

# MEMORANDUM

**TO:** Supervisor Aaron Peskin, District 3 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:** Downtown SF Partnership (formerly known as Downtown Community Benefit District); FY 2021-2022 Annual Report

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This is a memo summarizing the performance of the Downtown Community Benefit District (CBD) doing business as the Downtown SF Partnership (DSFP) and an analysis of its financial statements (based on their audits) for the period between July 1, 2021 and June 30, 2022.

Each year the Downtown SF Partnership is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. The Downtown SF Partnership 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 Downtown SF Partnership management contract with the City; and their Management Plan approved by the Board of Supervisors in 2020.

Also attached to this memo are the following documents:

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



**Background**

The Downtown SF Partnership includes both privately and publicly owned properties. The district covers whole or partial blocks and includes approximately parcels.

- July 16, 2019: the Board of Supervisors approved the resolution to establish the property-based improvement district known as the “Downtown Community Benefit District,” ordering the levy and collections of assessments against property located in the district for fifteen years commencing with FY2019-2020, subject to conditions as specified; and making environmental findings. (Resolution # 237-19).
- January 28, 2020: the Board of Supervisors approved an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the “Downtown Community Benefit District,” pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2034 (Resolution # 33-20).

**Downtown SF Partnership Summary and Highlights**

Year Established	July 2019
Assessment Collection Period	FY 2019-20 to FY 2033-34 (July 1, 2019 to June 30, 2034)
Services Start and End Date	January 1, 2020 – December 31, 2029
Initial Estimated Annual Budget	\$4,001,491.14
FY 2021-22 Assessment Roll	\$4,007,035.84
Fiscal Year	July 1 – June 30
Executive Director	Robbie Silver
Name of Nonprofit Owners’ Entity	Downtown Community Benefit District (dba: Downtown SF Partnership)

The current Downtown SF Partnership website <https://downtownsf.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 Downtown SF Partnership Program Areas**

**Civil Sidewalks/Mobility Management**

The DSFP’s sidewalk attendants utilize a multi-dimension approach that may consist of CBD-identified, uniformed, radio-equipped personnel that may provide, but not limited to, services such as sweeping litter, debris and refuse from sidewalks, gutters, and public spaces of the District. Additionally, they may clean all sidewalk hardscape such as trash receptacles, benches and parking meters. The District maintains a zero-tolerance graffiti policy.

**District Identity, Marketing and public space development and management**



The District Identity service category aims to promote the CBD as an attractive, dynamic location to office and dine in the San Francisco Bay Area by telling the historical importance of Downtown CBD, create demand, showcase the alleys and streets that hold significant architecture and capacity for excellent outdoor venues, and highlight the area as a transportation hub. Examples of district identity and streetscape improvement services may include, but not limited to branding of the Financial District, Jackson Square and the Downtown CBD, funding website development and maintenance, funding app development, management and coordination of special events, hiring social media company, hiring public relations firm, installation of holiday and seasonal decorations, creating banner programs, funding and planning public art displays, logo development, public space design and improvements, and creating programs that fund business attraction workshops and fairs.

### **Program Management**

Downtown CBD District Owners' Association will be responsible for the day-to-day operations of the district, advocate on behalf of the management corporation, oversee employees and service providers, employ professional staff and/or consultants, liaison with City and County and other surrounding CBDs, and utilize best practices to improve the overall CBD.

Program management services may include, but are not limited to staff and administrative costs, advocacy, Directors and Officers expenses, General Liability Insurance expenses, office related expenses, rent expenses, financial reporting and accounting expenses, legal work-related costs, and relations with other CBDs and the City.

### **Contingency/City and County Fees/Reserve**

Contingency/Reserve is the amount set aside to ensure that any budget shortfalls are accommodated for year-to-year, and if the collections of assessments is lower than this plan allocates, those surplus funds can be allocated for special projects or in the same percentage of service categories of special benefit services as outlined in the Management Plan.



## Summary of Delivery of Services and Accomplishments

### **FY 2021-2022**

#### **Civil Sidewalks/Mobility Management**

- Joined the SF 311 integration program in November 2021 and thus far completed 776 total cases, resulting in average completion time of 1.5 hours
- Collected 105,340 pounds of trash
- Removed 7,126 graffiti tags
- Provided directions to 3,946 individuals
- Addressed 2,511 quality of life issues
- Cleaned hazardous waste 1,716 times
- Power washed/steam cleaned 1,375 blocks
- Cleaned trash cans 1,058 times
- Responded to 947 requests for service
- Responded to 776 311 requests with a 1.5-hour average completion time
- Removed 556 syringes
- Cleaned 237 spills
- Began partnership with miracle Messages to reconnect people without housing to long lost loved ones; between January 2022 to June 2022, Miracle Messages reconnected 17 people.
- Advocated for and received SFMTA Traffic Control Officers assist at the intersections of Bush, Battery and market Streets 4-5 days per week

#### **District Identity, Marketing and public space development and management**

- Hosted Let's Glow SF, the largest holiday projection mapping event in the nation:
  - 4 light shows were projected in Downtown SF featuring 11 artists.
  - Over the 10-night event, Let's Glow SF accounted for 83% of evening foot traffic with an estimated \$2.1M economic impact.
  - Attracted 715,800 visitors, double the number of visitors compared to December 2020.
- Collaborated with district's restaurants along Belden Place to celebrate Bastille Day on July 14, 2022 with French-inspired dinner specials, festive tunes from Vintage Jukebox Orchestra, complimentary berets, and a replica of the Eiffel Tower leading to the majority of locations being completely booked for the evening.
- Worked with Mission neighborhood artist Talavera-Ballón to create public art on Battery Bridge.
- Manage the DowntownSF.com website and social media accounts which reaches over 40,000 accounts annually.
- Publish regular e-newsletter.
- Updated logo and organizational brand identity to reflect the historical importance and forward progress of Downtown San Francisco.

#### **Program Management**

- Hired SITELAB to develop the framework for the Public Realm Action Plan which includes strategies for the district to overcome economic challenges and revitalize the downtown economy. Key goals in the Public Realm Action Plan include the following:



- Advance Downtown SF’s identity by layering its rich history and architecture
- Unlock the potential by building upon public realm assets and focusing on where there is alignment to promote economic recovery
- Pioneer new ideas on what a downtown can be and offer
- Tip the scale with streets that prioritize people and more inclusive downtown rather than just an office space
- Partnered with Market Street Railway to advocate the return of the F-Line and the California-Van Ness Line.
- Worked closely with properties and businesses along Sansome to support the SFMTA Battery-Sansome Quick Build Project which will bring protected bike lanes to the corridor

**The Downtown San Francisco Partnership Annual Budget Analysis**

**OEWD’s staff reviewed the following budget related benchmarks for Downtown SF Partnership:**

- **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 “Downtown Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether three and twenty hundredths percent (3.20%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Downtown 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 percentage points (*Agreement for the Administration of the “Downtown Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether Downtown SF Partnership 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 2021-2022 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:** Downtown SF Partnership met this requirement. See table below.



Service Category	Management Plan Budget		FY2021-2022 Budget		Variance	
	Assessment (%)	Total (%)	Assessment (%)	Total (%)	Assessment	Total
<b>Civic Sidewalks/ Mobility Management</b>	\$3,000,000.14 (77.45%)	\$3,099,136.14 (77.45%)	\$3,106,786.00 (77.45%)	\$3,106,786.00 (76.73%)	0.00%	-0.72%
<b>District Identity and public space development and management</b>	\$200,000.00 (5.16%)	\$206,604.80 (5.16%)	\$206,985.00 (5.16%)	\$241,985.00 (5.98%)	0.00%	+0.81%
<b>Program Management</b>	\$550,000.00 (14.20%)	\$568,176.00 (14.20%)	\$569,611.00 (14.20%)	\$572,084.00 (14.13%)	0.00%	-0.07%
<b>Contingency</b>	\$123,491.00 (3.19%)	\$127,574.20 (3.19%)	\$127,962.00 (3.19%)	\$127,962.00 (3.16%)	0.00%	-0.03%
<b>TOTAL</b>	<b>\$3,873,491.14</b>	<b>\$4,001,491.14</b>	<b>\$4,011,344.00</b>	<b>\$4,048,817.00</b>		

**BENCHMARK 2:** Whether three and twenty hundredths percent (3.20%) of Downtown SF Partnership’s actuals came from sources other than assessment revenue

**ANALYSIS:** Downtown SF Partnership met this requirement. Assessment revenue was \$4,016,685.00 or 94.98% of actuals and non-assessment revenue was \$213,472.00 or 5.05% of actuals. See table below.

Revenue Sources	FY2022 Actuals	% of Actuals
Assessment Revenue	\$4,007,036.00	
Penalties	\$9,649.00	
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$4,016,685.00</b>	<b>94.95%</b>
Interest Earned	\$5,648.00	
Earned Revenue	\$0.00	
Other (In-Kind)	\$207,824.00	
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$213,472.00</b>	<b>5.05%</b>
<b>Grand Total (Assessment and Non-Assessment) Revenue</b>	<b>\$4,230,157.00</b>	<b>100.00%</b>



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

**ANALYSIS:** Downtown SF Partnership met this requirement. See table below.

Service Category	FY2021-2022 Budget		FY2021-2022 Actuals		Variance	
	Assessment (%)	Total (%)	Assessment (%)	Total (%)	Assessment	Total
<b>Civic Sidewalks/ Mobility Management</b>	\$3,106,786.00 (77.45%)	\$3,106,786.00 (76.73%)	\$3,110,922.00 (77.45%)	\$3,111,972.00 (73.58%)	0.00%	-3.16%
<b>District Identity and public space development and management</b>	\$206,985.00 (5.16%)	\$241,985.00 (5.98%)	\$207,261.00 (5.16%)	\$413,377.00 (9.77%)	0.00%	+3.80%
<b>Program Management</b>	\$569,611.00 (14.20%)	\$572,084.00 (14.13%)	\$570,369.00 (14.20%)	\$576,027.00 (13.62%)	0.00%	-0.51%
<b>Contingency</b>	\$127,962.00 (3.19%)	\$127,962.00 (3.16%)	\$128,132.00 (3.19%)	\$128,132.00 (3.03%)	0.00%	-0.13%
<b>TOTAL</b>	<b>\$4,011,344.00</b>	<b>\$4,048,817.00</b>	<b>\$4,016,684.00</b>	<b>\$4,229,508.00</b>		

**BENCHMARK 4:** Whether the Downtown SF Partnership 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:** Downtown SF Partnership met this requirement. Please note: There is a period between when the City collects the assessment payment and when the City disburses the funds to the CBD. As a result, BIDs/CBDs typically have a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.

FY 2022 Carryover Disbursement	Amount	Spenddown Timeline
<b>FY 2022 Assessment Carry Forward Disbursement</b>		
Civil Sidewalks/Mobility Management	\$5,608,063.00	Half between July - December 2022 to carryforward for expenses related to district services during the first half of the fiscal year
District Identity, Marketing and public space development and management	-\$859,698.00	
Program Management	\$382,480.00	
Contingency	\$319,798.00	
<b>Total Assessment (Special Benefit) Carry Forward</b>	<b>\$5,450,643.00</b>	
<b>Total Non-Assessment (General Benefit) Carry Forward</b>	<b>\$0.00</b>	



## Findings and Recommendations

The Downtown SF Partnership has met all benchmarks as defined on pages 5 of this memo as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Downtown Community Benefit District. The Downtown SF Partnership does not operate or utilize surveillance technology and does not plan to in FY23 and follow OEWD’s memorandum on surveillance technology.

The Downtown SF Partnership was formed in 2019 and its first year of full operation was FY20-21. In accordance with state statute, this is the organization’s first annual report submitted to the City and County of San Francisco.

The Downtown SF Partnership began service during the beginning of the Covid-19 pandemic. OEWD assisted the organization through its initial set up and provided technical guidance to the board and executive director throughout its initial year of operation. In FY20-21 the organization underwent a management shift and hired Robbie Silver as its new executive director. Mr. Silver did an exceptional job of ramping up and scaling core CBD services throughout the district.

Although new, the Downtown SF Partnership has quickly emerged as a thought and best practice leader for CBDs not only in San Francisco, but throughout the nation. In particular the organization is one of the original CBD adopted of the Connected Worker app, popularly known as 311 integration. In November 2021, they were one of the original organizations that participated in this pilot. In it, the CBD responds to 311 requests within their purview as has the ability to close out 311 tickets. In FY 21-22 they were able to respond and complete a total of 300 unique 311 tickets, or 47.24% 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 area. The following is a sample of the data from FY 21-22.

<u>Agency</u>	<u>Number of Cases in FY21-22</u> <u>(beginning 11/2021)</u>	<u>Percentage</u>
Downtown SF Partnership	300	47.24%
DPW Ops Queue	266	41.89%
Recology Abandoned	26	4.09%
CSP Supervisor Queue	13	2.05%
DPW BSM Queue	8	1.26%
DPT Sign Shoop Queue	4	0.63%
DPT Meter Bike Queue	3	0.47%
ATT Graffiti Queue	2	0.31%





DPW – Bureau of Street Environmental Services	2	0.31%
PUC – Water – Graffiti Queue	2	0.31%
Art Commission	1	0.16%
Clear Channel Transit Queue	1	0.16%
DPT Paint Shop Queue	1	0.16%
DPW Bureau of Urban Forestry	1	0.16%
MUNI Feedback Received Queue	1	0.16%
Port Authority	1	0.16%
Recology Litter	1	0.16%
SF 311 AI Routing Queue	1	0.16%
US Postal Service Management	1	0.16%

<u>Request Type</u>	<u>CBD Response Time - Average</u>	<u>City Response Time - Average</u>
General Request – PW	4.25 hours	781.26 hours
Graffiti	9.70 hours	919.09 hours
Illegal Postings	9.70 hours	644.82 hours
Street and Sidewalk Cleaning	7.82 hours	303.92 hours

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

In addition to their core cleaning and safety services, the Downtown SF Partnership worked on attracting folks into the downtown core and back to the office with new public space activations and working to enhance and support timeless traditions, such as Bastille Day. The organization’s most notable activation during this time period was the inaugural Let’s Glow SF activation. This activation was the largest holiday projection mapping event in the United States. Light shows were projected on 4 buildings throughout Downtown San Francisco. The event led to significant media coverage and helped bring 715,800 visitors to the area for the ten-day show, compared to 318,000 the year before with no holiday activation. 36,000 of this can be directly attributed to the Let’s Glow activation.

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



## **Conclusion**

The Downtown SF Partnership has performed well in implementing its service plan and successfully sponsoring and implementing programs throughout the district. The CBD is an extremely well-run organization with an active Board of Directors and committee members. OEWD believes that the Downtown SF Partnership will continue to successfully carryout its mission and service plan.

