projects – large and small – to improve our public spaces.



HOW TO REPORT CLEANLINESS AND NON-EMERGENCY ISSUES

Anyone can report neighborhood cleanliness and non-emergency issues to YBCBD's dispatcher by calling (415) 543-9223, texting (415) 559-1362, emailing dispatch@ybcbd.org, using our free mobile app, YBCBD Assist, or on our website, www.YBCBD.org.

2019-2020 HIGHLIGHTS

CLEAN + SAFE

- Continued daily work to address graffiti, sweeping and steam cleaning sidewalks, cleaning and weeding tree wells, painting poles, mail boxes and fire plugs, monitoring public trash receptacles, and reporting large items to the City for removal.
- Updated and upgraded the app to report cleaning issues from YCBCD Assist to District Report.
- Added 13 more Bigbelly trash receptacles, bringing the neighborhood total to 22.

PROMOTING ARTS, CULTURE + BUSINESS

- Installed new artistic graphics on nine Bigbelly receptacles throughout the district, and celebrated with the artists and Supervisor Matt Haney at a February 2020 ribbon cutting event.
- Redesigned and launched a new promotional website www.visityerbabuena.org to help visitors navigate and access neighborhood retail, restaurants, museums, and activities.
- Worked with local small businesses to create individually produced promotional videos to help them reach a wider audience.
- Awarded grants from our Community Benefit Fund for: an outdoor art installation at the Yerba Buena Center for the Arts; Business

acceleration services with the Renaissance Entrepreneurship Center; Women's Suffrage exhibit at the American Bookbinders Museum; Family activities at the Children's Creativity Museum; Free community day at the Contemporary Jewish Museum; Creating Model Places exhibit at SPUR; and, Halloween Hoopla and the Yerba Buena Gardens Festival.

IMPROVING STREETSCAPES

- Continued working with the Planning Department, Public Works, and a diversity of community stakeholders to discuss a long-term project that will connect Yerba Buena and the Salesforce Transit Center along Natoma and Minna streets.
- Broke ground on the plaza improvement project at Market and North Annie Streets.
- Established and approved a community Matching Grant Program for property owners and tenants interested in making improvements to their buildings that contribute to a safer, more inviting public realm.
- Hosted the YCBCD activity hub between 3rd and 4th Streets as part of the 2nd Sunday Streets SoMa Route in August 2019.

COLLABORATION + ADVOCACY

- Supported public art, community engagement, streetscape improvements, and public safety enhancements through the YCBCD Community Benefit Fund.
- Served 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 the Healthy Streets Operation Center (to inform the City of street conditions in Yerba Buena).
- Hosted presentations and discussions on important topics, such as mental health reform; BART canopy project; an Office of Economic and Workforce Development presentation on the pandemic response; new neighborhood businesses; and the fiscal year audit.



FREE MASK GIVEAWAY WITH SUPERVISOR MATT HANEY AND, COMMUNITY PARTNERS



SUNDAY STREETS, AUGUST 2019



YERBA BUENA NIGHT PERFORMER



MEMBERS OF THE YBCBD SERVICES TEAMS



**NEWLY INSTALLED BIGBELLY
UNITS ADORNED WITH GRAPHIC ART
BY CRYSTAL VIELULA**



2020 YBCB BOARD OF DIRECTORS

PANDEMIC RESPONSE

SUPPORT FOR SMALL BUSINESS, ARTS + NONPROFITS

- Created the Small Business Support Committee to develop a framework to support small businesses in Yerba Buena in their response to the pandemic
 - Reconfigured grant allocations to support small businesses and nonprofits, and provided \$200,000 in grants to nonprofits and small businesses to defray operational costs and for personal protective equipment, and reimbursed small businesses using funds for property protection, such as plywood.
 - Made grants to nonprofits headquartered in the neighborhood with budgets less than \$5 million, such as: American Bookbinders Museum; California Historical Society; Children’s Creativity Museum; Museum of the African Diaspora; Renaissance Entrepreneurship Center; Yerba Buena Arts & Events.
 - Awarded the first Public Realm Improvement Matching Grant to the Academy of Art to install student artwork on the plywood window coverings at both of their New Montgomery locations for temporary display and public enjoyment.
- Provided funding for the Yerba Buena Gardens Lawn Art project, which works with local artists to create artful social distancing designs in the Yerba Buena Gardens as a means of encouraging safe outdoor recreation and engagement.

CLEAN + SAFE

- Secured donation of personal protective equipment for our street teams in collaboration with the Office of Economic and Workforce Development.
- Created and updated a COVID resource page to help people find help in one online location.
- Adjusted the focus for our Community Guides to check in with neighborhood merchants and businesses to assist them during the incremental reopening of the economy, and assist Clean Team colleagues in disinfecting high-touch public surfaces, and continue to report cleaning and safety issues.

BUDGET + BALANCE SHEET

JULY 2019–JUNE 2020 ACTUALS

INCOME	ACTUALS	BUDGET	OVER/(UNDER BUDGET)
Assessments	\$3,176,246.00	\$3,141,485.86	\$34,760.14
Fundraising/In-Kind	\$77,879.00	\$172,781.72	\$(94,902.72)
Interest Income	\$20,023.00	\$24,000.00	\$(3,977.00)
TOTAL INCOME	\$3,274,148.00	\$3,338,267.58	\$64,119.58
EXPENSES	ACTUALS	BUDGET	OVER/(UNDER BUDGET)
Management & Operations	\$433,502.00	\$518,952.65	\$(85,450.65)
Cleaning & Streetscape Improvements	\$1,139,493.00	\$1,993,563.63	\$(854,070.63)
Safety & Security	\$1,359,393.00	\$1,566,862.78	\$(207,469.78)
Branding, Activation & Marketing	\$449,219.00	\$586,573.74	\$(137,354.74)
Fiscally Sponsored Projects	\$5,312.00	-	\$5,312.00
Contingency	-	-	-
TOTAL EXPENSES	\$3,386,919.00	\$4,665,952.80	\$(1,279,033.80)
NET INCOME/(CARRYOVER USED)	\$(112,771.00)	\$(1,327,685.22)	\$1,214,914.22

JULY 2019–JUNE 2020 BALANCE SHEET

ASSETS

Cash in Bank	\$4,394,119.00
Certificates of Deposit	\$248,682.00
A/R, Net	-
Other	\$322,826.00
TOTAL ASSETS	\$4,965,627.00

LIABILITIES

Accounts Payable	\$196,289.00
Other Liabilities	\$27,971.00
TOTAL LIABILITIES	\$224,260.00

NET ASSETS

Without donor restrictions	\$4,646,839.00
With donor restrictions	\$94,528.00
TOTAL NET ASSETS (CARRYOVER)	\$4,741,367.00

TOTAL LIABILITIES & NET ASSETS

\$4,965,627.00

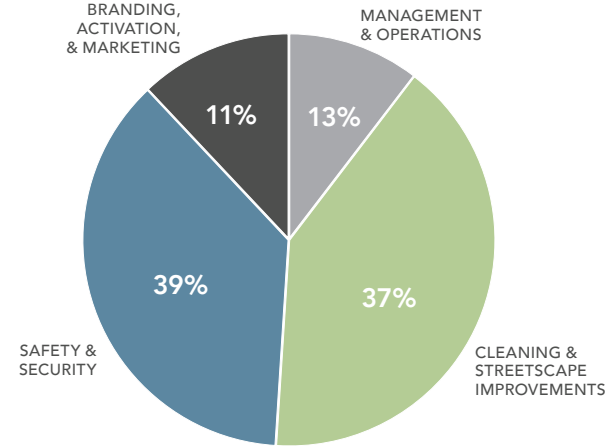
JULY 2020–JUNE 2021 BUDGET

INCOME

Assessments	\$3,141,486
Fundraising/In-Kind	\$172,782
Interest Income	\$18,000
Carryover Used	\$1,033,197
TOTAL INCOME	\$4,365,465

EXPENSES

Management & Operations	\$550,772
Cleaning & Streetscape Improvements	\$1,619,663
Safety & Security	\$1,714,983
Branding, Activation, & Marketing	\$480,046
TOTAL EXPENSES	\$4,365,464



FY2020-2021 BUDGET

CARRYOVER

CARRYOVER	AS OF 6.30.20	BUDGETED FOR FY21	BUDGETED FOR FUTURE YEARS
Management & Operations	\$1,552,184.00	\$246,925.00	\$1,305,259.00
Cleaning & Streetscape Improvements	\$2,551,898.00	\$561,467.00	\$1,990,431.00
Safety & Security	\$138,967.00	\$131,037.00	\$7,930.00
Branding, Activation, & Marketing	\$106,042.00	\$93,768.00	\$12,274.00
Fiscally Sponsored Projects	\$94,528.00	-	\$94,528.00
Other Projects	-	-	-
Capital Assets	\$297,748.00	-	\$297,748.00
TOTALS	\$4,741,367.00	\$1,033,197.00	\$3,708,170.00

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 were approved as part of the YCBCD renewal in 2015. The district includes parcels from Second to Fifth streets and Market to Perry streets. Specific information on YCBCD boundaries is in the District Management Plan at 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 \$9.88 based on the FY18-19 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:

[(Linear Frontage + Building Factor) x Zone Factor] x Land Use = Total # of Benefit Points

[(50 + 2) x 1.5] x 4 = 300 Benefit Points

300 x \$9.88 = \$2,964.00 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.



PHOTO CREDITS

Cover Photo
Tommy Lau

Page 5
Hiromi Yoshida

Page 7
Richard Ciccarone

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Constance Cavallas

Page 9
All photos by
Terilyn Steverson

Page 10
Terilyn Steverson

Page 15
Terilyn Steverson

Back Cover
Richard Ciccarone

YBCBD BOARD OF DIRECTORS

BOARD CHAIR

Lynn Farzaroli, Lynn Farzaroli, SF Travel Association, Visitor Center

BOARD VICE CHAIR

Noah Bartlett, SFMOMA**

SECRETARY/TREASURER

Scott Rowitz, Yerba Buena Gardens Conservancy

BOARD MEMBERS

David Allison, Resident

Michael Baier, Park Central Hotel**

Catherine Bartels, Bloomingdale's*

Mark Beevor, Hotel Zetta**

Andrew Bryant, MJM Management Group**

Clif Clark, The Palace Hotel

William Clements, Resident **

Michelle Delaney, 111 Minna Gallery

James Gordon, St. Regis Hotel & Residences*

Rachel Gordon, San Francisco Public Works**

Katharine Greenbaum, Children's Creativity Museum

Peter Hartman, Resident *

Kerry King, The Contemporary Jewish Museum

Lisa Kirvin, Renaissance Entrepreneurship Center*

Lawrence Li, SPUR

Frank Miskus, Brookfield Office Properties

John Noguchi, The Moscone Center

Tara Patanian, Resident**

Jason Phillips, Patelco Credit Union

Richard Rendon, VA Community-Based Outpatient Clinic

Gail Ringer, Kilroy Realty*

Bob Sassani, Virgin Hotels

Wilfred Selvaraj, Resident**

Micah Tell, The Keystone

Monetta White, Museum of the African Diaspora

Brennan Zerbe, Hearst Corporation

*Officer/Director term ended January 2020

**Officer/Director term started January 2020

YBCBD COMMITTEES

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

YBCBD STAFF

Cathy Maupin, Executive Director

Constance Cavallas, Director of Neighborhood Services & Projects

Richard Ciccarone, Director of Branding, Activation, and Marketing

Sophia Cross, Administrative Manager

COMMUNITY SUPPORT

The YBCBD would like to thank the individuals and organizations below for their financial contributions and in-kind support.

111 Minna Gallery, Bloomingdale's, Brookfield Office Properties, California Historical Society, Contemporary Jewish Museum, Hearst Corporation, Impark, JMA Ventures, Kyoya Hotels & Resorts, MJM Management Group, Cathy Maupin, The Moscone Center, The Palace Hotel, Red Door Coffee, San Francisco Media Company, San Francisco Marriott Marquis, SFMOMA, San Francisco Travel Association, SFMTA, SPUR, St. Regis Hotel, 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@ybcbd.org

W www.ybcbd.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@ybcbd.org

TEXT: 415-559-1362

ONLINE: www.YBCBD.org

MOBILE APP: District Report 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.ybcbd.org and about neighborhood offerings and happenings at www.visityerbabuena.org.

Financial Reporting

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

SA 96 - Yerba Buena	FY 2019-20									
	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2019-20 Budget	General Benefit Dollars	FY 2019-20 Assessment Budget	% of Budget	Variance	Source
SA 96 - Yerba Buena CBD - Cleaning and Streetscape Improvements	\$ 1,281,655.91	\$ 65,108.12	\$ 1,216,547.79	40.66%	\$ 1,993,563.63	\$ 101,273.03	\$ 1,892,290.60	42.73%	42.73%	2.06%
SA 96 - Yerba Buena CBD - Safety and Security Program	\$ 1,024,744.40	\$ 52,057.02	\$ 972,687.38	32.51%	\$ 1,566,862.79	\$ 79,596.63	\$ 1,487,266.16	33.58%	33.58%	1.07%
SA 96 - Yerba Buena CBD - Branding, Activation, and Marketing Program	\$ 434,614.14	\$ 22,078.40	\$ 412,535.74	13.79%	\$ 586,573.73	\$ 29,797.95	\$ 556,775.78	12.57%	12.57%	-1.22%
SA 96 - Yerba Buena CBD - Management and Operations	\$ 410,811.64	\$ 20,869.23	\$ 389,942.41	13.03%	\$ 518,952.65	\$ 26,362.79	\$ 492,589.86	11.12%	11.12%	-1.91%
Contingency and Reserve	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	0.00%	0.00%
0	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	0.00%	0.00%
0	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	0.00%	0.00%
TOTAL	\$ 3,151,826.09	\$ 160,112.77	\$ 2,991,713.32	100.00%	\$ 4,665,952.80	\$ 237,030.40	\$ 4,428,922.40	100.00%	100.00%	

BENCHMARK 2: General Benefit Requirement **5.08%**

Revenue Sources	FY 2019-2020 Actuals	% of actuals	Source
Assessment Revenue	\$ 3,176,246.00		
Total Assessment (Special Benefit) Revenue	\$ 3,176,246.00	97.01%	
Contributions and Sponsorships	\$ 29,999.00	0.92%	
Grants	\$ -	0.00%	
Donations	\$ -	0.00%	
Interest Earned	\$ 20,023.00	0.61%	
Earned Revenue	\$ -	0.00%	
Other	\$ 47,880.00	1.46%	
Total Non-Assessment (General Benefit) Revenue	\$ 97,902.00	2.99%	
Total	\$ 3,274,148.00	100.00%	

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

SA 96 - Yerba Buena	FY 2019-20										Variance (Assessment)	Variance (Total Budget)	Source
	FY 2019-20 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% Budget (Total Budget)	Actuals	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)			
SA 96 - Yerba Buena CBD - Cleaning and Streetscape Improvements	\$ 1,993,563.63	\$ 1,892,290.60	\$ 101,273.03	42.73%	42.73%	\$ 1,139,493.00	\$ 1,101,808.87	\$ 37,684.13	33.50%	33.64%	-9.23%	-9.08%	
SA 96 - Yerba Buena CBD - Safety and Security Program	\$ 1,566,862.79	\$ 1,487,266.16	\$ 79,596.63	33.58%	33.58%	\$ 1,359,393.00	\$ 1,329,301.25	\$ 30,091.75	40.42%	40.14%	6.84%	6.56%	
SA 96 - Yerba Buena CBD - Branding, Activation, and Marketing Program	\$ 586,573.73	\$ 556,775.78	\$ 29,797.95	12.57%	12.57%	\$ 449,219.00	\$ 436,441.58	\$ 12,777.42	13.27%	13.26%	0.70%	0.69%	
SA 96 - Yerba Buena CBD - Management and Operations	\$ 518,952.65	\$ 492,589.86	\$ 26,362.79	11.12%	11.12%	\$ 433,502.00	\$ 421,465.30	\$ 12,036.70	12.81%	12.80%	1.69%	1.68%	
Contingency and Reserve	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
SA 96 - Fiscally Sponsored Projects	\$ -	\$ -	\$ -	0.00%	0.00%	\$ 5,312.00	\$ -	\$ 5,312.00	0.00%	0.16%	0.00%	0.16%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
TOTAL	\$ 4,665,952.80	\$ 4,428,922.40	\$ 237,030.40	100.00%	100.00%	\$ 3,386,919.00	\$ 3,289,017.00	\$ 97,902.00	100.00%	100.00%			

BENCHMARK 4: Whether CBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

FY 2019-20 Carryover Disbursement	\$ 4,741,367.00	Source	Spenddown Timeline
General Benefit Project			
General Benefit Project 1	\$ 94,528.00	Other Projects	FY20-21
General Benefit Project 2	\$ -		
General Benefit Project 3	\$ -		
General Benefit Project 4	\$ -		
	\$ -		
	\$ -		
	\$ -		
General Project Total	\$ 94,528.00		
Special Assessment Project			
SA 96 - Yerba Buena CBD - Cleaning and Streetscape Improvements	\$ 2,551,898.00		by FY26
SA 96 - Yerba Buena CBD - Safety and Security Program	\$ 138,967.00		by FY26
SA 96 - Yerba Buena CBD - Branding, Activation, and Marketing Program	\$ 106,042.00		by FY26
SA 96 - Yerba Buena CBD - Management and Operations	\$ 1,552,184.00		by FY26
Contingency and Reserve	\$ -		
Capital Assets	\$ 297,748.00		by FY26
Special Project Total	\$ 4,646,839.00		
Total Designated Amount for FUTURE YEARS	\$ 4,741,367.00		



*Report of Independent Auditors and
Financial Statements*

Yerba Buena Community Benefit District

June 30, 2020 and 2019



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Report of Independent Auditors

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, which comprise the statements of financial position, as of June 30, 2020 and 2019, 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.

Auditor's 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 audits 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 auditor's 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.

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, 2020 and 2019, 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.

Moss Adams LLP

San Francisco, California
September 18, 2020

Financial Statements

Yerba Buena Community Benefit District
Statements of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 4,394,119	\$ 3,417,854
Certificates of deposit	248,682	997,250
Assessments receivable, net	-	544
Loan receivable	-	300,000
Prepaid expenses	25,078	24,177
Capital assets, net	<u>297,748</u>	<u>343,705</u>
 Total assets	 <u>\$ 4,965,627</u>	 <u>\$ 5,083,530</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 196,289	\$ 208,970
Accrued payroll and other benefits	<u>27,971</u>	<u>20,422</u>
 Total liabilities	 <u>224,260</u>	 <u>229,392</u>
NET ASSETS		
Without donor restrictions	4,646,839	4,562,125
With donor restrictions	<u>94,528</u>	<u>292,013</u>
 Total net assets	 <u>4,741,367</u>	 <u>4,854,138</u>
 Total liabilities and net assets	 <u>\$ 4,965,627</u>	 <u>\$ 5,083,530</u>

Yerba Buena Community Benefit District
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2020 and 2019

	2020		2019	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
		Total		Total
SUPPORT AND REVENUE				
Assessment revenue	\$ 3,176,246	\$ 3,176,246	\$ 3,078,768	\$ 3,078,768
Contributions	29,649	29,999	45,059	320,059
Other income	47,880	47,880	25,437	25,437
Investment income	20,023	20,023	36,351	36,351
Net assets released from restrictions	197,835	(197,835)	18,359	(18,359)
Total support and revenue	3,471,633	3,274,148	3,203,974	3,460,615
EXPENSES				
Program services	2,953,417	2,953,417	2,646,079	2,646,079
Supporting services:				
Management and operations	393,477	393,477	316,348	316,348
Fundraising	40,025	40,025	33,756	33,756
Total expenses	3,386,919	3,386,919	2,996,183	2,996,183
Change in net assets	84,714	(197,485)	207,791	464,432
NET ASSETS, at beginning of year	4,562,125	4,854,138	4,354,334	4,389,706
NET ASSETS, at end of year	\$ 4,646,839	\$ 4,741,367	\$ 4,562,125	\$ 4,854,138

Yerba Buena Community Benefit District
Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services				Supporting Services			
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Community guides	\$ -	\$ 760,745	\$ -	\$ -	\$ 760,745	\$ -	\$ -	\$ 760,745
Cleaning contract	786,262	-	-	-	786,262	-	-	786,262
Public safety	-	461,649	-	-	461,649	-	-	461,649
Salaries and benefits	85,012	95,885	130,498	-	311,395	172,555	40,025	523,975
Consulting fees	36,756	-	5,880	-	42,636	85,227	-	127,863
Grants	20,000	15,000	112,000	-	147,000	-	-	147,000
Events	-	-	111,911	-	111,911	1,000	-	112,911
Greening expenses	15,655	-	-	-	15,655	-	-	15,655
Marketing and branding	-	-	59,661	-	59,661	-	-	59,661
Rent and utilities	9,717	10,159	9,938	-	29,814	21,125	-	50,939
In-kind goods and services	-	5,029	8,000	-	13,029	12,575	-	25,604
Depreciation and amortization	-	-	-	-	-	49,492	-	49,492
Other expenses	177,358	-	6,641	5,312	189,311	26,124	-	215,435
Office supplies and postage	-	-	4,690	-	4,690	10,864	-	15,554
Bad debt expense	-	-	-	-	-	14,515	-	14,515
Uniforms	8,733	10,926	-	-	19,659	-	-	19,659
Total expenses	\$ 1,139,493	\$ 1,359,393	\$ 449,219	\$ 5,312	\$ 2,953,417	\$ 393,477	\$ 40,025	\$ 3,386,919

Yerba Buena Community Benefit District
Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services				Supporting Services			
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Community guides	\$ -	\$ 699,731	\$ -	\$ -	\$ 699,731	\$ -	\$ -	\$ 699,731
Cleaning contract	689,082	-	-	-	689,082	-	-	689,082
Public safety	-	400,197	-	-	400,197	-	-	400,197
Salaries and benefits	103,361	112,590	101,827	-	317,778	145,650	33,756	497,184
Consulting fees	25,538	-	-	1,287	26,825	87,448	-	114,273
Grants	26,250	5,000	121,250	-	152,500	-	-	152,500
Events	-	-	127,291	-	127,291	1,301	-	128,592
Greening expenses	82,927	-	-	-	82,927	-	-	82,927
Marketing and branding	-	-	81,293	-	81,293	-	-	81,293
Rent and utilities	9,717	10,159	9,938	-	29,814	25,188	-	55,002
In-kind goods and services	-	-	8,000	-	8,000	35,999	-	43,999
Depreciation and amortization	-	-	-	-	-	37,506	-	37,506
Other expenses	10,000	-	4,248	573	14,821	24,530	-	39,351
Office supplies and postage	-	-	2,070	-	2,070	15,058	-	17,128
Bad debt recovery	-	-	-	-	-	(56,332)	-	(56,332)
Uniforms	6,875	6,875	-	-	13,750	-	-	13,750
Total expenses	\$ 953,750	\$ 1,234,552	\$ 455,917	\$ 1,860	\$ 2,646,079	\$ 316,348	\$ 33,756	\$ 2,996,183

Yerba Buena Community Benefit District
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (112,771)	\$ 464,432
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Unrealized loss (gain)	4,092	(4,587)
Change in allowance for bad debt	14,515	(57,279)
Depreciation and amortization	49,492	37,506
Change in operating assets and liabilities:		
Assessments receivable	(13,971)	169,334
Prepaid expenses	(901)	(2,087)
Accounts payable and accrued expenses	(12,681)	(319,882)
Accrued payroll and other benefits	7,549	(2,275)
	<u> </u>	<u> </u>
Net cash (used in) provided by operating activities	<u>(64,676)</u>	<u>285,162</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Purchases of certificates of deposit	-	(1,980,000)
Proceeds on maturity of certificates of deposit	744,476	1,482,218
Purchase of capital assets	(3,535)	(69,855)
Proceeds from (payments on) loan receivable	300,000	(300,000)
	<u> </u>	<u> </u>
Net cash provided by (used in) from investing activities	<u>1,040,941</u>	<u>(867,637)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	976,265	(582,475)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,417,854</u>	<u>4,000,329</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,394,119</u>	<u>\$ 3,417,854</u>

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities – 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 June 30, 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, and mailboxes.
- **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.
- **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 14 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.

Yerba Buena Community Benefit District

Notes to Financial Statements

- **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.
- **Annie Street Project** – The Annie North Plaza project is made possible through a public private partnership between San Francisco Public Works, the YBCBD, and the adjacent property owners to the plaza. The new design will remove old planters at the intersection of Market Street and Annie Alley to meet several goals of the YBCBD's 2019 Street Life Plan, such as creating more flexible open space, and establishing better connections to alleyways (Annie, Jessie, and Stevenson). The project broke ground in calendar year 2019 and is expected to be completed in calendar year 2020.

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 two classes of net assets: with donor restrictions and without donor restrictions. Accordingly, the net assets of the YBCBD are classified and reported as described below:

Without donor restrictions: 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. Board-designated net assets were \$4,646,839 and \$4,562,125 as of June 30, 2020 and 2019.

With donor restrictions: 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. Those also include (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.

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.

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 using maturity and interest rates as observable inputs.

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

Yerba Buena Community Benefit District Notes to Financial Statements

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, 2020 and 2019, the allowance for uncollectible assessments was \$162,653 and \$148,138, respectively.

Loan receivable – 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 total loan amount was repaid in the current year before the due date of July 1, 2020. As of June 30, 2020 and 2019, the loan receivable balance was \$0 and \$300,000, 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 statements of activities and changes in net assets.

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, 2020 and 2019.

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. Accrued vacation as of June 30, 2020 and 2019, was \$27,971 and \$20,422, respectively.

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 support under net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as support under net assets with donor restrictions.

Yerba Buena Community Benefit District

Notes to Financial Statements

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.

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 support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as donor 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 net assets with donor restrictions to net assets without donor restrictions at that time. For the years ended June 30, 2020 and 2019, 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, 2020 and 2019, the YBCBD received contributed goods and services in the amounts of \$25,604 and \$43,999, respectively.

Advertising – The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2020 and 2019, was \$24,184 and \$27,191, respectively.

Grants – Grants are recognized when the unconditional promise to give is approved. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. As of June 30, 2020 and 2019, there were no conditional grants.

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, 2020 and 2019, revealed no tax positions that would have a material impact on the financial statements.

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.

Yerba Buena Community Benefit District

Notes to Financial Statements

Concentration 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 Federal Deposit Insurance Corporation (“FDIC”) thresholds. 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, 2020, 47% of assessments receivable were due from three property owners. As of June 30, 2019, 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. Personnel costs are allocated based on estimated time worked in each program area, or on fundraising or administrative tasks. Other shared costs, such as rent and utilities, are based on estimated full time equivalents assigned to each area.

Reclassifications – Certain prior year amounts have been reclassified to conform with current year presentation. The reclassification had no effect on the YBCBD’s financial position, changes in net assets, or cash flows.

Use of 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.

New accounting pronouncements – During fiscal year ended June 30, 2020, the YBCBD adopted Accounting Standards Update (“ASU”) No. 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*. The adoption did not have a significant impact on the financial statements.

During the fiscal year ended June 30, 2020, the YBCBD also adopted ASU 2016-15, *Statement of Cash Flows (Topic 230) – Classification of Certain Cash Receipts and Cash Payments*. The adoption did not have a significant impact on the financial statements.

Subsequent events – Subsequent events are events or transactions that occur after the statements of financial position date but before the financial statements are available to be issued. The YBCBD recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The YBCBD’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before the financial statements were available to be issued.

Yerba Buena Community Benefit District

Notes to Financial Statements

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.

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, 2020 and 2019.

Certificates of deposit: The fair value is based on maturity and interest rates as observable inputs. 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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 248,682</u>	<u>\$ -</u>	<u>\$ 248,682</u>

The following table provides information about YBCBD's financial assets measured at fair value on recurring basis as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 997,250</u>	<u>\$ -</u>	<u>\$ 997,250</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, 2020 and 2019.

Yerba Buena Community Benefit District
Notes to Financial Statements

NOTE 3 – CAPITAL ASSETS

	2020	2019
Public art	\$ 352,447	\$ 352,447
Website development	32,000	32,000
Street furniture	40,424	40,424
Furniture and equipment	30,940	10,773
	455,811	435,644
Less accumulated depreciation	(163,112)	(114,794)
	292,699	320,850
Construction in progress	5,049	22,855
Total capital assets	\$ 297,748	\$ 343,705

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30 consisted of the following:

	2020	2019
Board-designated:		
Cleaning and Streetscape Improvements	\$ 2,551,898	\$ 2,255,269
Management and operations	1,552,184	1,378,477
Safety and security	138,967	473,350
Branding, activation, and marketing	106,042	111,324
Sponsored projects:		
Invested in capital assets	297,748	343,705
Total	\$ 4,646,839	\$ 4,562,125

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30 may be expended for:

	2020	2019
Sponsored projects:		
Annie Street	\$ 94,528	\$ 275,000
Sites Unseen	-	17,013
Total	\$ 94,528	\$ 292,013

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Sponsored projects:		
Annie Street	\$ 180,822	\$ -
Sites Unseen	17,013	16,859
Other	-	1,500
	<u> </u>	<u> </u>
Total	<u>\$ 197,835</u>	<u>\$ 18,359</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, 2020 and 2019, was \$147,000 and \$152,500, respectively. Grants payable at June 30, 2020 and 2019, were \$0 and \$7,500, respectively, and are payable within one year.

NOTE 8 – RETIREMENT PLAN

The YBCBD established an employer noncontributory 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 has a month-to-month operating lease agreement for office space in San Francisco, California.

The YBCBD also is obligated under a non-cancellable lease for office equipment that requires monthly lease payments and expires in November 2022.

The following is a schedule of minimum non-cancellable lease commitments:

<u>Year Ending December 31,</u>	
2021	\$ 37,861
2022	31,401
	<u> </u>
	<u>\$ 69,262</u>

Rent expense for the years ended June 30, 2020 and 2019, was \$73,549, and \$50,672, respectively.

Yerba Buena Community Benefit District Notes to Financial Statements

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, 2020 and 2019, was \$44,261 and \$45,592, 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.

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.

The loan receivable with Yerba Buena Gardens Conservancy is also a related-party transaction. See Note 1.

NOTE 11 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects YBCBD's financial assets as of June 30:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents	\$ 4,394,119	\$ 3,417,854
Certificates of deposit	248,682	997,250
Assessment receivables, net	-	544
Loans receivable, net	<u>-</u>	<u>300,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 4,642,801</u>	<u>\$ 4,715,648</u>

All financial assets are available for general expenditure within one year of June 30, 2020 and 2019. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Yerba Buena Community Benefit District derives approximately 95% of its annual budget from assessment payments from property owners. The target minimum funds available in reserve for the YBCBD is eight months of average operating costs. The calculation of average monthly operating costs is based on the YBCBD's annual budget. Board-designated net assets cover most of the general expenditures of YBCBD within a year.

NOTE 12 – SUBSEQUENT EVENTS

In 2020, the World Health Organization declared the novel coronavirus outbreak a public health emergency. The outbreak has disrupted economic markets and increased volatility. The duration and economic impact of the outbreak is uncertain but could have a material impact to the YBCBD's liquidity.

Yerba Buena Community Benefit District Notes to Financial Statements

The YBCBD has evaluated subsequent events through September 18, 2020, which is the date the financial statements were available to be issued.

MEMO

To: Matt Haney, District 6 Supervisor

CC: San Francisco Board of Supervisors

From: Chris Corgas; OEWD Senior Program Manager

RE: Yerba Buena Community Benefit District FY 2019-20 Annual Report

Date: July 22, 2021

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, 2019 and June 30, 2020.

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 2019-2020
2. CPA Financial Review Reports
 - a. FY 2019-2020
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).
- October 29, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2017-2018 (Resolution #468-19)
- December 1, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2018-2019 (Resolution #539-20)

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
FY 2021-20 Assessment Submission	\$3,151,269.00
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.ybcbd.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 YCBCD community on a variety of strategies and initiatives to prevent crime and increase pedestrian safety throughout the District. The YCBCD 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. The YCBCD also contracts with SFPD for a bike patrol officer to address nuisance and quality of life issues.

Branding, Activation, and Marketing Program

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

Management and Operations

The YCBCD 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 Services and Project, a Director of Branding, Marketing and Activation, and an Administrative Manager. The YCBCD Management Plan calls for 13% of the budget to be spent on administration and corporate operations.

The YCBCD 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 YCBCD 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 2nd Monday of March and October
- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the month
- **Marketing** - the first Wednesday of the month
- **Services** - the second Thursday of the month
- **Streets and Public Space** –the Second Wednesday of the month

Ad Hoc Committees

- **Audit** –as needed

- **Nominating** – as needed
- **Small Business Support Committee** – as needed

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2019-2020

Cleaning and Streetscape Improvements

- Removed 418,750 pounds of trash from YBCBD public rights-of-way
- Steam cleaned more than 12 million feet of sidewalk frontage
- Removed 2,474 instances of graffiti tags, flyers and stickers
- Completed more than 647 requests for sidewalk sweeping, steam cleaning, and spot cleaning
- Updated and upgraded the app to report cleaning issues
- Supported installation of public art on a private boarded business via a matching grant

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
- Responded to 1,455 calls for service
- SFPD 10B Bike Patrol officers worked 12-14 hour shifts daily to address quality of life issues and provide a reassuring presence in the district

Branding, Activation, and Marketing

- Installed new artistic graphics on nine Bigbelly receptacles throughout the District.
- Worked with local small business to create individually produced promotional videos to help them reach a wider audience.
- Awarded grants from the Community Benefit Fund for an outdoor art installation at Yerba Buena Center for the Arts, business acceleration services with the Renaissance Entrepreneurship Center, Women’s Suffrage exhibit at American Bookbinders Museum, Halloween Hoopla, and the Yerba Buena Gardens Festival

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 2019-2020

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

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

Service Category	Management Plan Budget (Percentage)	FY 2019-2020 Budget – Asst. (Percentage)	FY 2019-2020 Budget – Total. (Percentage)	Variance % Points – Asst.	Variance % Points - Total
Cleaning and Streetscape Improvements	\$1,281,665.91 (40.66%)	\$1,892,290.60 (42.73%)	\$1,993,563.63 (42.73%)	+2.06%	+2.06%
Safety and Security	\$1,024,744.40 (32.51%)	\$1,487,266.16 (33.58%)	\$1,566,862.79 (33.58%)	+1.07%	+1.07%
Branding, Activation, and Marketing	\$434,614.14 (13.79%)	\$556,775.78 (12.57%)	\$586,573.73 (12.57%)	-1.22%	-1.22%
Management and Operations	\$410,811.64 (13.03%)	\$492,589.86 (11.12%)	\$518,952.65 (11.12%)	-1.91%	-1.91%
TOTAL	\$3,151,826.09 (100%)	\$4,428,922.40 (100%)	\$4,665,952.80 (100%)		

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

ANALYSIS: *YBCBD did not meet this requirement. Assessment revenue was \$3,078,768.00 or 88.97% of actuals and non-assessment revenue was \$97,902.00 or 2.99% of actuals. See table below.*

Revenue Sources	FY 2019-2020 Actuals	% of Actuals
Special Benefit Assessments	\$3,176,246.00	97.01%
Total assessment revenue	\$3,176,246.00	97.01%
Contributions and Sponsorships	\$29,999.00	0.92%
Interest Earned	\$20,023.00	0.61%
Other Revenue	\$47,880.00	1.46%
Total non-assessment revenue	\$97,902.00	2.99%
Total	\$3,273,148.00	100%

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 met this requirement. See table below.*

Service Category	FY 2019-2020 Budget – Asst. (Percentage)	FY 2019-2020 Budget – Total (Percentage)	FY 2019-2020 Actuals – Asst. (Percentage)	FY 2019-2020 Actuals – Total (Percentage)	Variance % Points – Asst.	Variance % Points – Total
Cleaning and Streetscape Improvements	\$1,892,290.60 (42.73%)	\$1,993,563.63 (42.73%)	\$1,101,808.87 (33.50%)	\$1,139,493.00 (33.64%)	-9.23%	-9.08%
Safety and Security	\$1,487,266.16 (33.58%)	\$1,566,862.79 (33.58%)	\$1,329,301.25 (40.42%)	\$1,359,393.00 (40.14%)	+6.84%	+6.56%
Branding, Activation, and Marketing	\$556,775.78 (12.57%)	\$586,573.73 (12.57%)	\$436,441.58 (13.27%)	\$449,219.00 (13.26%)	+0.70%	+0.69%
Management and Operations	\$492,589.86 (11.12%)	\$518,952.65 (11.12%)	\$421,465.30 (12.81%)	\$433,502.00 (12.80%)	+1.69%	+1.68%
Fiscally Sponsored Projects	---	---	---	\$5,312.00 (0.16%)	---	+0.16%
TOTAL	\$4,428,922.40 (100%)	\$4,665,952.80 (100%)	\$3,289,017.00 (100%)	\$3,386,919.00 (100%)		

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BENCHMARK 4: Whether YCBCD 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: *YCBCD 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.*

FY 2019-2020 Carryover Disbursement	
Designated Projects	
Cleaning and Streetscape Improvements	\$2,551,898.00
Safety and Security	\$138,967.00
Branding, Activation, and Marketing	\$106,042.00
Management and Operations	\$1,552,184.00
Capital Assets	\$297,748,00
Total Designated Amount for Future Years	\$ 4,646,839.00

Findings and Recommendations

The Yerba Buena CBD met 3 out of the 4 benchmarks as defined on pages 4 and 5 of this memo. YCBCD missed benchmark 2 which compares assessment revenue with non-assessment revenue. YCBCD can correct this by soliciting both financial and in-kind donations and applying for grants. This deviation is likely caused by the impacts of the Covid-19 global pandemic on the CBD’s donor base and ability to complete restricted projects. YCBCD has a strong history of meeting all of these benchmarks since its inception. OEWD believes that the CBD is well positioned to meet this benchmark in future fiscal years. .

In the first half of FY 2019-2020 the Yerba Buena CBD successfully continued to successfully implement its special cleaning and safety related services. They CBD awarded grants from their Community Benefit Fund for an outdoor art installation at Yerba Buena Center for the Arts, business acceleration services with the Renaissance Entrepreneurship Center, Women’s Suffrage exhibit at American Bookbinders Museum, Halloween Hoopla, and the Yerba Buena Gardens Festival. YCBCD also continued thinking about the long-term health of the neighborhood by working with the Planning Department, Public Works, and community stakeholders to discuss a long-term project to connect the neighborhood with the Salesforce Transit Center along Natoma and Minna streets.

The second half of FY 2019-2020 was particularly challenging for the Yerba Buena CBD as well as property owners and businesses in the area. In February 2020 visitor traffic to the area began to decline due to the emergence of the Covid-19 global pandemic. On March 16, 2020 Mayor London N. Breed announced that that the Health Officer for the City County of San Francisco issued a Public Health Order

requiring residents to remain at home, with the exception of essential needs. Additionally, all businesses other than Essential Businesses and Essential Government Functions, were required to cease all operations. All public and private gatherings of any number of people occurring outside a single family or living unit were also prohibited. This has a significant impact on this CBD due to its proximity to the Moscone Convention Center and downtown offices.

This order was particularly confusing to the Community Benefit District/Business Improvement District community in San Francisco as, by definition, they provide supplemental service and no direction was provided on whether or not they were to cease operations. The Yerba Buena CBD did suspended operations in the early days of the pandemic out of an abundance of caution.. CBD/BIDs played an important role in facilitating communication between the City and their stakeholders throughout the pandemic.

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

During the pandemic OEWD worked with the Covid Command Center to ensure that CBD/BID essential workers were not forgotten during the Covid response and was able to acquire personal protective equipment and hygiene supplies to keeps workers and the community safe. CBD/BIDs played an important role in facilitating communication between the City and their stakeholders throughout the pandemic. The Yerba Buena CBD worked with the Covid Command Center, through OEWD, to disseminate Covid-19 related information to its stakeholders and provided safety kits to the unhoused community and commuters within the District.

In addition to working with the City and County of San Francisco, the Yerba Buena CBD developed a robust pandemic response of its own. The CBD supported neighborhood nonprofits headquartered in the district, with budgets less than \$5 million, through its Community Benefit Fund. Recipients included American Bookbinders Museum, California Historical Society, Children's Creativity Museum, Museum of the African Diaspora, and Renaissance Entrepreneurship Center. The CBD reconfigured its grant allocations to support small businesses and nonprofits, and provided \$200,000 in grants to nonprofits and small businesses to defray operational costs and for personal protective equipment, and reimbursed small businesses using funds for property protection, such as plywood. They also adjusted the focus for their Community Guides to check in with neighborhood merchants and businesses to assist them during the incremental reopening of the economy, and assist Clean Team colleagues in disinfecting high-touch public surfaces, and continue to report cleaning and safety issues.

Yerba Buena CBD continues to identify needs and solutions to bring back conventioners and office workers to the area which are vital to the economic health for the neighborhoods small businesses.

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



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MEMORANDUM

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

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

DATE: August 4, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Haney on July 27, 2021:

File No. 210880

Resolution receiving and approving an annual report for the Yerba Buena Community Benefit District for Fiscal Year (FY) 2019-2020, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Offices of Chair Preston and Supervisor Haney
Todd Rydstrom, Office of the Controller
J'Wel Vaughan, Office of Economic and Workforce Development
Anne Taupier, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

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

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

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

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

Sponsor(s):

Haney

Subject:

Yerba Buena Community Benefit District – Annual Report to the City – FY 2019-2020

The text is listed:

Resolution receiving and approving annual report for the Yerba Buena Community Benefit District for FY 2019-2020, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District’s management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: