

File No. 230844

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: March 7, 2024

Board of Supervisors Meeting:

Date: _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- Annual Report FY2021-2022
- North of Market/TCBC Financial Statements 063022
- OEWD Memo 071323
- _____
- _____
- _____
- _____

Prepared by: Monique Crayton

Date: March 1, 2024

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [North of Market/Tenderloin Community Benefit District - Annual Report - FY2021-2022]

2

3 **Resolution receiving and approving an Annual Report for the North of**
4 **Market/Tenderloin Community Benefit District for Fiscal Year (FY) 2021-2022, submitted**
5 **as required by the Property and Business Improvement District Law of 1994 (California**
6 **Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District’s**
7 **management agreement with the City, Section 3.4.**

8

9 WHEREAS, On June 7, 2005, 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. 422-05, expressing the City’s intention to
13 establish the North of Market Tenderloin Community Benefit District (the “North of
14 Market/Tenderloin CBD”); and

15 WHEREAS, On August 9, 2005, the Board of Supervisors adopted Resolution
16 No. 584-05 establishing the North of Market/Tenderloin CBD ("Resolution to Establish") for a
17 period of 15 years, commencing Fiscal Year (FY) 2005-2006; and

18 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
19 No. 15-06, authorizing an agreement with the owners' association for the
20 administration/management of the North of Market/Tenderloin CBD, and a management
21 agreement (the “Management Contract”) with the owners' association, the North of
22 Market/Tenderloin Community Benefit 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. 052018; and

25

1 WHEREAS, On April 23, 2019, pursuant to the Property and Business Improvement
2 District Law of 1994 (the “Act”), California Streets and Highways Code Sections 36600 *et*
3 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
4 the Board of Supervisors adopted Resolution No. 195-19, expressing the City’s intention to
5 renew and expand the North of Market/Tenderloin Community Benefit District (the “North of
6 Market/Tenderloin CBD”); and

7 WHEREAS, On June 25, 2019, the Board of Supervisors adopted Resolution
8 No. 297-19 renewing and expanding the North of Market/Tenderloin CBD (“Resolution to
9 Establish”) for a period of 15 years, commencing FY 2019-2020; and

10 WHEREAS, On November 19, 2019, the Board of Supervisors adopted Resolution
11 No. 508-19, authorizing an agreement with the owners' association for the
12 administration/management of the North of Market/Tenderloin CBD, and a management
13 agreement (the “Management Contract”) with the owners' association, the North of
14 Market/Tenderloin Community Benefit Corporation, was executed accordingly; and

15 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
16 of Supervisors in File No. 191084; and

17 WHEREAS, On December 13, 2022, the Board of Supervisors approved the North of
18 Market/ Tenderloin CBD’s annual reports for FY 2020-2021 in Resolution No. 535-22 and

19 WHEREAS, The North of Market/Tenderloin CBD has submitted for the Board’s receipt
20 and approval the North of Market/Tenderloin annual report for FY 2021-2022 as required by
21 Section 36650 of the Act and Section 3.4 of the Management Contract; and

22 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
23 File No. 230844, and are incorporated herein by reference as though fully set forth; and

24 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
25 memorandum report from the City's Office of Economic and Workforce Development, dated

1 July 13, 2023, and documentation from the North of Market/Tenderloin CBD for the Annual
2 Report is on file with the Clerk of the Board of Supervisors in File No. 230844; now, therefore,
3 be it

4 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
5 report for the North of Market/Tenderloin Community Benefit District for FY 2021-2022.

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ANNUAL REPORT FISCAL YEAR 2021-2022

Presented To:

Board of Supervisors, City and County of San Francisco
San Francisco Office of Economic and Workforce Development (OEWD)
Board of Directors, North of Market/Tenderloin Community Benefit Corporation

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introduction

From the date of its inception, in 2005, the North of Market/Tenderloin Community Benefit District has grown exponentially in response to the Tenderloin community's needs. In fiscal year 2021-2022, as the pandemic continued to compound existing inequities in the Tenderloin neighborhood, the TLCBD made significant strides to **restructure, reinvest** in its foundational systems and **position for a new era of impact**.

With the addition of our Resident Voice program in July of 2021, the TLCBD deepened its roots in community-led, block-group model, organizing and advocacy. In Fall of 2021, the TLCBD, together with other key anchor institutions, began to strategize collectively around a set of interventions to address the environmental conditions on the streets. The Director of Resident Voice, via block groups and community organizing, conducted extensive outreach using multilingual collateral and community partnerships in a variety of cultural communities within the Tenderloin, to hold an open forum for resident consultation. **Community-led organizing** resulted in a Letter to the Mayor, and subsequent march of approximately 150 residents, from La Cocina to the Mayor's Office to present the letter, signed by residents and delivered by Tenderloin children, asking the Mayor to declare a **state of emergency in the Tenderloin**.

Mayor London Breed responded in turn with an Emergency Declaration, passed by a vote of the Board of Supervisors, releasing deeply needed resources and deploying City agencies to begin addressing the chronic issues of crime and safety, mental health, housing, access and equity for Tenderloin residents.



TL Transforms made significant progress in 2022. TLCBD's community-driven physical improvement projects, and the organizing and advocacy across the community, led us to work with residents, businesses, and partner organizations to beautify and activate spaces throughout the District. A Dodge Alley pilot began with monthly activations - including increased cleaning, music, plant installations, activities and food - transforming Dodge Alley from a hot spot for drug dealing and use, into a clean, safe, and activated space for community connection.

TL Transforms aims to demonstrate that we can address issues of equity and access to safe and clean shared outdoor spaces in a densely-populated, urban neighborhood like the Tenderloin. We convene, organize and empower our residents through Block Groups to identify and lead physical transformation projects and, in partnership with city partners, we advocate for the funding, maintenance, safety and infrastructure to sustain these advances.

In Fiscal Year 2021-2022 our core programs included:

- **Clean:** daily sweeping, weekly pressure washing and Bigbelly trash receptacles at every intersection - up to 80% response rate for 311 calls for cleaning
- **Safe:** community-led visible safety presence focused on children and seniors as well as advocacy for pedestrian safety and calmer streets
- **Inviting Space:** physical improvement projects and stewardship of shared spaces and parks
- **Economic Opportunity:** helping small businesses thrive
- **Neighborhood Pride:** block groups, organizing and resident advocacy
- **Youth Voice:** empowering transitional age youth to organize for community and policy action
- **Camera Network** - providing after-the-fact footage to support criminal justice system



leadership & operational strategy

In fiscal year 2022, the Tenderloin community continued to struggle through a second year of the pandemic, with street conditions and community health markedly worsening. TLCBD, with the support of OEWD's Invest in Neighborhoods, other City Partners, Tenderloin property owners and private foundations, continued to lead the response; leaning into our role as convener, backbone organizer for community-led solutions, and change maker.

Highlights and accomplishments, together with our operational strategy, are outlined below.

- Raised over \$432,000 in core support through organizational development and grants management to facilitate a strategic plan for the next three years of TLCBD's development and funding sustainability.
- **Clean:** Overseeing contracts for third-party vendors to staff a Clean Team and provide supplemental cleaning services, ramping up services to meet the need and responding to over 80% of 311 calls for cleaning across the neighborhood as of November 2021.
- **Safe:** Overseeing TLCBD Safe Passage operations, Safe Routes to School work and expanding services through Safe Routes for Seniors, an Active Bicycle Plan, and partnering with SEADC through privately funded expansion of safe escort services to train employees within the AAPI community on safety escort service provision to the children and seniors in the AAPI community - as they faced increased incidents of violence - TLCBD supported through the provision of training, onboarding, route planning and the development of SEADC's safe routes program.
- **Inviting Space:** Overseeing an expanding program to steward the Tenderloin Park Network (Boeddeker, Turk-Hyde Mini, and Seargent Macauley), Safe Passage Park, and activating Dodge Alley through a monthly event and minor improvements to detour negative behavior and reclaim open space for the residents and businesses adjacent.
- **Economic Opportunity:** Overseeing programs for lease negotiation; business attraction and retention; supporting small businesses with mini-grants; and beginning the community consultation with small businesses necessary to design a TL-wide Small Business Marketing Campaign (launching in winter 2023)
- **Neighborhood Pride:** Leading the evolution of the Tenderloin neighborhood by facilitating agency and voice and supporting a growing roster of Block Groups to create a community-driven vision for TL Transforms; including the organization and facilitation of the March on City Hall that led the Mayor to declare a State of Emergency in the Tenderloin.
- **Youth Voice:** continued our newest program, educating youth ages 14-24 to learn how to turn research into policy action. As a youth-led initiative, TLCBD educates and empowers youth to analyze policy initiatives and interventions aimed at addressing the systemic challenges - such as drug-use, violence, homelessness and crime in the Tenderloin; and advocating for youth-led policy change at the highest levels of government and leading community organizing and action.
- **Camera Program:** expanded network that provides after-the-fact camera footage to the police, district attorney and public defender. Expanded network with the addition of seven new cameras.

Clean

OUR IMPACT

Pounds of trash removed = 327,500
Bags of trash removed = 11,257
Graffiti and stickers abated = 7,771
Moments of hospitality assistance = 357

Hot Spots pressure washed = 2,690
Block faces pressure washed = 6,573
Human & animal waste sanitized = 26,990
Needles safely removed = 11,433

- Through an ongoing contract with provider **Block By Block**, TLCBD's uniformed Clean Team provided daily supplemental cleaning services throughout the District including sweeping sidewalks and gutters, pressure washing sidewalks, collecting needles, abating graffiti, sanitizing human and animal waste, and reporting illegal dumping seven 7days/week, 361 days/year. This year, in FY2022, with the introduction of 311 responses to requests for cleaning in November of 2021 through DPW, TLCBD - with a high-speed response time - wound up responding to more than 90% of all clean calls in the neighborhood.
- Increased regular pressure washing of every sidewalk in the District from a monthly schedule to a weekly schedule since January 2020. Divided neighborhood into zones that were pressure washed on the same day every week in order to improve accountability and predictability.
- Even in the face of challenges and risks created by the COVID-19 pandemic, TLCBD's Clean Team continued to be a daily, visible presence as "essential workers" for the neighborhood.
- Funded by the Mayor's Office and District 6 Supervisor's Office, TLCBD added 8 Bigbely trash receptacles at key intersections and hotspots in the Tenderloin. These 76 Bigbellies are a positive addition to the neighborhood, almost doubling the number of receptacles and standing out proudly with colorful artist-designed wraps.
- The Clean Team Program employed 15 high-barrier, low-income employees in cleaning, providing workforce opportunity, skill building and social integration of the clean team staff.

OUR IMPACT

Daily average # of children escorts = 402
Total # of seniors/disabled served = 73,674
Total # of residents employed (both Corner Captains, and Leads) = 26
Total # of days of operation = 228
Total # of "activations" = shifts for activations of public space = 518
more than 2 events in public space every week-day of the year

Total # of children escorts = 158,957 (1 in 2 children in the TL are served by Safe Passage)

Safe Passage increased daily service in 2022, as schools reopened and Safe Passage rose to meet the need, providing a visible safety presence for kids and families.

- Led a successful neighborhood-wide 'Safe Trick or Treat Route' effort for the third year, providing kids and families a safe Halloween option in the neighborhood.
- Increased economic opportunity for Corner Captains by implementing new pay structure for employees (high-barrier residents of the TL), reducing staff and increasing hours and pay from a stipend structure to more than minimum wage.
- Safe Passage continued to support food security - providing escorts and staff to the Food Pantry - and ensuring safe park access for youth.
- Continued to expand hours, routes and geographic coverage of Safe Passage in coordination with Urban Alchemy
- Increased safety service coordination, through advocacy and engagement with other safety service providers (SFPD, Urban Alchemy, CODE TL, and TMA Ambassadors), attending weekly meetings and assisting DEM in coordination efforts in response to the Emergency Declaration.
- Expanded partnerships and trainings through privately funded SEADC partnership; expanding escort services to AAPI residents.

Safe



Inviting Space

OUR IMPACT

of children and youth visiting all three parks = 430 daily

of seniors visiting all three parks = 127 daily

of "activations" (i.e., planned programmatic events at the parks) = 243 parks programs

Event highlights included: Tree lighting, Holiday gift drive and give-away, Halloween guided route and Park costume and craft, music and activations at Dodge Alley, as well as Covid testing

97 attendees per event average

400+ families served

The parks and open spaces continued to be an access point for critical resources, including access to open space and exercise, community connectedness and art and educational activities. This year, Inviting Space focused on reclaiming and renovating Dodge Alley - a previous hotspot for negative activity impacting two high-density residential buildings housing children, families, seniors and low-income residents - and offered monthly community events with music, crafts, bubbles, art, and food. SPark also received additional planting, painting and maintenance to refresh the space and continue to provide a clean, safe and active outdoor space for residents, families and seniors. New projects and partnerships emerged in 2022 for physical improvement strategies in the Tenderloin. Some of these are:

- SEADC - private funding for "parklet" on 100 block of Eddy, increased enforcement of no parking law, and physical improvement plan to implement in 2023.
- Hired operational and event management staff in Inviting Space Program.
- Fostered community-led activities in the parks through our TL Resident Parks Advisory Council with neighborhood business owners and residents to help guide this work.
- Led the implementation of the community's vision for a coordinated Park Network and continued maintenance for Safe Passage Park (SPark) and activated the 200 block of Turk.

Other projects completed via block-groups through TLCBD's Resident Voice programs and facilitated in collaboration with Inviting Space include:

- 100 Jones - Greening, 2 planters on the sidewalk & plants. Four residents at the Lyric Hotel receive \$25/a month stipend to care for the plants
- 300 Golden Gate - Parklet @ La Cocina. The SW Golden Gate block group worked closely with La Cocina to provide feedback and suggestions for the parklet in front of La Cocina
- Safe Passage Park refresh (200/300 Turk) - Envelope A&D helped bring supplies for members of the block groups to help repaint and replant at Safe Passage Park
- 100 Golden Gate - Phoenix Day & Tenderloin Sunday Streets allowed the 100 block of Golden Gate to show what is possible for the Golden Gate Greenway. This block group has worked very well to problem-solve and advocate for their block closure (still in progress)
- 300 Ellis - at the Ellis gate behind Boeddeker the block group continued to navigate the challenges of maintaining a community hub together with a weekly food pantry and vaccination services. Several block activations took place such as YWAM's community barbecues and haircuts (for four Fridays in a row in Spring of 2022) as well as Glide's health fair, and Phoenix Day.

Inviting Space highlighted project planned for FY23, and coordinated in FY22 include:

- Golden Gate Greenway planning
- Tenderloin Tree Planting (UC Hastings, DPW & Partners)
- Elm Alley (working as convener and advocate with TL Community School)
- Safe Passage Path Pilot (Envelope & Planning Dept.)



Economic Opportunity

OUR IMPACT

of business-owners assisted: 1:1 consulting = 72

of mini grants funded = 30

of businesses assisted = 82

Total financial assistance to businesses = \$80,900

of signed leases for new businesses opened = 6

of signed, renewed leases = 2

of lease terminations = 1

of LOIs/Proposals submitted = 18

of leases reviewed/negotiated = 55

Fiscal year 2022 marked the second year of adjusting to adverse business conditions resulting from the COVID pandemic, including lockdowns and mandates that significantly affected business attraction and retention. Many businesses were unable to generate revenue to pay their leases because of closures and required high levels of support from the TLCBD Economic Opportunity team to renegotiate leases and reduce or forgive back-pay. Support for small businesses was provided through one-on-one consultations, referrals and connection to resources such as the SBDC, SBA and legal support and mini-grants through SF Shines. A significant focus was on lease revisions, lease negotiations and lease advising. Additionally, in mid-year, a TL Small Business Marketing Campaign began planning through small business consultation, mock-ups, social media and banner design - as well as the development of a curated directory - to drive more business to the Tenderloin. Our services included:

- grant access and application assistance resulting in funding disbursement to over 30 businesses;
- educating, assisting, negotiating leases and reducing/forgiving back-pay
- providing retention assistance to help maintain vibrancy, by supporting businesses experiencing vandalism, store theft, and broken/boarded up windows and adverse street conditions;
- one-on-one coaching, businesses technical assistance and referral
- business attraction through placement of new businesses and assistance in relocation
- TL Small Business Marketing Campaign planning

Neighborhood Pride - Resident Voice

OUR IMPACT

of block group meetings = 168

of attendees = Average 10 each

of improvements/interventions planned = 7

of improvements/interventions completed = 5

of City Agency Consultations & Listening Sessions = 96

In Fall of 2021 the TLCBD, together with other key anchor institutions, began to engage in a higher level of coordination and collaboration, working together to develop a set of interventions to address the environmental conditions on the streets. The Director of Resident Voice, via block groups and community organizing, conducted extensive outreach using multilingual collateral and community partnerships in a variety of cultural communities within the Tenderloin, to hold an open forum for resident consultation. Community-led organizing, through block groups and through increased CBO partnership and coordination, resulted in the aforementioned Letter to the Mayor, and subsequent march of approximately 150 residents. It also ignited a new level of self-agency for the TL community's youth, families, and small businesses. Requesting assistance in an organized, direct-action way empowered the community to lead as change makers and participants in solutions to the Tenderloin's most challenging issues.

Mayor London Breed's Emergency Declaration, passed by a vote of the Board of Supervisors, released deeply needed resources into the community and deployed City agencies to begin addressing issues of crime and safety, mental health, housing, access and equity for Tenderloin residents. It also resulted in sustained community and CBO engagement.

TLCBD made enormous strides in FY2022 through our Resident Voice program. The block-group organizing, across 7 established blocks and a multitude of CBO and City Agency partners, as well as consistent consultation with the small business community- allowed for TLCBD to facilitate community-led political action that is continuing to result in meaningful change. In 2023, TLCBD intends to learn from this success and lean into the block-group model of community-led organizing and action.



Neighborhood Pride - Youth Voice

OUR IMPACT

of youth interns = 10 interns

of days employed = 42 days

of trainings provided = 15 trainings

The Project Safe Neighborhoods program started January 2021 through a federal grant with Department of Justice and the Children's Initiative, aimed at disrupting the cycle of youth engagement in the drug trade. FY22 saw the second year of our intern program, which launched on June 16th, 2021.

Youth continued to focus on issues impacting Transitional Age Youth (14-24) in the TL, such as: Housing availability, Park Stewardship, Neighborhood Safety Presence expansion and SFPD capacity and role, Participation in TL Community Action Plan, Process for partners getting housing together, Noise Pollution, Harm Reduction Services, Safe Consumption Sites, Open Space for teens/TAY, Improve Coordinated Entry, Disruption of Open Air Drug Market, Healthy food options in local markets.

A key highlight for the year was the support that the TLCBD was able to give to the community events and youth-serving programs in the neighborhood. Working with partner organizations like Larkin Street Youth, Huckleberry, HealSF and the Center for Youth Wellness to provide TLASP training with a six session trauma training focused on Early Childhood Adverse Experiences as well as community trauma.

Additionally, Youth Voice was instrumental in providing advocacy to the Tenderloin Community through the Emergency Declaration - assisting with organizing, outreach and political action coordination - as well as presenting key issues to policy makers across a myriad of agencies, including OEWD, DCYF, the Mayor's Office, Dept. of Emergency Management, SFPD, TL People's Congress, and others.



Strategic Plan & Developments

One year in to our Strategic Plan implementation, we have met some of our key goals: hiring a Senior Director of Finance & Administration, we implemented new fiscal policies and systems to improve our financial health; we exceeded our annual target of raising funds for core support, and we began to lean into a re-organization of our programs into three pillars, 1) Policy & Voice, 2) Operations & Stewardship, and 3) Finance & Administration. At the close of FY22 Simon Bertrang resigned, ushering in new leadership under Kate Robinson (a previous Senior Director at TLCBD and a visionary leader).

Based on the success of the block-group model under Resident Voice over the past two years, we anticipate further expanding our Policy & Voice team to encompass Youth Voice and Business Voice - organizing for political action and meaningful change through community-led initiatives. We also anticipate further refining our Operations & Stewardship work to encompass Clean Team, Parks Operations, and Safe Passage - being the on-the-ground services delivered to the community to make it safe, clean and active. Our Finance & Administration team will also likely expand in FY23 to continue to grow our administrative backbone and sustainability.

In FY22, during our Staff and Board Retreat, **Guiding Principles** that allow us to focus our responses and directives in the community were adopted to continue to inform our work by:

1. Centering children and families, seniors and small businesses
2. Providing connection for Tenderloin residents to meaningful services
3. Engaging in genuine community process
4. Improving conditions in the Tenderloin neighborhood



TENDERLOIN

Assessment And Financial Information

Property Assessment Calculations

The North of Market/Tenderloin CBD is funded by annual assessments upon parcels throughout the district. The services and activities are provided uniformly throughout the North of Market/Tenderloin CBD. The annual cost of the special benefits received from the services is apportioned in direct relationship to each parcel's use, building square footage, lot square footage and linear street frontage.

Each parcel is assigned a proportionate benefit unit for each building square foot, lot square foot and linear street front foot. The sum of the total special benefit units in the CBD is then divided into the assessment budget to determine the assessment rate for each benefit unit. Rates are subject to an annual increase per year not to exceed the greater of 4% or the consumer price index (CPI).

For Profit Land Use

LAND USE TYPE	RATE/ LOT SQ FT
Building Square Footage	0.047726
Lot Square Footage	0.290000
Linear Street Frontage	18.679659

Non-Profit Land Use

LAND USE TYPE	RATE/ LOT SQ FT
Building Square Footage	0.037832
Lot Square Footage	0.230925
Linear Street Frontage	14.959892

July 2021 - June 2022 Statement of Financial Position*

Assets		Liabilities & Net Assets	
Cash and cash equivalents	1,137,750	LIABILITIES	
Receivables (Net)	1,154,041	Accounts Payable & Accrued Expenses	563,623
Other Current Assets	33,808	Total Liabilities	563,623
Furniture & Equipment (Net)	6,849	NET ASSETS	
Total Assets	2,332,448	Without Donor Restrictions	1,038,253
		With Donor Restrictions	730,572
		Total Net Assets	1,768,825
		Total Liabilities & Net Assets	2,332,448

Management Plan Budget

Service Category	Dollar Amount	Percentage
Clean & Safe	1,356,618	66.77%
Public Realm, Marketing Events & Advocacy	315,950	15.55%
Management & Administration	359,103	17.68%
Total	2,031,671	100%
Assessment Revenue	1,963,813	96.66%
Non-Assessment Revenue	67,858	3.34%
Total	2,031,671	100%

*Audited financial statement upon request

TENDERLOIN

TENDERLOIN COMMUNITY
BENEFIT DISTRICT

FY 2021-22 Budget

Dollar Amounts

Service Category	ASSESSMENT	NON-ASSESSMENT	Total
Clean & Safe	1,574,440	463,875	2,038,315
Public Realm, Marketing Events & Advocacy	392,400	-	392,400
Management & Administration	409,331	448,826	858,157
Total	2,376,171	912,701	3,288,872

Percentages

Service Category	ASSESSMENT	NON-ASSESSMENT	Total
Clean & Safe	66.26%	50.82%	61.98%
Public Realm, Marketing Events & Advocacy	16.51%	0.00%	11.93%
Management & Administration	17.23%	49.18%	26.09%
Total	100%	100%	100%

FY 2021-22 Actuals*

Dollar Amounts

Service Category	ASSESSMENT	NON-ASSESSMENT	Total
Clean & Safe	1,421,582	2,375,924	3,797,506
Public Realm, Marketing Events & Advocacy	355,396	7,877	363,273
Management & Administration	355,396	86,221	441,617
Total	2,132,374	2,470,022	4,602,396

Percentages

Service Category	ASSESSMENT	NON-ASSESSMENT	Total
Clean & Safe	66.66%	96.19%	82.51%
Public Realm, Marketing Events & Advocacy	16.67%	0.32%	7.89%
Management & Administration	16.67%	3.49%	9.60%
Total	100%	100%	100%

*Audited financial statement upon request

FY 21-22 Revenue Sources

ASSESSMENTS	FY 21-22 ACTUALS	% OF ACTUALS
FY Assessment Revenue	2,132,373	100%
Penalties	-	-
Redemption + Redemption Penalties	-	-
Total Assessment (Special Benefit) Revenue	2,132,373	30.21%
NON-ASSESSMENTS	FY 21-22 ACTUALS	% OF ACTUALS
Contributions and Sponsorships	1,653,873	23.43%
Grants	1,900,324	26.92%
Donations	5,216	0.07%
Interest Earned	16,236	0.23%
Earned Revenue	1,141,682	16.17%
Other (In-Kind & Misc - includes PPP forgiveness)	209,440	2.97%
Total Non-Assessment (General Benefit) Revenue	4,926,771	69.79%
Total	7,059,144	100%

FY 21-22 Carry Forward

FY 21-22 ASSESSMENT CARRY FORWARD DISBURSEMENT *	DOLLAR AMOUNT	SPEND DOWN TIMELINE
Clean & Safe	152,858	July - December 2023
Public Realm, Marketing Events, & Advocacy	37,004	July - December 2023
Management & Administration	3,826	July - December 2023
Special Assessment Total	193,688	
FY 21-22 NON-ASSESSMENT CARRY FORWARD DISBURSEMENT **	DOLLAR AMOUNT	SPEND DOWN TIMELINE
Non-Assessment Advocacy	702,500	July - December 2023
Security Camera Donations	28,072	July - December 2023
Total Non-Assessment Revenue	730,572	

* Assessment : Budget – Actual

** Non Assessment : From FY22 Restricted Net Assets/Balance Sheet

TENDERLOIN

TENDERLOIN COMMUNITY
BENEFIT DISTRICT

FY 22-23 Budget

REVENUE	AMOUNT	% OF INCOME
Assessment Revenue	2,158,000	32.68%
Fundraising & Other	4,445,000	67.32%
Total Revenue	6,603,000	100%

EXPENSES	ASSESSMENTS	% OF ASSESSMENT	% OF ALL EXPENSES
Clean & Safe	1,445,860	67.00%	24.52%
Streetscapes, Advocacy, Marketing & Events	366,860	17.00%	6.22%
Management & Administration	345,280	16.00%	5.86%
Total Assessment Expenses	2,158,000	100%	
Other Grants & Fund Expenses	3,738,659		63.40%
Total Expenses	5,896,359		100%

FY 21-22 Donors \$1,000 and Over

DONOR NAME & ADDRESS	DATE OF DONATION	TOTAL AMOUNT OF DONATION WITHIN REPORTING PERIOD	IDENTIFIED RESTRICTED USES	FINANCIAL INTEREST OF DONOR
Grassroots Non Profit Collective, San Francisco,	7/23/2021	1,500	Tenderloin Merchants Association use only	corporation
Cross Cultural Family Center	7/12/2021	20,000	Safe Passage Park use only	corporation
Saint Francis Foundation, 900 Hyde Street, Suite 1208, San Francisco	7/23/2021	10,000		foundation
Chinatown Community Development Center, San Francisco, CA	8/3/2021	15,000	Safe Passage Park use only	corporation
Hellman Foundation, San Francisco, CA	9/9/2021	100,000	Park Program use only	foundation
Vikrum Dave Aiyer, San Francisco, CA	9/27/2021	5,000	Tenderloin Merchants Association use only	corporation
Chip Conley Foundation, 156 Texas Street, San Francisco	10/22/2021	5,000		foundation
Market Street Residential LLC, 235 Montgomery Street, Suite 960, San Francisco, CA	11/24/2021	5,000		corporation
Seed Fund Grant, San Francisco, CA	11/29/2021	15,000		foundation
Kenneth Rainin Foundation, 155 Grand Avenue, Suite 1000, Oakland, CA	12/20/2021	20,000	capacity building and fundraising use only	foundation

TENDERLOIN

FY 21-22 Donors \$1,000 and Over

DONOR NAME & ADDRESS	DATE OF DONATION	TOTAL AMOUNT OF DONATION WITHIN REPORTING PERIOD	IDENTIFIED RESTRICTED USES	FINANCIAL INTEREST OF DONOR
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	3/2/2022	21,600	shared program use only	foundation
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	3/2/2022	177,500	Camera Program use only	foundation
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	3/2/2022	42,500	Safe Passage Program use only	foundation
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	3/2/2022	40,000	Clean Program use only	foundation
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	3/2/2022	245,000	Inviting Space Program use only	foundation
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	3/2/2022	52,660	Admin use only	foundation
R&D Impact Foundation, San Francisco, CA	3/16/2022	25,000		foundation
Mid-Market Business Association, San Francisco, CA	5/6/2022	165,293	Inviting Space Program use only	corporation

TENDERLOIN

FY 21-22 Donors \$1,000 and Over

DONOR NAME & ADDRESS	DATE OF DONATION	TOTAL AMOUNT OF DONATION WITHIN REPORTING PERIOD	IDENTIFIED RESTRICTED USES	FINANCIAL INTEREST OF DONOR
Mid-Market Business Association, San Francisco, CA	5/6/2022	34,707	fiscally sponsored projects use only	corporation
Homeless Children's Network, 3450 3rd Street, Bldg 1, Unit 1C, San Francisco, CA	5/31/2022	10,000	pass through to Tenderloin Rec Center/Sondra Long use only	corporation
Hellman Foundation, San Francisco, CA	6/9/2022	10,000	Inviting Space Program use only	foundation
Silicon Valley Community Foundation, 2440 West El Camino Real, Suite 300 Mountain View, California	6/13/2022	250,000	Camera Program use only	foundation
SFCDMA Community Fund, San Francisco, CA	6/27/2022	50,000	Tenderloin Merchants Association use only	corporation
Total		1,320,760		

TENDERLOIN

summary of programs, events and activities

Cameras

TLCBD Surveillance Technology Report for FY 2021-2022

List of the Surveillance Technology that TLCBD either owns or licenses for ongoing use:

109 IP (internet protocol) Video Recording Cameras of three types:

- Avigilon H4 Multi Sensor IP Cameras (AV-15C-H4A-3MH-180 & AV-15C-H4A-3MH-270)
- Multi-Sensor Cameras have 3 to 4 lenses capturing footage at either 180 degrees or 270 degrees at 15 megapixels, either 4 mm lenses or 2.8 mm lenses, and lightcatcher technology (to capture detail in areas with low lighting).
- Avigilon H5 Single Sensor IP Bullet Cameras (AV-4.0C-H5A-B02-IR)
- Bullet Cameras have a single sensor capturing footage at 4 megapixels, 9-22 mm lens, and "lightcatcher technology" (to capture detail in areas with low lighting).
- Axis 2MP Q1700-LE Robust Outdoor Color HD IP Cameras (AX-01782-001)
- Robust Outdoor Color HD Cameras have a single sensor capturing footage at 2 MP (mega pixels), capture range of 50 meters to 100 meters, 1920 x 1080 resolution, and can capture sharp images of license plates during day and night

Avigilon Control Center 7 Video Management Software (ACC 7)

- Video Management Software secured through firewall port forwarding. Camera footage is stored on physical network servers at each site/location and is accessed remotely through the Centralized Camera Control Center which is password protected and can only be accessed by authorized users.

Purpose for the use of any Surveillance Technology:

- TLCBD's cameras are never monitored and are only accessed when a video retrieval request form is submitted and approved for after-the-fact safety and/or criminal incidents that occur in the Tenderloin in public spaces where the cameras are installed.

Funding Contributions: \$0

Private Contributions: \$427,500 from the Silicon Valley Community Foundation



list of requesters of camera footage

Cameras

Names of all organizations or individual who accessed information from the Surveillance Technology:

TLCBD authorized program staff

Camera Vendor Installation and Maintenance: Applied Video Solutions

Property owners who elect to access footage feed to cameras on their property:

- Page Hotel
- Broadway SF
- Rubicon Partners
- Cova Hotel
- Phoenix Hotel
- Murphy Properties
- Tenderloin Neighborhood Development Corporation
- Haig Mardikian Enterprise
- UC Hastings College of Law
- Youth With A Mission
- La Cocina
- Faithful Fools Ministry
- Darussalam Mosque
- Prism Apartments



district boundary map

Camera Policy Link

Organizations who've requested for footage evidence for after-the-fact incidents:

City Department

San Francisco Police Department
 San Francisco Public Defender's Office
 USDA - Office of Inspector General
 San Francisco District Attorney's Office
 San Francisco Human Service Agency
 United States Park Police

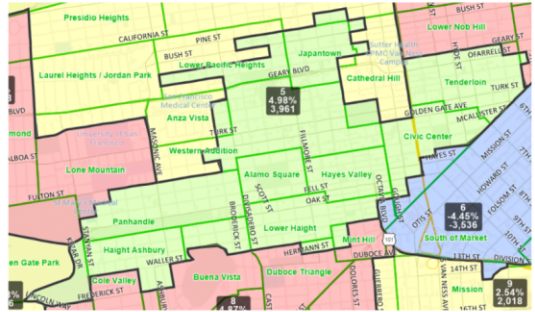
SF Standard
 Faithful Fools Ministry
 Case Barnett Law
 Urban Alchemy
 DH Construction
 Bordin Semmer LLP
 Custard Insurance

Organization or Business

TLCBD
 La Cocina
 Unite Here Local 2
 Warm Planet Bikes
 MetroMile
 SEIU Local 87
 Pacific Structures
 Centric General Contractors

Civilian:
 A. Tserendorj
 T. Phillips
 M. Crofut
 N. Werthman
 P. Einbud
 N. Qur
 B. Vazquez
 M. Gibson

T. Pochodowicz
 C. Chau
 F. Bucknor
 S. Meas
 C. Barbour
 G. Montgomery
 S. S. Knapp
 M. J. Morales-Barbosa
 C. Barbour



TLCBD Policies: TLCBD Board of Directors established and approved the Tenderloin Camera Network Usage Policy & Procedures prior to the installation and launch of the TLCBD's Camera Program. The Usage Policy is attached.

BOARD ROSTER

Mike Vuong (President)

Business Owner Representative, Boys & Girls Clubs of San Francisco

Rhiannon Bailard (Vice President)

Property Owner Representative, UC Hastings Law

Adam Tetenbaum (Treasurer)

Property Owner Representative, Olympic Residential Group

Aashish Karkhanis (Secretary)

At-Large Representative

Soha Abdou (Committee Chair)

Property Owner Representative, Chinatown Community Development Ctr (CCDC)

Jennifer Kiss (Committee Chair)

At-Large Representative

Naomi Maisel (Committee Chair)

Business Owner Representative

Susie McKinnon (Committee Chair)

Property Owner Representative, Cova Hotel

Jaime Vioria (Committee Chair)

Resident Representative

Gary Besser

Resident Representative

Adama Bryant

Resident Representative

Regina Guggenheim

Property Owner Representative, Broadway San Francisco

Rene Colorado Jr

Business Owner Representative, Lers Ros/Esan Classic

Cindy Ramesh

Property Owner Representative, Hilton

Leigh Chang

Property Owner Representative

Eric Rodenbeck

Property Owner Representative



NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

FINANCIAL STATEMENTS

June 30, 2022

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

Opinion

We have audited the accompanying financial statements of North of Market/Tenderloin Community Benefit Corporation (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows and functional expenses, for the year then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North of Market/Tenderloin Community Benefit Corporation as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we: Exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby & Kaneda CPAs LLP

Oakland, California

April 28, 2023

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Financial Position
June 30, 2022
(With Comparative Totals as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Assets		
Cash and cash equivalents	\$ 1,137,750	\$ 956,150
Grants and accounts receivable	1,104,692	1,642,776
Assessments receivable	49,349	17,388
Prepaid expenses and deposits	33,808	21,347
Property, plant, and equipment (Note 3)	6,849	-
Total Assets	<u>\$ 2,332,448</u>	<u>\$ 2,637,661</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 491,151	\$ 752,578
Accrued vacation	72,472	60,351
PPP loan	-	168,400
Total Liabilities	<u>563,623</u>	<u>981,329</u>
Net Assets		
Without donor restrictions	1,038,253	919,865
With donor restrictions (Note 5)	730,572	736,467
Total Net Assets	<u>1,768,825</u>	<u>1,656,332</u>
Total Liabilities and Net Assets	<u>\$ 2,332,448</u>	<u>\$ 2,637,661</u>

See Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Statement of Activities
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2022	2021
Support and Revenue				
Assessment revenue (Note 6)	\$ 2,132,373	\$	\$ 2,132,373	\$ 2,021,032
Government grants and contracts	1,900,324	-	1,900,324	2,196,425
Foundation support	225,718	1,422,260	1,647,978	912,305
Individual and corporate support	5,216		5,216	9,272
Program service fees	1,141,682		1,141,682	146,758
Paycheck protection program (Note 7)	168,400		168,400	-
Interest and other income	16,236		16,236	17,987
In-Kind Services (Note10)	41,040		41,040	-
Support provided by expiring time and purpose restrictions	1,428,155	(1,428,155)	-	-
Total Support and Revenue	7,059,144	(5,895)	7,053,249	5,303,779
Expenses				
Program	6,321,862		6,321,862	4,420,874
Management and general	421,617		421,617	269,067
Fundraising	197,277		197,277	52,332
Total Expenses	6,940,756	-	6,940,756	4,742,273
Change in Net Assets	118,388	(5,895)	112,493	561,506
Net Assets, beginning of year	919,865	736,467	1,656,332	1,094,826
Net Assets, end of year	<u>\$ 1,038,253</u>	<u>\$ 730,572</u>	<u>\$ 1,768,825</u>	<u>\$ 1,656,332</u>

See Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 112,493	\$ 561,506
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	1,344	-
PPP Loan forgiveness	(168,400)	-
Change in assets and liabilities:		
Grants and accounts receivable	538,084	(1,412,746)
Assessments receivable	(31,961)	33,803
Prepaid expenses and deposits	(12,461)	13,723
Accounts payable and accrued expenses	(261,427)	471,277
Accrued vacation	12,121	794
Net cash provided (used) by operating activities	<u>189,793</u>	<u>(331,643)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(8,193)</u>	-
Net cash provided (used) by investing activities	<u>(8,193)</u>	-
Net change in cash	181,600	(331,643)
Cash and cash equivalents, beginning of year	<u>956,150</u>	<u>1,287,793</u>
Cash and cash equivalents, end of year	<u>\$ 1,137,750</u>	<u>\$ 956,150</u>

See Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

	Program	Management and General	Fundraising	Total	
				2022	2021
Salaries	\$ 1,442,321	\$ 223,977	\$ 45,931	\$ 1,712,229	\$ 1,251,085
Employee benefits	162,985	15,647	4,192	182,824	140,584
Payroll taxes	120,707	18,044	3,732	142,483	99,566
Total Personnel	<u>1,726,013</u>	<u>257,668</u>	<u>53,855</u>	<u>2,037,536</u>	<u>1,491,235</u>
Fees for service					
Cleaning services	3,413,786	-	-	3,413,786	1,894,477
Camera services	189,163	-	-	189,163	322,813
Safety services	33,825	-	-	33,825	179,475
Public space improvements	62,375	-	-	62,375	166,627
Economic opportunity services	80,760	-	-	80,760	66,240
Accounting fees	-	53,439	-	53,439	39,191
Other fees for service	349,895	14,808	138,427	503,130	203,203
Neighborhood mini grants	65,246	-	-	65,246	95,035
Office expenses and supplies	238,782	15,431	4,411	258,624	145,966
Information technology	12,983	3,498	5	16,486	9,886
Occupancy	99,926	18,922	550	119,398	92,851
Depreciation	1,283	59	2	1,344	-
Insurance	7,675	14,686	6	22,367	34,596
Other expenses	30,019	12,197	21	42,237	678
In-kind Expenses	10,131	30,909	-	41,040	-
Total Expenses	<u>\$ 6,321,862</u>	<u>\$ 421,617</u>	<u>\$ 197,277</u>	<u>\$ 6,940,756</u>	<u>\$ 4,742,273</u>

See Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

NOTE 1: NATURE OF ACTIVITIES

The North of Market/Tenderloin Community Benefit Corporation (“TLCBD” or “Organization”) is a California nonprofit public benefit corporation, which was established in 2005. The core purpose of TLCBD is to lead the evolution of the Tenderloin into a vibrant community for ALL with a focus on providing supplemental cleaning, safety and beautification services to a 40-block special benefits district in the Tenderloin neighborhood of San Francisco.

Fiscal Year 2019-20 was a transition year for TLCBD, with the organization finishing the delivery of services to its original 30-block district under its original 2005 management plan and beginning expanded services under its renewed 2019 management plan to a larger 40-block district in January 2020. For the last 15 years, TLCBD has turned the annual investment by the property owners, who pay an assessment as part of their property tax bill, into much needed supplemental services and programs that benefit everyone in the community. Now TLCBD is committed to using the renewal of that commitment for another 15 years to expand its programs and impact.

TLCBD continued its long-standing Clean and Safe programs and established innovative programs to support Tenderloin Parks and Open Spaces, Economic Opportunity for small businesses and residents, Pedestrian Safety, an expanded Tenderloin Camera Network, and Neighborhood Pride

TLCBD’s Clean Program provides supplemental cleaning services in the public right-of-way including sidewalk and gutter sweeping, weekly pressure washing of all sidewalks, needles pick-up, human and animal waste sanitation and graffiti abatement. TLCBD also supports a fleet of Bigbelly trash cans with colorful wraps designed by local artists – bringing multiple litter receptacles to every intersection in the district.

TLCBD’s Safe Program operates the celebrated Safe Passage Program, which provides a visible safety presence on key corridors to help children and families get to and from school safely every day. Other safety initiatives include a Pedestrian Safety initiative to do outreach, education and organizing to support safer streets in the neighborhood.

TLCBD’s Camera Program manages a network of public realm cameras and fulfills footage requests for after-the-fact safety and criminal incidents from individuals and entities including, but not limited to, city departments involved in the criminal justice system.

TLCBD’s Inviting Space program operates the Tenderloin Park Network to support safe, clean and inviting parks and playgrounds as well as physical improvement and beautification projects to the sidewalks and other public spaces.

TLCBD’s Economic Opportunity Program provides business assistance services, referrals and grants and advocates on behalf of small businesses in the neighborhood.

TLCBD’s Neighborhood Pride Program provides support to multiple block groups as they seek to transform the physical and social conditions on their blocks. The program includes efforts to organize resident voices and bring attention to the dynamic low-income, affordable multi-racial neighborhood at the heart of San Francisco.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for a particular purpose or for use in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; there were no restrictions of this nature as of June 30, 2022.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

Accounting for Restrictions Met in the Same Reporting Period

The Organization has elected to treat government funding received with donor restrictions whose restrictions are met within the same reporting period as unrestricted contributions for purposes of the statement of activities. This policy is also applied to investment activity.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Other revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

The Organization recognizes revenue for certain government funding on a deliverable basis rather than on a cost reimbursement basis. These deliverables are approved by agency staff prior to payment based on Organizational reporting of work performed.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

Assessments Receivable

Assessments receivable primarily consists of tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible.

Grants and Accounts Receivable

Grants and accounts receivable are primarily unsecured non-interest-bearing amounts due from grantors on a cost reimbursement basis or customers on performance contracts. The Organization considers all accounts receivable to be fully collectible at June 30, 2022. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

Program Service Fees

Program service fees consists primarily of contracts conducted on a fee for service basis. The Organization recognizes revenue on such activities as the related performance obligations are completed.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of June 30, 2022 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Estimates

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

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2022.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$3,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Computer equipment	3 years
Leasehold improvements	12 - 25 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on estimated staff allocations at year end.

Occupancy, depreciation and other shared are allocated based on the programs and supporting activities occupying the space.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated based on direct program costs.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

Recent Accounting Pronouncement

In September 2020, the FASB issued *ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update was designed to increase the transparency of contribution nonfinancial assets through enhancements to presentation and disclosure. The Organization's adoption of this update did not have a material impact on the Organizations financial statements.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of April 28, 2023, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022

Computer equipment	\$ 4,833
Leasehold improvement	6,360
Less accumulated depreciation	<u>(4,344)</u>
Total	<u>\$ 6,849</u>

NOTE 4: CONTINGENCIES

Community Benefit District

Community benefit district assessments are received under agreement with the City and County of San Francisco and assessments have been currently authorized through June 2034. The assessments and related revenue to the Organization may be terminated at an earlier date if the community benefit district which funds the Organization's operations is disestablished by a vote of the assessed property owners or in certain other circumstances. The Organization has been late in certain of its standard financial reporting and may incur additional costs to bring its financial reporting current and to comply with its reporting requirements. No reasonable estimate of the costs of such efforts was available.

Grant Awards and Governmental Funding

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

NOTE 5: NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction consisted of \$730,572 and \$736,467 for specific programmatic purposes as of June 30, 2022 and 2021, respectively.

NOTE 6: ASSESSMENT REVENUE

Assessment revenue consists of regular annual property assessments which are recognized as revenue when assessed. In addition, the Organization may receive other related revenue for late fees and other items, which it records when paid. Assessment revenue consisted of the following for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Assessment revenue – regular annual	\$ 2,116,872	\$ 2,015,547
Assessment revenue – penalties and other	<u>15,501</u>	<u>5,485</u>
Total	<u>\$ 2,132,373</u>	<u>\$ 2,021,032</u>

NOTE 7: PAYCHECK PROTECTION PROGRAM

The Organization received notice during the year ended June 30, 2022 that funds received under the PPP – First Round funding totaling \$168,400 had been forgiven, and recognized such funds as support upon notice of forgiveness.

NOTE 8: CONCENTRATIONS

Support and Revenue

For the year ended June 30, 2022, the Organization received 30% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District and 48% from the City and County of San Francisco. A reduction in the level of this support, if this were to occur, may have an effect on the Organization’s program and activities.

Grants and Accounts Receivable

As of June 30, 2022, approximately 42% of grants and accounts receivable was from the City and County of San Francisco.

Geographic Area

The majority of the organization’s revenue and support are received from corporations, foundations, government agencies and individuals located in the San Francisco area. As such, the organization’s ability to generate resources may be dependent upon the economic health of that area.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits.

NOTE 9: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet age and length of

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

service requirements. The Organization may make a matching contribution of up to 3% of the employee’s salary. The contribution rate is determined annually. All contributions to an employee’s account vest immediately. The Organization made contributions of \$22,917 and \$17,842 for the years ended June 30, 2022 and 2021, respectively.

NOTE 10: IN-KIND LEGAL SERVICES

The Organization received the following pro bono legal services during the year ended June 30, 2022:

<u>Type</u>	<u>Utilized or monetized</u>	<u>Donor Restriction</u>	<u>Valuation method</u>	<u>Value</u>
Legal Services	Utilized	No further donor restrictions	Estimated FMV	\$ 41,040

The Organization values legal services at \$400/hour which is its estimate of the amount it would otherwise spend for such services if they were not donated. The Organization received the benefit of 102.6 hours of donated services during the year ended June 30, 2022

NOTE 11: PASS-THROUGH ACTIVITY

The Organization serves as the lead fiscal agent for a number of grants in which funds have been earmarked for partner organizations. In addition to the activity reflected on the Organization’s financials, an additional \$1,863,274 was accounted for on a pass-through basis reflecting the activity of the partners for the year ended June 30, 2022.

NOTE 12: RELATED PARTY ACTIVITY

The Organization’s board includes representatives of the local community that the Organization operates within. During the year ended June 30, 2022, the Organization paid one board member approximately \$109,140 for neighborhood monitoring services.

NOTE 13: CONDITIONAL PROMISES TO GIVE

In addition to the activity reflected on the Organizations statement of activity, the Organization received certain conditional promises to give as of June 30, 2022:

<u>Grant</u>	<u>Award</u>	<u>Recognized</u>	<u>Remaining</u>
Grant I	200,000	\$ 100,000	100,000
Grant II	1,000,000	500,000	500,000

NOTE 14: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 are:

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

Cash and cash equivalents	\$ 1,137,750
Grants and accounts receivable	1,104,692
Assessments receivable	49,349
Less purpose restricted net assets	<u>(730,572)</u>
Total	<u>\$ 1,561,219</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements into its bank money market account.

NOTE 15: UNCERTAINTIES

Coronavirus

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the Center's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.

MEMORANDUM

TO: Supervisor Dean Preston, District 5 Supervisor

CC: San Francisco Board of Supervisors

FROM: Chris Corgas; Deputy Director, Community Economic Development, OEWD
Mimi Hiraki; Project Specialist, OEWD

DATE: July 13, 2023

SUBJECT: North of Market/Tenderloin Community Benefit District; FY 2020-2021 Annual Report

This is a memo summarizing the performance of the North of Market/Tenderloin Community Benefit District and an analysis of its financial statements (based on financial review by their auditors) for the period between July 1, 2021 and June 30, 2022.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. North of Market/Tenderloin CBD did not comply with the submission of all these requirements for FY 2021-2021 in a timely manner; specifically, the CBD turned in its annual report and financial review or audit late. 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 North of Market/Tenderloin CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2019.

Also attached to this memo are the following documents:

1. Annual Reports FY 2021-2022
2. CPA Financial Review Reports FY 2021-2022
3. Draft resolution from the Office of Economic and Workforce Development



Background

North of Market/Tenderloin Community Benefit District spans across 41 blocks and includes approximately 800 parcels.

- August 2, 2005: the Board of Supervisors approved the resolution that established the North of Market Tenderloin Community Benefit District for 15 years (Resolution # 584-05).
- January 10, 2006: the Board approved the contract for the administration and management of the North of Market Tenderloin Community Benefit District (Resolution # 15-06).
- July 12, 2011: the Board of Supervisors approved the Annual Reports for FYs 2006-2007, 2007-2008, 2008-2009 and 2009-2010 (Resolution #284-11).
- April 28, 2015: the Board of Supervisors approved the Annual Reports for FYs 2010-2011, 2011-2012, and 2012-2013 (Resolution #160-15).
- August 2, 2016: the Board of Supervisors approved the Annual Reports for FY’s 2013-2014 and 2014-2015 (Resolution #348-16).
- December 12, 2017: the Board of Supervisors approved the Annual Reports for FY’s 2015-2017 (Resolution #449-17).
- November 13, 2018: the Board of Supervisors approved the Annual Reports for FY’s 2016-2017 (Resolution #382-18).
- April 23, 2019: the Board of Supervisors approved a resolution declaring the intention of the Board of Supervisors to renew and expand a property-based business improvement district known as the “North of Market/Tenderloin Community Benefit District” and levy a multi-year assessment on all parcels in the district (Resolution #195-19).
- June 25, 2019: the Board of Supervisors approve a resolution to establish (renew and expand) the property-based business improvement district known as the “North of Market/Tenderloin Community Benefit District,” ordering the levy and collection of assessments against property located in that District for 15 years commencing with FY2019-2020 (Resolution #297-19).
- November 19, 2019: the Board of Supervisors approved the Annual Reports for FY 2017-2018 (Resolution #507-19).
- November 19, 2019: the Board of Supervisors approved an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the “North of Market/Tenderloin Community Benefit District,” pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2034 (Resolution #508-19).
- May 17, 2022: the Board of Supervisors approved the Annual Reports for FYs 2018-2019 and 2019-2020 (Resolution #211-22).

Basic Info about Greater North of Market/Tenderloin CBD:

Year Established	2005
Year Renewed	2019
Assessment Collection Period	FY 2019-2020 to FY 2033-2034 (July 1, 2019 to June 30 2034)
Services Start and End Date	January 1, 2020 – December 31, 2034
Initial Estimated Annual Budget	\$1,963,840 (FY 2019-2020 to FY 2033-2034)



FY 2020-2021 Assessment Submission	\$2,042,888.92
Fiscal Year	July 1 – June 30
Executive Director	Simon Bertrang Kate Robinson (starting August 2022)
Name of Nonprofit Owners' Entity	North of Market/Tenderloin Community Benefit Corporation

TLCBD's website www.tlcbd.org includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plans, Mid-Year Reports, Annual Reports and meeting schedules. TLCBD regularly updates their calendar, meeting schedule and meeting minutes. The last Annual Report posted was for FY2019-2020.

Summary of Program Areas

Clean & Safe

The Clean & Safe Program is designed to promote the cleanliness and safety of the area within the North of Market/Tenderloin CBD boundaries. The clean program may include, but is not limited to:

- Sidewalk pressure washing: Uniformed, radio-equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the North of Market/Tenderloin CBD. Paper signs and handbills that are taped or glued on property, utility boxes, poles and telephones are removed.
- Trash collection: Collector truck personnel collect trash from sidewalks as needed. They are also dispatched to collect large bulky items illegally dumped in the North of Market/Tenderloin CBD.
- Graffiti removal: Painters remove graffiti by painting, using solvent and pressure washing. The North of Market/Tenderloin CBD maintains a zero-tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.
- Landscape maintenance: Refreshing plants, maintaining and planting trees. When funding is available, the CBD may weed tree wells and sidewalk cracks as well as provide landscape maintenance to decorative planters.

The Safe Program provides community-based safety services for the area within the CBD. The Safe Program does not include armed security forces and does not hire private security to remove people from the sidewalks. The Safe Program will support safe initiatives that acknowledge that everyone on the sidewalks deserves to be and feel safe, and that are initiated by the community and led by the community.

This program consists of:

- Safe Passage: A program that aims to keep the North of Market/Tenderloin CBD safe and create safe walking groups for youth and seniors will be maintained and may be expanded.
- Block Safety Groups: A program to organize residents and businesses and support them in community-led strategies for improving the street conditions and sidewalks in front of their buildings to be maintained and expanded.
- Camera Network
- Public Space Activation

Marketing & Economic Development

The program helps parcel owners in their efforts to attract tenants and support local commerce and investment and work to improve the positive perception of the North of Market/Tenderloin CBD. The programs may include, but are not limited to, the following:

- Destination Marketing



- Branding
- Events
- Media Relations
- Website
- District Stakeholder Outreach

Administration

The aforementioned improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the North of Market/Tenderloin CBD’s services, which are delivered seven days a week. Administration staff actively works on behalf of the North of Market/Tenderloin CBD parcels to ensure that City and County services and policies support the North of Market/Tenderloin CBD. Included in this item are office expenses, professional services, organizational expenses such as insurance, and the cost to conduct a yearly financial review.

Contingency/Reserve/City Fees

An operating reserve is budgeted as a contingency for any payment of delinquencies, uncollectible assessments, Community Benefit District establishment and/or renewal efforts, and/or unforeseen budget adjustments.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2020-2021

Clean & Safe

- 292,600 lbs of trash removed
- 26,920 instances of human or animal waste being removed and sanitized
- 11,704 bags of trash removed
- 11,257 needles safely removed
- 7,610 instances of graffiti and stickers abated
- 6,270 block faces pressure washed
- 1,119 instances of hot spots being pressure washed
- Increased regular pressure washing of every sidewalk in the District from a monthly schedule to a weekly schedule.
- Through funding from the Mayor’s Office and District 6 Supervisor’s Office, TLCBD placed 68 Bigbellies with colorful art-designed wraps at every intersection of the district
- Served total of 21,215 children and 6,622 seniors/disabled people through the Safe Passage Program and Safe Passage Senior Program
- Provided kids and families a safe Halloween option called “Safe Trick or Treat Route”
- Pivoted Safe Passage to support food security and safe park access during the closure of schools due to the pandemic
- Planned 72 park programs for activation
- Planned 9 Play Streets events with 86 attendees on average per event
- 6 murals with Paint the Void installed

Marketing & Economic Development



- Formed a new Economic Opportunity Program, significantly increasing the support and resources for small businesses in the Tenderloin, through a newly-built database of 250+ businesses.
- Assisted 82 businesses leading to \$213,000 total financial assistance to businesses.
- Funded 95 mini grants.
- Provided support to 73 businesses applications to city/corporate grants, 46 SF Shines applications, and 27 SF Help loan applications.
- Served 3,500 food insecure residents through a partnership with SF New Deal within the Tenderloin Health and Economic Relief Pilot program.
- Support businesses with the negotiation and review of leases, LOIs and proposals.
- Support execution of the Larkin Street and Golden Gate Avenue Shaped Spaces street closure outdoor dining program to provide mini-grant funds for 14 businesses to purchase equipment.

Administration

- Established new Committee Structure to engage Board and community partners in expanded programs - rather than the three traditional program committees, Public Right of Way (PROW), Community Engagement & Communications (CEC) and Safe Passage, the new structure matched the programs in the Core Framework that TLCBD started developing in 2016. TLCBD expanded Program Committees to include:
 - Clean: Overseeing contracts for third-party vendors to staff a Clean Team and provide supplemental cleaning services as well as building partnerships with other agencies and organizations providing cleaning services in the neighborhood
 - Safe: Overseeing TLCBD Safe Passage operations, Safe Routes to School work and a new Pedestrian Safety initiative as well as building partnerships with neighborhood schools and nonprofits providing services for children and seniors
 - Inviting Space: Overseeing a new program to build a Tenderloin Park Network and uphold a vision for beautiful and inviting shared public spaces
 - Neighborhood Pride: Overseeing programs that build neighborhood agency and voice by supporting a handful of Block Safety Groups, a vision for Community Pride Through Environmental Design (CPTED) and continuing the TL Thrives initiative
 - Economic Opportunity: Overseeing the development of a new program supporting small businesses, building partnerships to support workforce development for neighborhood residents and shepherding the partnership and then eventual acquisition of the Tenderloin Equitable Development Project (TEDP)
 - Evaluation: Overseeing the TLCBD Evaluation Program to evaluate effectiveness of the work that the CBD does in its various programs and in the wider community and also serving the function of an Audit Committee
 - Youth Voice: launched a new program to educate youth ages 14-24 to learn how to turn research into policy action on topics such as drug use, violence, homelessness and crime in the Tenderloin

NOM/TL CBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for NOM/TL CBD:

- **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 “North of Market/Tenderloin Community Benefit District”, Section 3.9 – Budget)

- **BENCHMARK 2:** Whether three and thirty four hundredths percent (3.34%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “North of Market Tenderloin Community Benefit District”, Section A - 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 “North of Market Tenderloin Community Benefit District”, Section 3.9 – Budget.
- **BENCHMARK 4:** Whether NOM/TL 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 (CA Streets & Highways Code, Section 36651)

FY 2021-2022

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: *NOM/TL CBD met this requirement. See table below.*

Service Category	Management Plan Budget (Percentage)	FY 2021-21 Budget – Asst (Percentage)	FY 2021-22 Budget – Total (Percentage)	Variance Percentage Point – Asst	Variance Percentage Points - Total
Clean & Safe	\$1,356,618.00 (66.77%)	\$1,574,440.00 (66.26%)	\$2,038,315.00 (61.98%)	-0.51%	-4.80%
Marketing & Economic Development	\$315,950.00 (15.55%)	\$392,400.00 (16.51%)	\$392,400.00 (11.93%)	+0.96%	-3.62%
Administration	\$309,103.00 (15.21%)	\$359,222.00 (15.12%)	\$808,848.00 (24.57%)	-0.10%	+9.35%
Contingency/ Reserve/City Fees	\$50,000.00 (2.46%)	\$50,109.00 (1.52%)	\$50,109.00 (1.52%)	-0.35%	-0.94%
TOTAL	\$2,031,671.00 (100%)	\$2,376,171.00 (100%)	\$3,288,872.00 (100%)		

BENCHMARK 2: Whether five percent (5%) of NOM/TL CBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NOM/TL CBD met this requirement. Assessment revenue was \$2,021,032.00 or 38.11% of actuals and non-assessment revenue was \$3,282,747.00 or 61.89% of actuals.*



Revenue Sources	FY 2021-2022 Actuals	% of actuals
FY Assessment Revenue	\$2,132,373.00	30.21%
Penalties	\$0.00	0.00%
Total Assessment (Special Benefit) Revenue	\$2,132,373.00	30.21%
Contributions and Sponsorships	\$1,653,873.00	23.43%
Grants	\$1,900,324.00	26.92%
Donations	\$5,216.00	0.07%
Interest Earned	\$16,236.00	0.23%
Earned Revenue	\$1,141,682.00	16.17%
Other	\$209,440.00	2.97%
Total Non-Assessment (General Benefit) Revenue	\$4,926,771.00	69.79%
Grand Total	\$7,054,144.00	100.00%

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

ANALYSIS: *NOM/TL CBD met this requirement. See table below.*

Service Category	FY 2021-22 Budget – Asst (Percentage)	FY 2021-22 Budget – Total (Percentage)	FY 2021-2022 Actuals – Asst (Percentage)	FY 2021-2022 Actuals – Total (Percentage)	Variance Percentage Points – Asst	Variance Percentage Points – Total
Clean & Safe	\$1,574,440.00 (66.26%)	\$2,038,315.00 (61.98%)	\$1,421,482.00 (66.67%)	\$3,797,506.00 (82.51%)	+0.41%	+20.54%
Marketing & Economic Development	\$392,400.00 (16.51%)	\$392,400.00 (11.93%)	\$355,396.00 (16.67%)	\$363,273.00 (7.89%)	+0.15%	-4.04%
Administration	\$359,222.00 (15.12%)	\$808,848.00 (24.57%)	\$355,396.00 (16.67%)	\$441,617 (9.60%)	+1.55%	-14.97%
Contingency/ Reserve/City Fees	\$50,109.00 (1.52%)	\$50,109.00 (1.52%)	\$0.00 (0.00%)	\$0.00 (0.00%)	-2.11%	-1.52%
TOTAL	\$2,376,171.00 (100%)	\$3,288,872.00 (100%)	\$1,795,118.77	\$3,941,378.00		



BENCHMARK 4: Whether NOM/TL 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.

ANALYSIS: *NOM/TL CBD met this requirement. See table below.*

Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget.

FY 2021-22 Assessment Carryforward Disbursement		
Service Category	Dollar Amount	Spenddown Timeline
Clean and Safe	\$0.00	FY22
Marketing and Economic Development	\$0.00	FY22
Administration	\$0.00	FY22
Special Assessment Total	\$0.00	
FY 2021-22 Non-Assessment Carryforward Disbursement		
Silicon Valley Community Foundation	\$50,000.00	FY24
Camera/Silicon Valley	\$28,072.00	FY23
SEADC/Silicon Valley	\$177,500.00	FY23
AARP/Dodge Alley	\$25,000.00	FY23
Non-Assessment Total	\$730,572.00	

Findings and Recommendations

During the FY 2021-2022 review period, the North of Market/Tenderloin CBD met 3 of the 4 benchmarks as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the North of Market Tenderloin Community Benefit District as detailed on pages 5 and 6 of this memo.

The organization failed to meet benchmark 4 for FY 20-21. This CBD operates on the fiscal year, meaning that it carries over approximately 6 months of assessment revenue from one fiscal year to the next in order to fund operations during the time period the City does not distribute assessment funds. This amount needs to be included in the annual report, as stipulated in state law. OEWD recommends the organization include this information in their annual report document.

The North of Market/Tenderloin CBD continues to struggle in providing OEWD with a full and complete annual reports and financial statements in a timely manner for the fourth consecutive year. Annual reporting



is required under both state law and the CBD's management agreement with the City and County of San Francisco. The organizations primarily assigned delay causes due to the time it takes their outside financial professionals to complete end of year booking. The organization improved on submittal timelines compared to FY 20-21 annual reporting. The addition of finance and administration staff in FY 21-22 assisted in this.

The North of Market/Tenderloin CBD does employ surveillance technology, but did not comply with OEWD's memo regarding CBDs' and surveillance technology which requires including information on the program in the annual report. The CBD did comply in FY 20-21. The CBD does include information on their camera program on its website, but does not provide the full policies, as articulated in FY 20-21 reporting, on its site. OEWD will require the CBD submit an additional Tenderloin Surveillance Technology report by 6/15/2023.

OEWD received no complaints regarding violations of the Brown Act or California Public Records Act in this reporting period.

The North of Market/Tenderloin CBD is taking part in the Connected Worker App program, commonly known as Integrated 311. In it, the CBD responds to 311 requests within their purview and has the ability to close out 311 tickets. In FY 21-22 there were able to respond and complete a total of 3,243 unique 311 tickets, or 65.65% of these generated within the service area. Based off data provided by the system, the CBD was able to respond to and address these issues significantly faster than city crews.

The North of Market/Tenderloin CBD is a high-capacity entity operating in the neighborhood with strong ties to its businesses, residents, and other neighborhood and nonprofit partners.

Conclusion

North of Market/Tenderloin CBD has performed well in implementing their service plan. The CBD continues to address its core objectives and continues to be successful at partnering with the community-at-large on specific initiatives and goals. The CBD must do a better job of turning in annual reports in a timely manner. The CBD has an active board of directors and committee members; and OEWD believes it will be able to carry out their mission and service plans.



Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



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

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

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

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: