

File No. 230072

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: March 2, 2023

Board of Supervisors Meeting:

Date: _____

Cmte Board

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

OTHER

- 2021 Annual Rpt
- CPA Rpt 123121
- 2021 Surveillance Technology Rpt
- _____
- _____
- _____
- _____

Prepared by: Stephanie Cabrera

Date: February 23, 2023

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Central Market Community Benefit District - Annual Report - CY2021]

2

3 **Resolution receiving and approving an annual report for the Central Market 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 September 12, 2006, pursuant to the Property and Business
10 Improvement District Law of 1994 (the “Act”), California Streets and Highways Code, Sections
11 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
12 Regulations Code, the Board of Supervisors adopted Resolution No. 519-06, expressing the
13 City’s intention to establish the Central Market Community Benefit District (the “Central Market
14 CBD”); and

15 WHEREAS, On October 31, 2006, the Board of Supervisors adopted Resolution
16 No. 631-06 establishing the Central Market CBD ("Resolution to Establish") for a period of 7
17 years, commencing FY 2006-2007; and

18 WHEREAS, On June 19, 2007, the Board of Supervisors adopted Resolution
19 No. 313-07, authorizing an agreement with the owners' association for the
20 administration/management of the Central Market CBD, and a management agreement (the
21 “Management Contract”) with the owners' association, the Central Market Community Benefit
22 District Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 070673; and

25

1 WHEREAS, On July 23, 2013, the Board of Supervisors adopted Resolution No. 264-
2 13 renewing and expanding the Central Market CBD for a period of 15 years, commencing
3 with FY 2013-2014;

4 WHEREAS, On February 4, 2014, the Board of Supervisors adopted Resolution
5 No. 019-14, authorizing an agreement with the owners' association for the
6 administration/management of the Central Market CBD, and a management agreement (the
7 "Management Contract") with the owners' association, the Central Market Community Benefit
8 District Corporation, was executed accordingly; and

9 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
10 of Supervisors in File No. 140038; and

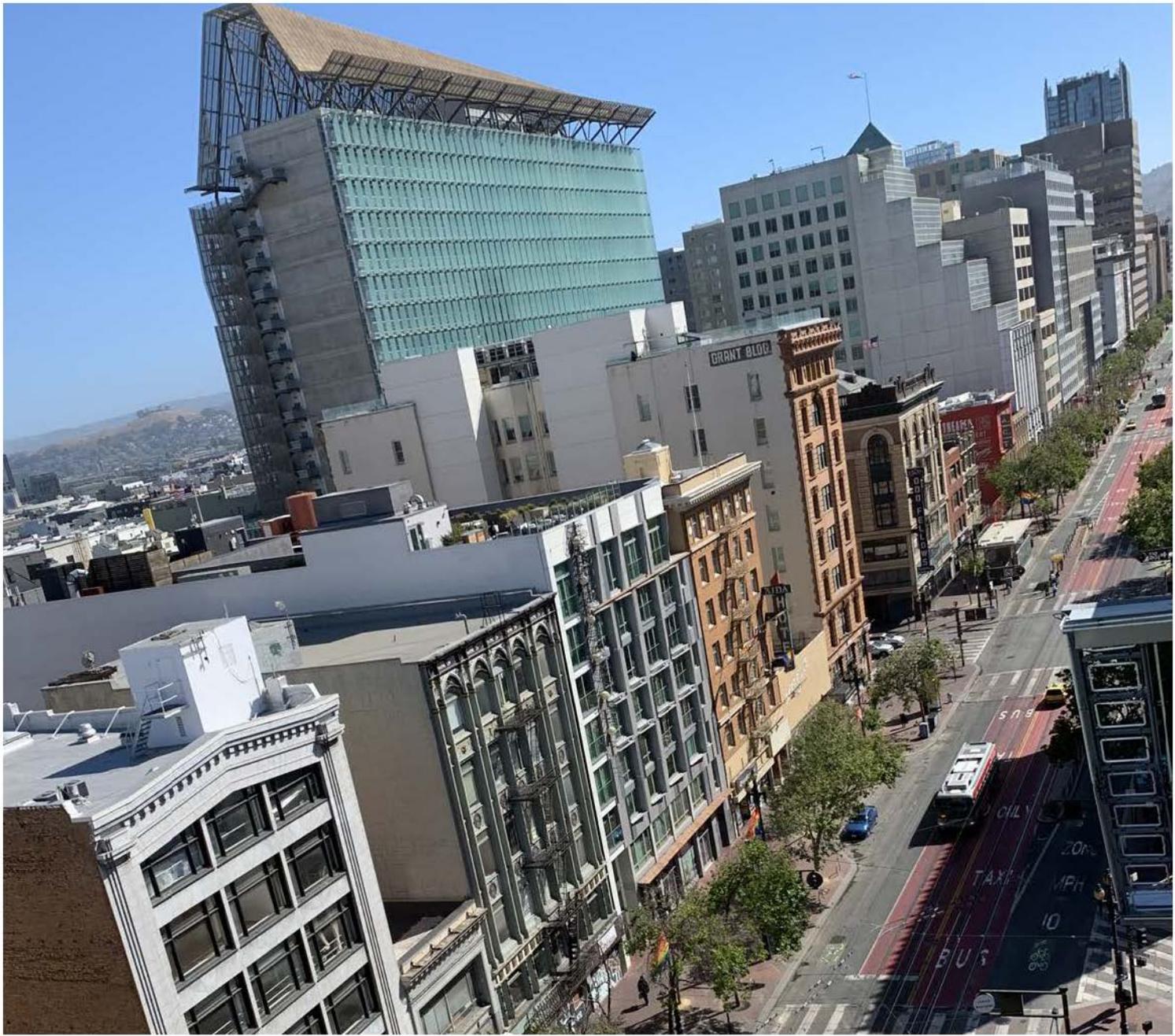
11 WHEREAS, On May 17, 2022, the Board of Supervisors approved the Central Market
12 CBD's annual reports for Calendar Year 2020 in Resolution No. 10-22; and

13 WHEREAS, The Central Market CBD has submitted for the Board's receipt and
14 approval the Central Market annual report for Calendar Year 2021 as required by Section
15 36650 of the Act and Section 3.4 of the Management Contract; and

16 WHEREAS, The 2021 annual report are on file with the Clerk of the Board of
17 Supervisors in File No. 230072, and are incorporated herein by reference as though fully set
18 forth; and

19 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
20 memorandum report from the City's Office of Economic and Workforce Development, dated
21 December 22, 2022, and documentation from the Central Market CBD for the 2021 annual
22 report are on file with the Clerk of the Board of Supervisors in File No. 230072; now, therefore,
23 be it

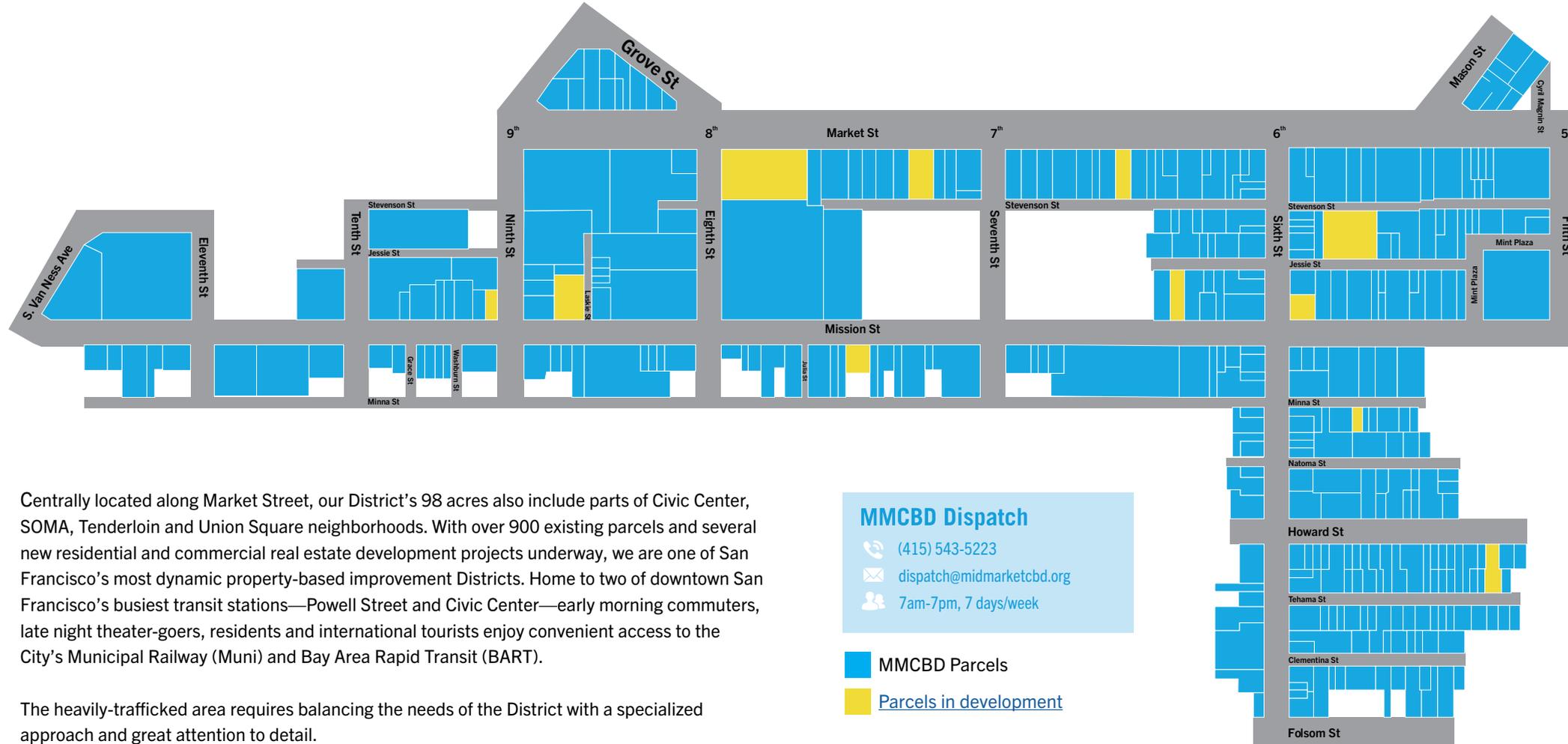
24 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
25 reports for the Central Market Community Benefit District for calendar year 2021.



mid market community benefit district

2021 Annual Report

THE DISTRICT



Centrally located along Market Street, our District's 98 acres also include parts of Civic Center, SOMA, Tenderloin and Union Square neighborhoods. With over 900 existing parcels and several new residential and commercial real estate development projects underway, we are one of San Francisco's most dynamic property-based improvement Districts. Home to two of downtown San Francisco's busiest transit stations—Powell Street and Civic Center—early morning commuters, late night theater-goers, residents and international tourists enjoy convenient access to the City's Municipal Railway (Muni) and Bay Area Rapid Transit (BART).

The heavily-trafficked area requires balancing the needs of the District with a specialized approach and great attention to detail.

Since 2007 we have been working with our volunteer Board of Directors, committees and community partners on improving the public realm in Mid Market, and in 2014 district property owners renewed our services for 15 more years.

MMCBD's services focus on: cleaning, safety, marketing, events, and more. Our Clean Team traverses our streets, alleys and plazas 7 days a week 7am to 7pm alongside trained Ambassadors who assist residents, visitors and people in need find services they need.

MMCBD Dispatch

(415) 543-5223
dispatch@midmarketcbd.org
7am-7pm, 7 days/week

■ MMCBD Parcels
■ [Parcels in development](#)

Please visit our website for more current and in depth information at midmarketcbd.org



CLEANING & MAINTENANCE

CLEAN TEAM

Public Works is responsible for street maintenance and street trees, Property owners are responsible for sidewalk maintenance. MMCBD's Clean Team maintains sidewalks and public plazas on behalf of property owners.

Our Clean Team sweeps and pressure washes sidewalks, and plazas removing litter, graffiti, and responding to neighborhood cleaning needs that arrive to 311 or our Dispatch Office 7 days a week, 7am to 7pm. Cleaners also proactively identify and report the need for Ambassador support while in the field.

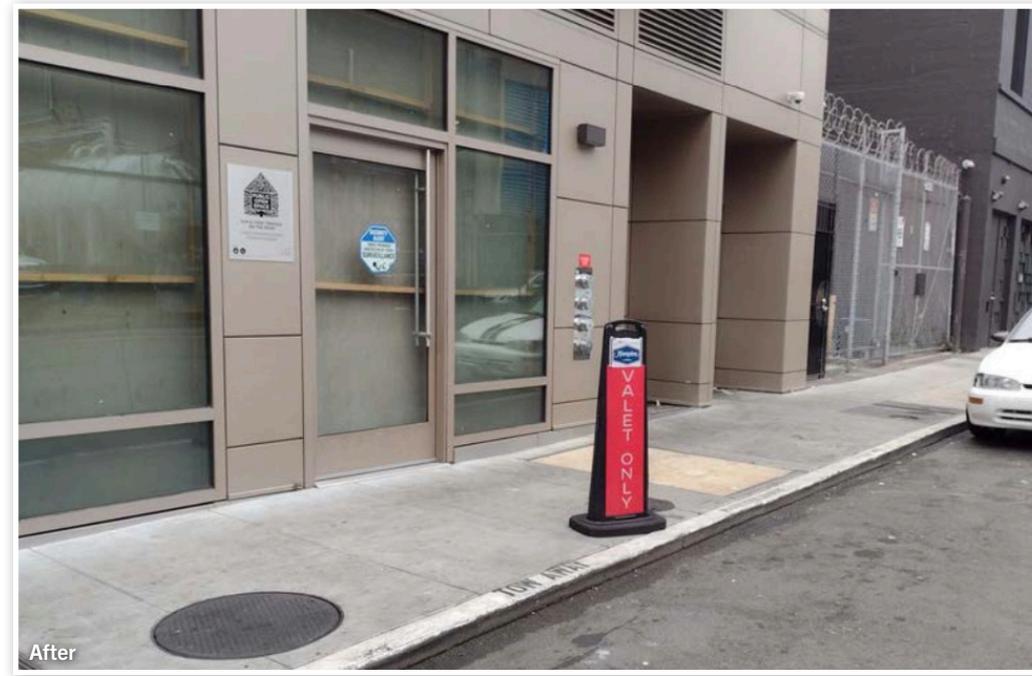
¹ For more information on property owners' sidewalk maintenance responsibilities please visit these links:

- California SHC 5610
- SF Controller's Office
- SF Better Streets

The work of all San Francisco property-based improvement districts is highlighted on the San Francisco Benefit District Alliance webpage: <https://www.sfbda.org/>



Before



After



PUBLIC SAFETY



MMCBD's 10B officer performing a wellness check



MMCBD Ambassador assists woman in need of social services support

AMBASSADORS

Ambassadors provide hospitality and way-finding support for pedestrians. They also serve as eyes and ears on the street, attempting to proactively deter crime and address anti-social behavior. MMCBD Ambassadors are also trained in social service outreach and able to assist people in need of help.

MMCBD Ambassadors serve as first responders helping to reduce unnecessary calls to local Police and Fire Departments. They have the ability to assess situations and determine the proper course of action without having to involve the authorities. Their presence results in more appropriate and effective help for individuals and provides cost-savings for San Francisco taxpayers.

SAFETY TEAMS

MMCBD Safety Teams consist of a SFPD 10B Officer and a MMCBD Ambassador. The Safety Teams proactively walk the District offering directions and information, deterring crime and addressing health and safety concerns. They consistently work to meet and get to know people in the community, building trust and strengthening communication. Merchants, residents and visitors greatly appreciate the Safety Teams and feel safer when they are working. The co-responder model helps to ensure the appropriate response to varying situations, because not all anti-social behavior requires police attention.

PUBLIC SAFETY CAMERAS

MMCBD's public safety cameras are a proactive deterrent to illegal activity, but can also provide law enforcement with accurate accounts of situations occurring in the public realm should the need arise.

Learn more about the program by contacting: video@midmarketcbd.org



ECONOMIC DEVELOPMENT

BUSINESS ATTRACTION, RETENTION & EXPANSION

We work to ensure the District is home to a diverse and vibrant mix of distinctive retail establishments. A list of ground-floor [retail spaces for lease](#) throughout the District is available on MMCBD's website. MMCBD helps vet and connect prospective tenants with landlords, and conducts tours of the neighborhood. Staff also provide linkages to leasing assistance, access to capital and City-sponsored economic development incentives, permitting, construction and staffing resources.

MID MARKET SMALL BUSINESS VIDEO SERIES

Supporting businesses through another tough year, MMCBD shared recorded interviews of District business owners and staff on social media introducing the dynamic entrepreneurs and their unique brands to a wider audience.

NEW DISTRICT BUSINESSES IN 2021 INCLUDED:

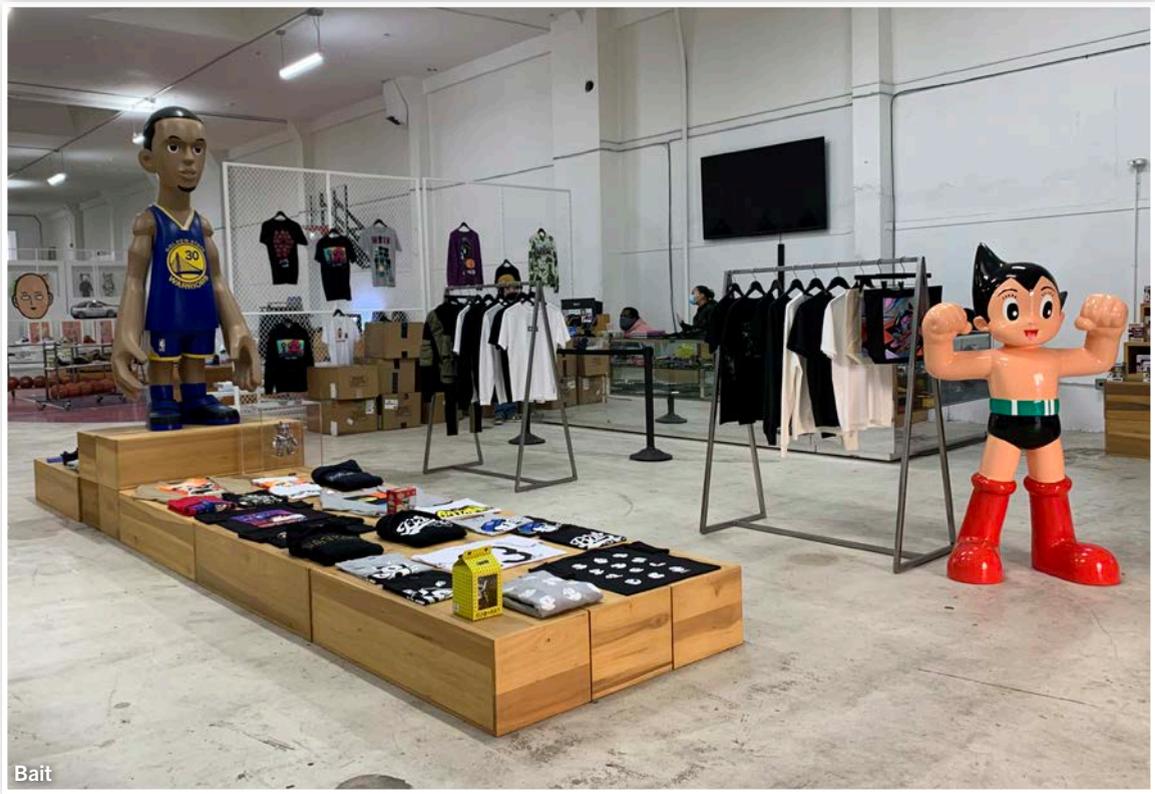
- [Bait](#)
- [Frisco Stocks](#)
- SSP Beer Hall & NFT Gallery
- [The Bite](#)



Friscostocks



The Bite



Bait



Montesagro



SERIF

LINE

960 MARKET STREET

Newly opened in 2021, Serif a 242 condominium residence, sharing the space with the sumptuously hip LINE hotel and several local retailers. Minimalistic and modern, with an eye toward the urban context, the residences throughout Serif SF are raw and industrial yet thoughtfully crafted – designed in every detail to complement the energy and eclecticism of the Mid-Market neighborhood. A short walk from the city’s best – Union Square, the Financial District, SoMa, the Tenderloin, Nob Hill – Serif truly is the middle of everywhere.



STATS

11,844

Instances of hazardous waste removed

27,500

Needles removed and safely disposed

4,442

Bags of trash collected (1 bag= 25lbs)

11,605

Graffiti tags removed (public & private)

40,800

Hours of sidewalk pressure washing quarterly

1,212

Social service interventions and support



Lunch at The Market

ASSESSMENT METHODOLOGY

The method of apportioning benefit to parcels within the District reflects the proportional special benefit assigned to each property from the District services, activities and improvements based upon the various property characteristics for each parcel. Each parcel's linear street frontage, lot square footage, building square footage, and use have been used as the primary assessment variables for the benefit point calculation and assignment of parcel factors. Details of the annual assessment calculation are in the District Management Plan at midmarketcbd.org.

QUARTERLY RECAPS

Staff produces Quarterly Recaps highlighting service statistics, information, news, events and achievements in and around the District. These comprehensive recaps are sent via email to stakeholders and are available online at midmarketcbd.org/resources/recaps. Visit this portion of the site to also see what properties were featured in the 2019 "District Beauty" section. To submit a photo for recognition in future District Beauty sections of the Recaps please send it via email with a title to: info@midmarketcbd.org.

Streetscape & Development News

Market Street Housing at Center of SF Chronicle Story

Recently the *San Francisco Chronicle* wrote a piece on the struggles and triumphs of Market Street for business owners and residents alike. Also of note was the increase in housing coming to Mid Market, and how this is lining up to add more life to the public realm, in combination with the return of office employees and tourists: "For Market on Market and other retailers, the addition of thousands of new residents will be positive, but future success will be at least be somewhat dependent on the return of office workers and tourists."



6th Street Pedestrian Safety Project Updates

Construction on the permanent changes to the 6th Street corridor are readying to begin this Fall, with construction lasting into 2024. Construction will likely be broken up into 4 segments -- Howard to Mission east side; Howard to Mission west side; Mission to Market east side; Mission to Market west side. See the *SFMTA* and *Public Works* sites for more updates on this project as it moves forward.



Better Market Street Updates

Better Market Street finalized design concepts for Phase 1 (Market between 5th and 8th streets) in September with construction slated to begin early 2022. It will take place on weekends over the course of two years, when the F-line is not running.

Upgrades during Phase 1 include:

- Repaving curb lanes, intersections and crosswalks
- Constructing ADA-compliant curb ramps and bulb outs
- Replacing sidewalks at the corners
- Installing new trees and bike racks
- Installing catch basins near 6th to improve drainage
- Limited utility work (water and AWSS) triggered by curb ramp and bulb-out work.

Currently, the Project continues to deliver quick-build improvements along Market Street:

- The speed limit has been lowered to 20 MPH between Franklin and Steuart streets
- To continue to understand how best to balance safety and access, SFMTA will analyze how transit, taxis and bikes interact along segments of the street with "Muni-only lane" markings versus street segments with "Muni- and taxi-only lane" markings
- This fall, they also anticipate installing the required right turn at Hayes Street for westbound vehicles (except transit, taxis and bikes)



They also note there will be some changes affecting bike traffic during construction:

- Maintaining 7' of bike space on weekdays in peak directions to accommodate rush hour
- No bike access to Market --(southside 9:30am - 7pm weekdays)
- (northside 7am - 4:30pm weekdays)
- (Both sides 7am - 7pm Saturdays)
- 7' space available all other times
- No bike accommodation on Market during the three two-week full closures

See the Better Market Street site for more information.



Mint Plaza Dining

Rumpus Room

FINANCIALS

| MMCBD FY 2021 Budget | | | |
|---|----------------|-------------|--|
| REVENUES | ASSESSMENT | % of Budget | |
| Assessment | \$1,662,066.00 | 100.00% | |
| Non-Assessments | | | |
| Grants | \$58,000.79 | 2.47% | |
| Fee For Service | \$517,915.84 | 22.04% | |
| Interest Income | \$374.04 | 0.02% | |
| Other (In-Kind & Misc - Includes PPP Forgiveness) | \$112,005.63 | 4.77% | |
| Total Non-Assessment (General Benefit Revenue) | \$688,296.30 | 29.28% | |
| | \$2,350,362.30 | 100.00% | |

| MMCBD FY 2021 Actual | | | |
|---|----------------|-------------|--|
| REVENUES | ASSESSMENT | % of Budget | |
| Assessment | \$1,680,031.67 | 100.00% | |
| Non-Assessments | | | |
| Grants | \$58,000.79 | 2.47% | |
| Fee For Service | \$517,915.84 | 22.04% | |
| Interest Income | \$414.93 | 0.02% | |
| Other (In-Kind & Misc - Includes PPP Forgiveness) | \$112,205.63 | 4.77% | |
| Total Non-Assessment (General Benefit Revenue) | \$688,537.19 | 29.07% | |
| Total | \$2,368,568.86 | 100.00% | |

| MMCBD FY 2021 Budget | | | |
|-----------------------------|----------------|----------------|----------------|
| SERVICE CATEGORY EXPENSES | ASSESSMENT | NON-ASSESSMENT | TOTAL |
| Cleaning & Maintenance | \$516,378.52 | \$301,811.39 | \$818,189.91 |
| Public Safety | \$544,089.74 | \$277,517.03 | \$821,606.77 |
| Management & Administration | \$602,994.21 | \$44,067.60 | \$647,061.81 |
| Contingency & Reserve | \$75,000.00 | \$0.00 | \$75,000.00 |
| | \$1,738,462.47 | \$623,396.02 | \$2,361,858.49 |

| MMCBD FY 2021 Budget | | | |
|------------------------------|---------|---------|---------|
| SERVICE CATEGORY PERCENTAGES | | | |
| Cleaning & Maintenance | 29.70% | 48.41% | 34.64% |
| Public Safety | 31.30% | 44.52% | 34.79% |
| Management & Administration | 34.69% | 7.07% | 27.40% |
| Contingency & Reserve | 4.31% | 0.00% | 3.18% |
| | 100.00% | 100.00% | 100.00% |

| MMCBD FY 2021 Actual | | | |
|-----------------------------|----------------|----------------|----------------|
| SERVICE CATEGORY EXPENSES | ASSESSMENT | NON-ASSESSMENT | TOTAL |
| Cleaning & Maintenance | \$539,633.42 | \$299,979.03 | \$839,612.45 |
| Public Safety | \$460,565.41 | \$265,955.71 | \$726,521.12 |
| Management & Administration | \$630,081.43 | \$40,889.10 | \$670,970.53 |
| Contingency & Reserve | \$84,001.58 | \$0.00 | \$84,001.58 |
| | \$1,714,281.84 | \$606,823.84 | \$2,321,105.68 |

| MMCBD FY 2021 Actual | | | |
|------------------------------|---------|---------|---------|
| SERVICE CATEGORY PERCENTAGES | | | |
| Cleaning & Maintenance | 31.48% | 49.43% | 36.17% |
| Public Safety | 26.87% | 43.83% | 31.30% |
| Management & Administration | 36.75% | 6.74% | 28.91% |
| Contingency & Reserve | 4.90% | 0.00% | 3.62% |
| | 100.00% | 100.00% | 100.00% |



FINANCIALS



MMCBD 2021 Statement of Financial Position

ASSETS

| | |
|--|-----------------------|
| Cash | \$2,103,846.70 |
| Cash set aside for Contingency & Reserve | \$894,014.25 |
| Receivables (Net) | \$116,914.00 |
| Furniture & Equipment (Net) | \$19,358.87 |
| Total Assets | \$3,134,133.82 |

LIABILITIES & NET ASSETS

| | |
|-------------------------------------|-----------------------|
| Accounts Payable & Accrued Expenses | \$253,534.82 |
| Notes Payable | \$20,467.51 |
| Deferred Revenue | \$1,512,776.32 |
| Total Liabilities | \$1,786,778.65 |

NET ASSETS

| | |
|---------------------------|-----------------------|
| Without Donor Restriction | \$1,347,355.17 |
| Total Net Assets | \$1,347,355.17 |

| | |
|---|-----------------------|
| Total Liabilities & Net Assets | \$3,134,133.82 |
|---|-----------------------|

MMCBD 2021 Carry Forward

| 2021 Assessment Carry Forward | As of 12/31/2021 | Budgeted for 2022 | Budget for Future Years |
|-------------------------------------|-----------------------|----------------------|----------------------------|
| Cleaning & Maintenance | \$58,560.59 | \$15,189.72 | \$43,370.87 |
| Public Safety | \$71,823.44 | \$70,000.00 | \$1,823.44 |
| Management and Economic Development | \$50,194.79 | \$0.00 | \$50,194.79 |
| Contingency and Reserve | \$894,014.25 | \$0.00 | \$894,014.25 |
| Special Assessment Total | \$1,074,593.07 | \$85,189.72 | \$989,403.35 |

2021 Non-Assessment Carry Forward

| | | | |
|--|-----------------------|--------------------|-----------------------|
| Non-Assessment (General Benefit Carry Forward) | \$272,762.11 | \$0.00 | \$272,762.11 |
| Total Carry Forward | \$1,347,355.18 | \$85,189.72 | \$1,262,165.46 |





Board of Directors

Philip Gerrie SF Friends Meeting House **Chris Hammond** WeWork **David Harrison** Patson Company

Kristie Lober Related **Shelley Orlando** Hudson Pacific Properties **Dipak Patel** Property Owner

Jim Sangiacomo Trinity Properties **Brian Smith** Huckleberry Bicycles **Jane Weil** Resident **Bill Whitfield** Shorenstein Realty

**MID MARKET COMMUNITY
BENEFIT DISTRICT**

REVIEWED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

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**MID MARKET COMMUNITY
BENEFIT DISTRICT
REVIEWED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Mid Market Community Benefit District
San Francisco, California

We have reviewed the accompanying statement of financial position of Mid Market Community Benefit District (formerly known as Central Market Community Benefit District), a California nonprofit benefit organization, as of December 31, 2021, and the related statements of activities, functional expense, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Mid Market Community Benefit District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Maze & Associates".

Pleasant Hill, California
August 1, 2022

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

| | |
|---|------------------|
| Current Assets: | |
| Cash and cash equivalents (Note 3) | \$2,103,847 |
| Cash designated for contingencies and reserve (Note 3) | 894,014 |
| Account receivable (Note 2B) | <u>116,914</u> |
| Total Current Assets | <u>3,114,775</u> |
| | |
| Non Current Assets: | |
| Property and equipment, net of accumulated depreciation of \$21,636 (Note 2C) | <u>19,359</u> |
| Total Non Current Assets | <u>19,359</u> |
| Total Assets | <u>3,134,134</u> |

LIABILITIES

| | |
|-------------------------------|------------------|
| Current Liabilities: | |
| Accounts payable | 109,659 |
| Accrued expenses | 143,876 |
| Deferred revenue (Note 2D) | <u>1,512,776</u> |
| Total Current Liabilities | <u>1,766,311</u> |
| | |
| Non Current Liabilities: | |
| Loans payable (Note 6A) | <u>20,468</u> |
| Total Non Current Liabilities | <u>20,468</u> |
| Total Liabilities | <u>1,786,779</u> |

NET ASSETS (Note 2A)

| | |
|----------------------------|---------------------------|
| Without donor restrictions | <u>1,347,355</u> |
| Total Net Assets | <u><u>\$1,347,355</u></u> |

See independent accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Support and Revenues

| | |
|---|----------------------|
| Local property assessments (Note 5) | \$1,680,032 |
| General Benefit Non-Assessment Revenue: | |
| Grants | 150,752 |
| Fees for Service | 517,916 |
| Contributions and Other | 19,455 |
| Investment Income | <u>415</u> |
| Total Support and Revenues | <u>2,368,570</u> |

Expenses

| | |
|---|----------------------|
| Program services: | |
| Public Safety, Cleaning and Maintenance | 1,018,643 |
| General Benefit Non-Assessment Expenses | <u>574,212</u> |
| Sub-total Program services | <u>1,592,855</u> |
| Support services: | |
| Marketing and Promotions | 160,549 |
| Economic Development | 69,491 |
| Management and General | 374,468 |
| Fundraising | <u>39,744</u> |
| Sub-total Support services | <u>644,252</u> |
| Total Expenses | <u>2,237,107</u> |

| | |
|-----------------------------------|-------------------------------|
| Change in Net Assets | 131,463 |
| Net Assets, Beginning of Year | <u>1,215,892</u> |
| Net Assets, End of Year | <u><u>\$1,347,355</u></u> |

See independent accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

| | Program Services | | Supporting Services | | | | Total |
|--|---|--------------------|-----------------------------|-------------------------|---------------------------|-------------|-------------|
| | Public Safety, Cleaning and Maintenance | Non- Assessment | Marketing and Promotions | Economic Development | Management and General | Fundraising | |
| FUNCTIONAL EXPENSES | | | | | | | |
| Personnel Costs: | | | | | | | |
| Salaries | | \$399,672 | \$60,600 | \$50,000 | \$205,791 | \$30,876 | \$746,939 |
| Payroll taxes | | 29,443 | | | 22,681 | 2,818 | 54,942 |
| Health and other fringe benefits | | 48,920 | | | 35,805 | 4,619 | 89,344 |
| Worker's compensation | | 6,775 | | | 4,589 | 502 | 11,866 |
| Payroll fees | | 11,388 | | | 7,301 | 929 | 19,618 |
| Subtotal Personnel Costs | | 496,198 | 60,600 | 50,000 | 276,167 | 39,744 | 922,709 |
| Public Safety | \$475,967 | | | | | | 475,967 |
| Cleaning and maintenance | 521,659 | | | | | | 521,659 |
| Economic Development and Marketing: | | | | | | | |
| Economic development | | | | 19,385 | | | 19,385 |
| Marketing and promotion | | | 99,469 | | | | 99,469 |
| Subtotal Economic Development and Marketing Expense | | | 99,469 | 19,385 | - | | 118,854 |
| Accounting and auditing fees | | | | | 66,355 | | 66,355 |
| Consultants and contractors | 18,648 | 78,014 | | | | | 96,662 |
| Dues, membership and subscriptions | | | 433 | | 1,307 | | 1,740 |
| Insurance | | | | | 10,082 | | 10,082 |
| Interest | 1,936 | | | | | | 1,936 |
| Legal | | | | | 650 | | 650 |
| Miscellaneous | | | | | 369 | | 369 |
| Office supplies | | | | 106 | 5,525 | | 5,631 |
| Office equipment | | | | | 4,014 | | 4,014 |
| Postage and delivery | 12 | | | | | | 12 |
| Printing and reproduction | 326 | | 47 | | 1,373 | | 1,746 |
| Rent | | | | | 3,751 | | 3,751 |
| Telephone and internet | | | | | 138 | | 138 |
| Travel and meetings | 95 | | | | 4,737 | | 4,832 |
| Total Functional Expenses | \$1,018,643 | \$574,212 | \$160,549 | \$69,491 | \$374,468 | \$39,744 | \$2,237,107 |

See accountant's review report and notes to financial statements.

MID MARKET COMMUNITY BENEFIT DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|------------------|
| Change in net assets | \$131,463 |
| Depreciation expense | 13,665 |
| Forgiveness of PPP loan | (72,751) |
| Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities: | |
| Increase/decrease in: | |
| Accounts receivable | 52,390 |
| Security deposits and other | 2,190 |
| Accounts payable | (193,421) |
| Accrued expenses | (87,117) |
| Deferred revenue | <u>(36,492)</u> |
| Total adjustments | <u>(262,450)</u> |
| Net cash (used) by operating activities | <u>(190,073)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|--|---------------------------|
| Payments made on capital loan | <u>(13,252)</u> |
| Net cash (used) by financing activities | <u>(13,252)</u> |
| Net decrease in cash | (203,325) |
| Cash and cash equivalents, beginning of year | <u>3,201,186</u> |
| Cash and cash equivalents, end of year | <u><u>\$2,997,861</u></u> |
| Cash and cash equivalents as presented on the Statement of Financial Position: | |
| Cash and cash equivalents | \$2,103,847 |
| Cash designated for contingencies and reserve | <u>894,014</u> |
| Total Cash and Cash Equivalents | <u><u>\$2,997,861</u></u> |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

| | |
|--|----------|
| Property taxes paid | \$172 |
| Interest paid | \$1,936 |
| Non-cash activities: In-kind contributions | \$18,655 |

See independent accountant's review report and notes to financial statements.

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MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2021

NOTE 1 – ORGANIZATION AND PROGRAMS

A. Reporting Entity

Mid Market Community Benefit District (MMCBD), formally known as Central Market Community Benefit Corporation, is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness, safety and economic development of the Central Market District (District) in San Francisco, California.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for MMCBD is allocated into the following spending categories: 28.7% cleaning and maintenance, 35.2% public safety, 24.6% management and economic development and 11.5% contingency.

B. Programs and Activities

Cleaning and Maintenance – MMCBD public realm services include: graffiti abatement, sidewalk sweeping and pressure washing, landscape maintenance and reporting of issues to the Department of Public Works.

Public Safety – MMCBD’s Community Ambassador program provides way-finding assistance, social service outreach and serves as eyes and ears on the street deterring and reporting crime. MMCBD may also from time to time provide a uniformed SFPD 10b Police Officer to support MMCBD field personnel. 10b Officers work alongside MMCBD staff and vendors to address crime and quality of life issues within the neighborhood.

Management and Economic Development – Management oversees the MMCBD’s operations and advocates for more responsive City services. Economic development efforts support District business attraction, retention and expansion; and marketing and special events that enhance District awareness and vitality.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of 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*.

MMCBD 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.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal 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 unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

B. *Receivables*

MMCBD 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.

C. *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 equipment, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred.

As of December 31, 2021, MMCBD's property and equipment consists of office chairs and a pressure washer recorded at a total cost of \$40,995, less accumulated depreciation of \$21,636, for a net balance of \$19,359.

Depreciation expense for the year ended December 31, 2021 was \$13,665.

D. *Deferred Revenue*

As of December 31, 2021, deferred revenue consisted of the following:

| | |
|-------------------------------------|---------------------------|
| Property Assessments | \$1,009,444 |
| Silicon Valley Community Foundation | 500,000 |
| Mercy Housing | <u>3,332</u> |
| Total Deferred Revenue | <u><u>\$1,512,776</u></u> |

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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.

F. Advertising

MMCBD follows the policy of expensing advertising costs as incurred.

G. Statement of Cash Flows

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

H. Estimates

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

I. Fair Value Measurements

MMCBD 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 Foundations develops inputs using the best information available in the circumstances.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In some cases, the inputs used to measure the fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

J. *Income Taxes*

MMCBD 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 MMCBD 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. The MMCBD paid no taxes on unrelated business income for the year ended December 31, 2021.

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 MMCBD 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 MMCBD's tax returns will not be challenged by the taxing authorities and that the MMCBD will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, MMCBD's tax returns remain open for federal income tax examination for three years from the date of filing.

K. *Subsequent Events*

MMCBD evaluated subsequent events for recognition and disclosure through August 1, 2022, the date which these financial statements were available to be issued.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2021, the MMCBD's cash is summarized as follows:

| | |
|--------------|---------------------------|
| Cash in bank | <u><u>\$2,997,861</u></u> |
|--------------|---------------------------|

Of the \$2,997,861 total cash and cash equivalents above, \$894,014 has been set aside as designated for contingencies and reserve, in accordance with the MMCBD's management plan with the City and County of San Francisco.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2021

NOTE 4 – RETIREMENT PLAN

MMCBD sponsors a defined contribution plan for its full-time employees. MMCBD contributed \$7,463 to the plan during the year ended December 31, 2021.

NOTE 5 – ASSESSMENT REVENUE

MMCBD receives assessment revenues from the San Francisco City and County on behalf of members in the assessment district as a part of the County tax roll. Conversely, the MMCBD 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.

NOTE 6 – LOANS PAYABLE

A. Capital Loan – StreetPlus

As part of the agreement for services between MMCBD and Streetplus Company, LLC (Streetplus), Streetplus purchased two pieces of equipment necessary for the cleaning and maintenance of the District's area in the amount of \$40,995. The equipment is exclusively used for MMCBD, and at the end of the agreement, the equipment will be owned by MMCBD. The loan bears interest at 19.53%, and is payable in monthly installments of \$1,266, including both principal and interest, commencing June 30, 2020 through May 31, 2023.

During 2021, MMCBD made payments totaling \$15,190, including principal and interest, and as of December 31, 2021, the principal balance of the loan was \$20,468.

B. U.S. Small Business Administration Loan

In May 2020, the Organization received a \$72,751 loan from the U.S. Small Business Administration Paycheck Protection Program (PPP), with an interest rate of 1.0% that matures in May 2022. The loan was made pursuant to sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1106 of the CARES Act provides that up to the full principal amount plus interest accrued guaranteed under the PPP may qualify for forgiveness if the Organization uses the loan proceeds for forgivable purposes.

MMCBD received notification on April 27, 2021 that the PPP loan was forgiven by the U.S. Small Business Administration. Management has elected to recognize the \$72,751 as grant revenue in 2021.

MID MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2021

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL 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 | \$2,997,861 |
| Accounts receivable | 116,914 |
| | <hr/> |
| Total current financial assets | 3,114,775 |
| | |
| Amount set aside for contingencies and reserves | <hr/> (894,014) |
| | |
| Financial Assets Available to Meet Cash Needs for Expenditures Within One Year | <hr/> <hr/> \$2,220,761 |



mid market community benefit district

MMCBD 2021 Surveillance Technology Report

Table of contents:

I. Map



II. Organizations or Individuals Requesting Information

San Francisco Police Department:

Cha, Yick, Faulkner, Tim, Ballonado, Palladino, Duone, Pfeifer, Rashidian, Suhrke, Dong, Cheung, Dittmer, Macmahon, Saw

Public Defender's Office:

Faulkner, Huber, Duong, Lamb, Kingston

Business Owners:

Pan, Queen, Delgado

III. Program Policy (attached)

Mid Market Community Benefit District Public Safety Camera Program Policy

I. Program Overview

- A. The purpose of the Public Safety Camera Program “the Program” is to make Mid Market Community Benefit District (MMCBD) public spaces safer for everyone. Program cameras are intended to deter crime and safety issues; and to allow for after-the- fact investigation of such issues. The Program will be used in a professional, ethical and legal manner which does not violate reasonable expectation of privacy as defined by California law. MMCBD reserves the right to modify or change these policies at any time.

II. Program Details

- A. Program cameras will be installed within or adjacent to MMCBD boundaries with views of public spaces including, but not limited to: sidewalks, alleys and plazas.
- B. Program cameras are not used to specifically protect private properties within the District and are not located around areas where the public might have an expectation of privacy such as a public restroom.
- C. Program cameras only cover a small fraction of the public space within the MMCBD and even when camera coverage exists, it may not be possible to provide the level of detail necessary to identify: suspicious activity, crime or suspects.
- D. Program cameras are not actively or continuously monitored and no one should have an expectation they are under continuous monitoring when they are within range of a camera. Victims of crime and safety issues in the District should not expect someone to come to their rescue because they are in front of a camera.
- E. Program Users will operate the Program for reports of specific incidents or threats.
- F. MMCBD will not use covert or fake “dummy” cameras. MMCBD also does not record any sounds or voices and does not use any biometric or other monitoring software.
- G. Program cameras are managed and operated by MMCBD and its employees, agents, contractors; and Program Management Designee (collectively “the Users”).
- H. Program Management Designee is a Program technology expert assisting MMCBD with Program management and serving as Custodian of Records for Program video recordings.
- I. Signage may be posted in or near areas with cameras to inform the public they may be recorded, but signage is not required and may not be posted at all locations.
- J. MMCBD and its Program Management Designee may monitor live feed from time-to-time and have the ability to control the cameras for routine maintenance and other MMCBD service programs.

III. Program Recordings

- A. Program camera footage may be released to law enforcement and public safety agencies in response to specific crime and safety incidents per the policies set forth herein.
- B. MMCBD and its Program Management Designee are responsible for the management of the Program and have exclusive control of the release of camera footage.
- C. In the event of a crime or safety incident in an area where Program coverage may be available, individuals should report the incident to the San Francisco Police Department (SFPD). SFPD can then request the video from MMCBD. If relevant video footage is available, a permanent video clip of the incident may be produced and made available to the SFPD or other law enforcement or public safety agencies in accordance with the policies set forth herein.
- D. Requests for video recordings will be approved by MMCBD and processed by MMCBD; or its Program Management Designee who serves as Custodian of Records for subpoenas and court orders.
- E. MMCBD and its Program Management Designee are not crime investigators and may not provide video recordings or conduct searches for general or non-specific inquiries. Video recordings will be provided in response to requests reasonably describing the desired recordings in accordance with the request for video process set forth herein.
- F. Recorded video will be made directly available to the general public only to the extent required by law. MMCBD will also comply with all provisions in its contract with the City and County of San Francisco related to its records.
- G. Recorded video is generally stored for a period of 30 days. Beyond 30 days recorded video is generally deleted, erased or destroyed unless requested under the provisions of this Policy and converted into a permanent video clip.
- H. Copies of permanent video clips will be retained by MMCBD's Program Management Designee for a minimum of 6 months.

IV. Requests for Video, Video Footage Review and Copies of Records

- A. This Policy does not guarantee any records will be provided upon request.
- B. Requests for video, footage review and/or copies of records are to be documented using the Video Retrieval Request Form, attached as Exhibit A, and carried out by and/or under direct supervision of MMCBD or its Program Management Designee at MMCBD designated locations.
- C. Video Retrieval Request Forms should be submitted to MMCBD by email at: video@midmarketcbd.org. MMCBD or its Program Management Designees will typically respond to the request within 10 business days and within the timeframes required by applicable laws.

- D. MMCBD staff or its Program Management Designee will provide assistance to persons

making Public Records Act requests as required by law, and may fill in and submit the Video Retrieval Request Form if the person does not wish to do so. Although preferable, the Form need not be fully completed in order to initiate the request.

- E. Requests to review real-time camera footage are generally prohibited and not the intended use of the Program. Any request by law enforcement or public safety agency to observe real-time video for an exigent circumstance (such as a missing child) will be evaluated on a case-by-case basis and is subject to the policies set forth herein.
- F. Use of retrieved video or copies of records, for any purpose unrelated to the initially approved request is prohibited.
- G. Program Management Designee is the Custodian of Record. MMCBD does not maintain video records or images under its control; and its employees cannot testify to their authentication. Any subpoena for the Custodian of Record to testify shall be directed to the Program Management Designee.
- H. MMCBD reserves the right to charge fees for requests for video that will require extensive staff time, or Program Management Designee's staff time to prepare; and for any materials such as flash drives, CDs, DVDs or other devices necessary to fulfill the request.

PLEASE PRINT CLEARLY & EMAIL TO: video@midmarketcbd.org

Requested video may not be shared, stored or used for any purpose other than investigation of the footage requested by the Requester.
Additional use of requested video requires a separate Video Request Form and approval.

| To be completed by Video Requester: | |
|--|---|
| Date of Request | |
| Individual(s) Requesting Video | |
| Agency/Company Affiliation | |
| Phone Number | |
| Email (required for video transfer) | |
| Description of Requested Video Activity | |
| Date and Time of Requested Video Activity | Date: Start time: End Time: |
| Is requested video/image part of an active police investigation? If so, please provide Case Number | |
| Is requested video/image part of an active judicial proceeding? If so, please provide Case Number | |

CHECK REQUESTED CAMERA LOCATIONS

1200 Market St. - Market & Grove

- Market Street views
- Grove Street views

1155 Market St. - midblock

- Market Street views
- Stevenson Street views

1127 Market St. - midblock

- Market Street views

1001 Market St. - Market & 6th, SW corner

- Market Street views
- 6th Street views

34 6th Street

Stevenson & 6th, SW corner

Jessie & 6th, NW corner

- Stevenson Street views
- 6th Street views
- Jessie Street views

93 6th Street

Jessie & 6th, NW corner

Mission & 6th, NE corner

- Jessie Street views
- 6th Street views
- Mission Street views

981 Mission Street (South side)

- Mission Street views
- Minna Street views

132 6th Street - Minna & 6th St, SW corner

- Minna Street views
- 6th Street views

496 Natoma - Natoma & 6th St, NE corner

- Natoma Street views
- 6th Street views

Odd Fellows

Market & 7th, SW corner

Stevenson & 7th, NW corner

- Market Street views
- 7th Street views
- Stevenson Street views

101 9th Street - Mission & 9th St, SE corner

- Mission Street views
- 9th Street view

| |
|----------------------------|
| Location notes: (optional) |
|----------------------------|

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: Mid Market Community Benefit District; CY 2021 Annual Report

This is a memo summarizing the performance of the Mid Market Community Benefit District (Mid Market CBD), formerly known as the Central Market CBD, 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. Mid Market 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 Central Market Community Benefit District's Management Contract with the City; and their Management Plan as approved by the Board of Supervisors in 2014.

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 generally described as from the West side of 5th Street to the East side of South Van Ness Avenue, and from the South side of Market Street to the South Side of Mission Street. In addition, one block North of Market between Cyril Magnin and Mason, and one block North of Market between Grove and Larkin are included. Also, properties along Sixth Street between Market and Folsom Streets, along with the properties on adjacent streets and alleys East and West of Sixth Street (to varying distances) are included. The District contains 1,088 parcels, including the former US Mint building and Mint Plaza.

- July 23, 2013, the Board of Supervisors approved the resolution that established (renew and expand) the property-based district called the Central Market Community Benefit District (Resolution #264-13).
- February 4, 2014, the Board of Supervisors approved the contract for the administration and management of the Central Market Community Benefit District (Resolution #019-14).
- February 3, 2015, the Board of Supervisors approved CMCBD’s Annual Reports for CYs 2011, 2012, and 2013 (Resolution #034-15).
- June 7, 2016, the Board of Supervisors approved CMCBD’s Annual Report for CY 2014 (Resolution #230-16).
- September 20, 2016, the Board of Supervisors approved Resolution modifying the Management District Plan and Engineer’s Report to remove the district-wide cap on annual assessment revenues levied on properties located in the property-based business improvement district (community benefit district) known as the “Central Market Community Benefit District;” and making environmental findings (Resolution # 402-16).
- May 9, 2017, the Board of Supervisors approved CMCBD’s Annual Report for CY 2015 (Resolution #170-17).
- November 13, 2018, the Board of Supervisors approved the CMCBD’s Annual Report for CY 2016 (Resolution # 400-18).
- October 29, 2019, the Board of Supervisors approved CMCBD’s Annual Report for CY 2017 (Resolution #467-19).
- January 26, 2021, the Board of Supervisors approved CMCBD’s Annual Report for CY 2018 (Resolution #021-21).
- May 17, 2022, the Board of Supervisors approved CMCBD’s Annual Report for CY 2019 and CY 2020 (Resolution #210-22).

Basic Info about Central Market CBD

| | |
|-------------------------------------|---|
| Year Established | 2006 |
| Year Renewed | 2013 |
| Year Modified | 2016 |
| Assessment Collection Period | 2013 - 2027 |
| Services Start and End Date | January 1, 2014 - December 31, 2028 |
| Initial Estimated Annual Budget | \$1,225,433.63 |
| FY 20-21 Assessment Roll Submission | \$1,694,614,78 |
| FY 21-22 Assessment Roll Submission | \$1,695,161.22 |
| Calendar Year | January 1 – December 31 |
| Executive Director | Tracy Everwine |
| Name of Nonprofit Entity | Central Market Community Benefit District Corporation |



dba Mid Market Community Benefit District

The current CBD website, <https://www.midmarketcbd.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 Service Area Goals

Public Safety

Mid Market CBD’s public safety approach focuses on customer service, hospitality and social service outreach. Community Ambassadors sometimes joined with SFPD 10B Officers in a co-responder model. The organization also maintains a public safety camera program to provide evidentiary support for the investigation of crime. Mid Market CBD also facilitates district stakeholder meetings when necessary and conducts public safety seminars bringing public safety best practices to the community.

Cleaning and Maintenance

Mid Market CBD’s cleaning and maintenance services include supplemental cleaning and maintenance services within the public right-of-way (above and beyond) the baseline level of service provided by the City of San Francisco. This includes sidewalk sweeping, pressure washing, graffiti abatement, landscaping, and monitoring of public trash receptacles removing excess trash.

Management and Economic Development

Daily oversight of the organization, its vendors and partners; as well as advocacy for District needs with City departments and elected officials ensures good and timely service. Economic Development activities include: business attraction, retention and stabilization, and the promotion of District offerings through marketing and promotional activities.

Summary of Delivery of Services and Accomplishments

CY2021

Public Safety

During this review period, Mid Market CBD Ambassadors and SFPD 10B Officers anecdotally reported that boarded up storefronts, open air drug use, drug sales, and tent encampments were constant and significant in the public realm. Staff coordinated with the City and community organizations as employees and other visitors returned. Additionally, the CBD coordinated with the Department of Emergency Management during the City’s Declaration of an Emergency in the Tenderloin area in December 2021 which included the district. Mid Market CBD provided extra field crew, vendor and administrative team hours to support these public/private coordinated efforts. Key highlights include the following:

- Provided 1,212 social service interventions
- Received 152 non-emergency calls
- Received 54 911 emergency calls
- Distributed 5,000 copies of MMCBD’s Food-Shelter-Help Resource Guide
- Maintained weekly tent counts submitted to the City’s HSOC team
- Provided resident services 2,705 times



- Attended DEM coordination meetings
- Attended SFPD briefings weekly
- CBD field crew members saw an increased number of verbal and physical assault incidents while on the job. Additionally, handled an outpouring of frustration from district stakeholders.
- Maintained its public safety camera program to support the investigation of crime.

Cleaning and Maintenance

The Mid Market CBD cleaning and maintenance activities included removing excessive trash and biohazards and more frequent sanitation of touch points to guard against the continued spread of Covid-19 in addition to the following:

- Disposed 27,500 discarded syringes
- Removed human and/or animal waste 11,844 times
- Addressed 2,705 residential requests
- Removed 11,605 graffiti tags in both public and private spaces. Numerous vacant and boarded-up storefronts were kept free of graffiti with daily painting.
- Filled 4,442 trash bags totaling 111,0505 pounds of trash and litter removed
- Removed 1,490 stickers and flyers
- Handed out 2,187 pet bags
- Maintained landscapes 147 times
- Removed hazardous waste 11,844 times
- Spent 163,200 hours pressure washing the entire district and fulfilled 1,144 special requests
- Leased Bigbelly trash receptacles which improved cleanliness around receptacles, reduced rummaging, and improved aesthetics
- Obtained City grant funding to support the Bigbelly trash receptacle program

Management and Economic Development

During this review period, Mid Market CBD's district faced a significant number of ground floor retail vacancies with the remaining businesses struggling with limited foot traffic, decreased sales, increased theft, increased vandalism and employee retention. Key highlights include the following:

- Provided merchant services 3,611 times
- Maintained an inventory of and marketed the district's ground-floor retail spaces for lease
- Tracked parcels in development, provided support for project completion and alignment with CBD goals for public realm enhancement
- Issued a survey in Q1 to better understand stakeholder priorities for recovery; and in Q2 issued a business attraction survey to ascertain they types of businesses desired for the district.
- Started the Mid Market Small Business Video Series to promote District businesses on social media
- Maintained website to include District resources including lists of the businesses, social service agencies and non-profit organizations
- Produced a marketing & leasing brochure for Mid Market
- Obtained a Community Challenge Grant to install landscaping upgrades to Mint Plaza and infrastructure for public art
- Produced quarterly recap newsletters sharing District news and accomplishments



- Worked closely with DPW, SFMTA and BART on planning and implementation of the following projects: the Better Market Street Project, 6th Street re-design work and transit canopy/station revitalization projects respectively to improve pedestrian safety in and around work sites, ensure work is necessary and prioritized correctly, expedited quickly and as minimally invasive as possible to area stakeholders

Mid Market CBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for Mid Market CBD:

- **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 “Central Market Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 2:** Whether three and sixty-eight hundredths percent (3.68%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Central Market 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 “Central Market Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 4:** Whether MMCBD 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: Mid Market CBD did not meet this requirement. See table below.

| Service Category | Original Management Plan Budget (Percentage) | CY 2021 Asst. Budget (Percentage) | CY 2021 Total Budget (Percentage) | Variance Percentage Points – Asst. | Variance Percentage Points – Total |
|-------------------------------------|---|--|--|---|---|
| Public Safety | \$431,382.73 (35.20%) | \$544,089.74 (31.30%) | \$821,606.77 (34.79%) | -3.91% | -0.42% |
| Cleaning and Maintenance | \$352,000.00 (28.72%) | \$516,378.52 (29.70%) | \$818,189.91 (34.64%) | +0.98% | +5.92% |
| Management and Economic Development | \$300,885.66 (24.55%) | \$602,994.21 (34.69%) | \$647,061.81 (27.40%) | +10.13% | 2.84% |
| Contingency and Reserve | \$141,165.24 (11.52%) | \$75,000.00 (4.31%) | \$75,000.00 (3.18%) | -7.21% | -8.34% |
| TOTAL | \$1,225,433.63 (100.00%) | \$1,738,462.47 (100.00%) | \$2,361,858.49 (100.00%) | | |



BENCHMARK 2: Whether three and sixty-eight hundredths percent (3.68%) of actuals came from sources other than assessment revenue.

ANALYSIS: *Mid Market CBD met this requirement. MMCBD received \$1,680,031.67 in assessment revenue including penalties, redemption, and redemption penalties, which was approximately 70.93% of their CY 2021 operating budget. The CBD received \$688,538.00 in non-assessment revenue which was approximately 29.07% of their CY 2021 revenue. See table below.*

| Revenue Sources | CY 2021 Actuals | % of Actuals |
|--|-----------------------|----------------|
| Total Assessment (Special Benefit) Revenue | \$1,680,031.67 | 70.93% |
| Grants | \$58,000.79 | 2.45% |
| Fee For Service | \$517,915.84 | 21.87% |
| Interest Income | \$414.93 | .02% |
| Other (In-Kind & Misc. - includes PPP forgiveness) | \$112,205.63 | 4.74% |
| Total Non-Assessment (General Benefit) Revenue | \$688,537.19 | 29.07% |
| Grand Total (Assessment and Non-Assessment) Revenue | \$2,368,568.86 | 100.00% |

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: *Mid Market CBD met this requirement. See table below.*

| Service Category | CY 2021 Asst. Budget (Percentage) | CY 2021 Total Budget (Percentage) | CY 2021 Actuals – Asst. (Percentage) | CY 2021 Actuals – Total (Percentage) | Variance Percentage Points – Asst. | Variance Percentage Points – Total |
|-------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Public Safety | \$544,089.74 (31.30%) | \$821,606.77 (34.79%) | \$460,565.41 (26.87%) | \$726,521.12 (31.30%) | -4.43% | -3.49% |
| Cleaning and Maintenance | \$516,378.52 (29.70%) | \$818,189.91 (34.64%) | \$539,633.42 (31.48%) | \$839,612.45 (36.17%) | +1.78% | +1.53% |
| Management and Economic Development | \$602,994.21 (34.69%) | \$647,061.81 (27.40%) | \$630,081.43 (36.75%) | \$670,970.53 (28.91%) | +2.07% | +1.51% |
| Contingency and Reserve | \$75,000.00 (4.31%) | \$75,000.00 (3.18%) | \$84,001.52 (4.90%) | \$84,001.52 (3.62%) | +0.59% | 0.44% |



| | | | | | | |
|--------------|---|---|---|---|--|--|
| TOTAL | \$1,738,462.47 (100.00%) | \$2,361,858.49 (100.00%) | \$1,714,281.84 (100.00%) | \$2,321,105.62 (100.00%) | | |
|--------------|---|---|---|---|--|--|

BENCHMARK 4: Whether Mid Market 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: Mid Market 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.*

| CY 2021 Assessment (Special Benefit) Carryforward | As of 12/21/2021 | Budgeted for 2022 | Budgeted for Future Years |
|--|-------------------------|--------------------------|----------------------------------|
| Public Safety | \$71,823.44 | \$70,000.00 | \$1,823.44 |
| Cleaning and Maintenance | \$58,560.59 | \$15,189.72 | \$43,370.87 |
| Management and Economic Development | \$50,194.79 | \$0.00 | \$50,194.79 |
| Contingency and Reserve | \$894,014.25 | \$0.00 | \$894,014.25 |
| Total Assessment Carry Forward | \$1,074,593.07 | \$85,189.72 | \$989,403.35 |
| | | | |
| Total Non-Assessment Carry Forward | \$272,762.11 | \$0.00 | \$272,762.11 |
| | | | |
| Grand Total Carry Forward | \$1,374,355.18 | \$85,189.72 | \$1,262,165.46 |

Findings and Recommendations

For the review period of CY 2021 Mid Market CBD (MMCBD) met three of the four benchmarks set by the California Street and Highways Code Section 36650-3351 as found on page 4 of this memo; the Agreement of the Mid Market Community Benefit District; and the Agreement for the Administration of the “Mid Market Community Benefit District.” MMCBD missed Benchmark 1 which compares the organization’s fiscal year budget to the management plan budget. Per Section 3.9 of the *Agreement for the Administration of the “Mid Market Community Benefit District,”* each CBD is allotted a ten (10) percent deviation from their management plan. If they do not meet this, OEWD must determine if this deviation adversely impacts the special benefits conferred on parcels within the CBD.

In this particular situation, MMCBD missed Benchmark 1 by over budgeting +0.13% over the allowable 10 percentage points for the Management and Economic Development service category. As required, OEWD reviewed the impact to determine if this amount adversely impacted special benefits conferred on parcels within the district. OEWD reviewed Mid Market CBD’s amended management plan and engineer’s



report approved on September 20, 2016 (File #160988). Per the amended management plan, under the section titled, “CMCBD Proposed Method of Assessment,” the service category Marketing and Economic Activity Benefit Point Assignment is 1.0 to non-residential/non-residential condominium property and 0.50 to parking lot/vacant property while zero for both non-profit/public/institution property and residential/residential condominium property. This means that parcels with non-residential/non-residential condominium property and parking lot/vacant property will receive special benefit from Marketing and Economic activity and as the CBD overbudgeted in this service category, the special benefits conferred on parcels are expected to be higher. Thus, it is in OEWD’s opinion that in this situation these actions do not adversely impact special benefits conferred on parcels. Additionally, the CBD has a strong historical precedence of meeting this benchmark for the past seven consecutive years and the variance is less than 1%, it is in OEWD’s opinion that the CBD will likely meet this benchmark in the future.

While Mid Market 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. Mid Market 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 Mid Market CBD pivoted 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. Mid Market CBD also addressed the many challenges of vacant, ground floor retail space and worked overtime to address loitering and blight, and to stabilize existing businesses.

The CBD issued a survey in quarter 1 to better understand stakeholders’ priorities for recovery and what businesses and services are desired, issued a Business Attraction Survey in quarter 2 to understand what types of businesses are desired for the district. The Mid Market CBD additionally published a new Mid Market Business Brochure to provide information to constituents on what’s coming to the neighborhood, what’s arrived and where new businesses can find a location. Through a Community Challenge Grant, the CBD oversaw landscaping upgrades to Mint Plaza creating a more welcoming space for visitors. The Mid Market CBD continues to be an advocate and partner as they help support the State of Emergency in the Tenderloin Area, the Better Market Street Construction 5th to 8th, the 6th Street Construction Market to Howard, the BART Construction 8th and Market, and the new street vending legislation.

Mid Market CBD’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 Mid Market CBD is also in compliance with the Surveillance Technology Reporting requirements.

Conclusion

Mid Market CBD performed well implementing its service plan during the review period; and were an invaluable asset to District members and the City. through the unprecedented circumstances brought on by



the Covid-19 pandemic. Mid Market CBD 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 Mid Market CBD is well positioned to continue carrying out its mission.

