

BOARD of SUPERVISORS



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July 9, 2019

File No. 190566

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On June 4, 2019, Mayor Breed submitted the proposed legislation:

**File No. 190566**

**Resolution to establish (renew and expand) the property-based business improvement district known as the "Civic Center Community Benefit District," ordering the levy and collection of assessments against property located in that district for 15 years commencing with FY2019-2020, subject to conditions as specified; and affirming the Planning Department's determination under the California Environmental Quality Act.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning  
Don Lewis, Environmental Planning

1 [Resolution to Establish (Renew and Expand) - Civic Center Community Benefit District]

2  
3 **Resolution to establish (renew and expand) the property-based business improvement**  
4 **district known as the “Civic Center Community Benefit District,” ordering the levy and**  
5 **collection of assessments against property located in that district for 15 years**  
6 **commencing with FY2019-2020, subject to conditions as specified; and affirming the**  
7 **Planning Department’s determination under the California Environmental Quality Act.**

8  
9 WHEREAS, Pursuant to the Property and Business Improvement Law of 1994,  
10 California Streets and Highways Code, Sections 36600 et seq. ("1994 Act"), as augmented by  
11 Article 15 of the San Francisco Business and Tax Regulations Code ("Article 15"), collectively,  
12 the “Business Assessment Law,” the Board of Supervisors adopted Resolution No. 250-19,  
13 entitled “Resolution declaring the intention of the Board of Supervisors to renew and expand a  
14 property-based business improvement district known as the ‘Civic Center Community Benefit  
15 District’ and levy a multi-year assessment on all parcels in the district; approving the  
16 management district plan and engineer’s report and proposed boundaries map for the district;  
17 ordering and setting a time and place for a public hearing of the Board of Supervisors, sitting  
18 as a Committee of the Whole, on July 16, 2019, at 3:00 p.m.; approving the form of the  
19 Notice of Public Hearing and Assessment Ballot Proceeding, and Assessment Ballot; directing  
20 environmental findings; and directing the Clerk of the Board of Supervisors to give  
21 notice of the public hearing and balloting, as required by law.” (the "Resolution of Intention,"  
22 Board of Supervisors File No. 190467); and

23 WHEREAS, The Resolution of Intention to renew and expand the Civic Center  
24 Community Benefit District (the "Civic Center CBD" or "District"), among other things,  
25 approved the Civic Center CBD Management District Plan (the "District Management Plan"), a

1 detailed District Assessment Engineer's Report, a Boundaries Map, and the form of the Notice  
2 of Public Hearing and Assessment Ballot Proceeding, that are all on file with Clerk of the  
3 Board of Supervisors in File No. 190467; and

4 WHEREAS, The Board of Supervisors caused notice of a public hearing concerning  
5 the proposed formation (renewal and expansion) of the Civic Center CBD, and the proposed  
6 levy of assessments against property located within the District for a period of 15 years, from  
7 fiscal years ("FYs") 2019-2020 through 2033-2034; and

8 WHEREAS, The Board of Supervisors has caused ballots to be mailed to the record  
9 owner of each parcel proposed to be assessed within the District, as required by law; and,

10 WHEREAS, A District Management Plan was filed with the Board on May 21, 2019,  
11 containing information about the proposed (renewed and expanded) district and assessments  
12 as required by California Streets and Highways Code § 36622; and

13 WHEREAS, A detailed Engineer's Report dated March 2019, was filed with the Clerk of  
14 the Board on May 21, 2019, as prepared by John G. Egan, California Registered Professional  
15 Engineer No. 14853, entitled "Renewal Engineer's Report For: Civic Center Property and  
16 Business Improvement District," supporting the assessments within the proposed (renewed  
17 and expanded) district; and

18 WHEREAS, A Proposed Boundaries Map was submitted to the Clerk of the Board of  
19 Supervisors pursuant to California Streets and Highways Code, Section 3110 on May 21,  
20 2019; and

21 WHEREAS, A public hearing concerning the proposed formation (renewal and  
22 expansion) of the Civic Center CBD and the proposed levy of assessments within such  
23 District was held pursuant to the notice on July 16, 2019, at 3 p.m., in the Board's Legislative  
24 Chambers located on the Second Floor of City Hall, 1 Dr. Carlton B. Goodlett Place, San  
25 Francisco, California; and

1           WHEREAS, At the public hearing, the testimony of all interested persons for or against  
2 the proposed formation (renewal and expansion) of the District, the levy of assessments on  
3 property within the District, the extent of the District, and the furnishing of specified types of  
4 improvements, services and activities within the District, was heard and considered, and a full,  
5 fair and complete meeting and hearing was held; and

6           WHEREAS, The Board of Supervisors heard and considered all objections or protests  
7 to the proposed assessments and the Director of the Department of Elections tabulated the  
8 assessment ballots submitted and not withdrawn, in support of or in opposition to the  
9 proposed assessments, and the Clerk of the Board determined that a majority of the ballots  
10 cast (weighted according to the proportional financial obligations of the property) by the  
11 owners of record of the property located within the proposed (renewed and expanded) District  
12 did not oppose establishing the proposed (renewed and expanded) District; and

13           WHEREAS, The public interest, convenience and necessity require the renewal and  
14 expansion of the proposed (renewed and expanded) Civic Center Community Benefit District;  
15 and

16           WHEREAS, In the opinion of the Board of Supervisors, the property within the District  
17 will be specially benefited by the improvements, services and activities funded by the  
18 assessments; and no assessment has been imposed on any parcel which exceeds the  
19 reasonable cost of the proportional special benefit conferred on that parcel; now, therefore be  
20 it

21           RESOLVED, That the Board of Supervisors declares as follows:

22           **Section 1.   MANAGEMENT DISTRICT PLAN, DISTRICT ASSESSMENT**

23           **ENGINEER'S REPORT, AND BOUNDARIES MAP.** The Board hereby approves the March  
24 2019, Management District Plan and District Assessment Engineer's Report, including the  
25 estimates of the costs of the property-related services, activities and improvements set forth in

1 the plan, and the assessment of said costs on the properties that will specially benefit from  
2 such services, activities and improvements. The Board also hereby approves the March  
3 2019, Boundaries, showing the exterior boundaries of the District, and ratifies and approves  
4 the Assessment Ballot and the City's use of such ballot, which Assessment Ballot is on file  
5 with the Clerk of the Board of Supervisors in File No. 190467 and is hereby declared to be a  
6 part of the Resolution as if set forth fully herein. A copy of the March 2019, Management  
7 District Plan, the District Assessment Engineer's Report, and the Boundaries Map are on file  
8 with the Clerk of the Board of Supervisors in File No. 190467, which is hereby declared to be  
9 a part of this Resolution as if set forth fully herein.

10 **Section 2. FINDING OF NO MAJORITY PROTEST.** The Board of Supervisors  
11 hereby finds that a majority protest does not exist as defined in Section 4(e) of Article XIID of  
12 the California Constitution and Section 53753 of the California Government Code with respect  
13 to the renewal and expansion of the Civic Center Community Benefit District. All objections or  
14 protests both written and oral, are hereby duly overruled.

15 **Section 3. ESTABLISHMENT OF DISTRICT.** Pursuant to the 1994 Act and Article  
16 15, the renewed and expanded property-based business improvement district designated as  
17 the "Civic Center Community Benefit District" is hereby established.

18 **Section 4. DESCRIPTION OF DISTRICT.** The Civic Center Community Benefit  
19 District shall include all parcels of real property within the district. The proposed (renewed and  
20 expanded) District contains approximately 773 identified parcels located on approximately 43  
21 whole or partial blocks.

22 Specifically, the exterior District boundaries are:

- 23 • Golden Gate Avenue and Turk Street to the North
- 24 • Market Street to the South
- 25 • 7th Street to the East, and

- Gough Street to the West.

Reference should be made to the detailed maps and the lists of parcels identified by Assessor Parcel Number that are contained in the March 2019, Management District Plan, in order to determine which specific parcels are included in the Civic Center Community Benefit District.

**Section 5. FINDING OF BENEFIT.** The Board of Supervisors hereby finds that the property within the District will be benefited by the improvements and activities funded by the assessments proposed to be levied.

**Section 6. SYSTEM OF ASSESSMENTS.** (a) Annual assessments will be levied to pay for the activities to be provided within the District, commencing with FY 2019-2020, and continuing for 15 years, ending with FY 2033-2034. For purposes of levying and collecting assessments within the District, a fiscal year shall commence on each July 1st and end on the following June 30th.

(b) The amount of the proposed assessments to be levied and collected for fiscal year 2019-2020 shall be a maximum of \$3,240,387.14 (as shown in the Management District Plan and Engineer's Report dated March 2019). The amount of assessments to be levied and collected in fiscal years two through 15 may be increased annually by the Civic Center Community Benefit District corporation Board of Directors by an amount not to exceed five percent (5%).

(c) The method and basis of levying and collecting the assessment shall be as set forth in the District Management Plan.

(1) The levy of the assessments shall commence with fiscal year 2019-2020. Each year the assessment shall be due and payable in two equal installments. The first installment shall be due on November 1 of each fiscal year during the life of the District, and shall become delinquent on December 10 of that fiscal year. The second installment shall be due on

1 February 1 of each fiscal year during the life of the District, and shall become delinquent on  
2 April 10 of that fiscal year.

3 (2) Nonpayment of the assessment shall have the same lien priority and delinquent  
4 payment penalties and be subject to the same enforcement procedures and remedies as the  
5 ad valorem property tax. All delinquent payment of assessments shall be subject to interest  
6 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and  
7 penalties and collection of delinquent assessments pursuant to the Business Assessment Law  
8 and City Business and Tax Regulations Code Article 6, as each may be amended from time to  
9 time.

10 **Section 7. USE OF REVENUES.** The proposed property-related services,  
11 improvements and activities for the District include:

12 **Clean, Safe, Activation:** Clean, Safe, Activation includes, but is not limited to sidewalk  
13 cleaning, sidewalk pressure washing, trash collection, graffiti removal, landscape maintenance,  
14 a safe team, a security camera program, oversight of the Civic Center Plaza café kiosk, daily  
15 setup tables, chares, and games in Civic Center Commons, and programs and events such as  
16 markets, public art installations, musical performances, block parties, recreational activities, and  
17 the annual Holiday Tree Lighting.

18 **Marketing/Communication:** Marketing includes, but is not limited to, destination  
19 marketing, branding, events, media relations, website, district stakeholder outreach, and  
20 social media.

21 **Administration/Contingency/City Fees:** Administration/Contingency/City Fees  
22 includes, but is not limited to, a professional staff to properly manage programs, communicate  
23 with stakeholders, to provide leadership, and represent the community with one clear voice.  
24 Also included are office expenses, professional services, organizational expenses such as  
25

1 insurance, the cost to conduct a yearly financial review, and other services related to  
2 organizational activities.

3           **Section 8. AUTHORITY TO CONTRACT.** The Board of Supervisors may contract  
4 with a separate private entity to administer the improvements, services and activities set forth  
5 in Section 7, as provided in California Streets and Highways Code Sections 36612 and 36650.  
6 Any such entity shall hold the funds it receives from the City and County of San Francisco  
7 ("City") in trust for the improvements, services and activities set forth in Section 7. Any such  
8 entity that holds funds in trust for purposes related to the contract shall deliver, at no expense  
9 to the City, a balance sheet and the related statement of income and cash flows for each  
10 fiscal year, all in reasonable detail acceptable to City, reviewed by a Certified Public  
11 Accountant (CPA); this review shall include a statement of negative assurance from the CPA.  
12 In addition, or alternatively, the Controller in his or her discretion or the Office of Economic  
13 and Workforce Development in its discretion, may require the private entity to deliver, at no  
14 expense to the City, an annual independent audit report by a Certified Public Accountant of all  
15 such funds. The CPA review and/or audit may be funded from assessment proceeds as part  
16 of the general administration of the District. At all times the Board of Supervisors shall  
17 reserve full rights of accounting of these funds. The Office of Economic and Workforce  
18 Development shall be the City agency responsible for coordination between the City and the  
19 District.

20           **Section 9. AMENDMENTS.** The properties in the District established by this  
21 Resolution shall be subject to any amendments to the 1994 Act, and City Business and Tax  
22 Regulations Code Article 6 and Article 15.

23           **Section 10. RECORDATION OF NOTICE AND DIAGRAM.** The County Clerk is  
24 hereby authorized and directed to record a notice and an assessment diagram pursuant to  
25

1 Section 36627 of the California Streets and Highways Code, following adoption of this  
2 Resolution.

3 **Section 11. LEVY OF ASSESSMENT.** The adoption of this Resolution and  
4 recordation of the notice and assessment diagram pursuant to Section 36627 of the California  
5 Streets and Highways Code constitutes the levy of an assessment in each of the fiscal years  
6 referred to in the District Management Plan. Each year, the Assessor shall enter on the  
7 County Assessment Roll opposite each lot or parcel of land the amount of the assessment  
8 and such assessment shall be collected in the same manner as the County property taxes are  
9 collected.

10 **Section 12. BASELINE SERVICES.** To ensure that assessment revenues from the  
11 District are used to enhance the current level of services provided by the City within the  
12 District, the establishment of the District will not affect the City's policy to continue to provide  
13 the same level of service to the areas encompassed by the District as it provides to other  
14 similar areas of the City for the duration of the District, provided, however, that in the event of  
15 a significant downturn in citywide revenues, the Board of Supervisors may reduce the level of  
16 municipal services citywide, including within the District.

17 **Section 13. ENVIRONMENTAL FINDINGS.** The Planning Department has  
18 determined that the actions contemplated in this Resolution are in compliance with the  
19 California Environmental Quality Act (California Public Resources Code sections 21000  
20 *et seq.*). Said determination is on file with the Clerk of the Board of Supervisors in File  
21 No. \_\_\_\_\_, which is hereby declared to be a part of this Resolution as if set forth  
22 fully herein.