

File No. 230576

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight
Board of Supervisors Meeting:

Date: March 7, 2024
Date: _____

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- Resolution
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- Award Letter
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OTHER

- Annual Report FY2021-2022
- Financial Statements 063021
- OEWD Memo 050923
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- _____

Prepared by: Monique Crayton
Prepared by: _____
Prepared by: _____

Date: March 1, 2024
Date: _____
Date: _____

1 [Yerba Buena Community Benefit District - Annual Report - FY2021-2022]

2

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

8

9 WHEREAS, On June 2, 2015, pursuant to the Property and Business Improvement
10 District Law of 1994 (the “Act”), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 197-15, expressing the City’s intention to
13 renew and expand the Yerba Buena Community Benefit District (the “Yerba Buena CBD”);
14 and

15 WHEREAS, On July 31, 2015, the Board of Supervisors adopted Resolution
16 No. 300-15 renewing and expanding the Yerba Buena CBD ("Resolution to Establish") for a
17 period of 15 years, commencing Fiscal Year (FY) 2015-2016; and

18 WHEREAS, On December 8, 2015, the Board of Supervisors adopted Resolution
19 No. 502-15, authorizing an agreement with the owners' association for the
20 administration/management of the Yerba Buena CBD, and a management agreement (the
21 “Management Contract”) with the owners' association, the Yerba Buena Community Benefit
22 District Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 151108; and

25

1 WHEREAS, On November 29, 2022, the Board of Supervisors approved the Yerba
2 Buena CBD's annual report for FY 2020-2021 in Resolution No. 519-22; and

3 WHEREAS, The Yerba Buena CBD has submitted for the Board's receipt and approval
4 the Yerba Buena CBD's annual report for FY 2021-2022 as required by Section 36650 of the
5 Act and Section 3.4 of the Management Contract; and

6 WHEREAS, The annual report for FY 2021-2022 is on file with the Clerk of the Board
7 of Supervisors in File No. 230576, and is incorporated herein by reference as though fully set
8 forth; and

9 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
10 memorandum report from the City's Office of Economic and Workforce Development, dated
11 May 9, 2023, and documentation from the Yerba Buena CBD for the annual report for FY
12 2021-2022 are on file with the Clerk of the Board of Supervisors in File No. 230576; now,
13 therefore, be it

14 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
15 report for the Yerba Buena Community Benefit District for FY 2021-2022.



WELCOME TO
YERBA
BUENA

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD

ANNUAL REPORT FY 2021-2022

VisitYerbaBuena.org

**THE HIDDEN SF
WALKING TOUR
PRODUCED BY
THE YCBCD**



Dear Friends and Neighbors,

Art, creativity and community are signature features of Yerba Buena. Our one-of-a-kind museums, cultural and commercial entities are vital to the neighborhood's economic, social and emotional recovery in the post pandemic era. Hand-in-hand with our relentless focus on core clean and safe services, we at YBCBD continue to support, develop and implement ideas that reinforce our collective strength as the cultural heart of the City. Ensuring that our downtown district is safe, active and inspiring to attract workers, residents and visitors is essential to restoring vibrancy to Yerba Buena.

This year, the YBCBD is pleased to have undergone a successful and promising leadership transition. Our new executive director, Scott Rowitz, joined us determined to enact meaningful change in Yerba Buena that builds upon our unique attributes. The YBCBD Board of Directors selected Scott (insert link) precisely because of his skill, creativity and dedication to improving Yerba Buena. He follows in the immense footsteps of Cathy Maupin who retired this year after so deftly leading the organization for 14 years since our founding in 2008.

In this online report, we're highlighting activities and events from fiscal year 2021-22, along with additional important accomplishments that occurred through the end of 2022.

During this time, the YBCBD featured several new programs and reinstated others in support of the arts. Our new "Experience The Art of...." campaign promotes neighborhood cultural, dining, shopping and other offerings. The Yerba Buena Art Market pilot event featured arts, commerce and performers. A new audio walking tour brings district public art to prominence. Monthly Hidden SF Walking Tours returned featuring theatrical performers to highlight neighborhood history. ARTober in October promoted activities of arts organizations. Yerba Buena Night, a free evening celebrating music, art and performance, brought thousands to the neighborhood.

Our partnerships benefitted the neighborhood this year as well. The Yerba Buena Gardens Conservancy, working with the YBCBD, the Mayor's office, Moscone Center, SFMTA and others, secured a \$1.8 million dollar grant to beautify and clean public spaces near the new Yerba Buena/Moscone subway station. The funds will allow for new plantings, murals, and a budget for

the YBCBD Clean Team to double the frequency of power washing and cleaning in the area. We supplemented our Community Guides program to ensure welcoming presence for Moscone Center conventioners in collaboration with the Department of Public Works, the City's Welcome Ambassador program and Downtown Streets Team. The popular Sunday Streets program came to SoMa in partnership with the nonprofit, Liveable Cities.

Our Clean Team removed hundreds of graffiti tags, hundreds of thousands of pounds of trash, and swept and steam cleaned our sidewalks. We also provided grants to nonprofits benefiting Yerba Buena through our Community Benefit Fund.

As we look ahead, we will continue providing core services, supporting businesses, nonprofits and cultural organizations in relevant ways, and adapting to new conditions. We're adding new members to our Clean Team. Monthly Art Markets will begin following the successful pilot event. Annie North Plaza will open as a redesigned and revived public space thanks to YBCBD support. All of these, and many other programs, are designed to improve the quality of life in Yerba Buena.

Thank you to our Board of Directors, committees, staff, exceptional field teams, and to all who participate in making a difference in our neighborhood.



Sincerely,

A handwritten signature in blue ink that reads "Lisa Kirvin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lisa Kirvin

Chair, YBCBD Board of Directors



MEET NEW YCBCD EXECUTIVE DIRECTOR **SCOTT ROWITZ**

Scott's work with local community leaders, public officials, and nonprofits, arts, and business entities will benefit the neighborhood and help the YCBCD to advance its mission to foster a clean, safe and welcoming environment where our entire community thrives.

He has made it his charge for nearly 15 years to improve the district's cultural organizations, public places and sense of community. Scott spent the last four years as executive director of the Yerba Buena Gardens Conservancy leading the organization from its inception to its current central role as its nonprofit steward. Prior to that, he served as COO of the Yerba Buena Center for the Arts for ten years. Scott also volunteered as a YCBCD Board Member for more than a decade and served as a community advisor to the Moscone expansion project.

His deep understanding of our district's singular attributes and proven ability to navigate its challenges allows for a seamless transition by a leader who cares deeply about Yerba Buena and San Francisco.



THANK YOU TO CATHY MAUPIN!

Like Yerba Buena, Cathy Maupin is an original. Since the YCBCD's inception in 2008, she served as its first executive director before retiring in 2022. When the YCBCD secured the highest level of support ever for a CBD renewal in 2015, it spoke volumes about her work. Cathy led efforts to create The Yerba Buena Street Life Plan to guide neighborhood public space improvements, a first for a CBD in the City. She secured the inclusion of Yerba Buena in the naming of the new district Central Subway stop. As a fierce supporter of the arts, dozens of initiatives Cathy guided resulted in new and original public art, events, and programs, such as Hank Willis Thomas' public light installation Love Over Rules, Yerba Buena Night and artful bike racks. Before the pandemic and in response to it, funding support went to nonprofits, small businesses and arts groups in Yerba Buena.

Throughout her tenure, she was able to bring people together to create a sense of community in our ever evolving district. The YCBCD Board of Directors, staff and community are grateful for her leadership, dedication and countless original contributions to Yerba Buena.

SERVICES

WHAT WE DO + WHERE

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

Since 2008, we’ve been working with our volunteer Board of Directors, committees and community partners on ways to improve Yerba Buena, and in 2015 district property owners renewed our services for 15 more years. The YBCBD’s services focus on cleaning, safety, marketing, events, and more. Our Clean Team scours our streets, sidewalks and public spaces. Trained Community Guides assist residents, visitors and people in need, as well as keep an eye on areas in need of cleaning or reporting safety issues. A YBCBD-funded SFPD Bike Patrol Officer keeps us safer and our Social Service Outreach Specialist helps our street population find services.

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



YBCBD COMMUNITY GUIDES CONDUCTING A REGULAR CHECK-IN WITH LOCAL BUSINESS OWNERS

SPECIFIC SERVICES AND PROGRAMS

CLEAN TEAM. Our team sweeps and steam-cleans sidewalks, removes graffiti, picks up litter, and responds to immediate neighborhood cleaning needs every day 6 a.m.-10 p.m.

SFPD BIKE OFFICER. On top of existing police services, the YBCBD funds an SFPD Bike Patrol Officer to keep us safer — 10-12 hours a day, 7 days a week.

COMMUNITY GUIDES. Our Guides not only assist people in the neighborhood by directing visitors to local businesses, they contact our dispatcher to have areas cleaned and report safety issues, and help those in need — every day, 6 a.m.- 10 p.m.

SOCIAL SERVICE SPECIALIST. Our specialist compassionately connects people living on our neighborhood streets to available services ranging from hot meals to showers. They may also assist **with** making appointments with, and escorting people to, service providers.

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

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

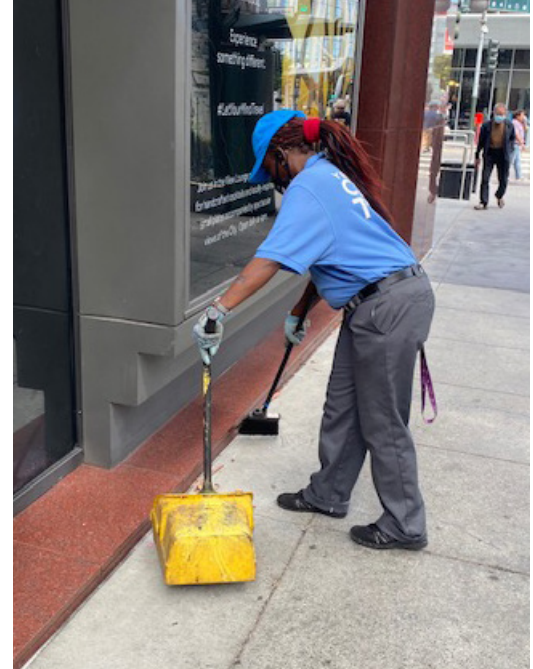
PUBLIC REALM IMPROVEMENTS. We fund and advocate for streetscape projects—large and small—to improve our public spaces.

Anyone can report neighborhood cleanliness and non-emergency issues to the YBCBD's Clean & Safe Dispatch office by calling (415) 543-9223, texting (415) 559-1362, or emailing dispatch@ybcbd.org.

2021-2022 HIGHLIGHTS

CLEAN + SAFE

- Partnered with The Yerba Buena Gardens Conservancy and the SFMTA to secure a \$1.8 million dollar grant to beautify and clean public spaces near the new Yerba Buena/Moscone subway station to add new plantings, murals, and budget for the YBCBD Clean Team to double the frequency of power washing and cleaning in the area.
- Began a partnership with Public Works to receive and close out cleaning requests reported through the City's 311 system.
- Continued daily work to address graffiti, sweeping and steam cleaning sidewalks, cleaning and weeding tree wells, painting poles and mail boxes, monitoring public trash receptacles, and reporting large items to the City for removal.
- Worked with our SFPD Bike Patrol Officer seven days a week to address quality of life issues.
- Continued work by our Community Guides to check-in daily with merchants and businesses through the incremental reopening of the economy, report areas that need to be cleaned, and serve as additional sets of eyes to report safety issues.



**WE'VE ADDED MORE
MEMBERS TO OUR
CLEAN TEAM**

PROMOTING BUSINESSES, ARTS + CULTURE

- Launched the “Experience The Art of...” campaign promoting neighborhood cultural, dining, shopping and other offerings with neighborhood street pole banners, online on our website and through social media.
- Co-produced the popular Litquake literary festival at venues in Yerba Buena.
- Released a “Welcome Back” video to promote neighborhood attractions.
- Piloted the Yerba Buena Art Market at Yerba Buena Gardens with art, commerce, and performance. A monthly Art Market will launch in 2023.
- Kicked-off a public art audio walking tour.
- Relaunched Hidden SF Walking Tours that use theatrical performers to highlight neighborhood history.

IMPROVING STREETSCAPES

- Continued working with the Planning Department, Public Works, SFMOMA, and a diversity of community stakeholders on the Minna-Natoma Art Corridor Project that will connect Yerba Buena and the Salesforce Transit Center along Natoma and Minna streets.
- Replenished SFMTA with a supply of 50 YCBCBD-designed bike racks to install along newly improved bike corridors and at community-requested locations.
- In partnership with Paint the Void, commissioned a 3-panel temporary mural, Bahay and Buhay, by local artist ChiChai.



**THE YBCBD
HOSTED A
DISTRICT 6
SUPERVISOR
DEBATE**

COLLABORATION + ADVOCACY

- Supported public art, community engagement, streetscape improvements, and public safety enhancements through the YBCBD Community Benefit Fund.
- Supported the use of vacant land between Harrison and Bryant streets at the Interstate 80 exit at 5th Street for use as a nursery for San Francisco street trees.
- Participated in meetings with Moscone Center on supplementing clean and safe services as conventions returned.
- Served on advisory panels to promote neighborhood interests including: the SFPD Southern Station Community Police Advisory Board; Yerba Buena Gardens Conservancy Board; Tourism Improvement District Board; Better Market Street Community Advisory Committee; Clean Civil Sidewalks Coalition; CleanSafe365 Coalition; San Francisco Benefit District Alliance; and the Healthy Streets Operation Center (to inform the City of street conditions in Yerba Buena).
- In September 2022, we hosted a candidate forum for the District 6 Board of Supervisors election.

1. YERBA BUENA ART & MAKER'S MARKET

2. LITQUAKE PARTNERED WITH THE YCBCD TO BRING THEIR FESTIVAL TO OUR NEIGHBORHOOD

3. HOLLY JOLLY TROLLEY

1



2



3



Art is EverywHere in Yerba Buena



LISTEN



PUBLIC ART FREE AUDIO WALKING TOUR

Help us spread the word about our new public art tour.

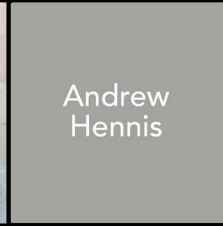
TOP RIGHT: CREATING THE CHICHAJ MURAL

BOTTOM RIGHT: NATIONAL NIGHT OUT
IN THE YERBA BUENA GARDENS





Chriselda Chew



Andrew Hennis



Jason Philips



Richard Rendon



Pictured, L – R: (Top Row) John Carrillo, Clif Clark, William Clements, Michelle Delaney, Jennifer DePalm, Anita Engles | (2nd Row) Paul Frentsos, Rachel Gordon, Katharine Greenbaum, Jeremiah Gregory, Lisa Kirvin, Lawrence Li | (3rd Row) Tom Maguire, Frank Miskus, Kerry O'Toole, Scott Rowitz, Nate Savalza | (bottom row) Micah Tell, Adine Varah, Monetta White



Mike Seder



2021-2022 YBCBD BOARD OF DIRECTORS

BUDGET + BALANCE SHEET

JULY 2021–JUNE 2022 ACTUALS

INCOME	ACTUALS	PERCENTAGES	BUDGET	PERCENTAGES	OVER/(UNDER BUDGET)
Assessments	\$3,286,253.00	93%	\$3,235,730.44	70%	\$50,522.60
Fundraising/In-Kind	\$141,543.00	4%	\$173,111.58	4%	\$(31,568.58)
Interest Income	\$117,185.00	3%	\$5,000.00	0%	\$112,185.00
TOTAL INCOME	\$3,544,981.00	100%	\$3,413,842.02	100%	\$131,138.98
EXPENSES	ACTUALS	PERCENTAGES	BUDGET	PERCENTAGES	OVER/(UNDER BUDGET)
Management & Operations	\$559,372.00	16%	\$606,366.27	13%	\$(46,994.27)
Cleaning & Streetscape Improvements	\$1,259,001.00	36%	\$1,711,961.44	37%	\$(452,960.44)
Safety & Security	\$1,195,327.00	34%	\$1,656,700.02	36%	\$(461,373.02)
Branding, Activation, & Marketing	\$492,525.00	14%	\$649,792.95	14%	\$(157,267.95)
TOTAL EXPENSES	\$3,506,225.00	100%	\$4,624,820.68	100%	\$(1,118,595.68)
NET INCOME / (CARRYOVER USED)	\$38,756.00		\$(1,210,978.66)		\$1,249,734.66

JULY 2021–JUNE 2022 BALANCE SHEET as of June 30, 2022

ASSETS

Cash & Cash Equivalents	\$4,802,334.00
Other Assets	\$233,776.00
TOTAL ASSETS	\$5,026,110.00

LIABILITIES

Accounts Payable & Accrued Expense	\$229,110.00
Other Liabilities	\$24,508.00
TOTAL LIABILITIES	\$253,618.00

NET ASSETS

Without Donor Restrictions	\$4,760,642.00
With Donor Restrictions	\$11,850.00
TOTAL NET ASSETS / (CARRYOVER)	\$4,772,492.00

TOTAL LIABILITIES & NET ASSETS

\$5,027,382.00

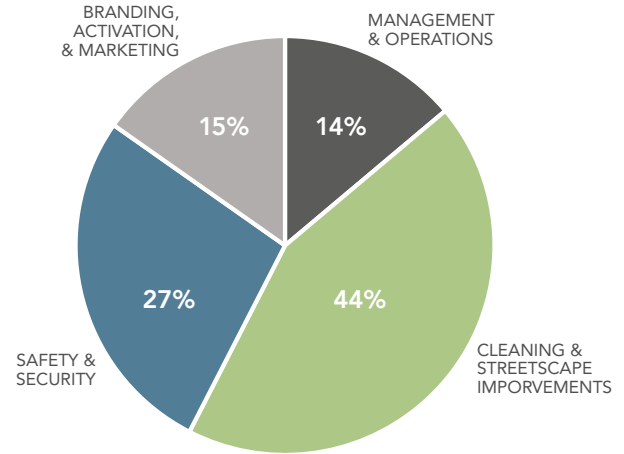
JULY 2021–JUNE 2022 BUDGET

INCOME

Assessments	\$3,332,802.00
Fundraising/In-Kind	\$315,163.00
Interest Income	\$5,000.00
Carryover Used	\$1,611,108.00
TOTAL INCOME	\$5,264,073.00

EXPENSES

Management & Operations	\$730,385.00
Cleaning & Streetscape Improvements	\$2,299,052.00
Safety & Security	\$1,431,942.00
Branding, Activation & Marketing	\$802,693.00
TOTAL EXPENSES	\$5,264,073.00



FY2021-2022 BUDGET

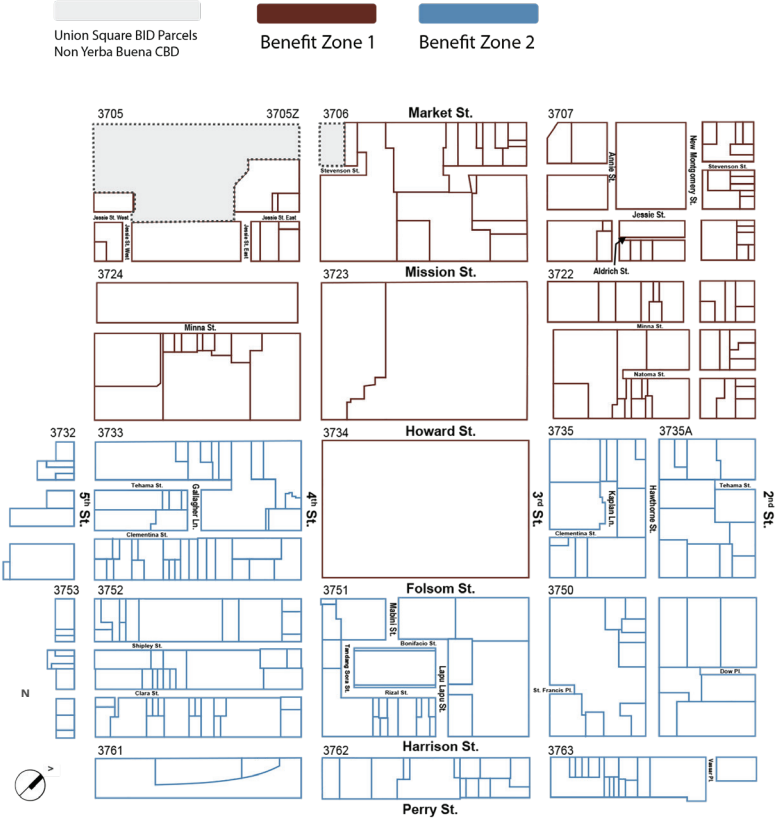
CARRYOVER

CARRYOVER	AS OF 6.30.22	BUDGETED FOR FY22	BUDGETED FOR FUTURE YEARS
Management & Operations	\$1,417,757.00	\$370,857.00	\$1,046,899.00
Cleaning & Streetscape Improvements	\$2,990,403.00	\$903,308.00	\$2,087,095.00
Safety & Security	\$43,437.00	\$114,063.00	\$(70,626.00)
Branding, Activation, & Marketing	\$119,312.00	\$222,880.00	\$(103,568.00)
Fiscally Sponsored Projects	11,500.00	–	\$11,500.00
Other Projects	\$350.00	–	\$350.00
Capital Assets	\$189,736.00	–	\$189,736.00
TOTALS	\$4,772,495.00	\$1,611,108.00	\$3,161,387.00

AREA MAP OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT

Yerba Buena bustles with world-class museums, shopping, dining, convention space, hotels, and educational institutions. Senior housing blends with live/work lofts and condominiums.

New district boundaries shown were approved as part of the YBCBD renewal in 2015. The district includes parcels from Second to Fifth streets and Market to Perry streets. Specific information on YBCBD boundaries is in the District Management Plan at www.YBCBD.org.



ASSESSMENT METHODOLOGY AND CALCULATION

The YBCBD is funded through an annual assessment from district property owners. A new methodology for annual assessments was approved as part of the district renewal. The calculation for each property assessment is based on a formula that weighs the benefit of the YBCBD's services for all types of properties in the district.

The formula assigns values to Land Use, Benefit Zone, Linear Street Frontage, and Building Square Footage to determine benefit points for each parcel. The parcel benefit point total is then multiplied by \$9.88 based on the FY21-22 YBCBD Budget to calculate the assessment.

For example, a commercial property (Land Use, 4) in Benefit Zone 1 (Zone Factor, 1.5) that has 50 feet of linear frontage (Linear Frontage, 50) and 5,000 building square footage (Building Factor, 2) would calculate their assessment as follows:

$$[(\text{Linear Frontage} + \text{Building Factor}) \times \text{Zone Factor}] \times \text{Land Use} = \text{Total \# of Benefit Points}$$

$$[(50 + 2) \times 1.5] \times 4 = 300 \text{ Benefit Points}$$

$$300 \times \$9.88 = \$2,964.00 \text{ Total Assessment}$$

As a result, properties like hotels, office buildings, museums and retailers with substantial street frontage, higher volumes of pedestrian traffic and more overall building square footage have different assessments than residential units because they benefit more from the YBCBD's services. Details of the annual assessment calculation are in the District Management Plan at www.YBCBD.org.

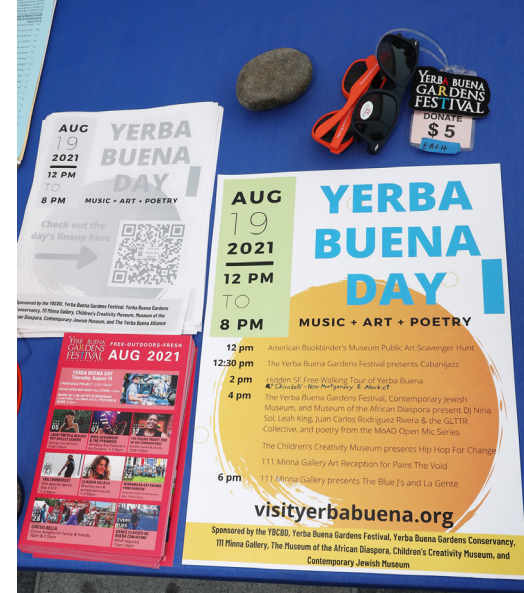


PHOTO CREDITS

Inside Front Cover
Dirk Wyse

Page 7
Terilyn Steverson

Page 9
Constance Cavallas

Page 11
Richard Ciccarone

Page 12
1. Terilyn Steverson
2. Constance Cavallas
3. Jill Linwood

Page 13
Top: Constance Cavallas
Bottom: Richard Ciccarone

Page 18
Dirk Wyse

Back Cover
Constance Cavallas

YBCBD BOARD OF DIRECTORS

BOARD CHAIR

Lisa Kirvin

Renaissance Entrepreneurship Center

SECRETARY/TREASURER

Scott Rowitz, Yerba Buena Gardens Conservancy

BOARD MEMBERS

Chriselda Chew, Block Party Productions

John Carrillo, Hyatt SoMA

Clif Clark, The Palace Hotel

William Clements, Resident

Michelle Delaney, 111 Minna Gallery

Jennifer DePalm, SOMACC

Anita Engles, American Bookbinders Museum

Paul Frentzos, San Francisco Travel Association

Rachel Gordon, San Francisco Public Works

Katharine Greenbaum, Children's Creativity Museum

Jeremiah Gregory, Jones Lang LaSalle

Andrew Hennis, Kilroy Realty

Lawrence Li, SPUR

Tom Maguire, San Francisco Municipal Transportation Agency

Frank Miskus, Brookfield Properties

Kerry O'Toole, Hearst Corporation

Jason Philips, Patelco

Richard Rendon, VA Community-Based Clinic

Nate Savalza, The St. Regis

Mike Seder, Moscone Convention Center

Micah Tell, The Keystone

Adine Varah, San Francisco Museum of Modern Art

Monetta White, Museum of the African Diaspora

YBCBD COMMITTEES

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

YBCBD STAFF

Cathy Maupin, Executive Director

Constance Cavallas, Director of Neighborhood Services & Projects

Richard Ciccarone, Director of Branding, Activation, and Marketing

Sophia Cross, Administrative Manager

COMMUNITY SUPPORT

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

111 Minna Street Gallery, American Bookbinder's Museum, Brookfield Office Properties, California Historical Society, Children's Creativity Museum, Contemporary Jewish Museum, Hearst Corporation, JMA Ventures, Joyride Pizza, Kyo-ya Hotels & Resorts, MJM Management Group, Cathy Maupin, Mexican Museum, Museum of the African Diaspora, Oren's Hummus, The Palace Hotel, San Francisco Media Company, SFMOMA, SFMTA, The Yerba Buena Gardens Conservancy, Yerba Buena Gardens Festival.



YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD

750 Howard Street
San Francisco, CA 94103

T 415-919-4049

E info@ybcbd.org

W www.ybcbd.org

IMPORTANT NUMBERS AND LETTERS

YBCBD DISPATCH:

There are five ways to report cleanliness and non-emergency safety issues to our dispatcher.

PHONE: 415-543-9223

EMAIL: dispatch@ybcbd.org

TEXT: 415-559-1362

Contact us for non-emergency services, public area cleaning and maintenance issues, and social services outreach.

EMERGENCY SERVICES: Call 9-1-1

Learn more about YBCBD programs and services at www.ybcbd.org and about neighborhood offerings and happenings at www.visityerbabuena.org.



*Report of Independent Auditors and
Financial Statements*

Yerba Buena Community Benefit District

June 30, 2022 and 2021

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Report of Independent Auditors

To the Board of Directors
Yerba Buena Community Benefit District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Yerba Buena Community Benefit District, which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yerba Buena Community Benefit District as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”). 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 Yerba Buena Community Benefit District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Yerba Buena Community Benefit 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 Yerba Buena Community Benefit 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 Yerba Buena Community Benefit 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.

Moss Adams LLP

San Francisco, California
September 14, 2022

Financial Statements

Yerba Buena Community Benefit District
Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 4,802,334	\$ 4,742,781
Accounts receivable, net	-	11,000
Prepaid expenses	34,040	33,524
Capital assets, net	<u>189,736</u>	<u>240,077</u>
Total assets	<u>\$ 5,026,110</u>	<u>\$ 5,027,382</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 229,110	\$ 177,433
Accrued vacation	24,508	31,221
Paycheck Protection Program loan	<u>-</u>	<u>84,992</u>
Total liabilities	<u>253,618</u>	<u>293,646</u>
NET ASSETS		
Without donor restrictions	4,760,642	4,730,386
With donor restrictions	<u>11,850</u>	<u>3,350</u>
Total net assets	<u>4,772,492</u>	<u>4,733,736</u>
Total liabilities and net assets	<u>\$ 5,026,110</u>	<u>\$ 5,027,382</u>

Yerba Buena Community Benefit District
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Assessment revenue	\$ 3,286,253	\$ -	\$ 3,286,253	\$ 3,143,384	\$ -	\$ 3,143,384
Contributions	113,043	28,500	141,543	41,514	19,000	60,514
Gain on forgiveness of PPP loan	84,992	-	84,992	-	-	-
Other income	32,193	-	32,193	48,569	-	48,569
Investment loss	-	-	-	675	-	675
Net assets released from restrictions	20,000	(20,000)	-	110,178	(110,178)	-
Total support and revenue	<u>3,536,481</u>	<u>8,500</u>	<u>3,544,981</u>	<u>3,344,320</u>	<u>(91,178)</u>	<u>3,253,142</u>
EXPENSES						
Program services	2,946,853	-	2,946,853	2,839,731	-	2,839,731
Supporting services:						
Management and operations	512,216	-	512,216	379,098	-	379,098
Fundraising	47,156	-	47,156	41,944	-	41,944
Total expenses	<u>3,506,225</u>	<u>-</u>	<u>3,506,225</u>	<u>3,260,773</u>	<u>-</u>	<u>3,260,773</u>
CHANGES IN NET ASSETS	30,256	8,500	38,756	83,547	(91,178)	(7,631)
NET ASSETS, beginning of year	<u>4,730,386</u>	<u>3,350</u>	<u>4,733,736</u>	<u>4,646,839</u>	<u>94,528</u>	<u>4,741,367</u>
NET ASSETS, end of year	<u>\$ 4,760,642</u>	<u>\$ 11,850</u>	<u>\$ 4,772,492</u>	<u>\$ 4,730,386</u>	<u>\$ 3,350</u>	<u>\$ 4,733,736</u>

Yerba Buena Community Benefit District
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services				Supporting Services			
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Cleaning contract	\$ 869,826	\$ -	\$ -	\$ -	\$ 869,826	\$ -	\$ -	\$ 869,826
Community guides	-	805,757	-	-	805,757	-	-	805,757
Salaries and benefits	94,669	107,382	142,686	-	344,737	210,910	47,156	602,803
Public safety	-	237,372	-	-	237,372	-	-	237,372
Consulting fees	-	-	4,817	-	4,817	160,188	-	165,005
Grants	-	-	158,352	-	158,352	-	-	158,352
Other expenses	71,739	28,120	10,574	-	110,433	36,871	-	147,304
Greening expenses	116,104	-	-	-	116,104	-	-	116,104
In-kind goods and services	25,534	-	52,241	-	77,775	425	-	78,200
Marketing and branding	-	-	78,039	-	78,039	-	-	78,039
Public spaces	63,206	-	-	-	63,206	-	-	63,206
Rent and utilities	9,717	10,159	9,938	-	29,814	22,373	-	52,187
Depreciation and amortization	-	-	-	-	-	53,726	-	53,726
Events	-	-	34,166	-	34,166	-	-	34,166
Bad debt expense	-	-	-	-	-	16,281	-	16,281
Office supplies and postage	-	-	1,712	-	1,712	11,442	-	13,154
Uniforms	8,206	6,537	-	-	14,743	-	-	14,743
Total expenses	\$ 1,259,001	\$ 1,195,327	\$ 492,525	\$ -	\$ 2,946,853	\$ 512,216	\$ 47,156	\$ 3,506,225

Yerba Buena Community Benefit District
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2021

	Program Services				Supporting Services			
	Cleaning and Streetscape Improvements	Safety and Security	Branding, Activation and Marketing	Sponsored Projects	Total	Management and Operations	Fundraising	Total
EXPENSES								
Cleaning contract	\$ 779,707	\$ -	\$ -	\$ -	\$ 779,707	\$ -	\$ -	\$ 779,707
Community guides	-	771,731	-	-	771,731	-	-	771,731
Salaries and benefits	83,933	94,862	129,367	-	308,162	192,619	41,944	542,725
Public safety	-	423,065	-	-	423,065	-	-	423,065
Other expenses	200,577	6,120	6,686	-	213,383	36,718	-	250,101
Greening expenses	130,803	-	-	-	130,803	-	-	130,803
Consulting fees	-	-	1,400	16,500	17,900	95,422	-	113,322
Grants	-	15,500	84,392	-	99,892	-	-	99,892
Depreciation and amortization	-	-	-	-	-	57,671	-	57,671
Rent and utilities	8,538	8,926	8,732	-	26,196	25,076	-	51,272
In-kind goods and services	8,464	11,250	-	-	19,714	18,800	-	38,514
Marketing and branding	-	-	33,913	-	33,913	-	-	33,913
Office supplies and postage	-	-	5,576	-	5,576	7,199	-	12,775
Uniforms	3,439	3,439	-	-	6,878	-	-	6,878
Events	-	-	2,811	-	2,811	400	-	3,211
Bad debt recovery	-	-	-	-	-	(54,807)	-	(54,807)
Total expenses	\$ 1,215,461	\$ 1,334,893	\$ 272,877	\$ 16,500	\$ 2,839,731	\$ 379,098	\$ 41,944	\$ 3,260,773

Yerba Buena Community Benefit District
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	\$ 38,756	\$ (7,631)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized loss	-	1,158
Change in allowance for bad debt	16,282	(54,807)
Depreciation and amortization	53,726	57,671
Extinguishment of Paycheck Protection Program loan	(84,992)	-
Changes in operating assets and liabilities:		
Assessments receivable	(5,282)	43,807
Prepaid expenses	(516)	(8,446)
Accounts payable and accrued expenses	44,964	(18,856)
Accrued vacation	-	3,250
	<u>62,938</u>	<u>16,146</u>
Net cash provided by operating activities		
CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES		
Proceeds on maturity of certificates of deposit	-	247,524
Purchase of capital assets	(3,385)	-
	<u>(3,385)</u>	<u>247,524</u>
Net cash (used in) provided by investing activities		
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Borrowings on Paycheck Protection Program loan	-	84,992
	<u>-</u>	<u>84,992</u>
Net cash provided by financing activities		
NET CHANGES IN CASH AND CASH EQUIVALENTS	59,553	348,662
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,742,781</u>	<u>4,394,119</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,802,334</u>	<u>\$ 4,742,781</u>

Yerba Buena Community Benefit District

Notes to Financial Statements

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

Organization and nature of activities – The Yerba Buena Community Benefit District (the “YBCBD”) was formed in 2008 by property owners to improve the quality of life in the neighborhood by making the area cleaner, safer, and more vibrant. The YBCBD has a contract with the City and County of San Francisco (the “City”) for a term of 15 years, expiring on June 30, 2030. The YBCBD stretches from about Second Street to Fifth Street and Market Street to Harrison Street in San Francisco, California.

The YBCBD exists to implement programs to create a neighborhood that is safer, cleaner, greener and a better place to conduct business and live. These programs and services are funded by district property owners in the Yerba Buena neighborhood.

The YBCBD’s mission statement is as follows:

The Yerba Buena Community Benefit District will advance the quality of life for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of our economic base.

Programs and services provided by the YBCBD include:

- **Clean Team** – The Clean Team (“Team”) works to improve the appearance and cleanliness of the district daily from 6:00am to 9:00pm. The Team steam cleans all sidewalks in the district once or twice a month, works daily on sidewalk cleaning and gutter sweeping, and removes trash on a frequent basis. The Team also pulls weeds, cleans tree wells, removes graffiti, and paints poles and mailboxes.
- **Community Guides Program** – The Community Guides (“Guides”) serve as goodwill ambassadors in the neighborhood. Guides provide information, directions, and connect those who need help to the right social services. Guides report maintenance issues such as areas in need of cleaning. Guides do not provide emergency response, but will call emergency dispatch to report issues. Up to six guides work 6:00am to midnight, seven days a week. The YBCBD also engages two Social Services Specialists to work with the street population and connect them to services.
- **SFPD 10B Officer** – In addition to existing police services, the San Francisco Police Department (“SFPD”) provides officers to the YBCBD under City Administrative Code Section 10B. These officers are funded by the YBCBD and work 10 hours per day, 7 days per week. The 10B Officer primarily addresses quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions. The additional police presence adds 70 hours per week of police time to the 5,000 hours a week already provided by the Southern District Police Station.
- **Marketing and Branding** – Marketing programs help strengthen the area’s economic viability to make it more inviting to businesses and visitors. The YBCBD established a name and brand for the neighborhood, along with a neighborhood website that lists all businesses, events, and neighborhood news. The YBCBD also coordinates events that bring people to the neighborhood.

Yerba Buena Community Benefit District

Notes to Financial Statements

- **Streetscape Improvements** – Guided by the Yerba Buena Street Life Plan, the YBCBD invests in public realm improvements, including greening, public art, pedestrian, and bicycle improvements, as well as advocates for real public benefits related to neighborhood development projects.
- **Community Benefit Fund** – The YBCBD Community Benefit Fund supports district initiatives by providing small grants to organizations in the neighborhood that help to achieve the mission of the YBCBD.
- **Annie Street Project** – The Annie North Plaza project was made possible through a public private partnership between San Francisco Public Works, the YBCBD, and the adjacent property owners to the plaza. The new design removed old planters at the intersection of Market Street and Annie Alley to meet several goals of the YBCBD's 2019 Street Life Plan, such as creating more flexible open space, and establishing better connections to alleyways (Annie, Jessie, and Stevenson). The project was completed during the year ended June 30, 2022.

Basis of accounting – The YBCBD prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

Classification of net assets – U.S. GAAP requires that YBCBD report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Accordingly, the net assets of the YBCBD are classified and reported as described below:

Without donor restrictions – Those net assets and activities which represent the portion of expendable funds that are available to support YBCBD's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes. Board-designated net assets were \$4,570,906 and \$4,490,309 as of June 30, 2022 and 2021, respectively.

With donor restrictions – Those net assets and activities which are donor restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets. Those also include (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold, or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

Cash and cash equivalents – The YBCBD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts receivable – Accounts receivable represents assessment obligations of local property owners due to the YBCBD. Unpaid receivables do not accrue interest. As of June 30, 2021, included in accounts receivable was \$11,000 of grant receivables.

The YBCBD uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2022 and 2021, assessments receivable were fully reserved for, and the allowance for uncollectible assessments was \$124,128 and \$107,846, respectively.

Yerba Buena Community Benefit District Notes to Financial Statements

Capital assets – The YBCBD capitalizes acquisitions of capital assets with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value at the date of acquisition. Depreciation on furniture and equipment and public art are calculated using the straight-line method based upon estimated useful lives ranging from 3 to 10 years. Website development costs are amortized using the straight-line method over 3 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statements of activities and changes in net assets.

Impairment of long-lived assets – Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended June 30, 2022 and 2021.

Accrued vacation – Full-time employees may accrue up to 13.33 hours per month depending on the number of years employed. Part-time employees accrue vacation on a prorated basis. Employees can accrue a maximum of 240 vacation hours. Accrued vacation as of June 30, 2022 and 2021 was \$24,508 and \$31,221, respectively.

Paycheck Protection Program loan – The note payable issued pursuant to the Paycheck Protection Program (PPP) administered by the United States Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is recorded in accordance with Accounting Standards Codification (ASC) 470, *Debt*.

In May 2021, YBCBD was granted a loan under the PPP offered by the SBA under the CARES Act, section 7(a)(36) for \$84,992. The loan was subject to partial or full forgiveness if YBCBD used all proceeds for eligible purposes, maintained certain employment levels, and maintained certain compensation levels in accordance with and subject to the CARES Act and the rules, regulations, and related guidance. During the year ended June 30, 2022, YBCBD was granted forgiveness of the full loan from the SBA in the amount of \$84,992, including all accrued interest. As of June 30, 2022, there is no balance owed on the loan. The YBCBD accounts for forgiveness of the loan in accordance with ASC 470-50-40, as a debt extinguishment. The loan forgiveness is included as gain on forgiveness of PPP loan on the accompanying statement of activities for the year ended June 30, 2022.

Assessment revenue – The YBCBD receives its support primarily from a special assessment levied by the City on properties located within the YBCBD in accordance with City Ordinance. The assessment is recorded by the YBCBD when assessed by the City. The City remits the assessments to the YBCBD as the assessments are collected from the property owners. Interest is not charged on late assessments; however late penalties are charged in accordance with the City's policy.

Yerba Buena Community Benefit District

Notes to Financial Statements

Contributions – The YBCBD recognizes all contributions when they are received or unconditionally promised, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as support under net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as support under net assets with donor restrictions. There were no conditional contributions as of June 30, 2022 and 2021.

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities and changes in net assets. Such transactions are recorded as net assets released from restrictions and are reported separately from other transactions.

Contributed goods and services – The YBCBD records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the years ended June 30, 2022 and 2021, the YBCBD received contributed goods and services in the amounts of \$78,200 and \$38,514, respectively.

Advertising – The costs of advertising are charged to expense as incurred. Advertising expense for the years ended June 30, 2022 and 2021 was \$35,854 and \$5,484, respectively.

Grants – Grants are recognized when approved by the Board or Directors, provided the grant is not subject to conditions. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. As of June 30, 2022 and 2021, there were no conditional grants.

Income taxes – The YBCBD is a qualified organization exempt from federal and state income taxes under §501(c)(3) of the Internal Revenue Code (“IRC”) and §23701d of the California Revenue and Taxation Code, respectively.

The YBCBD recognizes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. The YBCBD’s evaluation on June 30, 2022 and 2021 revealed no tax positions that would have a material impact on the financial statements.

The YBCBD’s tax returns are subject to examination by federal and state taxing authorities. However, management is unaware of any pending examinations nor are there any in progress.

Concentration of Risk

Financial instruments – Financial instruments which potentially subject the YBCBD to concentrations of credit risk consist principally of cash and cash equivalents. The YBCBD maintains its cash in various bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation (“FDIC”) thresholds. The YBCBD has not experienced any losses in such accounts. Management believes that the YBCBD is not exposed to any significant credit risk related to concentrations.

Yerba Buena Community Benefit District

Notes to Financial Statements

Contingencies – The World Health Organization declared the novel coronavirus a public health emergency. YBCBD's operations are concentrated in California, which has restricted gatherings and implemented shelter-in-place restrictions. YBCBD continues normal operations and is monitoring the situation closely, however, given the uncertainty about the situation, management can't estimate the impact to the financial statements.

Functional allocation of expenses – The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management. Personnel costs are allocated based on estimated time worked in each program area, or on fundraising or administrative tasks. Other shared costs, such as rent and utilities, are based on estimated full time equivalents assigned to each area.

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

The YBCBD has evaluated subsequent events through September 14, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – CAPITAL ASSETS

Capital assets at June 30 consisted of the following:

	2022	2021
Public art	\$ 352,447	\$ 352,447
Website development	26,000	26,000
Street furniture	40,424	40,424
Furniture and equipment	38,501	35,116
Construction in progress	5,050	5,050
	462,422	459,037
Less: accumulated depreciation	(272,686)	(218,960)
Total capital assets	\$ 189,736	\$ 240,077

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 3 – NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Board-designated:		
Cleaning and Streetscape Improvements	\$ 2,990,403	\$ 2,823,281
Management and operations	1,417,754	1,397,293
Safety and security	43,437	163,693
Branding, activation, and marketing	119,312	106,042
Sponsored projects:		
Invested in capital assets	<u>189,736</u>	<u>240,077</u>
Total	<u>\$ 4,760,642</u>	<u>\$ 4,730,386</u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Sponsored projects:		
SF PBID	\$ 11,500	\$ 3,000
Other	<u>350</u>	<u>350</u>
Total	<u>\$ 11,850</u>	<u>\$ 3,350</u>

All net assets with donor restriction are expected to be released by June 30, 2023.

NOTE 5 – NET ASSETS RELEASED FROM RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Sponsored projects:		
Annie Street	\$ 20,000	\$ 94,178
SF PBID	<u>-</u>	<u>16,000</u>
Total	<u>\$ 20,000</u>	<u>\$ 110,178</u>

NOTE 6 – GRANTS

The YBCBD distributes annual grants called Community Benefit Fund grants to community organizations providing services, within the district, that support the improvements and activities of the YBCBD. Grant expense for the years ended June 30, 2022 and 2021 was \$158,352 and \$99,892, respectively. There were no grants payable at June 30, 2022 and 2021.

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 7 – RETIREMENT PLAN

The YBCBD established an employer noncontributory defined contribution retirement plan (the “Plan”) for employees. Eligible employees may make voluntary contributions by salary reduction to the Plan, up to the limit allowed by IRC regulations.

NOTE 8 – COMMITMENTS

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

The YBCBD also is obligated under a noncancelable lease for office equipment that requires monthly lease payments and expires in December 2025.

The following is a schedule of minimum noncancelable lease commitments:

<u>Year Ending June 30,</u>	
2023	\$ 30,953
2024	31,530
2025	31,530
2026	13,138
	<hr/>
	\$ 107,151
	<hr/> <hr/>

Rent expense for the years ended June 30, 2022 and 2021 was \$94,859 and \$86,835, respectively.

NOTE 9 – RELATED-PARTY TRANSACTIONS

The property owner of the building the YBCBD leases for office space is a member of YBCBD’s Board of Directors (the “Board”). Rent paid for the office lease during the years ended June 30, 2022 and 2021 was \$44,136 and \$42,736, respectively.

Members of the Board are also associated with organizations that received Community Benefit Fund grants from the YBCBD. Pursuant to the YBCBD’s conflict of interest policy, all conflicted YBCBD Board members refrain from the decision-making process and abstain from the voting process.

The YBCBD has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which the member (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the YBCBD does business with an entity in which a Board member has a material financial interest. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the YBCBD.

Yerba Buena Community Benefit District

Notes to Financial Statements

NOTE 10 – LIQUIDITY AND FUNDS AVAILABLE

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

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 4,802,334	\$ 4,742,781
Accounts receivables, net	-	11,000
	<u>4,802,334</u>	<u>4,753,781</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 4,802,334</u>	<u>\$ 4,753,781</u>

All financial assets are available for general expenditure within one year of June 30, 2022 and 2021. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. YBCBD derives approximately 95% of its annual budget from assessment payments from property owners. The target minimum funds available in reserve for the YBCBD is eight months of average operating costs. The calculation of average monthly operating costs is based on the YBCBD's annual budget. Board-designated net assets cover most of the general expenditures of YBCBD within a year.

MEMORANDUM

TO: Supervisor Matt Dorsey, District 6 Supervisor

CC: San Francisco Board of Supervisors

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

DATE: 5/9/2023

SUBJECT: Yerba Buena Community Benefit District; FY 2021-2022 Annual Report

This is a memo summarizing the performance of the Yerba Buena Community Benefit District (YBCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2021 and June 30, 2022.

Each year the YBCBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Yerba Buena CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Yerba Buena's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2015.

Also attached to this memo are the following documents:

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



Background

Yerba Buena Community Benefit District spans 40 blocks, contains approximately 2,150 parcels, and is divided between two benefit zones. Benefit zones are determined by the property owners who have specified the level of special services they desire.

- July 29, 2008: the Board of Supervisors approved the resolution that established the property-based district called the Yerba Buena Community Benefit District (Resolution #330-08).
- February 10, 2009: the Board approved the contract for the administration and management of the Yerba Buena Community Benefit District (Resolution #44-09).
- June 2, 2015: the Board of Supervisors approved the resolution to renew and expand the Yerba Buena Community Benefit District (Resolution #197-15).
- April 11, 2017: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2015 – 2016 (Resolution #117-17).
- April 10, 2018: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2016-2017 (Resolution #095-18).
- October 29, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2017-2018 (Resolution #468-19)
- December 1, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2018-2019 (Resolution #539-20)
- January 25, 2022: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2019-2020 (Resolution #19-22)
- November 29, 2022: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2020-2021 (Resolution #519-22)

Basic Information about the Yerba Buena CBD:

Year Established	June 2008
Year Renewed	June 2015
Assessment Collection Period	FY 2008 - 2009 to FY 2014 - 2015 (initial) FY 2015 - 2016 to FY 2029 - 2030 (renewal)
Services Start and End Date	July 31, 2015 – December 31, 2030
Initial Estimated Annual Budget	\$2,991,722.82
FY 2021-22 Assessment Submission	\$3,253,534.98
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin Scott Rowitz (starting November 1, 2022)
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

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



Summary of Program Areas

Cleaning and Streetscape Improvement Plan

The Cleaning and Streetscape Improvement Plan is a comprehensive program that aims to ensure the maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and building throughout the YBCBD. This includes regular sidewalk and gutter sweeping, scheduled steam cleanings, power washing, refuse removal, graffiti removal and streetscape improvements based on, but not limited to, the Yerba Buena Street Life Plan. The YBCBD also distributes small annual grants to community organizations working to improve the neighborhood through its Community Benefit Fund.

Safety and Security Program

The Safety and Security Program works with residents, merchants, the SFPD, and greater YBCBD community on a variety of strategies and initiatives to prevent crime and increase pedestrian safety throughout the District. The YBCBD provides Community Guides to assist visitors, connect those in need with social services, and report cleaning and safety issues. They also engage a Social Services Specialist to provide additional services to the street population in the District, spending extra time to meet their needs and connect and/or escort them to appointments for services. The YBCBD also contracts with SFPD for a bike patrol officer to address nuisance and quality of life issues.

Branding, Activation, and Marketing Program

The Branding, Activation, and Marketing Program promotes YBCBD's properties and businesses through specially targeted programs and initiatives. These activities play the dual role of contributing to the economic and social vitality of the area, and helps with the recruitment and retention of businesses and other entities.

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

Management and Operations

The YBCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Yerba Buena CBD as well as a Director of Neighborhood Services and Project, a Director of Branding, Marketing and Activation, and an Administrative Manager. The YBCBD Management Plan calls for 13% of the budget to be spent on administration and corporate operations.

The YBCBD board has twenty-three (23) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions, and businesses. Board member seats are determined using the following guidelines: At-Large (14%), Community Organizations (14%), Government or Education Institutions (14%), Non-Profit Arts (14%), Residents (14%), Commercial (30%). Board members are all asked to actively participate in committees including Audit, Community Benefit Fund, Executive, Finance, Marketing, Nominating, Services, Small Business Support, and Streets and Public Space



Summary of Accomplishments, Challenges, and Delivery of Services

FY 2021-2022

Cleaning and Streetscape Improvements

- Removed 513,750 pounds of trash from YBCBD public rights-of-way
- Removed 10,395 instances of graffiti tags, flyers and stickers, nearly double as many instances as reported in the last period
- Conducted 3,278 steam cleanings, including routine cleanings and special requests
- Abated 3,780 instances of human/animal waste from public rights-of-way
- Responded to 922 calls for cleaning directly to our Dispatch and 649 cleaning requests from 311
- Replenished SFMTA with a supply of 50 YBCBD-designed bike racks
- In partnership with Paint the Void, commissioned a 3-panel temporary mural

Safety and Security

- Community Guides worked 365 days a year to connect those who need help with services, provide information about the neighborhood, serve as an additional set of eyes to report safety issues and assist Clean Team with disinfecting high-touch public surfaces
- Responded to 928 calls for safety service a 42% increase from the previous year
- Worked with SFPD Bike Patrol Officer daily to address quality of life issues and provide a reassuring presence in the district

Branding, Activation, and Marketing

- Co-produced Litquake literary festival
- Piloted Yerba Buena Art Market at Yerba Buena Gardens with art, commerce, and performance
- Launched the “Experience The Art of…” campaign promoting neighborhood businesses with street pole banners, on the website and through social media
- Released “Welcome Back” video to promote neighborhood attractions
- Kicked off public art audio walking tour
- Relaunched Hidden SF Walking Tours

Management and Operations

- Secured a \$1.8 million grant to beautify and clean public spaces near the new Yerba Buena/Moscone subway station to add new plantings, murals, and double the frequency of power washing and cleaning in the area
- Served on advisory panels including SFPD Southern Station Community Police Advisory Board, Yerba Buena Gardens Conservancy Board, Tourism Improvement District Board, Better Market Street Community Advisory Committee, Clean Sidewalks Coalition, CleanSafe365 Coalition, San Francisco Benefit District Alliance, and the Healthy Streets Operation
- Hosted a candidate forum for the District 6 Board of Supervisors elections



Yerba Buena CBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for the Yerba Buena CBD:

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 2:** Whether five and eight hundredths percent (5.08%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.4 - Annual Reports).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 4:** Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (CA Streets & Highways Code, Section 36650(B)(5)).

FY 2020-2021 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: *The YBCBD met this requirement. See tables below.*

Service Category	Management Plan Budget		FY2021-2022		Variance	
	Assessment (Percentage)	Total (Percentage)	Assessment (Percentage)	Total (Percentage)	Assessment	Total
Cleaning and Streetscape Improvements	\$1,216,547.79 (40.66%)	\$1,281,655.91 (40.66%)	\$1,624,993.80 (37.02%)	\$1,711,961.44 (37.02%)	-3.65%	-3.65%
Safety and Security Program	\$1,656,700.02 (32.51%)	\$1,024,744.40 (32.51%)	\$1,572,539.66 (35.82%)	\$1,656,700.02 (35.82%)	+3.31%	+3.31%
Branding, Activation, and Marketing Program	\$649,792.95 (13.79%)	\$434,614.14 (13.79%)	\$616,783.47 (14.05%)	\$649,792.95 (14.05%)	+0.26%	+0.26%
Management and Operations	\$606,366.27 (13.03%)	\$410,811.64 (13.03%)	\$575,562.86 (13.11%)	\$606,366.27 (13.11%)	+0.08%	+0.08%
TOTAL	\$2,991,713.32	\$3,151,826.09	\$4,389,879.79	\$4,624,820.68		

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



ANALYSIS: *The YBCBD met this requirement. Assessment revenue was \$3,286,253.00 or 92.70% of actuals and non-assessment revenue was \$258,728.00 or 7.30% of actuals. See table below.*

Revenue Sources	FY 2021-2022 Actuals	% of Actuals
Assessment Revenue	\$3,286,253.00	
Total Assessment (Special Benefit) Revenue	\$3,286,253.00	92.70%
Fundraising/In-Kind	\$141,543.00	
Interest Income	\$117,185.00	
Total Non-Assessment (General Benefit) Revenue	\$258,728.00	7.30%
TOTAL	\$3,544,981.00	100.00%

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

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

Service Category	FY2021-2022 Budget		FY2021-2022 Actuals		Variance	
	Assessment (Percentage)	Total (Percentage)	Assessment (Percentage)	Total (Percentage)	Assessment	Total
Cleaning and Streetscape Improvements	\$1,624,993.80 (37.02%)	\$1,711,961.44 (37.02%)	\$1,195,043.75 (35.91%)	\$1,259,001.00 (35.91%)	-1.11%	-1.11%
Safety and Security Program	\$1,572,539.66 (35.82%)	\$1,656,700.02 (35.82%)	\$1,134,604.39 (34.09%)	\$1,195,327.00 (34.09%)	-1.73%	-1.73%
Branding, Activation, and Marketing Program	\$616,783.47 (14.05%)	\$649,792.95 (14.05%)	\$467,504.73 (14.05%)	\$492,525.00 (14.05%)	0.00%	0.00%
Management and Operations	\$575,562.86 (13.11%)	\$606,366.27 (13.11%)	\$530,955.90 (15.95%)	\$559,372.00 (15.95%)	+2.84%	+2.84%
TOTAL	\$4,389,879.79	\$4,624,820.68	\$3,328,108.77	\$3,506,225.00		

BENCHMARK 4: Whether the YBCBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

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



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

Carryover	As of 6.30.22	Budgeted for FY23	Budgeted for Future Years
Management & Operations	\$1,417,757.00	\$370,857.00	\$1,046,899.00
Cleaning & Streetscape Improvements	\$2,990,403.00	\$903,308.00	\$2,087,095.00
Safety & Security	\$43,437.00	\$114,063.00	-\$70,626.00
Branding, Activation & Marketing	\$119,312.00	\$222,880.00	-\$103,568.00
Fiscally Sponsored Projects	\$11,500.00	\$0.00	\$11,500.00
Other Projects	\$350.00	\$0.00	\$350.00
Capital Assets	\$189,736.00	\$0.00	\$189,736.00
Total Designated Amount for FY 2022	\$4,772,495.00	\$1,611,108.00	\$3,161,386.00

Findings and Recommendations

The Yerba Buena CBD has met all 4 benchmarks as defined on page 5 of this memo as set by California Streets and Highways Code Section 36650-36651; and the Agreement for the Administration of the Yerba Buena Community Benefit District. The organization has a strong history of meeting these benchmarks. The CBD is in compliance with OEWD’s memorandum regarding surveillance technology and does utilize any.

The Yerba Buena CBD has historically been one of San Francisco’s strongest performing CBDs. This can be attributed to a strong Board of Directors, robust committee structure, and leadership from their executive director. FY 21-22 marked Executive Director Cathy Maupin’s final year as head of the organization. Ms. Maupin has done and led extraordinary work over the years at Yerba Buena CBD and is widely seen as both a citywide and statewide leader in the field. Following a robust search, Scott Rowitz was hired on as the new executive director of the Yerba Buena CBD beginning FY 22-23. Mr. Rowitz spent the last four years as executive director of the Yerba Buena Gardens Conservancy leading the organization from its inception to its current central role as its nonprofit steward. Prior to that, he served as COO of the Yerba Buena Center for the Arts for ten years.

Yerba Buena CBD led a number of initiatives throughout this reporting period, including joining the Connected Worker App pilot, also known as Integrated 311. In FY 21-22 the CBD responded and addressed 620 unique 311 tickets, or 59.9% of those generated within their service area, Based off data provided by the system, the CBD was able to respond and address these issues significantly faster than city crews. OEWD will continue monitoring this data to check for emerging trends in response time and requests within the service area. The following is a sample of the data from FY 21-22.



Agency	Number of Cases in FY21-22 (beginning 11/2021)	Percentage
Yerba Buena CBD	620	59.90%
DPW Ops Queue	278	26.86%
Recology – Abandoned	60	5.8%
CSP Supervisor Queue	39	3.77%
DPW – Bureau of Street Environmental Services	7	0.68%
DPW – BSM Queue	4	0.39%
MUNI Feedback Received Queue	4	0.39%
DPT Sign Shop Queue	3	0.29%
HSOC Queue	3	0.29%
311 Service Request Queue – Hold	2	0.19%
DPT Signal Queue	2	0.19%
PUC – Water – Graffiti Queue	2	0.19%
Recology – Overflowing	2	0.19%
Clear Channel – Transit Queue	1	0.1%
DPT – Traffic Signal	1	0.1%
DPT Meter_Bike Queue	1	0.1%
BPE – Bureau of Street and Sewer Repair	1	0.1%
HSOC Individual Queue	1	0.1%
PUC – Water	1	0.1%
PUC – Sewer Ops	1	0.1%

Request Type	CBD Response Time – Average	City Response Time - Average
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General Request – PW	3.14 hours	1,802.80 hours
Graffiti	9.57 hours	1,879.54 hours
Illegal Postings	9.65 hours	536.76 hours
Street and Sidewalk Cleaning	5.53 hours	154.80 hours

OEWD expects that numbers in FY 22-23 and FY 23-24 will help paint a more accurate picture as these numbers only relate to November 2021 – June 30, 2022.

In addition to the organization’s core cleaning and safety related services, they focus on promoting businesses, arts, and culture through a variety of unique events. The CBD also led work to improve streetscapes throughout their service area. The CBD is within the sphere of influence of the Moscone Convention Center so efforts to bring conventions and foot traffic back to the downtown core were paramount throughout this reporting period.

There were no reported violations OEWD of the Brown Act or California Public Records Act for this organization during this reporting period.

Conclusion

Yerba Buena CBD has performed incredibly well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events. Yerba Buena CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund. Yerba Buena CBD is an extremely well-run organization with an active board of directors and committee members. OEWD believes the Yerba Buena CBD will continue to successfully carryout their mission and service plans.



Introduction Form

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



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

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

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

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

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

- Yes No

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

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: