

1 [Resolution to Establish (Renew and Expand) - Yerba Buena Community Benefit District]

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3 **Resolution to establish (renew and expand) the property-based business improvement**
4 **district known as the “Yerba Buena Community Benefit District;” ordering the levy and**
5 **collection of assessments against property located in that district for 15 years**
6 **commencing with FY2015-2016, subject to conditions as specified herein; and making**
7 **environmental findings.**

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
11 by Article 15 of the San Francisco Business and Tax Regulations Code ("Article 15"),
12 collectively, the “Business Assessment Law,” the Board of Supervisors adopted Resolution
13 No. 197-15, entitled “Resolution declaring the intention of the Board of Supervisors to renew
14 and expand a property-based business improvement district (community benefit district)
15 known as the ‘Yerba Buena Community Benefit District’ and levy a multi-year assessment on
16 all parcels in the district; approving the management district plan and engineer’s report and
17 proposed boundaries map for the district; ordering and setting a time and place for a public
18 hearing thereon; approving the form of the Notice of Public Hearing and Assessment Ballot
19 Proceeding, and Assessment Ballot; directing environmental findings; and directing the Clerk
20 of the Board of Supervisors to give notice of the public hearing and balloting as required by
21 law” (the "Resolution of Intention," Board of Supervisors File No. 150499); and

22 WHEREAS, The Resolution of Intention to renew and expand the Yerba Buena
23 Community Benefit District (the "Yerba Buena CBD" or "District"), among other things,
24 approved the Yerba Buena CBD Management District Plan (the "District Management Plan"),
25 the detailed District Assessment Engineer's Report, the Boundaries Map, and the form of the

1 Notice of Public Hearing and Assessment Ballot Proceeding, that are all on file with Clerk of
2 the Board of Supervisors in File No. 150499; and

3 WHEREAS, The Board of Supervisors caused notice of a public hearing concerning
4 the proposed formation of the Yerba Buena CBD, and the proposed levy of assessments
5 against property located within the District for a period of 15 years, for fiscal years (“FYs”
6 2015-2016 through 2029-2030; and

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

9 WHEREAS, A Management District Plan was filed with the Board on June 2, 2015,
10 containing information about the proposed district and assessments as required by California
11 Streets and Highways Code, Section 36622; and

12 WHEREAS, A detailed Engineer's Report dated March 2015 was filed with the Clerk of
13 the Board on June 2, 2015, as prepared by Brian K. Thomas, California Registered
14 Professional Engineer No. 60907, entitled "Yerba Buena Community Benefit District
15 Engineer's Report," supporting the assessments within the proposed district; and

16 WHEREAS, A Proposed Boundaries Map was submitted to the Clerk of the Board of
17 Supervisors pursuant to California Streets and Highways Code, Section 3110 on June 2,
18 2015; and

19 WHEREAS, A public hearing concerning the proposed formation of the Yerba Buena
20 CBD and the proposed levy of assessments within such District was held on July 28, 2015, at
21 3 p.m., in the Board’s Legislative Chamber located on the Second Floor of City Hall, 1 Dr.
22 Carlton B. Goodlett Place, San Francisco, California; and

23 WHEREAS, At the public hearing, the testimony of all interested persons for or against
24 the proposed formation of the District, the levy of assessments on property within the District,
25 the extent of the District, and the furnishing of specified types of improvements, services and

1 activities within the District, was heard and considered, and a full, fair and complete meeting
2 and hearing was held; and

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

10 WHEREAS, The public interest, convenience and necessity require the renewal and
11 expansion of the proposed Yerba Buena Community Benefit District; and

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

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

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

19 **ENGINEER'S REPORT, AND BOUNDARIES MAP.** The Board hereby approves the
20 Management District Plan and District Assessment Engineer's Report, including the estimates
21 of the costs of the property-related services, activities and improvements set forth in the plan,
22 and the assessment of said costs on the properties that will specially benefit from such
23 services, activities and improvements. The Board also hereby approves the Boundaries,
24 showing the exterior boundaries of the District, and ratifies and approves the Assessment
25 Ballot and the City's use of such ballot, which Assessment Ballot is on file with the Clerk of the

1 Board of Supervisors in File No. 150499 and is hereby declared to be a part of the Resolution
2 as if set forth fully herein. A copy of the Management District Plan, the District Assessment
3 Engineer's Report, and the Boundaries Map are on file with the Clerk of the Board of
4 Supervisors in File No. 150499, which is hereby declared to be a part of this Resolution as if
5 set forth fully herein.

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

11 **Section 3. ESTABLISHMENT OF DISTRICT.** Pursuant to the 1994 Act and Article
12 15, the renewed and expanded property-based business improvement district designated as
13 the "Yerba Buena Community Benefit District" is hereby established.

14 **Section 4. DESCRIPTION OF DISTRICT.** The Yerba Buena Community Benefit
15 District shall include all parcels of real property within the district. The proposed expanded
16 District contains approximately 2123 identified parcels located on approximately 20 whole or
17 partial blocks.

18 Specifically, the exterior District boundaries are:

- 19 • Market Street from northwest corner of Assessor Parcel No. 3706-048 to 2nd
20 Street (south side only)
- 21 • 2nd Street from Market Street to Harrison Street to the southeast corner of
22 Assessor Parcel No. 3763-001 (west side only)
- 23 • Harrison Street from 2nd Street to Vassar Place (east and west sides - street
24 and affronting parcels)

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- 1 • Vassar Place, running on the Eastern property line of APN 3763-105, from
- 2 Harrison to Perry Street (no public right of way on Vassar included)
- 3 • Perry Street from Vassar Place to 4th Street (north side only)
- 4 • 4th Street from Perry Street to Harrison Street (east side only)
- 5 • Harrison Street from 4th Street to 5th Street (east and west sides - street and
- 6 affronting parcels)
- 7 • 5th Street from Harrison Street to Howard Street (east and west sides – street
- 8 and affronting parcels)
- 9 • 5th Street from Howard Street to northwest corner of Assessor Parcel No. 3705-
- 10 039 (east side only)
- 11 • Mission Street from 5th Street to 4th Street (east and west sides - street and
- 12 affronting parcels)
- 13 • 4th Street from Mission Street to northeast corner of Assessor Parcel No.
- 14 3705z-003 (west side only) and Stevenson Alley (east side only)
- 15 • Stevenson Alley to southwest corner of Assessor Parcel No. 3706-048 (south
- 16 side only)
- 17 • Southwest corner of Assessor Parcel No. 3706-048 to the parcel's northwest
- 18 corner

19 Reference should be made to the detailed maps and the lists of parcels identified by
20 Assessor Parcel Number that are contained in the Management District Plan, in order to
21 determine which specific parcels are included in the Yerba Buena Community Benefit District.

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

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1 **Section 6. SYSTEM OF ASSESSMENTS.** (a) Annual assessments will be levied to
2 pay for the activities to be provided within the District, commencing with FY 2015-2016, and
3 continuing for 15 years, ending with FY 2029-2030. For purposes of levying and collecting
4 assessments within the District, a fiscal year shall commence on each July 1st and end on the
5 following June 30th.

6 (b) The amount of the proposed assessments to be levied and collected for fiscal
7 year 2015-2016 shall be a maximum of \$2,991,722.82 (as shown in the Management District
8 Plan and Engineer's Report dated March 2015). The amount of assessments to be levied and
9 collected in fiscal years two through 15 may be increased annually by the Yerba Buena
10 Community Benefit District corporation Board of Directors by an amount not to exceed the
11 change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-
12 San Jose Consolidated Metropolitan Statistical Area, or three percent (3%), whichever is less.
13 In addition, to account for new assessments from potential future development in the District,
14 the assessment for each of years two through 15 of the District may be increased by not more
15 than 5% of the prior year's assessment, including any CPI adjustment.

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

18 (1) The levy of the assessments shall commence with fiscal year 2015-2016. Each
19 year the assessment shall be due and payable in two equal installments. The first installment
20 shall be due on November 1 of each fiscal year during the life of the District, and shall become
21 delinquent on December 10 of that fiscal year. The second installment shall be due on
22 February 1 of each fiscal year during the life of the District, and shall become delinquent on
23 April 10 of that fiscal year.

24 (2) Nonpayment of the assessment shall have the same lien priority and delinquent
25 payment penalties and be subject to the same enforcement procedures and remedies as the

1 ad valorem property tax. All delinquent payment of assessments shall be subject to interest
2 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and
3 penalties and collection of delinquent assessments pursuant to the Business Assessment Law
4 and City Business and Tax Regulations Code Article 6, as each may be amended from time to
5 time.

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

8 **Cleaning and Streetscape Improvement:** The Cleaning and Streetscape
9 Improvement program includes, but is not limited to, regular sidewalk and gutter sweeping,
10 scheduled steam cleanings, power washing, refuse removal, graffiti removal, and streetscape
11 improvements. Streetscape improvements are based upon, but not limited by, the Yerba
12 Buena Street Life Plan, a roadmap for enhancing public spaces in the neighborhood. The
13 District will also distribute small annual grants (through its Community Benefit Fund) to
14 community organizations providing services in the District that support the District's mission.

15 **Safety and Security:** The Safety and Security program includes but is not limited to,
16 working with residents, merchants, the San Francisco Police Department (SFPD) and
17 community on a variety of safety programs and strategies to prevent crime and increase
18 pedestrian safety throughout the District. The District will provide Community Guides to assist
19 visitors, connect those in need with social services, and report cleaning and safety issues.
20 The District will also distribute small annual grants (through its Community Benefit Fund) to
21 community organizations providing services in the District that support the District's mission.

22 **Branding, Activation, and Marketing:** Branding, Activation, and Marketing includes
23 but is not limited to, programs to promote properties and businesses in the District and the
24 creation and production of special events that draw visitors into the District as a means of
25 additional exposure. The District will program special events and conduct marketing activities

1 in various parts of the District. The District marketing and promotion services will make sure
2 new visitors, employees, patrons, and residents know about area attractions and will help
3 them enjoy their experience in the District. The District plans to include other marketing
4 initiatives as appropriate, and as budget resources allow.

5 **Management and Operations:** Management and Operations includes, but is not
6 limited to, a dedicated staff who will serve as a focal point persons and advocate for the
7 District and the management of office expenses including accounting, rent, utilities, office
8 supplies, insurance, legal, and other professional services related to District activities

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

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

4 **Section 10. RECORDATION OF NOTICE AND DIAGRAM.** The County Clerk is
5 hereby authorized and directed to record a notice and an assessment diagram pursuant to
6 Section 36627 of the California Streets and Highways Code, following adoption of this
7 Resolution.

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

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

1 **Section 13. ENVIRONMENTAL FINDINGS.** The Planning Department has
2 determined that the actions contemplated in this Resolution are in compliance with the
3 California Environmental Quality Act (California Public Resources Code, Sections 21000, *et*
4 *seq.*). Said determination is on file with the Clerk of the Board of Supervisors in File No.
5 _____, which is hereby declared to be a part of this Resolution as if set forth fully
6 herein.

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