

MEMO

To: Supervisor London Breed, District 5; Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Crezia Tano, OEWD Senior Project Manager

RE: Civic Center Community Benefit District

Date: April 2, 2015

This is a memo summarizing the performance of the Civic Center Community Benefit District (CCCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2011 and June 30, 2014.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2008.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2011-2012
 - b. FY 2012-2013
 - c. FY 2013-2014
2. CPA Financial Review Reports
 - a. FY 2011-2012
 - b. FY 2012-2013
 - c. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development



Background

The CCCBD includes both privately and publicly owned properties. The district covers 35 blocks and includes approximately 289 parcels.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).

Basic Info about Civic Center CBD

Year Established	January 2011
Assessment Collection Period	FY 2011-2012 to FY 2020-2021 (July 1, 2011 to June 30, 2021)
Services Start and End Date	February 1, 2012 – June 31, 2021
Initial Estimated Annual Budget	\$736,850
Fiscal Year	July 1 – June 30
Executive Director	Donald W. Savoie
Name of Nonprofit Entity	Civic Center Community Benefit District Corporation

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

Summary of Service Area Goals

Safety Program

The Safety Program supports both uniformed Ambassadors and activates the sidewalks and open space. CCCBD contracts with MJM Management Group to staff a team of Community Safety Ambassadors (CSAs). There is a daily assignment of four uniformed Community Service Ambassadors who support police and property owners in crime prevention, assist visitors with area information and provide street population/homeless with social services information and referrals. CSAs provide services for 12 hours a day, five days/week. The CBD also trains CSA team members to develop strong, supportive relationships with SFPD officers. The CCCBD Management Plan calls for 63.5% of the budget to be spent on the Safety Program.

Additional Evening Public Safety (Zone 2 only) -includes four uniformed Community Service Ambassadors to work for 200 evenings/year for 4 five hour shifts from 6:30pm - 11:30pm or the equivalent as deemed necessary by the district.

Cleaning Program and On-Call Graffiti Removal

This service area provides a uniformed maintenance worker to respond to maintenance calls to remove graffiti, wash down the sidewalk or pick up an accumulation of debris on the sidewalk 20 hours/week. This individual is supported by calls by the CBD staff to the Department of Public Works (DPW) to coordinate delivery of the maintenance services that the City provides. In addition, Zone 3 deploys one maintenance worker providing daily sidewalk sweeping or steam cleaning and graffiti removal between 7:30 a.m. – 4:00 p.m. The CCCBD Management Plan allocates 11% of their funds to this service area.

Beautification

The Beautification program area includes streetscape improvements such as way finding signage and sidewalk lighting and capital enhancements. The program focuses on the greening of the streetscapes throughout district. One example of this effort is their hanging flower baskets at intersections and key entry points to the district. The CCCBD Management Plan allocates 11% of their funds to this service area.

Activation of Public Spaces (Zone 2)

This service area implements programs that support Civic Center Plaza's night time activation. Civic Center CBD coordinates with municipal agencies, community based organizations and local business owners to develop and provide planned night time based events.

Staff – Executive Director

CCCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Civic Center CBD. In addition, the Executive Director produces a newsletter to district organizations, merchants, property owners, and members of the media. The CCCBD Management Plan calls for 15% of the budget to be spent on administration and corporate operations. The CCCBD board has fourteen (14) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. The full board meets bi-monthly. All committees meet as needed. The six committees are detailed below:

- **Executive** – creates agendas for the board meetings and is comprised of the four corporate officers (Chair, Vice Chair, Treasurer, and Secretary).
- **Finance** - reviews financial reports, budgets and expenditures.
- **Capital Improvements and Planning** – discusses improvements, including signage beautification, furnishings, transportation and real estate development.
- **External Affairs** – reviews and comments on the policies, laws and the regulations that impact the CBD and the Civic Center. In addition, the committee manages and develops marketing strategies and public relations.
- **Safety** – discusses the overall safety of the district including police and criminal activity as well as data analysis of these statistics and news reports.
- **Services** – drafts the request for proposals for services contracts and manages the ongoing relationship between the CBD and their contracts.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2011-2012

Safety Program/Community Service Ambassadors

- Safety & Security Services:
 - Emergency Services; Quality of Life Crimes; Quality of Life Issues; General Neighborhood Issues.

Total Safety & Security Services: 2,000
- Visitor/Merchant Services:
 - Meet and Greet with merchants/residents; Assist Merchants; Directions.

Total Visitor/Merchant Services: 918

Cleaning Program and On-Call Graffiti Removal

- Litter and Trash Removal:
 - Overflowing Trashcan Topped Off; Shopping Cart Removal; Illegal Dumping/Reported/Dispatched/Clean-Up.
- Graffiti Issues:
 - Removed Sticker/Flyer; Graffiti and Sighting Removal.
- Request for CBD Services:
 - Painting Request; Scrub Request; Steam Cleaning Request; Sweep Request.

Total Cleaning/Maintenance Services Completed: 1,046

Activation of Public Places *Zone 2 Only*

- Civic Center Lighting Study – conducted a lighting survey to determine lighting levels and perceptions of safety.

Beautification

- Began the following programs:
 - Street Art Project, A Forest for the Trees
 - Partnership with Please Touch Community Garden
 - Civic Center Plaza Sustainability Project
 - Way finding Signage

Administration and Corporate Operations

- Created an updated website with information on transit, parking and visiting, events as well as the history and information on the arts groups in the district. Established a Facebook page, twitter feed, and Newsletter.
- Developed a brochure that outlined the CBDs formation and services. The brochure is distributed to all of the district stakeholders.

FY 2012-2013

Safety Program/Community Service Ambassadors

- Total Safety & Security Services: **10,043**
- Total Visitor/Merchant Services: **3,233**

Cleaning Program and On-Call Graffiti Removal

- Total Cleaning/Maintenance Services Completed: **20,778**

Activation of Public Places *Zone 2 Only*

- Civic Center Lighting Study – conducted a lighting survey to determine lighting levels and perceptions of safety.
- Community Lighting Grants Program – created a Community Lighting Grants Program as a tool for incentivizing property owners to increase the level of their buildings outdoor lighting. Property owners may apply for a grant of up to \$1,000 to pay for supplemental lighting.

Beautification

- Partnered with Civic Center property owners on 12th Street to create the SOMA Community Garden to revitalize the area through a community green-space that interconnects nature, aesthetics, and communal activities. The proposed project encompassed the dead-end of Stevenson Street at 12th and created a community garden for the area.

Administration and Corporate Operations

- Updated a mobile version of its website increasing accessibility to CCCBs services, information and events and enabling community stakeholders to send requests and address concerns via text and email to the CBD Dispatch Center.
- Worked with the District Attorney’s Office on initiatives such as the enforcing recycling scavenging and focusing on troubling “hotspots” in the Civic Center.
- Served as consultants for various property development companies regarding projects like the redevelopment of 100 Van Ness Avenue, the SFJAZZ entertainment license, and 101 Polk Street.

FY 2013-2014

Safety Program/Community Service Ambassadors

- Total Safety & Security Services: **13,600**
- Total Visitor/Merchant Services: **7,791**

Cleaning Program and On-Call Graffiti Removal

- Total Cleaning/Maintenance Services Completed: **30,481**

Activation of Public Places *Zone 2 Only*

- Continuation of the Community Lighting Grants Program – created a Community Lighting Grants Program as a tool for incentivizing property owners to increase the level of their buildings outdoor lighting. Property owners may apply for a grant of up to \$1,000 to pay for supplemental lighting.

Beautification

- Presented its inaugural musical event – “Holiday Lights and Fanfare”. The event series included performances to activate neighborhood public right of ways and showcase the holiday season for the districts residents and visitors.

Administration and Corporate Operations

- Initiated meetings with SFMTA regarding parking conditions in the area. These meetings resulted in guarantees of improving both the Performing Arts Garage and the Civic Center Parking Garage. CCCBD also addressed the loss of small surface parking lots due to developments.
- Joined “The Better Market Street Project” Citizens Advisory Committee.

CCCBD Annual Budget Analysis

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

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

FY 2011-2012

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: CCCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2011-2012 Budget	% of Budget	Variance Percentage Points
Safety/CSAs	\$357,495	51.7%	\$357,495	51.7%	0.0
Cleaning Program	\$139,890	20.2%	\$139,890	20.2%	0.0
Beautification	\$22,876	3.3%	\$22,876	3.3%	0.0
Activation of Public Places	\$24,081	3.5%	\$24,081	3.5%	0.0
Administration and Corporate Operations	\$140,702	20.3%	\$140,702	20.3%	0.0
Non-Assessment Funds	\$6,920	1.0%	\$6,920	1.0%	0.0
TOTAL	\$691,964	100.0%	\$691,964	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *CCCBD met this requirement. Assessment revenue was \$685,045 or 94.6% of actuals and non-assessment revenue was \$39,350 or 5.4% of actuals. See table below.*

Revenue Sources	FY 2011-2012 Actuals	% of Actuals
Special Benefit Assessments	\$685,045	
Total assessment revenue	\$685,045	94.6%
Sponsorships/Contributions	\$27,734	3.8%
Donations	\$11,550	1.6%
Other	\$66	0.01%
Total non-assessment revenue	\$39,350	5.4%
Total	\$724,395	100%

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

ANALYSIS: *CCCBD did not meet this requirement. FY 2011-12 was the first year of CCCBD operations, the CCCBD began service late in the fiscal year, which did not allow for the deployment of program in Beautification and Activation of Public Places. If these program areas were deployed, the CBD would have been within the 10% range. See table below.*

Service Category	FY 2011-2012 Budget	% of Budget	FY 2011-2012 Actuals	% of Actuals	Variance Percentage Points
Safety/CSAs	\$357,495	51.7%	\$181,569	50.5%	-1.2
Cleaning Program	\$139,890	20.2%	\$59,439	16.5%	-3.7
Beautification	\$22,876	3.3%	\$0	0.0%	-3.3
Activation of Public Places	\$24,081	3.5%	\$0	0.0%	-3.5
Administration and Corporate Operations	\$140,702	20.3%	\$118,719	33.0%	+12.7
Non-Assessment Funds	\$6,920	1.0%		0.0%	-1.0
TOTAL	\$691,964	100.0%	\$359,727	100.0%	

BENCHMARK 4: Whether CCCBD 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: CCCBD indicated carryforward funds but did not allocate these funds in their Annual Report. OEWD requested that CCCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Civic Center CBD dated February 9, 2015. 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. See table below.

FY 2011-2012 Carryover Disbursement	\$356,676
Designated Projects for FY 2012-13	\$0
Total Designated amount for FY 2012-13	\$0

FY 2012-2013

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: CCCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2012-2013 Budget	% of Budget	Variance Percentage Points
Safety/CSAs	\$357,495	51.7%	\$385,000	53.5%	+1.8
Cleaning Program	\$139,890	20.2%	\$145,000	20.2%	0.0
Beautification	\$22,876	3.3%	\$25,000	3.5%	+0.2
Activation of Public Places	\$24,081	3.5%	\$25,000	3.5%	0.0
Administration and Corporate Operations	\$140,702	20.3%	\$132,500	18.4%	-1.9
Non-Assessment Funds	\$6,920	1.0%	\$7,000	1.0%	0.0
TOTAL	\$691,964	100.0%	\$719,500	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *CCCBD did not meet this requirement.* Assessment revenue was \$725,858 or 99.3% of actuals and non-assessment revenue was \$4,968 or 0.7% of actuals. See table below.

Revenue Sources	FY 2012-2013 Actuals	% of Actuals
Special Benefit Assessments	\$725,858	
Total assessment revenue	\$725,858	99.3%
Sponsorships/Contributions		
Donations	\$4,902	
Other	\$66	
Total non-assessment revenue	\$4,968	0.7%
Total	\$730,826	100%

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

ANALYSIS: *CCCBD did not meet this requirement.* See table below.

Service Category	FY 2012-2013 Budget	% of Budget	FY 2012-2013 Actuals	% of Actuals	Variance Percentage Points
Safety/CSAs	\$385,000	53.5%	\$380,595	65.4%	+11.9
Cleaning Program	\$145,000	20.2%	\$125,970	21.7%	+1.5
Beautification	\$25,000	3.5%	\$0	0.0%	-3.5
Activation of Public Places	\$25,000	3.5%	\$8,000	1.4%	-2.1
Administration and Corporate Operations	\$132,500	18.4%	\$67,142	11.5%	-6.9
Non-Assessment Funds	\$7,000	1.0%		0.0%	-1.0
TOTAL	\$719,500	100.0%	\$581,707	100.0%	

BENCHMARK 4: Whether CCCBD 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: CCCBD indicated carryforward funds but did not allocate these funds in their Annual Report. OEWD requested that CCCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Civic Center CBD dated February 9, 2015. 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. See table below.

FY 2011-2012 Carryover Disbursement	\$505,827
Designated Projects for FY 2012-13	\$0
Total Designated amount for FY 2012-13	\$0

FY 2013-2014

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: CCCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
Safety/CSAs	\$357,495	51.7%	\$385,000	53.5%	+1.8
Cleaning Program	\$139,890	20.2%	\$145,000	20.2%	+0.0
Beautification	\$22,876	3.3%	\$25,000	3.5%	+0.2
Activation of Public Places	\$24,081	3.5%	\$25,000	3.5%	+0.0
Administration and Corporate Operations	\$140,702	20.3%	\$132,500	18.4%	-1.9
Non-Assessment Funds	\$6,920	1.0%	\$7,000	1.0%	0.0
TOTAL	\$691,964	100.0%	\$719,500	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *CCCB met this requirement. Assessment revenue was \$714,467 or 98.2% of actuals and non-assessment revenue was \$13,360 or 1.8% of actuals. See table below.*

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$714,467	
Total assessment revenue	\$714,467	98.2%
Sponsorships/Contributions	\$9,800	
Donations		
Other	\$3,560	1.8%
Total non-assessment revenue	\$13,360	100%
Total	\$727,827	

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

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

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Actuals	Variance Percentage Points
Safety/CSAs	\$385,000	53.5%	\$381,808	52.7%	-0.8
Cleaning Program	\$145,000	20.2%	\$124,990	17.2%	-2.9
Beautification	\$25,000	3.5%	\$0	0.0%	-3.5
Activation of Public Places	\$25,000	3.5%	\$15,270	2.1%	-1.4
Administration and Corporate Operations	\$132,500	18.4%	\$202,974	28.0%	+9.6
Non-Assessment Funds	\$7,000	1.0%		0.0%	-1.0
TOTAL	\$719,500	100.0%	\$725,042	100.0%	

BENCHMARK 4: Whether CCCBD 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: CCCBD indicated carryforward funds but did not allocate these funds in their Annual Report. OEWD requested that CCCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Civic Center CBD dated February 9, 2015. 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. See table below.

FY 2013-14 Carryover Disbursement	\$508,612	To be used in FY 2014-2015	To be used in Future Years
Designated Projects			
10B Officers Program	-	\$25,000	\$280,000
Renewal Expenses			\$200,000
Other			\$612
Total Designated Amount	\$508,612	\$25,000	\$480,612

Findings and Recommendations

CCCBD has generally met all of the benchmarks as defined on page 6 of this memo, with the exception of benchmark three for FY 2011-2012 and FY 2012-13.

For all of the years in review except for one, in which CCCBD was shy of .03 percentage points, CCCBD passed its general benefit requirement of one percent (1%). The CCCBD has acquired a significant amount of funding, in the form of grant dollars and in-kind as well as volunteer services.

It is noted that in its first year Civic Center CBD had a large carryforward and currently intends to utilize these funds for a 10B Officer Program in the remaining term of the district and allocated funds toward renewal expenses in the final year of the term. OEWD is currently researching allowable uses of these funds that would comply both with State and Local laws.

Conclusion

CCCBD has performed well in implementing its service plan. CCCBD has continued to successfully sponsor and help implement events and programs in the district. CCCBD is a well-run organization with active board and committee members and will continue to successfully carryout its mission as a community benefit district.