

File No. 230071

Committee Item No. 2

Board Item No. 11

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: March 2, 2023

Board of Supervisors Meeting:

Date: March 14, 2023

### 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 Rpt CY2021
- Financial Statements 123121
- OEWD PPT 030223
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Prepared by: Stephanie Cabrera

Date: February 23, 2023

Prepared by: Stephanie Cabrera

Date: March 2, 2023

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Civic Center Community Benefit District - Annual Report - CY2021]

2

3 **Resolution receiving and approving an annual report for the Civic Center Community**  
4 **Benefit District for Calendar Year (CY) 2021, submitted as required by the Property and**  
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**  
6 **Sections 36600, et seq.), Section 36650, and the District’s management agreement with**  
7 **the City, Section 3.4.**

8

9 WHEREAS, On May 28, 2019, 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. 250-19, expressing the City’s intention to  
13 renew and expand the Civic Center Community Benefit District (the “Civic Center CBD”); and

14 WHEREAS, On July 23, 2019, the Board of Supervisors adopted Resolution  
15 No. 342-19 establishing (renewing and expanding) the Civic Center CBD ("Resolution to  
16 Establish") for a period of 15 years, commencing Fiscal Year (FY) 2019-2020; and

17 WHEREAS, On December 10, 2019, the Board of Supervisors adopted Resolution  
18 No. 533-19, authorizing an agreement with the owners' association for the  
19 administration/management of the Civic Center CBD, and a management agreement (the  
20 “Management Contract”) with the owners' association, the Civic Center Community Benefit  
21 District, Inc., was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board  
23 of Supervisors in File No. 191130; and

24 WHEREAS, On May 17, 2022, the Board of Supervisors approved the Civic Center  
25 CBD’s annual report for Calendar Year (CY) 2020 in Resolution No. 212-22; and

1           WHEREAS, The Civic Center CBD has submitted for the Board's receipt and approval  
2 the Civic Center an annual report for CY2021 as required by Section 36650 of the Act and  
3 Section 3.4 of the Management Contract; and

4           WHEREAS, The annual report for CY2021 is on file with the Clerk of the Board of  
5 Supervisors in File No. 230071, and is incorporated herein by reference as though fully set  
6 forth; and

7           WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and  
8 memorandum report from the City's Office of Economic and Workforce Development, dated  
9 December 22, 2022, and documentation from the Civic Center CBD for the annual report for  
10 CY2021 are on file with the Clerk of the Board of Supervisors in File No. 230071; now,  
11 therefore, be it

12           RESOLVED, That the Board of Supervisors hereby receives and approves the annual  
13 report for the Civic Center Community Benefit District for CY2021.



# It all happens in **Civic Center.**

| **History** | **Culture** | **Government** |

Annual Report 2021



SAN FRANCISCO  
**CIVIC  
CENTER**

# 2021 District Boundaries and New Developments



1. **311 Grove Street:** DM Development - condominiums
2. **240 Van Ness Ave:** The Kelsey Civic Center/Mercy Housing - mixed income apartments serving the disabled community
3. **30 Van Ness Ave:** Lendlease - office, retail, apartments
4. **1500-1540 Market St:** BUILD Inc/1 Oak condominiums
5. **1546-1564 Market St:** Trumark Urban - condominiums
6. **98 Franklin St:** French American School/Related CA - education, apartments
7. **22 Franklin St:** SST Investments - apartments
8. **1601-1637 Market St:** Strada Investment Group - mixed use/apartments
9. **10 South Van Ness Ave:** Crescent Heights - 10 SVN - apartments

7am-7pm 7 days a week



Day Ambassadors



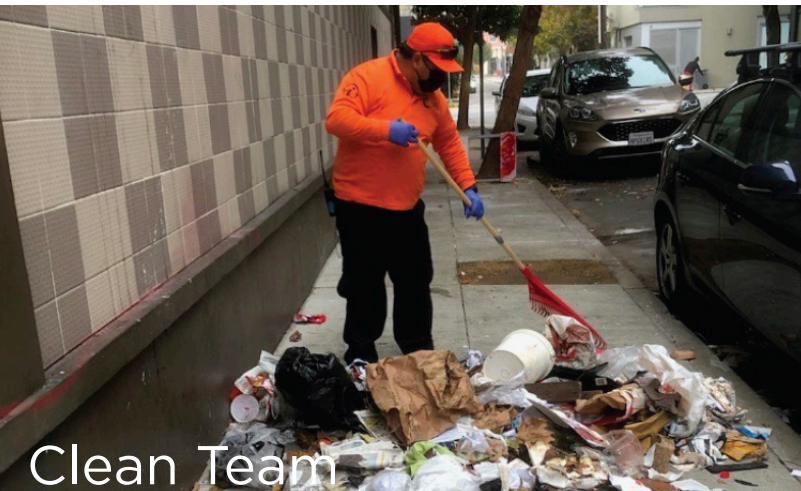
Evening Ambassadors



Playground Safety



Garage Greeter



Clean Team



Pressure Washing



Urban Alchemy



Downtown Streets Team

# significant CHALLENGES



Covid-19, Delta strain

The pandemic remained an ongoing and unpredictable crisis. Our nation, City and neighborhood have taken impressive steps forward since the vaccine became available; but it is hard to know what challenges still lie ahead.



Asian Hate

San Francisco's Civic Center was not immune to the random acts of violence inflicted upon members of the Asian community.



Opioid Epidemic

San Francisco's downtown core has been the center of drug related deaths - 640 people died in 2021. On December 17, 2021, San Francisco Mayor London Breed declared a state of emergency to address the escalating epidemic.



Vandalism

San Francisco is one of many major cities experiencing a significant rise in retail vandalism and theft. Civic Center was no exception.

# significant SOLUTIONS

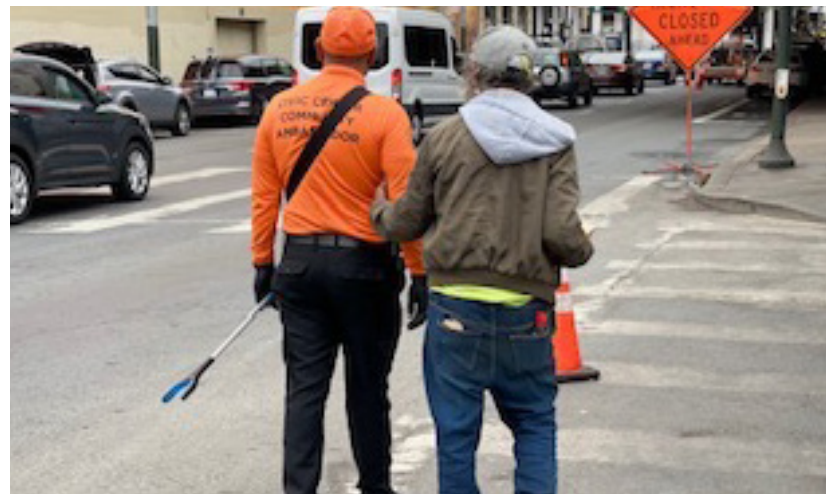
CCCBD's field crew is responsible for helping to keep Civic Center clean, safe and inviting for residents, employees and visitors. Crews removed 9,987 instances of graffiti (4,012 on private property/ 5,975 on public property) and 260,433 pounds of trash from the District.



District public safety service providers banded together to protect our Asian neighbors. At right CCCBD and SFPD issue a Commendation to a security officer who aided in the rescue of an Asian individual being attacked at 7th and Market. The rescue was a group effort between CCCBD Ambassadors, Urban Alchemy and Private Security Officer Samba Guisse.



CCCBD Ambassadors offer assistance to individuals in need of support for things such as: drug treatment, housing, mental health support and employment resources. They also make calls to check availability at shelters, make appointments at clinics and provide personal escorts whenever possible. Support services were accepted 262 times with linkages made to area programs. 5,000 copies of CCCBD's Food•Help•Shelter Resource Guides were distributed.



CCCBD's roaming field crew personnel are often the first on the scene after an incident of vandalism occurs. Our team members are critical to reporting the incident to law enforcement, business and property owners; and helping to clean-up and secure the space until repairs can be made.

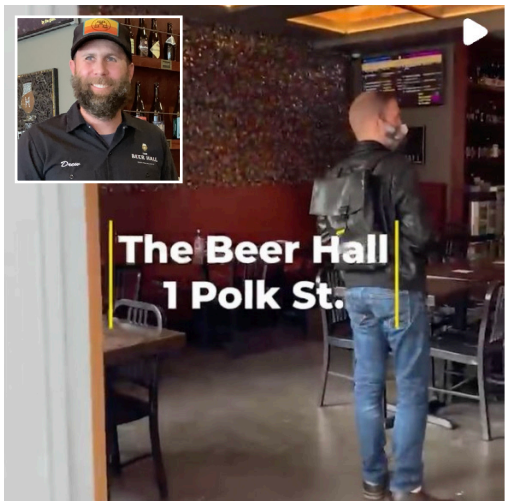




# support for operating **BUSINESSES**



CCCBD's street banner campaign announced the reopening of the District's performing arts venues



Watch CCCBD's small business promotional videos on our website

# enhancement of the PUBLIC REALM



## UN Plaza Dog Run Under Construction

A CCCBD project in partnership with the Planning Department and Recreation and Parks Department



## Civic Center Soundtrack with Recorded and Live Performances

A CCCBD project in partnership with Plaza property owners, Public Works, the Recreation and Parks Department and SFMTA

# financials

## CCCBD FY 2021 Budget

### REVENUES

	ASSESSMENT	% of Budget
Assessment	\$3,023,744.30	100.00%
Non-Assessments		
Grants	\$733,248.09	18.60%
Fee For Service	\$185,460.00	4.70%
Interest Income	\$0.00	0.00%
Other (In-Kind & Misc)	\$0.00	0.00%
Total Non-Assessment (General Benefit Revenue)	\$918,708.09	23.30%
	\$3,942,452.39	100.00%

## CCCBD FY 2021 Actual

### REVENUES

	ASSESSMENT	% of Budget
Assessment	\$3,028,045.38	100.00%
Non-Assessments		
Grants	\$726,327.25	18.42%
Fee For Service	\$187,705.42	4.76%
Interest Income	\$219.51	0.01%
Other (In-Kind & Misc)	\$4,742.71	0.12%
Total Non-Assessment (General Benefit Revenue)	\$918,994.89	23.28%
Total	\$3,947,040.27	100.00%

## CCCBD FY 2021 Budget

SERVICE CATEGORY EXPENSES	ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean/Safe/Activation	\$2,269,123.97	\$853,248.09	\$3,122,372.06
Marketing/Communication	\$140,606.64	\$0.00	\$140,606.64
Administration/Contingency	\$470,499.77	\$0.00	\$470,499.77
	\$2,880,230.38	\$853,248.09	\$3,733,478.47

## CCCBD FY 2021 Budget

### SERVICE CATEGORY PERCENTAGES

Clean/Safe/Activation	78.78%	100.00%	83.63%
Marketing/Communication	4.88%	0.00%	3.77%
Administration/Contingency	16.34%	0.00%	12.60%
	100.00%	100.00%	100.00%

## CCCBD FY 2021 Actual

SERVICE CATEGORY EXPENSES	ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean/Safe/Activation	\$1,872,658.02	\$795,936.29	\$2,668,594.31
Marketing/Communication	\$118,750.73	\$0.00	\$118,750.73
Administration/Contingency	\$486,807.89	\$11,093.58	\$497,901.47
	\$2,478,216.64	\$807,029.87	\$3,285,246.51

## CCCBD FY 2021 Actual

### SERVICE CATEGORY PERCENTAGES

Clean/Safe/Activation	75.56%	98.63%	81.23%
Marketing/Communication	4.79%	0.00%	3.61%
Administration/Contingency	19.64%	1.37%	15.16%
	100.00%	100.00%	100.00%

## CCCBD 2021 Statement of Financial Position

### ASSETS

Cash	\$4,079,529.01
Cash set aside for Contingency & Reserve	\$693,333.19
Receivables (Net)	\$69,268.38
Building Kiosk (Net)	\$1,849,476.33
Furniture & Equipment (Net)	\$34,366.64
<b>Total Assets</b>	<b>\$6,725,973.55</b>

### LIABILITIES & NET ASSETS

Accounts Payable & Accrued Expenses	\$303,537.11
Notes Payable	\$36,126.93
Deposits Payable	\$59,692.16
Deferred Revenue	\$1,896,680.65
<b>Total Liabilities</b>	<b>\$2,296,036.85</b>

### NET ASSETS

Without Donor Restriction	\$4,429,936.70
<b>Total Net Assets</b>	<b>\$4,429,936.70</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$6,725,973.55</b>

## CCCBD 2021 Carry Forward

2021 Assessment Carry Forward	As of 12/31/2021	Budgeted for 2022	Budget for Future Years
Clean/Safe/Activation	\$824,602.59	\$615,000.00	\$209,602.59
Marketing/Communication	\$52,280.87	\$25,000.00	\$27,280.87
Administration/Contingency	\$841,564.83	\$20,000.00	\$821,564.83
Special Assessment Total	\$1,718,448.29	\$660,000.00	\$1,058,448.29
2021 Non-Assessment Carry Forward			
Non-Assessment (General Benefit Carry Forward)*	\$2,711,488.41	\$250,000.00	\$2,461,488.41
<b>Total Carry Forward</b>	<b>\$4,429,936.70</b>	<b>\$910,000.00</b>	<b>\$3,519,936.70</b>

\*Non-Assessment includes non-cash contribution of \$2,065,098.93 for Kiosk

# board of directors

**Tiffany Bohee**  
Lendlease

**Erika Boulding**  
Redwood Credit Union

**Nathan Brito**  
San Francisco Ballet

**John Caldon**  
San Francisco War Memorial and Performing Arts Center

**Mary Conde**  
Another Planet Entertainment

**Tom Fortin**  
San Francisco Public Library

**Phil Ginsburg**  
San Francisco Recreation and Parks Department

**Patrice Griffith**  
California Department of General Services

**James Haas**  
Resident & Historian

**Rainer Koeners**  
Broadway SF

**Calen McEldowney**  
San Francisco Public Library

**Hank Mou**  
San Francisco Conservatory of Music

**Janan New**  
San Francisco Apartment Association

**Andrico Penick**  
San Francisco City & County Real Estate Division

**Annette Turner**  
Judicial Council of California

**Patricia Unterman**  
Hayes Street Grill

**Tim Vrabel**  
Emerald Fund

**Bill Whitfield**  
Shorenstein



## Key partners shaping District policy, programming and infrastructure

- Assemblymember David Chiu
- BART
- Department of Emergency Management
- Department of Public Health
- District 5 Supervisor's Office
- District 6 Supervisor's Office
- Healthy Streets Operations Center
- Homeland Security
- Human Services Agency
- Mid Market Community Benefit District
- Office of Economic and Workforce Development
- Office of the City Administrator
- SF Planning
- San Francisco Police Department
- San Francisco Fire Department
- Public Works
- Recreation and Parks Department
- SFMTA
- SF Travel's Clean and Safe Coalition
- United States of America



**CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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## **INTRODUCTORY SECTION**



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**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**

**Financial Statements  
For the Year Ended December 31, 2021**

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**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**

**DECEMBER 31, 2021**

**BOARD OF DIRECTORS**

Bill Whitfield  
Erika Boulding  
Dave Heng  
Hank Mou  
Patricia Unterman  
Tim Vrabel  
Nathan Brito  
James Haas  
Janan New  
Mary Conde  
John Caldon  
Gregory Holland  
Andrico Penick  
Tiffany Bohee  
Phil Ginsburg  
Roberto Lombardi  
Annette Turner

**EMERITUS MEMBERS**

David Harrison  
John Updike

**MANAGEMENT**

Tracy Everwine, Executive Director

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Civic Center Community Benefit District  
San Francisco, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Civic Center Community Benefit District (District), which comprises the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows 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 the District as of December 31, 2021, and the changes in its 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 District 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 these 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 District'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 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 District'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 District'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.

*Maze & Associates*

Pleasant Hill, California  
September 14, 2022

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021

ASSETS

Current Assets:

Cash and cash equivalents (Note 3)	\$4,079,529
Cash designated for contingencies and reserve (Note 3)	693,333
Accounts receivable (Note 2C)	<u>69,268</u>
Total Current Assets	<u>4,842,130</u>

Non-Current Assets:

Property and equipment, net of accumulated depreciation of \$375,482 (Note 2D & 4)	<u>1,883,843</u>
Total Non-Current Assets	<u>1,883,843</u>
Total Assets	<u><u>\$6,725,973</u></u>

LIABILITIES

Current Liabilities:

Accounts payable	\$303,537
Deposits payable	59,692
Deferred revenue (Note 2E & 5)	1,896,681
Loans payable (Note 6)	<u>36,127</u>
Total Liabilities	<u>2,296,037</u>

NET ASSETS (Note 2A)

Without Donor Restrictions	<u>4,429,936</u>
Total Net Assets	<u>4,429,936</u>
Total Liabilities and Net Assets	<u><u>\$6,725,973</u></u>

See accompanying notes to financial statements



CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Support and Revenues

Local property assessments	\$3,028,045
General benefit non-assessment revenue:	
Grants	726,327
Contributions	4,743
Fee for services	187,705
Interest income	<u>220</u>
Total Support and Revenues	<u>3,947,040</u>

Expenses

Program services	2,870,141
Support services:	
Administration	380,476
Fundraising	<u>25,942</u>
Total Support Services Expenses	<u>406,418</u>
Total Expenses	<u>3,276,559</u>

CHANGE IN NET ASSETS	670,481
Net Assets, beginning of year	<u>3,759,455</u>
Net Assets, end of year	<u><u>\$4,429,936</u></u>

See accompanying notes to financial statements

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Program Services		Support Services		Total
	Safety, Cleaning & Activation	Non- Assessment	Administration	Fundraising	
FUNCTIONAL EXPENSES					
Personnel Costs:					
Salaries	\$113,750	\$39,187	\$218,013	\$20,922	\$391,872
Payroll taxes	8,649	2,944	16,275	1,575	29,443
Health and other fringe benefits	14,539	4,892	27,015	2,474	48,920
Worker's compensation	1,981	752	4,422	362	7,517
Payroll fees	3,461	1,139	6,179	609	11,388
Subtotal Personnel Costs	<u>142,380</u>	<u>48,914</u>	<u>271,904</u>	<u>25,942</u>	<u>489,140</u>
Public Safety	820,029	515,870			1,335,899
Cleaning and Maintenance	809,153				809,153
Activation and Beautification	95,362	5,693			101,055
Other operating expenses:					
Accounting and auditing fees			12,805		12,805
Bank and other fees			257		257
Consultants and contractors		132,404	3,171		135,575
Depreciation (Note 4)	34,367	107,811			142,178
Dues, membership and subscriptions	63		4,420		4,483
Grant expense		148,824			148,824
Insurance			17,601		17,601
Interest expense	2,713				2,713
In-kind expense	3,600				3,600
Legal			2,050		2,050
Marketing and advertising	125		35,713		35,838
Office supplies			5,085		5,085
Other equipment			2,421		2,421
Printing and reproduction	2,833		1,240		4,073
Property taxes			1,889		1,889
Rent			11,047		11,047
Telephone and internet			5,400		5,400
Travel and meetings			5,473		5,473
Total Functional Expenses	<u>\$1,910,625</u>	<u>\$959,516</u>	<u>\$380,476</u>	<u>\$25,942</u>	<u>\$3,276,559</u>

See accompanying notes to financial statements

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$670,481
Adjustments to reconcile to net cash provided by (used for) operating activities:	
Depreciation	142,178
Decrease in accounts receivable	8,909
Decrease in prepaid assets	12,386
(Increase) in accounts payable	(257,615)
Decrease in deposits payable	7,000
(Increase) in deferred revenue	<u>(717,762)</u>
Cash Flows (Used) by Operating Activities	<u>(134,423)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments made on capital loan	<u>(34,366)</u>
Cash Flows (Used) by Financing Activities	<u>(34,366)</u>
Net (decrease) in cash and cash equivalents	(168,789)
Cash and cash equivalents, beginning of year	<u>4,941,651</u>
Cash and cash equivalents, end of year	<u><u>\$4,772,862</u></u>
Cash and cash equivalents as presented on the Statement of Financial Position:	
Cash and cash equivalents	\$4,079,529
Cash designated for contingencies and reserve	<u>693,333</u>
Total cash and cash equivalents	<u><u>\$4,772,862</u></u>

Supplemental cash flow information:

Property taxes paid in fiscal year 2021	\$1,889
Interest paid in 2021	\$2,713
Non-cash activity: In-kind contributions	\$3,600

See accompanying notes to financial statements

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 1 – REPORTING ENTITY**

**A. General**

The Civic Center Community Benefit District (District) was incorporated on June 1, 2011. The District is a 501(c)(3) nonprofit public benefit special assessment District conceived and organized by a group of concerned Civic Center property owners, arts organizations, government entities and other stakeholders (Members). Funding is provided primarily from special assessments from Members that are collected by the City and County of San Francisco and remitted to the District, pursuant to an administration agreement, dated December 20, 2019.

The Civic Center Community Benefit District improves and promotes San Francisco’s historic Civic Center through a host of planning, policy and public programming initiatives. In addition to focused and responsive neighborhood clean and safe programs, the District provides public open space beautification, activation and advocacy on behalf of the area’s diverse constituency.

**B. Programs**

**Cleaning and Maintenance** – The District provides essential services to supplement and compliment those provided by local government. The District’s supplemental maintenance support for Civic Center shows pride and stewardship of the District. Furthermore, addressing issues like litter, graffiti and general upkeep in a timely manner keeps acts of vandalism at bay creating an accessible, equitable and comfortable environment for everyone.

**Community Ambassadors** – Ambassadors assist the public in navigating the District with a welcoming and informed presence. Their presence is also a deterrent to criminal activity through proactive and immediate reporting of unsafe conditions. Ambassadors also connect those in need of medical attention or social service support with the proper agencies. Ambassadors also work on select evenings near arts venues, to enhance the pedestrian experience before and after evening performances and events. An Ambassador is also dedicated to the street-level entrance of the Civic Center Garage to provide support and guidance for garage patrons.

**Activation and Beautification** – Activation and Beautification efforts include outdoor musical performances, public art installations, street festivals, the Civic Center Plaza Holiday Tree Lighting, and oversight of the Civic Center Plaza cafe kiosk, decorative lighting and landscaping.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation and Financial Statement Presentation**

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). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The District reports information regarding its financial position and activities according to two classes of net assets:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Net Assets With Donor Restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions on the net assets are reported as reclassifications between the applicable classes of net assets.

**B. *Support and Revenues***

The District relies on member assessments which are invoiced in advance from San Francisco City and County. All contributions are recorded upon receipt, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The District and the City and County of San Francisco entered into an administration agreement whereby, on the District's behalf, the City and County of San Francisco will levy and collect the assessments from the Members through the Members' secured property tax bills. For payments received in conjunction with the first and second installment of secured property taxes, the City and County of San Francisco will remit those funds to the District on or before January 10<sup>th</sup> and May 10<sup>th</sup>, respectively. Delinquent assessments will be remitted to the District at least once during the final quarter of the fiscal year and from time to time, at the discretion of the Controller of the City and County of San Francisco.

**C. *Receivables***

The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

**D. *Property and Equipment***

Property and equipment acquisitions are recorded at cost or, if donated, at their estimated fair value at date of donation. Property and equipment with a useful life of more than one year and an acquisition cost of \$2,500 or more is capitalized. Depreciation is computed over the estimated useful lives of the respective assets, ranging from 2 to 3 years for furniture, and 20 years for buildings and improvements, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred.

**E. *Deferred Revenue***

Deferred revenue consists of 2022 assessments of \$1,896,681 received from the City and County of San Francisco. As of December 31, 2021, deferred revenue totaled \$1,896,681, and is expected to be recognized in the subsequent fiscal year.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***F. Functional Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on management's estimates. Direct costs are allocated to Assessment and Non-Assessment Programs, or Management and General. A portion of Personnel Costs have been allocated to Fundraising based on management's estimate of time spent on general fundraising efforts.

***G. Advertising Costs***

Advertising costs, if any, are expensed as incurred.

***H. Cash and Cash Equivalents***

For purposes of the statement of cash flows, the District considers all highly liquid debt investments purchased with an initial maturity of three months or less to be cash equivalents.

***I. Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***J. Income Taxes***

The District is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the District qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the District does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the District's tax returns will not be challenged by the taxing authorities and that the District will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the District's tax returns remain open for federal income tax examination for three years from the date of filing.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Fair Value Measurements**

The District reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the district develops inputs using the best information available in the circumstances.

**L. Subsequent Events**

The District evaluated subsequent events for recognition and disclosure through September 14, 2022, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2021 that requires recognition or disclosure in such financial statements.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The District's cash and cash equivalents of \$4,772,862 are comprised of cash in banks, which is insured by the Federal Depository Insurance Corporation up to \$250,000, and is reported using the Level 1 fair value measurement. The District has not experienced any losses in such accounts. Management believes the District is not exposed to any significant risk related to the security of its cash.

Of the \$4,772,862 balance of cash and cash equivalents, \$693,333 has been set aside as designated for contingencies and reserve, in accordance with the District's management plan with the City and County of San Francisco.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 4 – PROPERTY AND EQUIPMENT**

In February 2019, the District received a contribution from The Trust for Public Land of a 640 square foot food and beverage kiosk on the southwest corner of Civic Center Plaza, with a value of \$2,156,225 on the date of the contribution.

The District’s property and equipment consisted of the following as of December 31, 2021:

Depreciable Assets:	
Buildings (Kiosk)	\$2,156,225
Furniture and equipment	103,100
Sub-Total	2,259,325
Less: accumulated depreciation	(375,482)
Total Property and Equipment, net	\$1,883,843

Depreciation expense for the year ended December 31, 2021 was \$142,178.

**NOTE 5 – ASSESSMENT REVENUE**

The District receives member assessment revenue via the City and County of San Francisco property tax roll. Therefore, the District does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received. As of the year ended December 31, 2021, the District has yet to receive over \$211,407 in past due Assessments from District property owners since 2021.

As of December 31, 2021, the District received \$1,896,681 in 2022 assessment revenues that are included in Deferred Revenue on the Statement of Financial Position.

**NOTE 6 – LOANS PAYABLE**

As part of the agreement for services between the District and Streetplus Company, LLC (Streetplus), Streetplus purchased two pieces of equipment necessary for the cleaning and maintenance of the District’s area in the amounts of \$52,200 and \$50,900, totaling \$103,100. The equipment is exclusively used for the District, and at the end of the agreement, the equipment will be owned by the District. The District has two loans with Streetplus for the separate pieces of equipment. The loans bear interest at 14.24%, and are payable in monthly installments of \$1,564 and \$1,526, respectively. Both loans commenced on January 31, 2020 and mature on December 31, 2022.

During 2021, the District made payments on both loans totaling \$34,367, and as of December 31, 2021, the balance of the loans was \$36,127.



**CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2021**

**NOTE 7 – OUTSIDE SERVICE CONTRACTS**

The District contracts with StreetPlus to provide cleaning, maintenance and ambassador services on the District’s behalf.

The District contracts with Mid Market Community Benefit District (MMCBD), a California nonprofit corporation, for the management of the District.

**NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2021:

Total current financial assets:	
Cash and cash equivalents	\$4,772,862
Accounts receivable	69,268
	4,842,130
Total current financial assets	4,842,130
Amount set aside for contingencies and reserves	(693,333)
	(693,333)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$4,148,797

# Community Benefit District Annual Report

CY2021

- Mid Market
- Civic Center

# Legislative Overview

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

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

# Review Process

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

# Basic Information

CBD Name	Type	Management Plan Assessment Budget	FY20-21 Assessment Roll Submission	FY21-22 Assessment Roll Submission	Year(s) Formed and Renewed	Expires
Mid Market	Property-based	\$1,225,433.63	\$1,694,614.78	\$1,695,161.22	2006, 2013, 2016 (amend)	2028
Civic Center	Property-based	\$3,161,454.78	\$3,178,521.87	\$3,192,426.64	2011, 2019	2034

# Benchmarks

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

- **Benchmark 1** – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.
- **Benchmark 2** – Whether the CBD met its non-assessment revenue source requirement.
- **Benchmark 3** - Whether the variance between the budget amounts for each service category was within 10 percentage points from the fiscal actuals.
- **Benchmark 4** - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

# Mid Market - Benchmarks

Benchmark	Question	Was This Met in CY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	No
Benchmark 2	Non-assessment revenue is $X \geq 3.68\%$	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from on fiscal year to the next fiscal and were projects designated to be spent on?	Yes

# Mid Market - Findings and Recommendations

- Missed Benchmark 1 which compares the organization's fiscal year budget to management plan budget.
  - Overbudgeted by 0.13% over the allowable 10 percentage points for the Management and Economic Development service category
- Annual reporting to OEWD was late in part due to the Mid Market CBD team becoming part of the Department of Emergency Management's Joint Field Operations Team as part of the City's declaration of State of Emergency in the Tenderloin in December 2021. CBD staff worked with OEWD to figure out solutions on how to expedite report completion and review going forward.
  - Through a Community Challenge grant, oversaw landscaping upgrades to Mint Plaza.
  - Issued a survey in quarter 1 to better understand stakeholders' priorities for recovery, issued a Business Attraction survey in quarter 2 to understand what types of businesses are desired.
  - No reported violations of Brown Act within reporting period.
  - Complied with OEWD's memo regarding surveillance technology reporting requirements.
  - Active board and committee members.
  - Well positioned to carry on its mission.



# Civic Center - Benchmarks

Benchmark	Question	Was This Met in CY2021?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is $X \geq 4.80\%$	Yes
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
<b>Benchmark 4</b>	Were carryforward fund indicated from on fiscal year to the next fiscal and were projects designated to be spent on?	Yes

# Civic Center - Findings and Recommendations

- Met all 4 benchmarks during this reporting period.
- Annual reporting to OEWD was late in part due to the Civic Center CBD team becoming part of the Department of Emergency Management's Joint Field Operations Team as part of the City's declaration of State of Emergency in the Tenderloin in December 2021. CBD staff worked with OEWD to figure out solutions on how to expedite report completion and review going forward.
- Focused on increasing cleaning services in high traffic areas such as UN Plaza and Civic Center Plaza.
- Issued a survey in quarter 1 to better understand stakeholders' priorities for recovery, issued a Business Attraction survey in quarter 2 to understand what types of businesses are desired.
- Implemented several activations including decorative lighting in Hayes Valley in partnership with Hayes Valley Neighborhood Association, the annual Holiday Tree Lighting and Toy Giveaway on Civic Center Plaza, and Holiday Fanfare outdoor musical concerts in partnership with the SF Conservatory of Music.
- Continued to be a vital partner and participant in City efforts including the Safe Sleeping Village on Fulton Plaza, BART station construction, SFMTA's Van Ness BRT construction, SFMTA's Better Market Street project and City's State of Emergency in the Tenderloin declaration.
- No reported violations of Brown Act within reporting period.
- Complied with OEWD's memo regarding surveillance technology reporting requirements.
- Active board and committee members.
- Well positioned to carry on its mission.



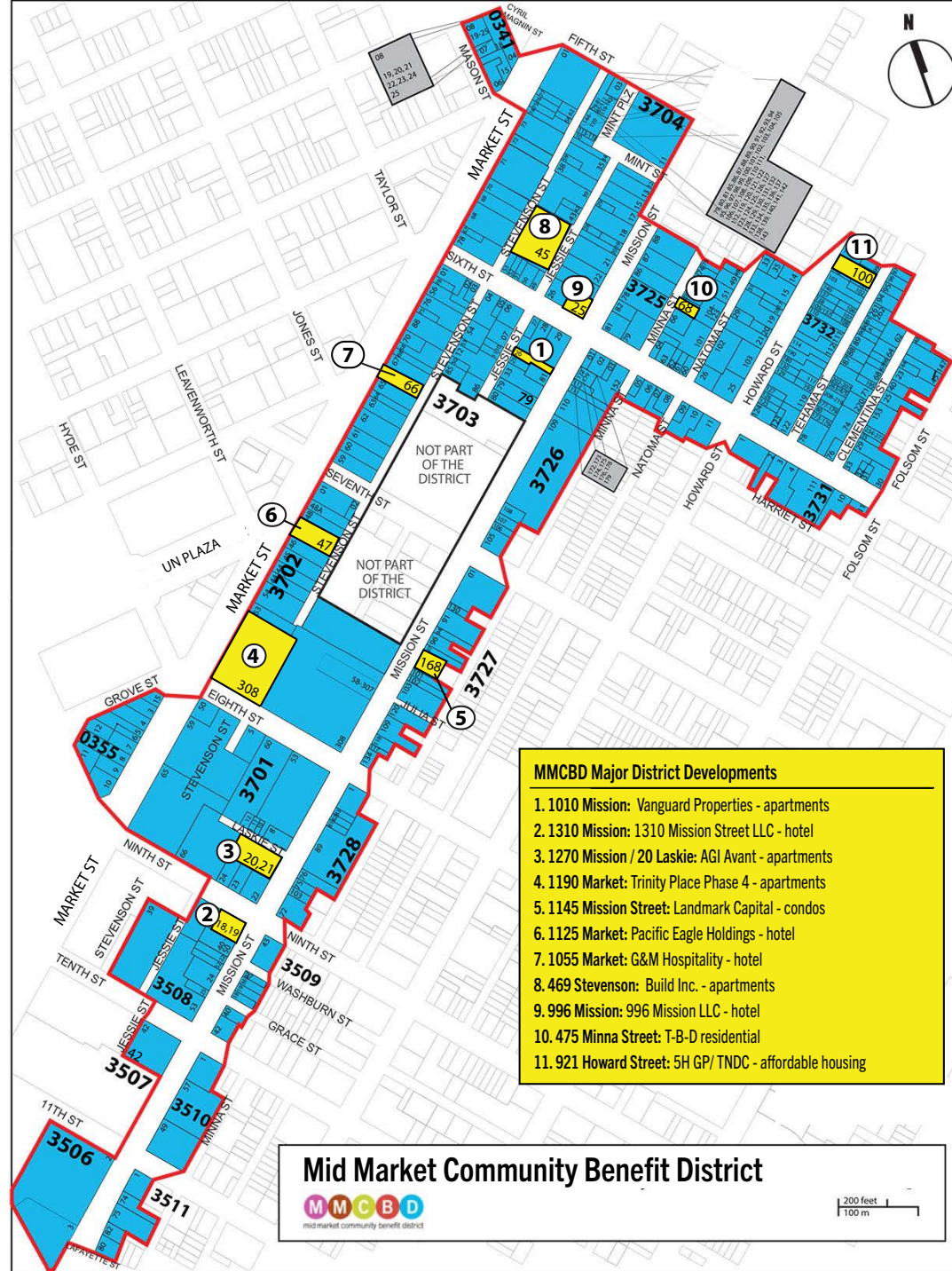
mid market community benefit district

## 2021 Report for Board of Supervisors Government Audit and Oversight Committee



mid market community benefit district

2021 District Map  
1,089 parcels  
\$1.5M Annual Budget



- MMCBD Major District Developments**
1. 1010 Mission: Vanguard Properties - apartments
  2. 1310 Mission: 1310 Mission Street LLC - hotel
  3. 1270 Mission / 20 Laskie: AGI Avant - apartments
  4. 1190 Market: Trinity Place Phase 4 - apartments
  5. 1145 Mission Street: Landmark Capital - condos
  6. 1125 Market: Pacific Eagle Holdings - hotel
  7. 1055 Market: G&M Hospitality - hotel
  8. 469 Stevenson: Build Inc. - apartments
  9. 996 Mission: 996 Mission LLC - hotel
  10. 475 Minna Street: T-B-D residential
  11. 921 Howard Street: 5H GP/ TNDC - affordable housing

**Mid Market Community Benefit District**

mid market community benefit district

200 feet / 100 m

Service Hours 7am-7pm, 7 days / week



**Cleaning & Maintenance**

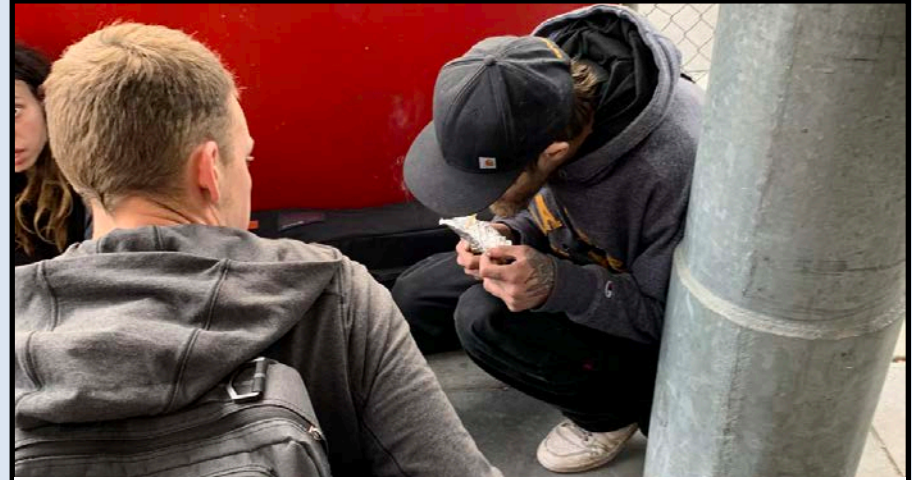
**Public Safety**

**Economic Development**

# ONGOING CHALLENGES TO OUR WORK



**DRUG DEALING**



**OPEN AIR DRUG USE**



**ENCAMPMENTS**

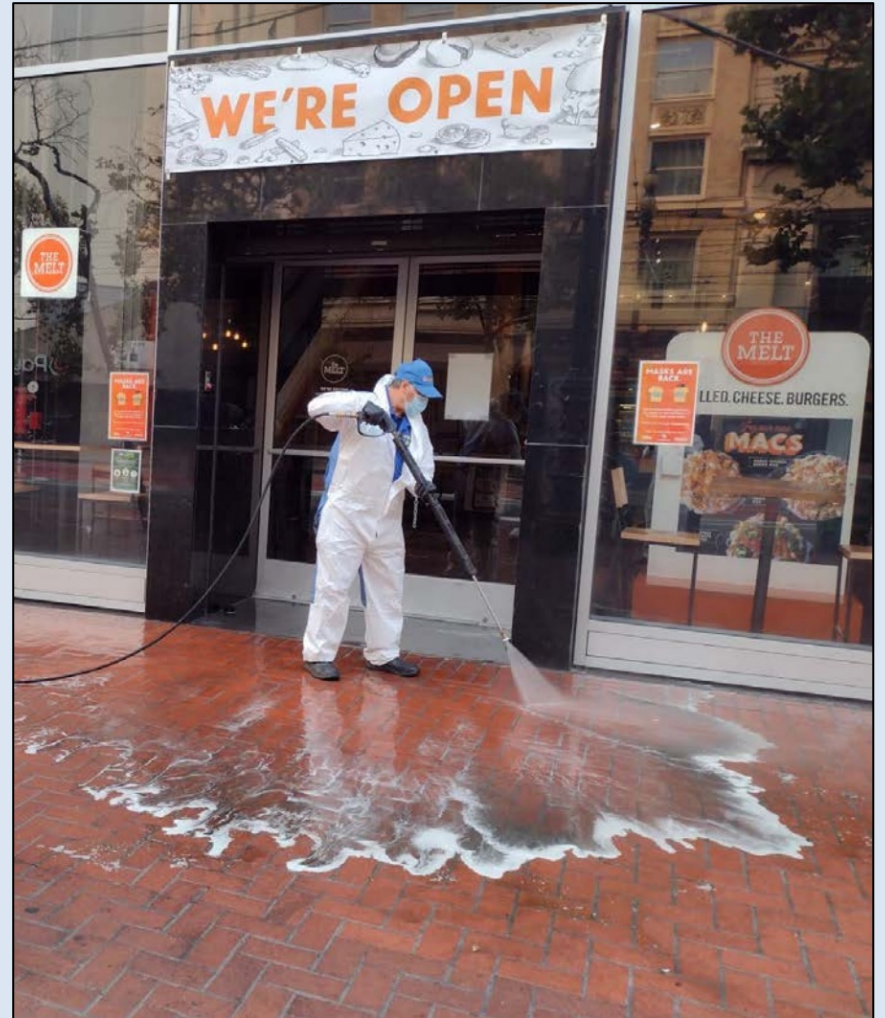


**ILLEGAL VENDING**



mid market community benefit district

# CLEANING & MAINTENANCE





mid market community benefit district

# CLEANING & MAINTENANCE







mid market community benefit district

# CLEANING & MAINTENANCE





mid market community benefit district

# CLEANING & MAINTENANCE





mid market community benefit district

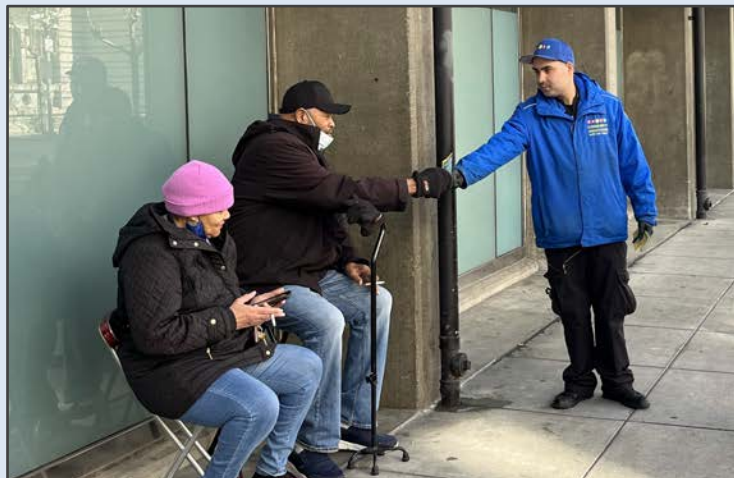
# PUBLIC SAFETY SERVICES



**Directions & Referrals**



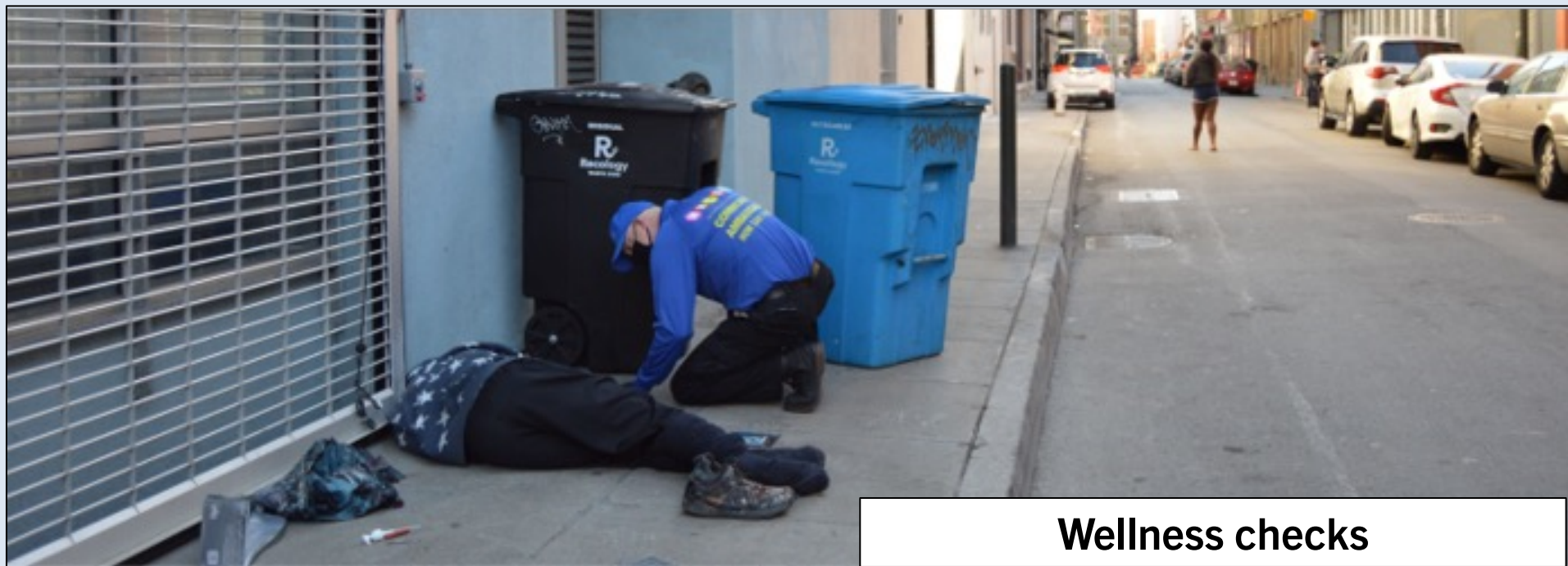
**Merchant Support**



**Resident Support**



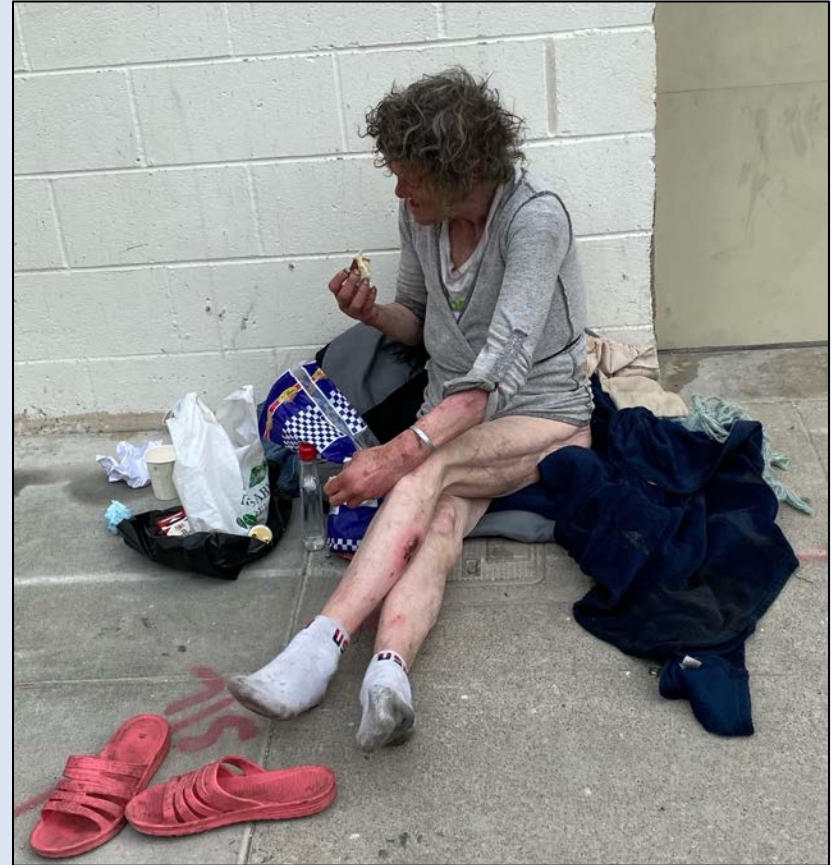
**Social Service Outreach**



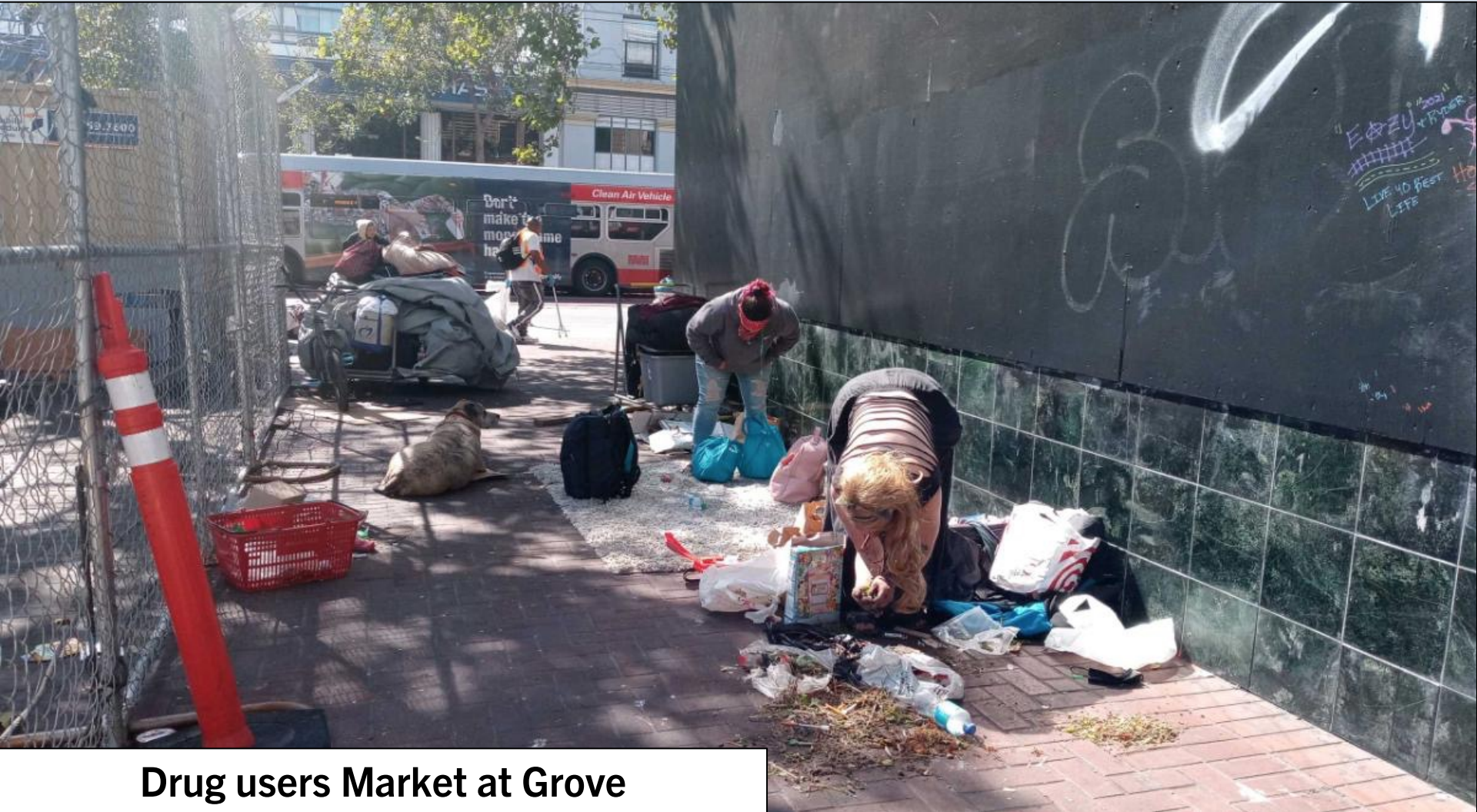
**Wellness checks**



**Emergency services called**



**Offered social services**

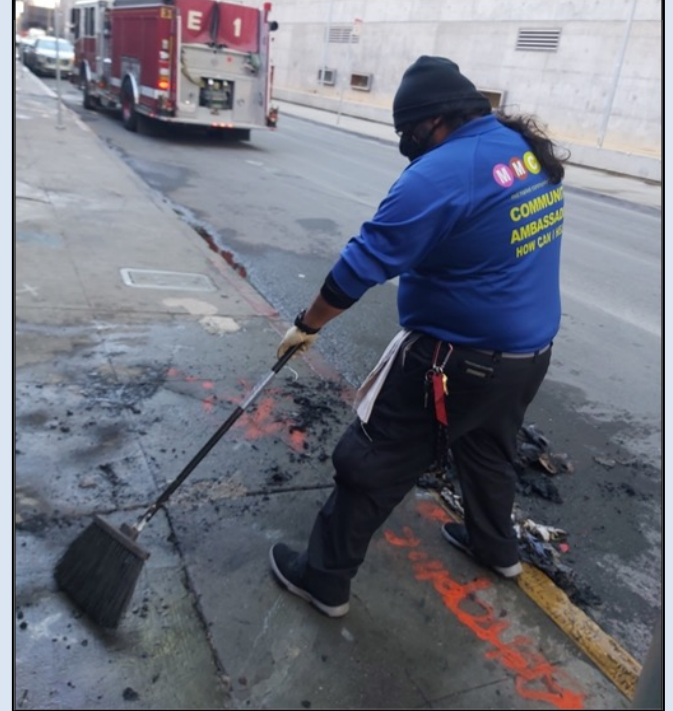


**Drug users Market at Grove**

# PUBLIC SAFETY SERVICES



**Reporting and abating encampment fires**





mid market community benefit district

# PUBLIC SAFETY SERVICES



**Reported instances of squatting**



## **Secure Properties During Extended Closures**

Properties that are unlawfully entered pose safety and security risks; please securely lock properties that aren't currently open to the public. Generic deadbolts are often cut in a few seconds, providing unfettered access to all aspects of building interiors without owners knowledge for extended periods of time. Regaining access to properties after this time often requires police presence as unsafe conditions can multiply quickly and lead to instances of personal injury, accumulation of debris and refuse, vandalism and fires.



If needing assistance installing the proper security for your property please refer to SFSAFE (<https://sfsafe.org/projects/business-security/>)





**Reported instances of squatting**

# PUBLIC SAFETY SERVICES



**Co-responder Safety Teams**



**Public Safety Cameras**



mid market community benefit district

## PUBLIC SAFETY SERVICES – lacking for first responders also



**CBD workers often victimized**



**and attacked by street population**

## MMCBD's Compassionate and Brave Field Crew



**Steve**



**Michael**



**Zacarias**



**Margo**



**Dajon**



**Kevin**



**Ignacio**



**Conchita**



**Mikhail**



**Orenzo**



**Vincent**



**Steadman**



mid market community benefit district

# ECONOMIC DEVELOPMENT – Business Retention & Stabilization



NATALNI FLOWERS



THE NAIL HALL



MO'Z CAFE



CHAI BAR



FERMENTATION LAB



SAMS AMERICAN EATERY



CREATE



GUMAIGA



TRELLIS



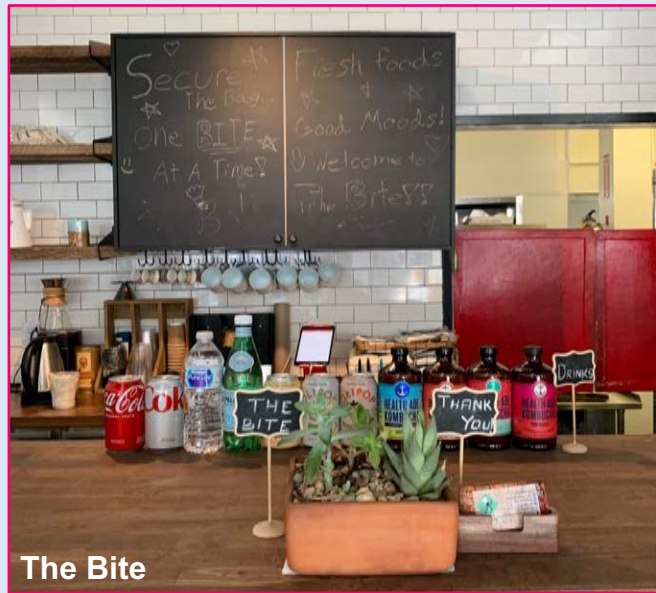
VAPOR ROOM



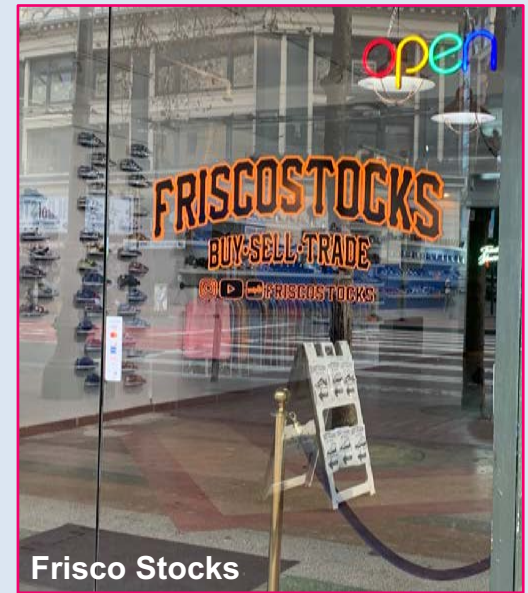
COFFEE CULTURES



MONTESACRO



The Bite



Frisco Stocks



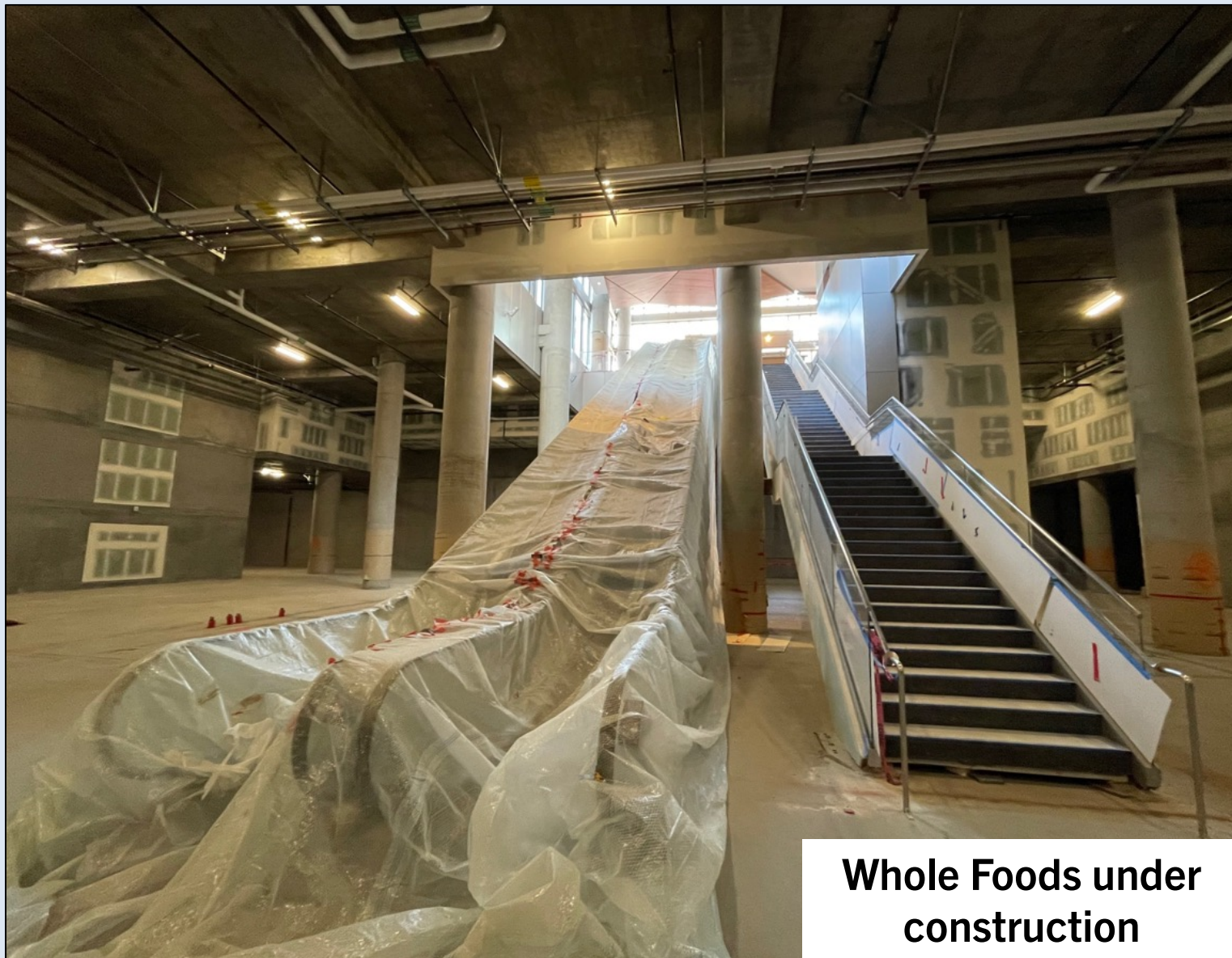
Bait

## Marketing Support for Businesses



mid market community benefit district

## ECONOMIC DEVELOPMENT – Business Attraction



**Whole Foods under  
construction**



mid market community benefit district

# ECONOMIC DEVELOPMENT – Business Attraction



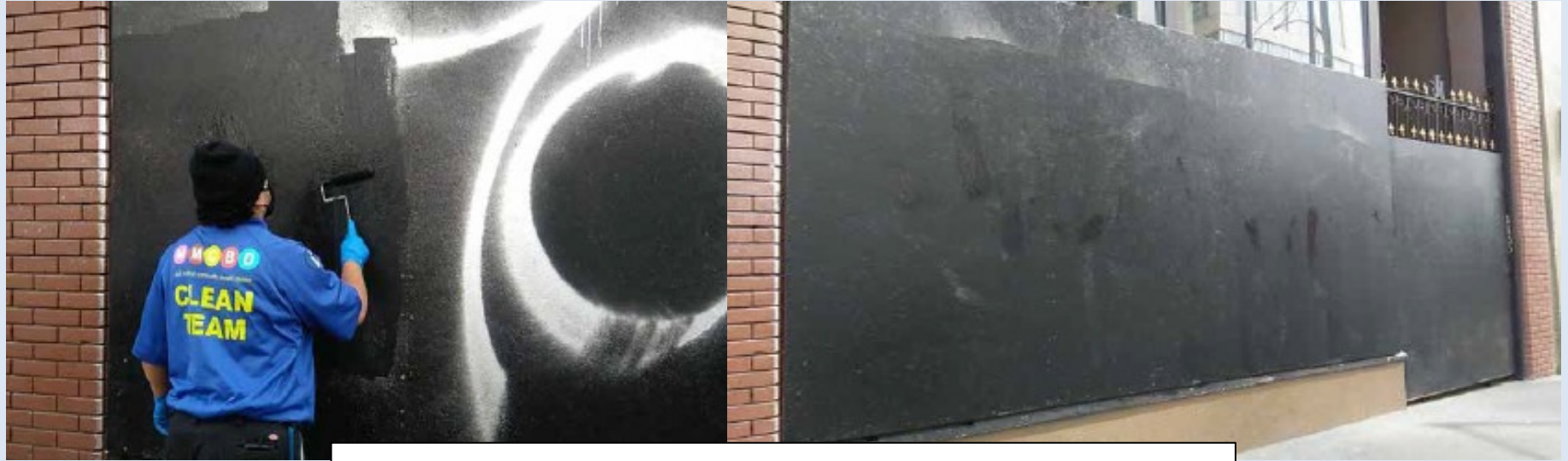
1	938 Market St.	10	1060 Market St.	19	1231 Market St.
2	969 Market St.	11	1061 Market St.	20	1231 Market St.
3	986 Market St.	12	1072A Market St.	21	1246 Market St.
4	992 Market St.	13	1117-1119 Market St.	22	1412 Market St.
5	995 Market St.	14	1133 Market St.	23	1425 Market St.
6	1020 Market St.	15	1135 Market St.	24	1446 Market St.
7	1024 Market St.	16	1193 Market St.	25	1455 Market St.
8	1055 Market St.	17	1200 Market St.		
9	1056 Market St.	18	1201 Market St.		

## Ground Floor Retail Vacancy Tracking

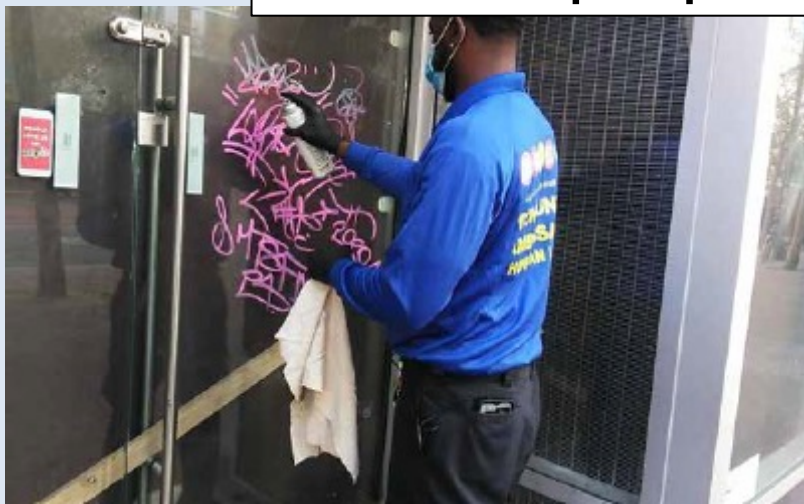


mid market community benefit district

# ECONOMIC DEVELOPMENT – Business Attraction



**Upkeep on Vacancies**







mid market community benefit district





mid market community benefit district

# ECONOMIC DEVELOPMENT – Business Attraction



**Mid Market Marketing Brochure**

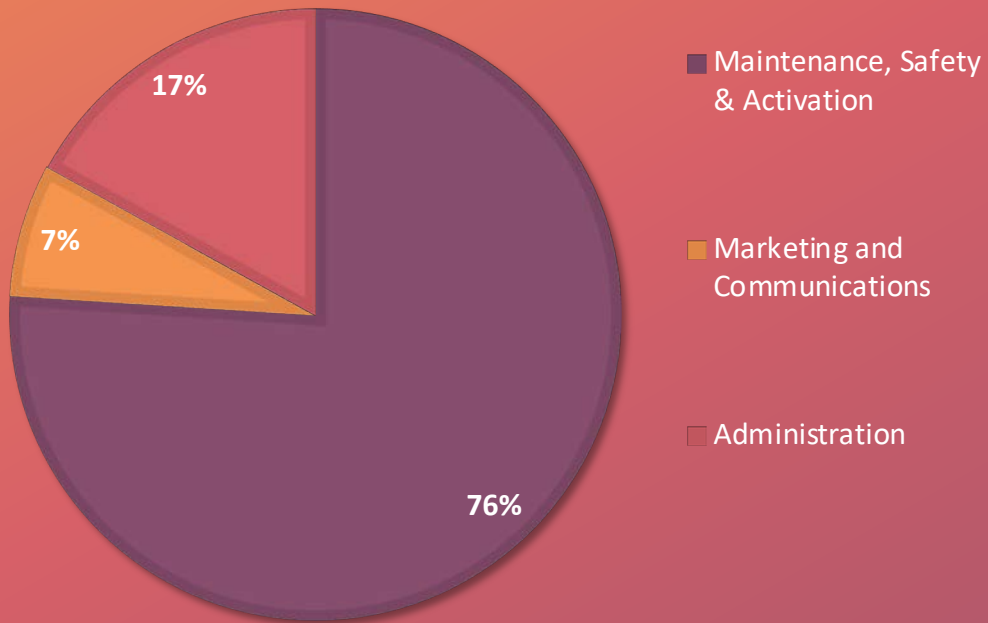


SAN FRANCISCO  
**CIVIC**  
CENTER



## **FY 2021 Annual Report**

San Francisco Board of Supervisors  
Government Audit and Oversight Committee

# ANNUAL BUDGET \$3.2M





-  Service Area  
All Zones
-  Zone 1
-  Zone 2

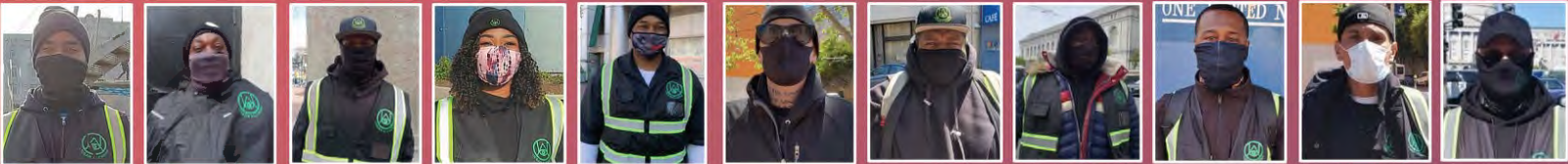
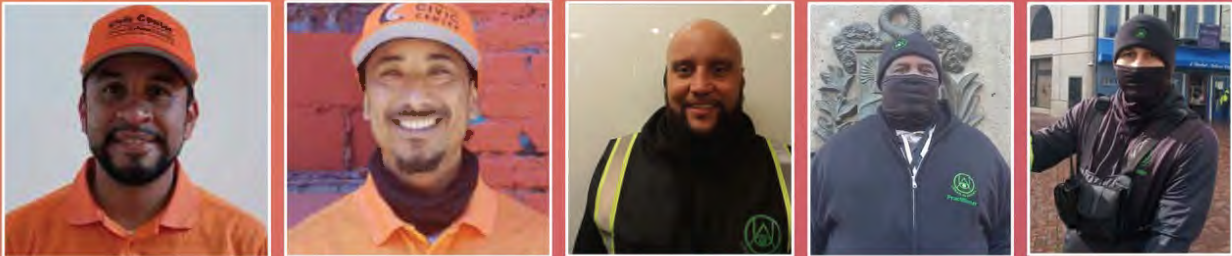


SAN FRANCISCO  
**CIVIC  
CENTER**

## District Map

# CCCBD Public Realm Management HEROES 2021

CLEANING • MAINTENANCE • PUBLIC SAFETY



# HOW CCCBD PRIVATE FUNDING AUGMENTS CITY SERVICES



Ambassadors



Parking Garage Greeter



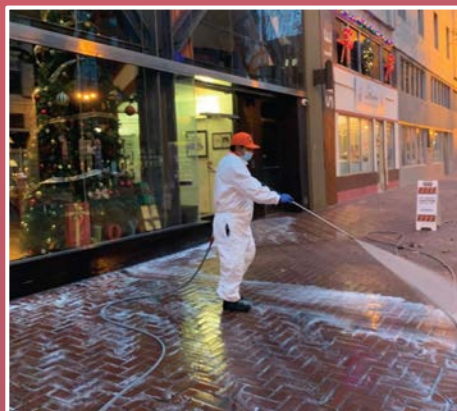
Urban Alchemy



Clean Team



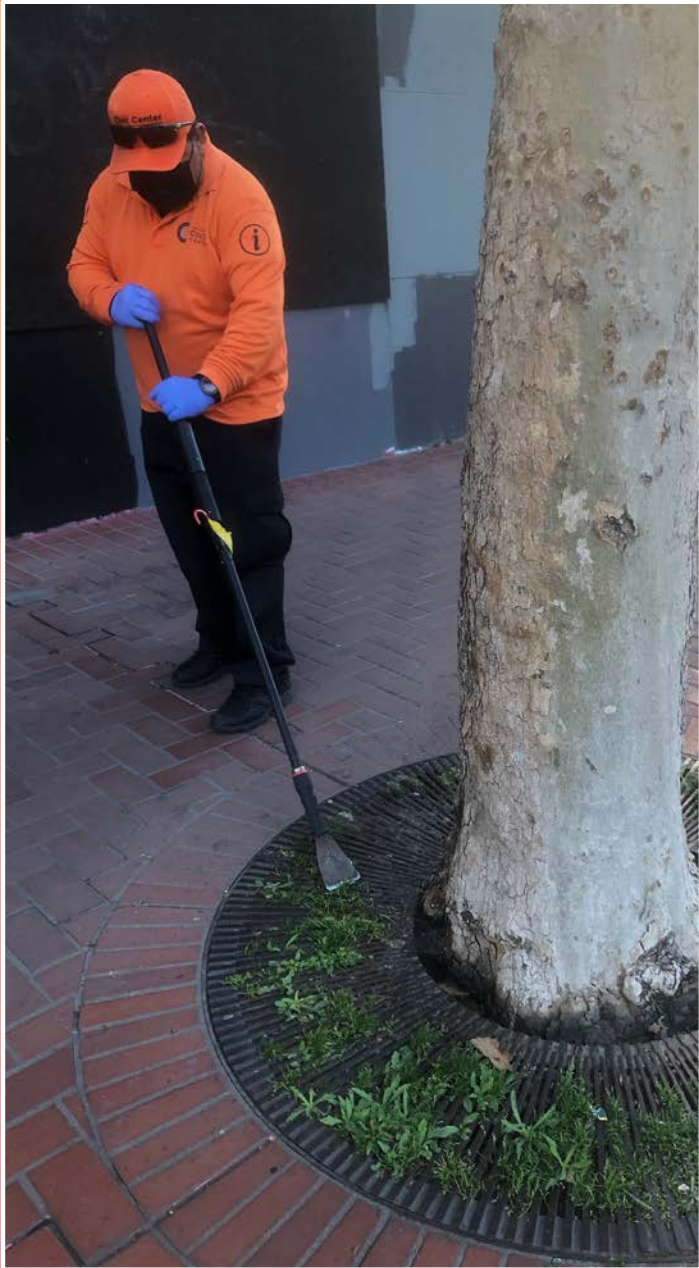
Playground Safety



Pressure Washing



Downtown Streets Team



**46,000**

Pressure Washing Hours



**252,350**

Pounds of Trash Removed



**31,500**

Needles Removed





# SIGNIFICANT CHALLENGES CCCBD HELPED ITS STAKEHOLDERS MANAGE IN 2021

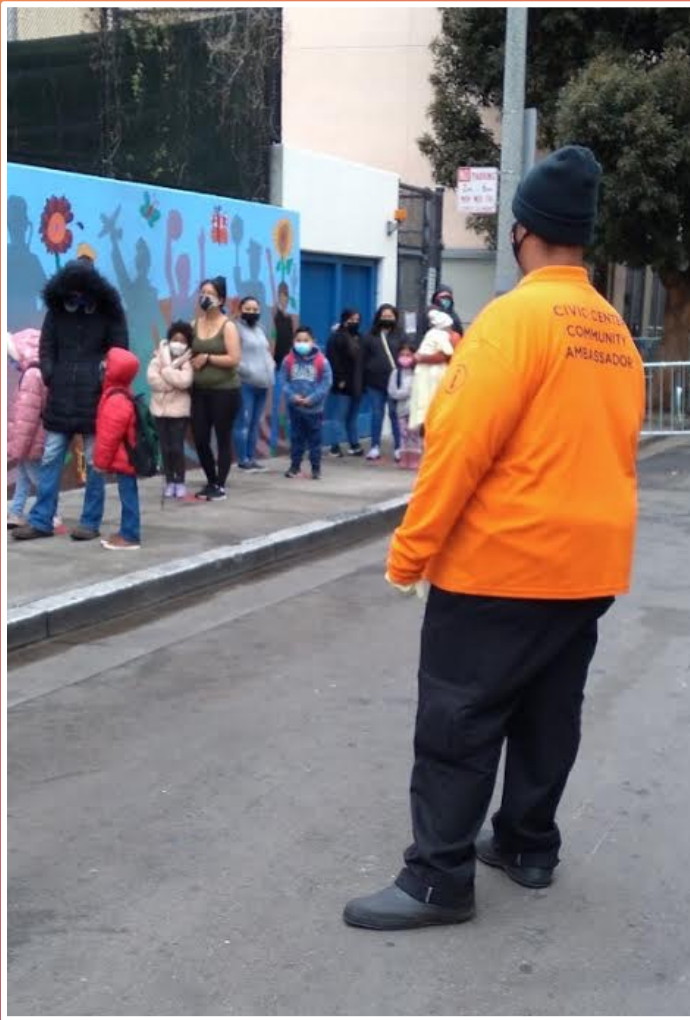


Extra work created by parklets



Rampant retail break-ins

# SIGNIFICANT CHALLENGES CCCBD HELPED ITS STAKEHOLDERS MANAGE IN 2021



Schools and businesses blocked by encampments

# SIGNIFICANT CHALLENGES CCCBD HELPED ITS STAKEHOLDERS MANAGE IN 2021



Encampment taking over public transit shelter

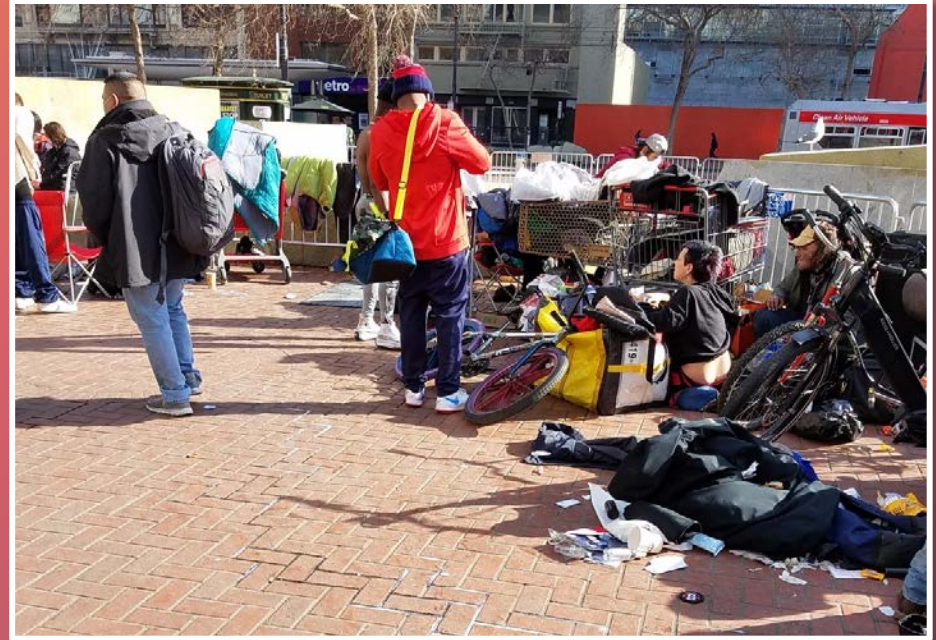


12<sup>th</sup> & Market sidewalk encampments occupied by individuals who were housed at the adjacent Civic Center Hotel

# SIGNIFICANT CHALLENGES CCCBD HELPED ITS STAKEHOLDERS MANAGE IN 2021



Extra cleaning and safety work created by the Safe Sleeping Village on Fulton Street



Extra cleaning and safety work due to loitering, drug dealing, drug use and illegal vending in UN Plaza

## SIGNIFICANT CHALLENGES CCCBD HELPED ITS STAKEHOLDERS MANAGE IN 2021



Civic Center Plaza café refused to re-open until City workers returned



Unpermitted vendors expanded their footprint and offerings in UN Plaza (including alcohol)

# SIGNIFICANT CHALLENGES – Addressing violent crime

It took a village to stop an attack on someone in UN Plaza



Witnessed altercation and called for help  
(not permitted to engage suspect)



Witnessed altercation and called for help  
(not permitted to engage suspect)

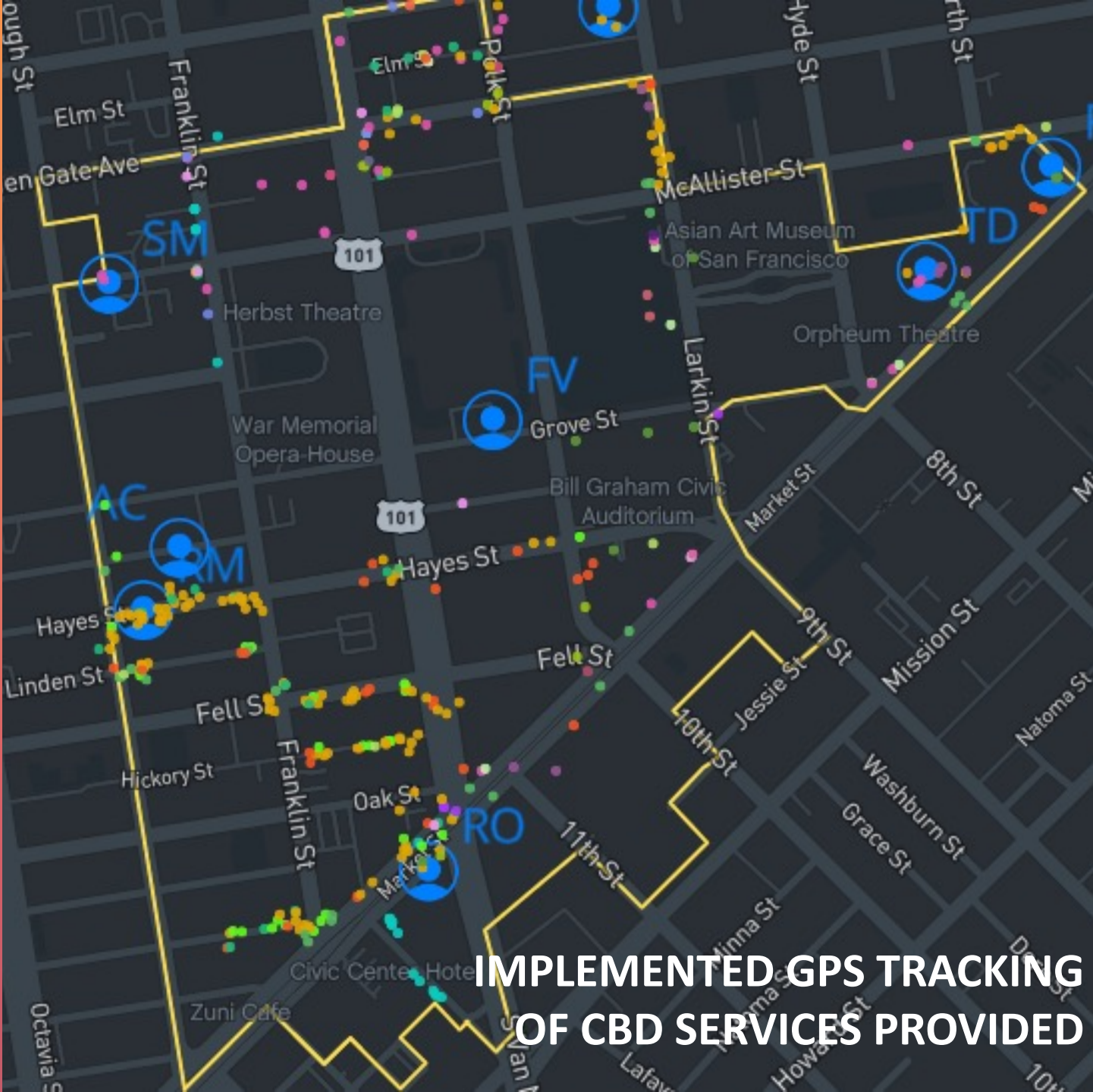


Responded to altercation and restrained suspect



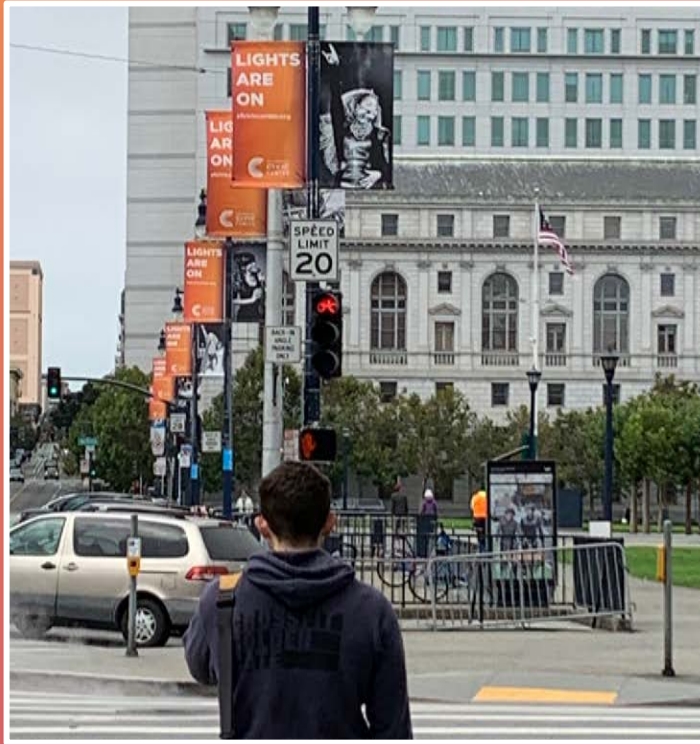
Responded and detained suspect





# IMPLEMENTED GPS TRACKING OF CBD SERVICES PROVIDED

# BUSINESS RECOVERY SUPPORT



Performing Arts Street Banner Campaign



# BUSINESS RECOVERY SUPPORT



Activities & Events

Plan a Visit

Community Benefit District

Connect with Us

[Activities](#) [Events Calendar](#) [Plan an Event](#)



## Mateo's

1455 Market St. San Francisco, CA  
94103  
(415) 648-6000

[Website](#)



## Matko

1355 Market St. San Francisco, CA  
94103

[Website](#)



## Mr. Tipple's Recording Studio

39 Fell St. San Francisco, CA 94102 |  
[Learn More](#)  
(415) 384-9365

[Website](#)



## Nakama Sushi

41 Franklin St. San Francisco, CA 94102  
(628) 867-6697

[Website](#)

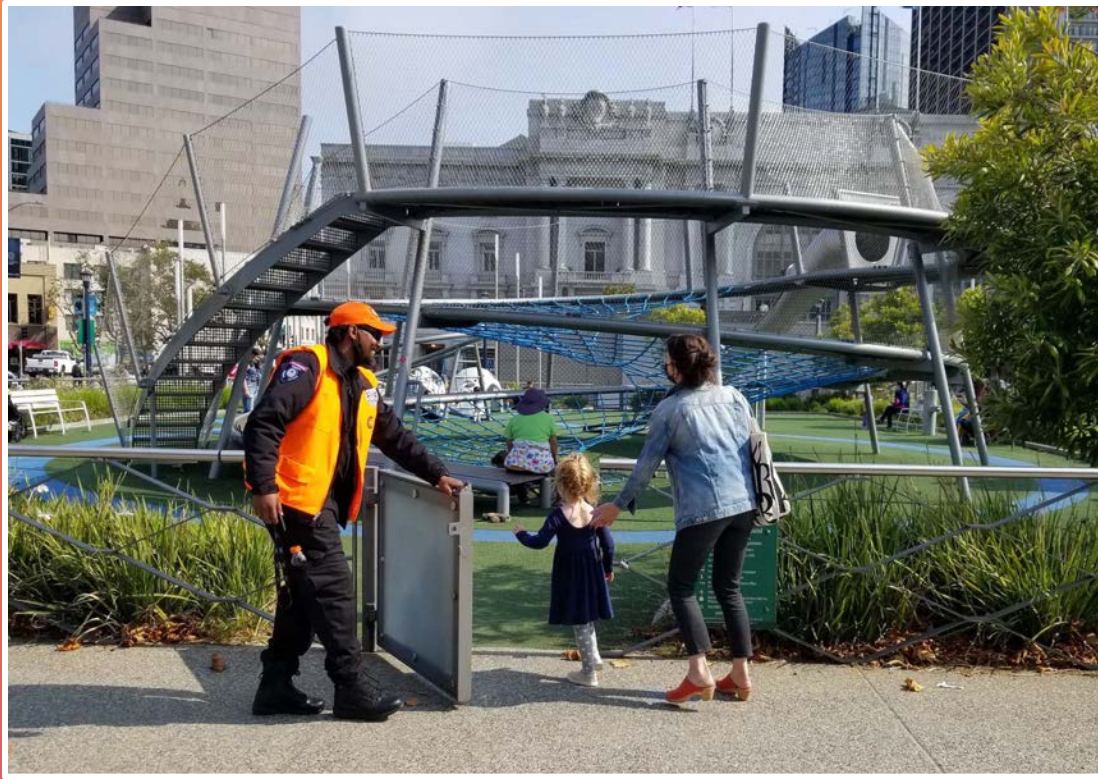
# BUSINESS RECOVERY SUPPORT



## Farmers Market Seating

*(\*removed January 2023 due to illegal vendors taking over seating)*

# MAINTAINING CRITICAL INFRASTRUCTURE

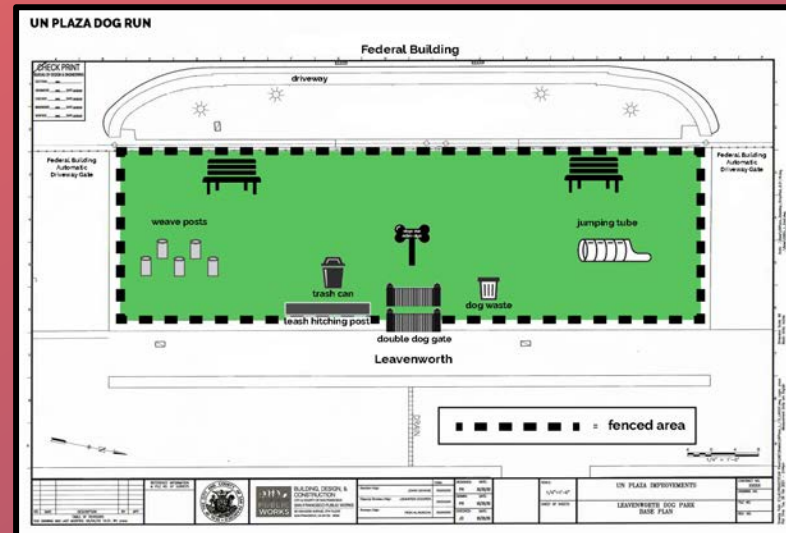


Playground Safety 24/7 & Plaza Seating  
*(\*removed Plaza seating January 2023 due to inappropriate use)*

# IMPLEMENT NEW CRITICAL INFRASTRUCTURE



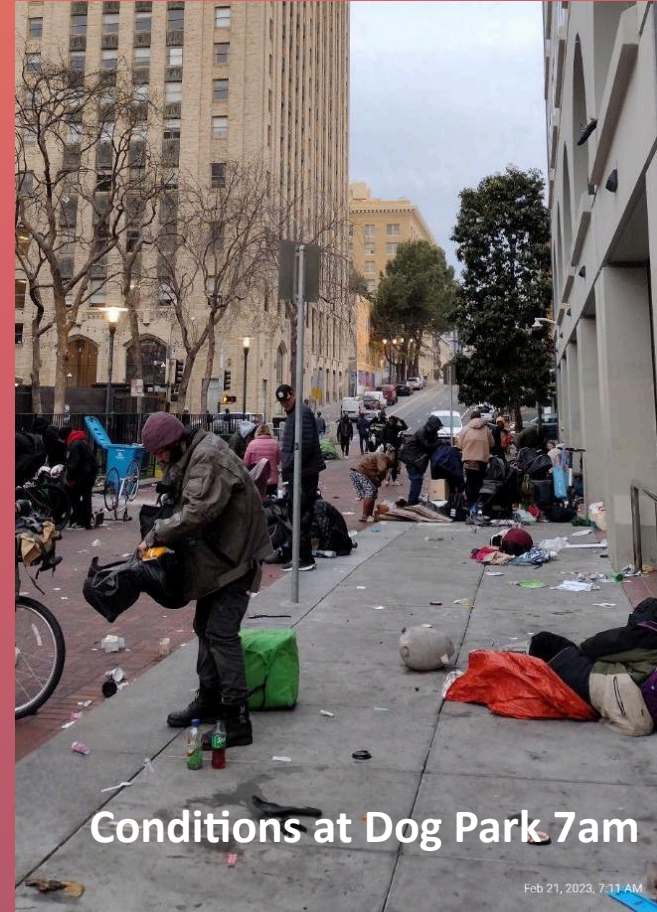
UN Plaza Dog Run Under Construction



PROJECT COMPLETE  
2,000 visits by local residents per month  
(\*may need to close because of cost to secure overnight)



# MAINTAINING CRITICAL INFRASTRUCTURE



UN Plaza Dog Park

(\*may need to close because of cost to secure overnight)

# PRESERVING NEIGHBORHOOD TRADITIONS



Tree Lighting & Toy Giveaway



Holiday Fanfare Concerts



# MEMORANDUM

**TO:** Supervisor Matt Dorsey, District 6 Supervisor

**CC:** San Francisco Board of Supervisors  
Chris Corgas; Program Director, OEWD

**FROM:** Mimi Hiraki; Project Specialist, OEWD

**DATE:** December 22, 2022

**SUBJECT:** Civic Center Community Benefit District; CY 2021 Annual Report

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This is a memo summarizing the performance of the Civic Center Community Benefit District, and an analysis of their financial statements (based on their audit) for the period between January 1, 2021 and December 31, 2021.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center Community Benefit District's Management Agreement with the City; and their Management Plan as approved by the Board of Supervisors in 2019.

Also attached to this memo are the following documents:

1. Annual Report
  - a. CY 2021
2. CPA Financial Review Report
  - a. CY 2021
3. Draft resolution from the Office of Economic and Workforce Development





## Background

The District is located in the Civic Center area of the City. The Civic Center CBD consists of approximately 43 whole or partial blocks and approximately 715 parcels. The District is generally bounded by: Golden Gate Avenue and Turk Street to the North; Market Street to the South; 7th Street to the East; and Gough Street to the West.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).
- April 28, 2015, the Board of Supervisors approved the Annual Reports for FYs 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 162-15).
- August 2, 2016, the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution #347-16).
- May 9, 2017, the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution # 164-17).
- November 13, 2018, the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution # 385-18)
- July 23, 2019, the Board of Supervisors approved the resolution to renew and expand the Civic Center Community Benefit District for 15 years (Resolution #342-19)
- October 29, 2019, the Board of Supervisors approved the Annual Report for FY 2017-2018 (Resolution #466-19).
- January 26, 2021, the Board of Supervisors approved the Annual Report for FY 2018-2019 (Resolution #020-21).
- May 17, 2022, the Board of Supervisors approved the Annual Report for FY 2020 (Resolution #212-22).

## Basic Info about Civic Center CBD

Year Established	2011
Year Renewed	2019
Assessment Collection Period	FY 2019-20 – FY 2033-34
Services Start and End Date	January 1, 2020 - December 31, 2034
Initial Estimated Annual Budget	\$3,161,454.78
FY20-21 Assessment Roll Submission	\$3,178,521.87
FY 21-22 Assessment Roll Submission	\$3,192,426.64
Calendar Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Civic Center Community Benefit District, Inc.

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



## Summary of Civic Center CBD Program Areas

### **Clean/Safe/Activation**

This service areas of the Civic Center CBD consist of:

- Clean Program
  - 1) Sidewalk Cleaning
    - a. Sidewalk Pressure Washing
    - b. Trash Collection
    - c. Graffiti Removal
    - d. Landscape Maintenance
  - 2) Pedestrian Safety
    - a. Daytime Ambassadors and/or stewards
    - b. Evening Ambassadors and/or stewards
- Activation & Beautification: Activation and Beautification may include, but is not limited to: oversight of the Civic Center Plaza café kiosk, the daily setup of tables, chairs, and games in public open space, public art installations, outdoor musical performances, block parties, and the annual Holiday Tree Lighting & Toy Giveaway.

### **Marketing/Communication**

The programs may include, but are not limited to:

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

### **Administration/Contingency**

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

## Summary of Delivery of Services and Accomplishments

**CY2021**

### **Clean/Safe/Activation**

CCCBD Field crew members were comprised of CBD cleaners and ambassadors from StreetPlus, as well as vendors: Urban Alchemy, Marina Security, SFPD's 10B Officer Program and Downtown Streets



Team. In addition to overseeing the CBD's Clean and Safe team, the CBD was awarded add-back funding from District 6 Supervisor's office to work with the Downtown Streets team to provide additional clean, safe and activation services.

#### **CCCBD Team Summary Statistics**

- Disposed of 31,500 used syringes removed from the public right of way
- Provided 262 instances of social service support
- Distributed 5,000 copies of CCCBD's Food Shelter Help Resource Guide
- Removed approximately 260,433 lbs. of trash
- CBD awarded City grant to support its Bigbelly trash receptacles to make them tamper resistant and more aesthetically pleasing.
- Overnight safety personnel stationed at the playgrounds continued and additional safety staffing was provided for UN Plaza on Farmers Market days

#### **Downtown Streets Team Summary Statistics**

- Removed approximately 67,813 lbs. of trash
- Disposed of 2,022 used syringes removed from the public right of way

#### **Activation & Beautification Summary Statistics**

- Removed 4,012 instances of graffiti on private property
- Removed 5,975 on public property
- Detached pressure washing unit from vehicle during washings and used vehicle for roving patrols to detect and deter criminal activity and break-ins
- New signs communicating UN Plaza rules and codes of conduct were installed, and new brightly colored patio umbrellas were added to CBD's tables and chairs for Farmers Market patrons to increase comfort and visibility of the seating area.
- Staff planned for the following future clean/safe/activation activities, programs and improvements:
  - the re-opening of the café in Civic Center Plaza,
  - a new dog park in UN Plaza
  - the sound system in UN Plaza; and
  - strategizing with the City on what might be an effective activation for Fulton Plaza once the Safe Sleeping Site closes.

#### **Marketing/Communication**

- Produced quarterly newsletters sharing District news and accomplishments for member
- Rebranded and redesigned their website to include interactive maps, a dining and shopping section; visitor information and an expanded events calendar
- CCCBD created short videos of district businesses for promotion on social media
- Implemented an Arts & Culture street banner campaign "The Lights are On" to promote Civic Center arts and cultural venues such as Bill Graham Civic Auditorium, Asian American Art Museum, SF Jazz, San Francisco Conservatory of Music, African American Shakespeare Company, City Arts and Lectures, SF Symphony, SF Performances, and SF Opera



- Continued to produce the FOOD | HELP | SHELTER resource guide used by City agencies and several non-profits in the area supplying them with free copies throughout the year

**Administration/Contingency**

- CCCBD consistently managed its core programs
- Became part of the Department of Emergency Management’s public/private Joint Field Operations Team attempting to triage Tenderloin-area public realm problems in a coordinated effort during the Declaration of Emergency in December 2021. CCCBD dedicated field crew hours, vendor time and administrative personnel to ongoing weekly meetings.
- Worked with Public Works, SFMTA and the Better Market Street Community Advisory Committee on the Better Market Street Project
- Worked closely with BART on its canopy and station revitalization projects at Civic Center station;
- Helped implement new street vending legislation and enforcement in UN Plaza

**Civic Center CBD Annual Budget Analysis**

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

- BENCHMARK 1:** Whether the variance between the budget percentages for each service category were within 10 percentage points of the percentages in the Management Plan (Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget).
- BENCHMARK 2:** Whether four and eight tenths percent (4.80%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.4 - Annual Reports).
- BENCHMARK 3:** Whether the variance between the budget expenses and actual expenses within a calendar year was within 10 percent (Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget).
- BENCHMARK 4:** Whether CCCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year (CA Streets & Highways Code, Section 36650(B)(5).

**CY 2021 Budget Analysis**

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

Service Category	Management Plan Budget (Percentage)	CY 2021 Asst. Budget (Percentage)	CY 2021 Total Budget (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points -- Total



Clean/Safe/ Activation	\$2,583,768.86 (75.91%)	\$2,269,123.97 (78.78%)	\$3,122,372.06 (83.63%)	+2.87%	+7.72%
Marketing Communication	\$ 250,000.00 (7.34%)	\$140,606.64 (4.88%)	\$140,606.64 (3.77%)	-2.46%	-3.58%
Administration/ Contingency	\$ 570,000.00 (16.75%)	\$470,499.77 (16.34%)	\$470,499.77 (12.60%)	-0.41%	-4.14%
<b>TOTAL</b>	<b>\$3,403,768.00</b> <b>(100.00%)</b>	<b>\$2,880,230.38</b> <b>(100.00%)</b>	<b>\$3,733,478.47</b> <b>(100.00%)</b>		

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

**ANALYSIS:** Civic Center CBD met this requirement. CCCBD received \$3,028,045.38 in assessment revenue including penalties, redemption, and redemption penalties, which was approximately 76.72% of their CY 2021 operating budget. The CBD received \$918,994.89 in non-assessment revenue which was approximately 23.28% of their CY 2021 revenue. See table below.

Revenue Sources	CY 2021 Actuals	% of Actuals
Assessment Revenue	\$2,996,552.67	75.92%
Penalties	\$7,993.80	0.20%
Redemption + Redemption Penalties	\$23,498.91	0.60%
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$3,028,045.38</b>	<b>76.72%</b>
Contributions & Sponsorships	\$4,742.71	0.12%
Grants	\$726,327.25	18.40%
Interest Earned	\$219.51	0.01%
Other (In-Kind & Misc - includes PPP forgiveness)	\$187,705.42	4.76%
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$918,994.89</b>	<b>23.28%</b>
<b>Grand Total (Assessment and Non-Assessment) Revenue</b>	<b>\$3,947,040.27</b>	<b>100.00%</b>

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

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

Service Category	CY 2021 Asst. Budget (Percentage)	CY 2021 Total Budget (Percentage)	CY 2021 Actuals – Asst.	CY 2021 Actuals –	Variance	Variance Percentage
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			(Percentage)	Total (Percentage)	Percentage Points – Asst.	Points -- Total
Clean/Safe/ Activation	\$2,269,123.97 (78.78%)	\$3,122,372.06 (83.63%)	\$1,872,658.02 (75.56%)	\$2,668,594.31 (81.23%)	-3.22%	-2.40%
Marketing/ Communication	\$140,606.64 (4.88%)	\$140,606.64 (3.77%)	\$118,750.73 (4.79%)	\$118,750.73 (3.61%)	-0.09%	-0.15%
Administration/ Contingency	\$470,499.77 (16.34%)	\$470,499.77 (12.60%)	\$486,807.89 (19.64%)	\$497,901.47 (15.16%)	+3.30%	+2.55%
<b>TOTAL</b>	<b>\$2,880,230.38</b> <b>(100.00%)</b>	<b>\$3,733,478.47</b> <b>(100.00%)</b>	<b>\$2,478,216.64</b> <b>(100.00%)</b>	<b>\$3,285,246.51</b> <b>(100.00%)</b>		

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

**ANALYSIS:** Civic Center CBD met this requirement. See table below. *Please note: There is a period between when the City collects the assessment payment and when the City disburses the funds to the CBD. As a result, BIDs/CBDs typically have a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

<b>CY 2021</b>	<b>As of 12/31/2021</b>	<b>Budgeted for 2022</b>	<b>Budgeted for Future Years</b>
Clean/Safe/Activation	\$824,602.59	\$615,000.00	\$209,602.59
Marketing/Communication	\$52,280.87	\$25,000.00	\$27,280.87
Administration/Contingency	\$841,564.83	\$20,000.00	\$821,564.83
<b>Total Assessment (Special Benefit) Carry Forward</b>	\$1,718,448.29	\$660,000.00	\$1,058,448.29
<b>Total Non-Assessment (General Benefit) Carry Forward</b>	\$2,711,488.41	\$250,000.00	\$2,461,488.41

### Findings and Recommendations

The Civic Center CBD has met four of the four benchmarks as defined on page 4 to 5 of this memo as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Civic Center Community Benefit District.

While Civic Center CBD’s annual reporting to OEWD for 2021 was late in part due to the team becoming part of the Department of Emergency Management’s Joint Field Operations Team, the CBD was compliant with legislation and the Agreement for the Administration of the organization. Civic Center CBD dedicated field crew hours, vendor time and administrative time to weekly meetings. This impacted the organization’s capacity to conduct the regular business of the organization including annual reporting. Additionally, the



CBD worked with OEWD to figure out solutions on how to expedite report completion and review going forward.

During this review period, the CBD has pivoted well to the emerging health and economic impacts of the COVID-19 global pandemic that started in March 2020 and continued through this review period. The CBD adjusted to the continuous changes of health orders issued by the San Francisco Health Officer, including the renewed shelter-in-place health order in December 2021 in addition to the City's declaration of State of Emergency in the Tenderloin in December 2021 for the Tenderloin area which included part of Civic Center CBD.

The CBD crews focused on cleaning and supporting the paths of travel to places of employment and transit to support returning workers. CCCBD increased pressure washing of UN Plaza (above the Civic Center BART/Muni station) before peak commute times and provided personal escorts for pedestrians when needed. Overnight care for the Civic Center Plaza playgrounds and café kiosk also remained an important priority; and evening Ambassadors were reinstated to support the return of arts venue patrons to nighttime performances. The district saw an increase in graffiti and vandalism on vacant, ground floor retail storefronts. CCCBD was often first on the scene to discover storefront break-ins. CBD staff report the incidents and assist owners with securing the space and cleaning up broken glass on the sidewalk. CCCBD also issued a survey in quarter 1 to better understand stakeholder priorities for recovery and in quarter 2 issued a business attraction survey to ascertain the types of businesses were desired for the district.

CCCBD also implemented several activations by installing decorative lighting in Hayes Valley in partnership with Hayes Valley Neighborhood Association improving vibrancy and safety; producing the annual Holiday Tree Lighting and Toy Giveaway on Civic Center Plaza, and Holiday Fanfare outdoor musical concerts in partnership with the San Francisco Conservatory of Music along Van Ness Avenue also improving vibrancy and pedestrian safety.

The CBD continues to be a vital partner and participant as the City manages its largest outdoor Safe Sleeping Village on Fulton Plaza, BART station construction, SFMTA's Van Ness BRT construction, SFMTA's Better Market Street, and City's State of Emergency in the Tenderloin declaration. They continue to develop their ongoing relationships with various city and community partners, including the neighboring North of Market/Tenderloin, Lower Polk and Civic Center CBDs, the Department of Emergency Management, BART, SF Department of Public works and SFMTA to advance the above-mentioned initiatives and projects.

At the end of this reporting period, after the City's State of Emergency Declaration in the Tenderloin, CBD field personnel reported an increase in illegal behavior, tent encampments and hostile behavior, including verbal and physical assaults and injuries. Field crews worked with stakeholders, law enforcement and the Department of Emergency Management to respond to increased concerns and feedback from district stakeholders.

CCCBD's Board of Directors currently meets requirements set forth by Article 15 of the Business and Tax Regulations Code and there have been no reports of Brown Act violations within the reporting period. The Civic Center CBD is in compliance with the Surveillance Technology Reporting requirements.

### Conclusion



CCCBD performed well implementing its the service plan during the review period and was an invaluable asset to District members and the City. CCCBD also continued to seized opportunities to leverage and add value to its work through fundraising, grants, and collaborative partnerships in CY 2021. The organization has an active Board of Directors and committee members. OEWD believes that the CCCBD is well positioned to continue carrying out its mission.

