

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
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Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller  
Joaquin Torres, Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight  
Committee, Board of Supervisors

DATE: July 17, 2019

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Mayor Breed on July 9, 2019:

**File No. 190762**

**Resolution receiving and approving an annual report for the Civic Center Community Benefit District for FY2017-2018, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's Management Agreement with the City, Section 3.4.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Office of the Controller  
Ken Rich, Office of Economic and Workforce Development  
J'Wel Vaughan, Office of Economic and Workforce Development  
Lisa Pagan, Office of Economic and Workforce Development  
Chris Corgas, Office of Economic and Workforce Development

1 [Civic Center Community Benefit District - Annual Report for FY2017-2018]

2  
3 **Resolution receiving and approving an annual report for the Civic Center Community**  
4 **Benefit District for FY2017-2018, submitted as required by the Property and Business**  
5 **Improvement District Law of 1994 (California Streets and Highways Code, Sections**  
6 **36600, *et seq.*), Section 36650, and the District's Management Agreement with the City,**  
7 **Section 3.4.**

8  
9 WHEREAS, On November 2, 2010, 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. 514-10, expressing the  
13 City's intention to establish the Civic Center Community Benefit District (the "Civic Center  
14 CBD"); and

15 WHEREAS, On January 4, 2011, the Board of Supervisors adopted Resolution  
16 No. 21-11 establishing the Civic Center CBD ("Resolution to Establish") for a period of 10  
17 years, commencing FY2011-2012; and

18 WHEREAS, On October 18, 2011, the Board of Supervisors adopted Resolution  
19 No. 443-11, authorizing an agreement with the owners' association for the  
20 administration/management of the Civic Center CBD, and a management agreement (the  
21 "Management Contract") with the owners' association, the Civic Center Community Benefit  
22 District, Inc., 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. 110969; and

1           WHEREAS, On November 3, 2018, the Board of Supervisors approved the Civic  
2 Center CBD's annual report for FY2016-2017 in Resolution No. 385-18; and

3           WHEREAS, The Civic Center CBD has submitted for the Board's receipt and approval  
4 the Civic Center an annual report for FY2017-2018 as required by Section 36650 of the Act  
5 and Section 3.4 of the Management Contract; and

6           WHEREAS, The annual report for FY2017-2018 is on file with the Clerk of the Board of  
7 Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference as though  
8 fully set 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 July 3, 2019, and documentation from the Civic Center CBD for the annual report for FY2017-  
12 2018 are on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_; now,  
13 therefore, be it

14           RESOLVED, That the Board of Supervisors hereby receives and approves the annual  
15 report for the Civic Center Community Benefit District for FY2017-2018.

# 1 Civic Center

Community Benefit District

Annual Report  
2017-2018

## History

Protests  
Celebrations  
Remembrances

102  
Years

13,500  
City Hall Tours Annually

## Culture

Music  
Dance  
Theatre

11  
Venues

2,500  
Performances a Year

## Government

City  
State  
Federal

10  
Buildings

12,000  
Employees

It all happens  
in Civic Center.







### Clean Team

CBD Cleaners undertake the task of keeping Civic Center clean by sweeping sidewalks, removing graffiti, weeding tree basins, and monitoring public trash receptacles and street furniture for necessary upkeep. This year the Clean Team pressure washed 46,000 linear feet of sidewalk, removed 4,000 instances of graffiti and over 60,000 pounds of litter from District sidewalks.



### Day Ambassadors

CBD Ambassadors work to keep the District safe serving as a helpful presence on the street providing information and referrals, and addressing or reporting hazards and emergencies to our City agency partners. This year CBD Ambassadors documented over 4,000 instances of support; many of which were in support of homeless individuals and those impacted by the nationwide opioid epidemic.



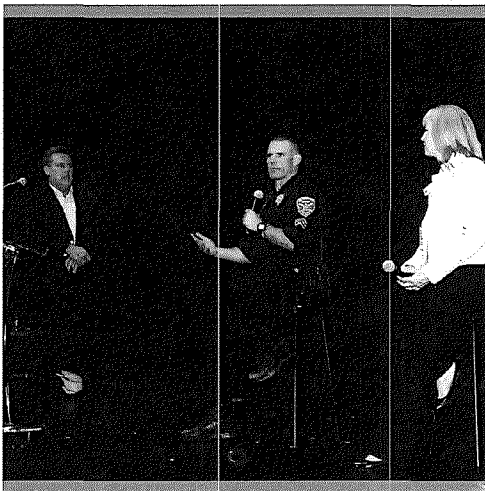
### Evening Ambassadors

CBD evening Ambassadors provide essential support for the District's abundance of nighttime events and activities by keeping paths of travel to venues, transit and parking safer for pedestrians. The CBD evening Ambassadors worked 200 nights this year supporting events at District venues from Mr. Tipples and Rickshaw Stop to the Opera, Symphony, Ballet, and SF Jazz.



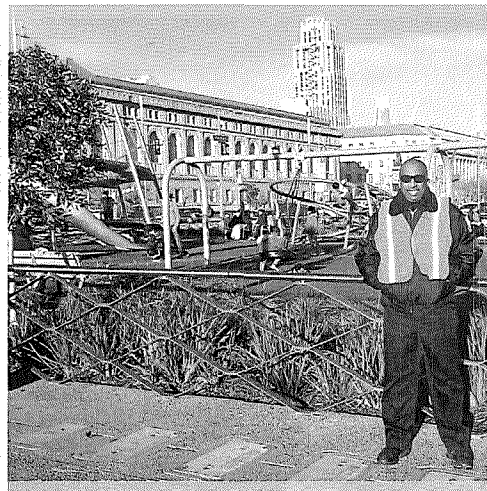
### Garage Greeter

Patrons of the Civic Center Parking Garage rely on the presence of the CBD's Garage Greeter who monitors the Garage entrance, elevators and pay stations at night. The Garage Greeter works in collaboration with the Garage's operator, Impark, the evening Ambassadors, the Playground Safety Team and the Park Rangers to provide a network of support.



### Safety Summit

The CBD offers a free, annual group training for the District on safety topics such as: improving personal safety in an urban environment; how to avoid being the victim of theft; and this year's topic "How to respond in an active shooter situation". This year's presenters included SFPD's Tactical Unit and Zuckerberg San Francisco General Hospital's Stop the Bleed program.



### Playground Safety

Keeping kids and families safe in the new Helen Diller Civic Center Playgrounds is supported by the CBD's playground safety team afternoons and evenings - 7 days a week. The Playgrounds, made possible by the Helen Diller Family Foundation, The Trust for Public Land and the San Francisco Recreation and Parks Department now serve 1,000 users per day at peak times.





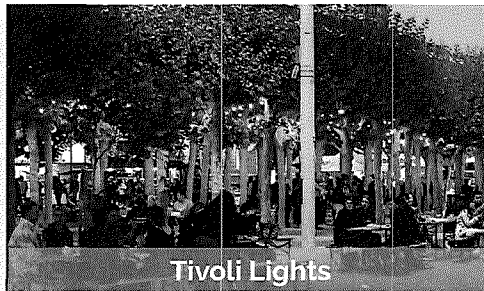
Civic Center CBD partnered with multiple City agencies and private sector partners to breathe new life into Civic Center's three main public spaces, each connected to one another from Market Street to the steps of City Hall: 1) United Nations Plaza, 2) Fulton Mall and 3) Civic Center Plaza. Working with: the Arts Commission, Grants for the Arts, The Mayor's Office, the City Administrator's Office, the Office of Economic and Workforce Development, the Real Estate Division, the Recreation and Parks Department, Planning and Public Works - the CBD served as a nucleus for City agencies to successfully execute a singular (near-term) vision for the enhancement of the heart of our District.

The CBD also facilitated numerous private sector partnerships working with generous funders and programming partners such as: the Kenneth Rainin Foundation, The Trust for Public Land, Another Planet Entertainment, Hunters Point Family and Off the Grid Markets - just to name a few. Over the fiscal year all of these partners turned Civic Center into a more valuable resource for it's vast constituency through: free, family-friendly, events and entertainment; interactive educational installations, the promotion of community resources old and new; infrastructure upgrades; public art exhibitions; and a warm invitation for all to come play in the City's front yard.



Bi-Rite Café Construction Begins

Construction commenced on the cafe kiosk adjacent to the Helen Diller Civic Center Playgrounds. Made possible by the Helen Diller Family Foundation, The Trust for Public Land and the San Francisco Recreation and Parks Department, the cafe will be operated by, family-run, San Francisco legacy business - Bi-Rite. Once complete the CBD will assume ownership and management of the kiosk ensuring reinvestment of kiosk rental fees back into Civic Center Plaza.



Tivoli Lights

The warm glow of Tivoli lights now welcomes pedestrians and event attendees in Civic Center Plaza. Thanks to a partnership between the CBD, the office of Economic and Workforce Development and the Recreation and Parks Department, the area is more festive and safe for those using the area at night. Special thanks to RPD staff and the Main Library who helped with layout, sourcing, ordering, receiving and installation of project components.

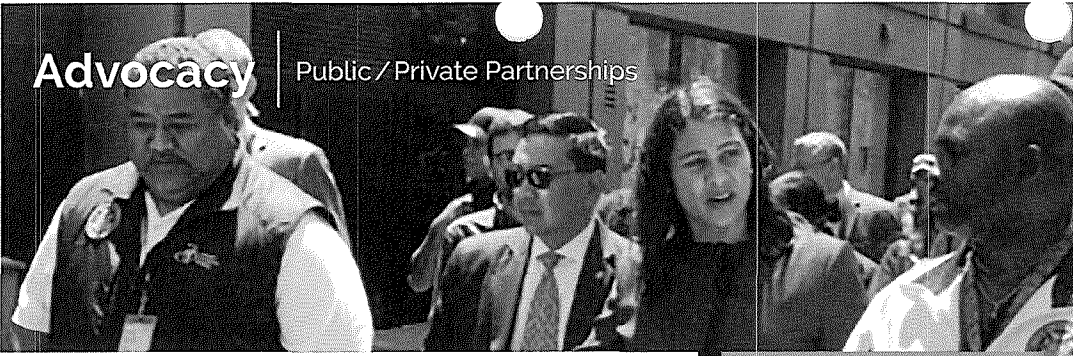


Holiday Tree Lighting

Record attendance at this year's annual Holiday Tree Lighting was enhanced by the Civic Center Commons Initiative and its unprecedented team of public and private sector partners bringing: live stage performances, DIY holiday craft tables, Dickens characters, Tap Dancing Christmas Trees and a visit from Santa. The toy drive sponsored by the San Francisco Police Department and Another Planet Entertainment, distributed toys to over 300 children attending the event.

# Advocacy

Public / Private Partnerships



## Key partners shaping District policy, programming and infrastructure

- BART
- Department of Public Health
- District 5 & 6 Supervisorial Offices
- Office of Economic & Workforce Development
- Planning
- Police Department
- Public Works
- Recreation & Parks Department
- SFMTA

## Budget & Balance Sheet

INCOME	BUDGET	ACTUAL
Assessments	\$808,892.80	\$664,659.28
Non-Assessment/Fundraising/ In-Kind Income & Interest Income	\$130,150.00	\$571,117.40
<b>Total Income</b>	<b>\$939,042.80</b>	<b>\$1,235,776.68</b>

EXPENSE	BUDGET	ACTUAL
Safety	\$449,092.91	\$438,826.78
Maintenance & Activation	\$220,097.45	\$167,795.11
Administration	\$160,792.96	\$163,040.78
Non-Assessment/Fundraising/ In-Kind Expense	\$109,000.00	\$477,104.81
<b>Total Expense</b>	<b>\$938,983.32</b>	<b>\$1,246,767.48</b>

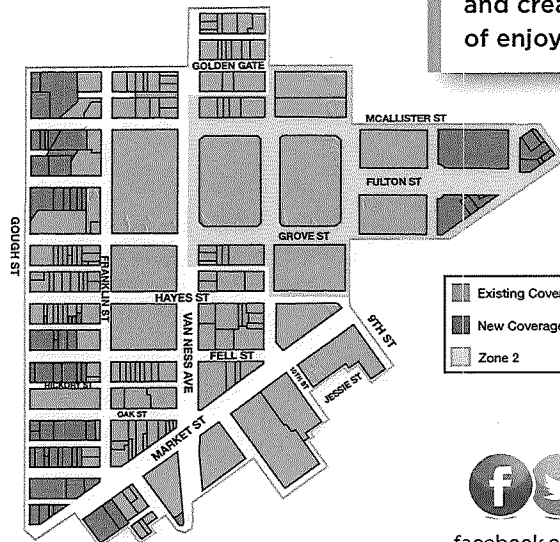
ASSETS	ACTUAL
Cash and Cash Equivalents	\$645,201.72
Accounts Receivable Net	\$22,489.41
Prepaid and Other Assets	\$25,344.96
<b>Total Assets</b>	<b>\$693,036.09</b>

LIABILITIES	ACTUAL
Accounts Payable	\$203,353.96
Accrued Expenses	\$68,403.87
Deposits Payable	\$46,892.16
Deferred Revenues	\$17,500.00
<b>Total Liabilities</b>	<b>\$336,149.99</b>

NET ASSETS	ACTUAL
Unrestricted	\$356,886.10
<b>Total Net Assets</b>	<b>\$356,886.10</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$693,036.09</b>

It was a banner year for District advocacy. Newly-elected Mayor London Breed toured the District with City department heads within 30 days of being in office - and issued a mandate for the improvement of clean and safe issues. Planning advanced the development of the Civic Center Public Realm Plan presenting and exhibiting at meetings and events organized by the CBD. And successful public events and outdoor programs helped our District's open spaces thrive, inspiring civic pride and creating a place of enjoyment for all.

Since 2012 the Civic Center CBD has made Civic Center cleaner, safer and more vibrant...but there is a lot more work to be done. We need your support to renew our term, add more services and expand our coverage area.



To join the Renewal Steering Committee contact: [info@sfciviccenter.org](mailto:info@sfciviccenter.org)



[facebook.com/sfciviccenter](https://facebook.com/sfciviccenter)  
[twitter.com/civiccenter](https://twitter.com/civiccenter)  
[instagram.com/sfciviccenter](https://instagram.com/sfciviccenter)

## Board of Directors

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### Vice Chair

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### Nathan Brito

San Francisco Ballet

### Mary Conde

Another Planet Entertainment

### Phil Ginsburg

San Francisco Recreation and Parks Department

### Jim Haas

Historian

### Jason Kamen

Crescent Heights

### Roberto Lombardi

San Francisco Public Library

### Susan McConkey

San Francisco Conservatory of Music

### Janan New

San Francisco Apartment Association

### Annette Turner

State of California

### Patricia Unterman

Hayes Street Grill

Financial Reporting

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

Service Category/Budget Line	FY 2017-18 Budget				FY 2017-18 Budget				Variance	Source
	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2017-18 Budget	General Benefit Dollars	FY 2017-18 Assessment Budget	% of Budget		
SA 31 - Civic Center CBD - Safety Program	\$ 357,495.00	\$ -	\$ 357,495.00	51.66%	\$ 449,082.92	\$ -	\$ 449,082.92	54.11%	2.44%	
SA 31 - Civic Center CBD - Cleaning and Maintenance	\$ 139,890.00	\$ -	\$ 139,890.00	20.22%	\$ 156,242.54	\$ -	\$ 156,242.54	18.83%	-1.39%	
SA 31 - Civic Center CBD - Beautification	\$ 22,876.00	\$ -	\$ 22,876.00	3.31%	\$ 30,988.41	\$ -	\$ 30,988.41	3.73%	0.43%	
SA 31 - Civic Center CBD - Activation of Public Spaces	\$ 24,681.00	\$ -	\$ 24,681.00	3.68%	\$ 32,866.30	\$ -	\$ 32,866.30	3.95%	0.48%	
SA 31 - Civic Center CBD - Advocacy	\$ 147,622.00	\$ -	\$ 147,622.00	21.33%	\$ 160,793.86	\$ -	\$ 160,793.86	19.37%	-1.96%	
<b>TOTAL</b>	<b>\$ 691,964.00</b>	<b>\$ -</b>	<b>\$ 691,964.00</b>	<b>100.00%</b>	<b>\$ 829,973.33</b>	<b>\$ -</b>	<b>\$ 829,973.33</b>	<b>100.00%</b>		

BENCHMARK 2: General Benefits Requirement

Revenue Sources	FY 2017-2018 Actuals	% of actuals	Source
Assessment Revenue	\$ 664,659.00	59.76%	PAGE 3; CBD Financial Statements
Total Assessment (Special Benefit) Revenue	\$ 664,659.00	59.76%	
Contributions and Sponsorships	\$ 9,509.00	0.77%	PAGE 3; CBD Financial Statements
Grants	\$ 395,713.00	31.21%	PAGE 3; CBD Financial Statements
Donations	\$ -	0.00%	PAGE 3; CBD Financial Statements
Interest Earned	\$ -	0.00%	PAGE 3; CBD Financial Statements
Earned Revenue	\$ 175,854.00	14.23%	PAGE 3; CBD Financial Statements
Other	\$ 53.00	0.00%	PAGE 3; CBD Financial Statements
Total Non-Assessment (General Benefit) Revenue	\$ 571,218.00	46.22%	
<b>Total</b>	<b>\$ 1,235,777.00</b>	<b>100.00%</b>	

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

Service Category/Budget Line	FY 2017-18 Budget	FY 2017-18 Actuals		% of Budget (Assessment)	% Budget (Total Budget)	FY 2017-18 Actuals		% of Actuals (Assessment)	% of Actuals (Total Budget)	Variance (Assessment)	Variance (Total Budget)	Source
		Amount from Assessment	Amount from General Benefit			Actuals	Amount from Assessment					
SA 31 - Civic Center CBD - Safety Program	\$ 449,082.92	\$ 449,082.93	\$ -	54.21%	54.11%	\$ 438,576.70	\$ 105,556.70	53.39%	53.39%	-0.72%	-0.72%	
SA 31 - Civic Center CBD - Cleaning and Maintenance	\$ 156,242.54	\$ 156,242.54	\$ -	18.83%	18.83%	\$ 155,366.64	\$ 85,956.64	18.92%	18.92%	0.09%	0.09%	
SA 31 - Civic Center CBD - Beautification	\$ 30,988.41	\$ 30,988.41	\$ -	3.73%	3.73%	\$ 20,700.00	\$ 20,700.00	2.57%	2.57%	-1.21%	-1.21%	
SA 31 - Civic Center CBD - Activation of Public Spaces	\$ 32,866.30	\$ 32,866.30	\$ -	3.96%	3.96%	\$ 19,728.47	\$ 31,728.47	1.67%	1.67%	-2.29%	-2.29%	
SA 31 - Civic Center CBD - Advocacy	\$ 160,793.86	\$ 160,793.86	\$ -	19.37%	19.37%	\$ 155,045.97	\$ 359,295.97	18.84%	18.84%	-0.50%	-0.50%	
Contingency	\$ -	\$ -	\$ -	0.00%	0.00%	\$ 38,005.70	\$ -	4.63%	4.63%	4.63%	4.63%	
<b>TOTAL</b>	<b>\$ 829,973.33</b>	<b>\$ 829,973.33</b>	<b>\$ -</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 821,373.56</b>	<b>\$ 821,373.56</b>	<b>100.00%</b>	<b>100.00%</b>			

BENCHMARK 4: Whether CBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

Category	Amount	Spent/From Timeline
FY 2017-2018 Carryover Disbursement	\$ 356,896.10	
Special Assessment Project	\$ -	
Projects and Administration	\$ 356,896.10	
Designated Projects	\$ -	
<b>Total Designated Amount for FY 2018-19</b>	<b>\$ 356,896.10</b>	



**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**REVIEWED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2018**

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## INTRODUCTORY SECTION



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**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**

**Financial Statements  
For the Year Ended June 30, 2018**

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**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**

**BOARD OF DIRECTORS**

**JUNE 30, 2018**

**BOARD OF DIRECTORS**

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Bill Whitfield, Vice Chair  
Ruth Nott, Vice Chair  
John Updike, Treasurer  
Jennifer Norris, Secretary  
Nathan Brito  
Mary Conde  
Phil Ginsburg  
Jim Haas  
Jason Kamen  
Roberto Lombardi  
Susan McConkey  
Janan New  
Annette Turner  
Patricia Unterman

**EMERITUS MEMBERS**

David Harrison  
John Updike

**MANAGEMENT**

Tracy Everwine, Executive Director



**FINANCIAL SECTION**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Civic Center Community Benefit District (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, 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 AICPA. 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 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.

### Accountant's Conclusion

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

### Report on Summarized Comparative Information

We have previously reviewed the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads 'Maze &amp; Associates'.

Pleasant Hill, California  
December 12, 2018

Accountancy Corporation  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523

T 925.930.0902  
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E maze@mazeassociates.com  
W mazeassociates.com



CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
 STATEMENTS OF FINANCIAL POSITION  
 AS OF JUNE 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents (Note 3)	\$645,202	\$368,888
Accounts receivable, net	22,489	15,000
Prepaid and other assets	25,345	
Total Current Assets	693,036	383,888
Non-Current Assets:		
Furniture and equipment, net of accumulated depreciation of \$11,791 and \$11,791, respectively (Note 2C)		
Total Non-Current Assets		
Total Assets	\$693,036	\$383,888
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$271,758	\$14,793
Deposits payable	46,892	
Unearned revenue	17,500	
Accrued vacation (Note 2D)		1,197
Total Liabilities	336,150	15,990
NET ASSETS (Note 2A)		
Unrestricted	356,886	367,898
Total Net Assets	356,886	367,898
Total Liabilities and Net Assets	\$693,036	\$383,888

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

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
<b>UNRESTRICTED SUPPORT AND REVENUES</b>		
Assessments	\$664,659	\$821,805
Grants	385,712	
Contributions	9,500	
Fee for services	175,854	30,000
Other	52	343
Total Support and Revenues	1,235,777	852,148
<b>PROGRAM EXPENSES</b>		
Cleaning and Maintenance	155,367	164,648
Safety	438,826	478,981
Activation and Beautification	489,534	44,963
Total Program Expenses	1,083,727	688,592
<b>SUPPORT SERVICES</b>		
Facilities and equipment	7,110	9,243
Operations	24,305	
Payroll and related	116,714	111,619
Legal and accounting	14,265	12,168
Bad debt expense		98,912
Other	668	9,952
Total Support Services Expenses	163,062	241,894
Total Expenses	1,246,789	930,486
<b>CHANGES IN NET ASSETS</b>	(11,012)	(78,338)
Net Assets, beginning of year	367,898	446,236
Net Assets, end of year	\$356,886	\$367,898

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

CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	<u>(\$11,012)</u>	<u>(\$78,338)</u>
Adjustments to reconcile to net cash provided by (used for) operating activities:		
Bad debt expense		98,912
(Increase) in accounts receivable	(7,489)	(15,000)
(Increase) decrease in prepaid assets	(25,345)	
Increase in accounts payable	256,965	(36,540)
Increase in deposits payable	46,892	
Increase in unearned revenue	17,500	
(Decrease) increase in accrued vacation	<u>(1,197)</u>	<u>(3,638)</u>
Cash Flows (Used) Provided by Operating Activities	<u>276,314</u>	<u>(34,604)</u>
Net (decrease) increase in cash and cash equivalents	276,314	(34,604)
Cash and cash equivalents, beginning of year	<u>368,888</u>	<u>403,492</u>
Cash and cash equivalents, end of year	<u><u>\$645,202</u></u>	<u><u>\$368,888</u></u>

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

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 1 – REPORTING ENTITY**

*A. General*

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

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

*B. Programs*

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

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

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

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

*A. Basis of Presentation and Financial Statement Presentation*

The financial statements of the District have been prepared on the accrual basis of accounting. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the District and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the District and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions, if any. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. At June 30, 2018 and 2017, the District had no temporarily restricted net assets.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the District. Generally, the donors of these assets permit the District to use all or part of the income earned on any related investments for general or specific purposes. At June 30, 2018 and 2017, the District had no permanently restricted net assets.

*B. Support and Revenues*

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

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

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

*C. Furniture and Equipment*

Furniture and equipment is stated at cost. Donated assets are recorded at their estimated fair market values at date of donation. Depreciation is computed over the estimated useful lives of the respective assets, ranging from 2 to 3 years, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred. As of June 30, 2018, and 2017, respectively, all of the District's furniture and equipment were fully depreciated.

*D. Accrued Vacation*

Accrued vacation is comprised of unpaid vacation. Vacation is accrued as earned and sick leave is not accrued since it does not vest. All accrued vacation is considered to be a current liability. The balance at June 30, 2018 and 2017 was \$0 and \$1,197, respectively.

*E. Estimates*

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

*F. Income Taxes*

The District is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the District qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The District paid no taxes on unrelated business income in the years ended June 30, 2018 or 2017.

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

*G. Advertising Costs*

Advertising costs, if any, are expensed as incurred.



**CIVIC CENTER COMMUNITY BENEFIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018**

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

*H. Fair Value Measurements*

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 the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect the management's judgment about the assumptions that market participants would use in pricing the asset or liability.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

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

**NOTE 4 - ASSESSMENT REVENUE**

The District 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 District does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received.

**NOTE 5 - OUTSIDE SERVICE CONTRACTS**

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

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

**NOTE 6 - SUBSEQUENT EVENTS**

The District evaluated subsequent events for recognition and disclosure through December 12, 2018, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2018 that require recognition or disclosure in such financial statements.



Office of Economic and Workforce Development

City and County of San Francisco: Office of Mayor London N. Breed  
Economic and Workforce Development: Joaquín Torres, Director

**MEMO**

To: Mayor London N. Breed  
CC: San Francisco Board of Supervisors  
From: Chris Corgas, OEWD Senior Program Manager  
RE: Civic Center Community Benefit District  
Date: July 3, 2019

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This is a memo summarizing the performance of the Civic Center Community Benefit District (CCCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2017 and June 30, 2018. Please note Supervisors Haney and Brown have co-sponsored Civic Center resolutions in the past.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2010.

Also attached to this memo are the following documents:

1. Annual Report
  - a. FY 2017-2018
2. CPA Financial Review Report
  - a. FY 2017-2018
3. Draft resolution from the Office of Economic and Workforce Development



## Background

The CCCBD includes both privately and publicly owned properties. The district covers 41 blocks and includes approximately 327 parcels.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).
- April 28, 2015, the Board of Supervisors approved the Annual Reports for FYs 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 162-15).
- August 2, 2016, the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution #347-16).
- May 9th, 2017, the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution # 164-17).
- November 13, 2018, the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution # 385-18)

## Basic Info about Civic Center CBD

Year Established	January 2011
Assessment Collection Period	FY 2011-2012 to FY 2020-2021 (July 1, 2011 to June 30, 2021)
Services Start and End Date	February 1, 2012 – June 30, 2021 Initial Estimated Annual
Budget	\$691,964
Fiscal Year	July 1 – June 30
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Civic Center Community Benefit District Corporation

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

## Summary of Service Area Goals

### **Safety Program**

#### Community Ambassadors

- Daytime Ambassadors: Community Ambassadors provide pedestrian support in the areas of: wayfinding, hospitality, information and social service support. They also serve to deter unsafe conditions in the public realm by proactively deterring crime and reporting suspicious or illegal activity to the appropriate authorities.
- Evening Ambassadors: In coordination with District performing arts venues, the Civic Center Plaza Park Rangers, the Playground safety officers and CCCBD's Garage Greeter - CBD Ambassadors ensure safe passage for pedestrians throughout the District at night.

- Garage Greeter: In the evenings a Garage Greeter staffs the elevator entrance to the Civic Center Garage helping patrons safely find their way. He/she is also in direct communication with the CBD's Evening Ambassadors, Park Rangers and the Playground safety officers.

### **Cleaning and Maintenance**

CCCBD's public realm cleaning services provide maintenance workers to respond to calls for graffiti removal, sidewalk sweeping/pressure washing, landscaping and illegally dumped refuse.

### **Beautification & Activation**

Beautification efforts include capital improvements such as: public art, landscaping, wayfinding signage, and decorative lighting. Per its Management Plan CCCBD facilitates activation in Zone 2 of the District with a focus on open space designed for events and activities.

### **Administration**

CCCBD's 15-member Board of Directors and the Executive Director oversee the organization with various support staff.

## **Summary of Accomplishments, Challenges, and Delivery of Service**

### **Safety Program**

- Community Ambassadors documented over 4,000 instances of support in FY17-18, many in support of the District's significant homeless population and those suffering from the nationwide opioid epidemic. Significant challenges include: vacant lots, large doorways, alcoves, and overhangs used for homeless encampments and open-air drug use such as the Bill Graham Civic Auditorium and several alley ways. Ambassadors are also instrumental to the District's growing residential and commercial populations; patrons of local arts and cultural venues; a significant number of employees and visitors of City, State and Federal office buildings and tourists.
- Civic Center CBD helps ensure the new Helen Diller Playgrounds and BiRite Café kiosk are safe and accessible to users during hours of operation and free of vandalism after hours.
- CCCBD joined forces with the Mid Market CBD to co-host a free "Safety Summit" for over 200 area stakeholders at the Strand Theater. The event provided an Active Shooter Training by SFPD's Tactical Unit and a first aid training by Zuckerberg San Francisco General Hospital's Stop the Bleed Program. The event also featured information tables before and after the main program from organizations such as: SF72, SFSafe, A.L.E.R.T., BART Police and WalkSF.

## **Cleaning Program**

- Removed approximately 60,000 pounds of litter from the District
- Pressure washed 46,464 linear feet of sidewalk
- **Removed graffiti from both public and private property with significant challenges being vacant property, the State of California building at Van Ness and McAllister and the Bill Graham Civic Auditorium**
- **Weeded tree basins and sidewalk cracks**
- Disposed of 12,470 used hypodermic needles in 12 months

## **Beautification & Activation**

- CCCBD served as lead and project manager for multiple City agencies and private sector partners executing Civic Center Commons Initiative community events and programs throughout the year including:
  - 1st Sunday Events
  - 3rd Thursday Events
  - Civic Center Plaza Holiday Tree Lighting & Toy Giveaway
- CCCBD assumed ownership of the BiRite Café kiosk in Civic Center Plaza providing facility and operator oversight and ensuring rental fees from the kiosk are put into a maintenance fund for helping to maintain the Plaza.
- CCCBD partnered with the Recreation and Parks Department to install Tivoli lights in Civic Center Plaza improving evening aesthetics and pedestrian safety

## **Administration**

- CCCBD expanded and continued its stewardship role in Civic Center in partnership with several public and private sector stakeholders including: City's Real Estate Division, the Recreation and Parks Departments, the Office of Economic and Workforce Development, Public Works and Planning to ensure the success of
  - the new Civic Center playgrounds
  - the new café kiosk
  - the Civic Center Commons Initiative
- Began renewal and expansion process a year earlier than necessary to meet the increasing demand for clean and safe services and to ensure the continued success of recent activation and investments in the Civic Center area

CCCBD Annual Budget Analysis

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

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

FY 2017-2018

**BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

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

Service Category	Management Plan Budget	% of Budget	FY 2017-2018 Budget	% of Budget	Variance Percentage Points
Safety	\$357,495	51.66%	\$ 449,092.91	54.11%	+2.44
Cleaning and Maintenance	\$139,890	20.22%	\$ 156,242.54	18.82%	-1.39%
Beautification	\$22,876	3.31%	\$ 30,988.41	3.73%	+0.43%
Activation of Public Places	\$24,081	3.48%	\$ 32,866.50	3.96%	+0.48%
Administration	\$147,622	21.33%	\$ 160,792.96	19.37%	-1.96%
<b>TOTAL</b>	<b>\$691,964</b>	<b>100.00%</b>	<b>\$ 829,983.37</b>	<b>100.00%</b>	



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

**ANALYSIS:** CCCBD met this requirement. Assessment revenue was \$664,659.00 or 53.78% of actuals and non-assessment revenue was \$571,118.00 or 46.22% of actuals. See table below.

Revenue Sources	FY 2017-2018 Actuals	% of Actuals
Assessment Revenue	\$664,659.00	
<b>Total assessment revenue</b>	<b>\$664,659.00</b>	<b>53.78%</b>
Grants	\$385,712.00	31.21%
Contributions	\$9,500.00	0.77%
Earned Revenue	\$175,854.00	14.23%
Other	\$52.00	0.00%
<b>Total non-assessment revenue</b>	<b>\$571,118.00</b>	<b>46.22%</b>
<b>Total</b>	<b>\$1,235,777.00</b>	<b>100%</b>

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

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

Service Category	FY 2017-2018 Budget	% of Budget	FY 2017-2018 Actuals	% of Actuals	Variance Percentage Points
Safety	\$ 449,092.91	54.11%	\$ 438,526.78	53.39%	-0.72%
Cleaning and Maintenance	\$ 156,242.54	18.82%	\$ 155,366.64	18.92%	+0.09%
Beautification	\$ 30,988.41	3.73%	\$ 20,700.00	2.52%	-1.21%
Activation of Public Places	\$ 32,866.50	3.96%	\$ 13,728.47	1.67%	-2.29%
Administration	\$ 160,792.96	19.37%	\$ 155,045.97	18.88%	-0.50%
Contingency	\$ 0.00	0.00%	\$ 38,005.70	4.63%	+4.63%
<b>TOTAL</b>	<b>\$ 829,983.37</b>	<b>100.00%</b>	<b>\$ 821,373.56</b>	<b>100%</b>	

**BENCHMARK 4:** Whether CCCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

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

FY 2017-2018 Carryover Disbursement	To be used in FY 2018-19
Projects & Administration	\$ 356,886.10
Designated Projects	N/A
<b>Total Designated Amount</b>	<b>\$ 356,886.10</b>

**Findings and Recommendations**

CCCBD has met all of its required benchmarks. CCCBD has continued to be a strong partner with City agencies in the implementation of its core services as well as Civic Center Commons Initiative efforts. CCCBD began its renewal process early to: 1) keep pace with the increasing demand for clean and safe services as District residential and commercial development and pedestrian activity grows, 2) ensure the success of recent public and private investment in Civic Center Commons such as the new playgrounds, BiRite café and multiple free community event series, and 3) to support the further development of the Civic Center Public Realm Plan. The CBD is anticipated to complete renewal proceedings in FY 2018-2019.

Beginning in FY 2017-18 the Civic Center CBD began working to collect several unpaid assessment amounts from both public and private entities. With assistance from CBD Board Members, the Office of Economic and Workforce Development and the Office of the San Francisco Treasurer Tax Collector, staff were able to collect several outstanding debts. Delinquent District members such as the State of California made a commitment to remain current on their special assessments and to be a more active participant in the Civic Center CBD going forward.

The CBD continues to be in a strong position to carry out its mission and to continue being a high capacity organization working alongside its public and private sector partners.

**Conclusion**

CCCBD has continued to successfully perform work the City does not (such as sidewalk cleaning and graffiti abatement on private property) and to supplement what public realm services the City does provide. They have sponsored free community events and programs in the District and successfully raised funds to provide additional cleaning, safety and activation improvements for the District. Board and current staff have worked diligently to carry out its mission and to strengthen the organization for the future.

OFFICE OF THE MAYOR  
SAN FRANCISCO



RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

LONDON N. BREED  
MAYOR

2019 JUL -9 PM 4:36

BY *JK*  
*JK*

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Sophia Kittler  
RE: Civic Center Community Benefit District - Annual Report for FY 2017-2018  
DATE: 7/9/19

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**Resolution receiving and approving an annual report for the Civic Center Community Benefit District for FY 2017-2018, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's Management Agreement with the City, Section 3.4.**

Please note that Supervisors Brown and Haney are co-sponsors of this legislation.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.