

File No. 220890

Committee Item No. 7

Board Item No. 19

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date: November 17, 2022

Board of Supervisors Meeting: Date: November 29, 2022

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU – CBA FY2022-2024 - Clean
<input type="checkbox"/>	<input type="checkbox"/>	MOU – CBA FY2022-2024 - Redline
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Annual Rpt 2020-2021
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	CPA Rpt 063021
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Financial Position 063021
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OEWD Memo 070722
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	FYI Referral 072922
<input type="checkbox"/>	<input checked="" type="checkbox"/>	OEWD PPT111722
<input type="checkbox"/>	<input type="checkbox"/>	

Prepared by: Stephanie Cabrera

Date: November 10, 2022

Prepared by: Stephanie Cabrera

Date: November 18, 2022

Prepared by: _____

Date: _____

1 [Castro/Upper Market Community Benefit District - Annual Report - FY2020-2021]

2

3 **Resolution receiving and approving an annual report for the Castro/Upper Market**
4 **Community Benefit District for Fiscal Year (FY) 2020-2021, submitted as required by the**
5 **Property and Business Improvement District Law of 1994 (California Streets and**
6 **Highways Code, Sections 36600, et seq.), Section 36650, and the District’s management**
7 **agreement with the City, Section 3.4.**

8

9 WHEREAS, On June 7, 2005, pursuant to the Property and Business Improvement
10 District Law of 1994 (the “Act”), California Streets and Highways Code, Sections 36600 et
11 seq., as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 421-05, expressing the City’s intention to
13 establish the Castro/Upper Market Community Benefit District (the “Castro/Upper Market
14 CBD”); and

15 WHEREAS, On August 2, 2005, the Board of Supervisors adopted Resolution No.
16 582-05 establishing the Castro/Upper Market CBD ("Resolution to Establish") for a period of
17 15 years, commencing Fiscal Year (FY) 2005-2006; and

18 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution No.
19 14-06, authorizing an agreement with the owners' association for the administration and
20 management of the Castro/Upper Market CBD, and a management agreement (the
21 “Management Contract”) with the owners' association, the Castro/Upper Market Community
22 Benefit District, 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. 051968; and

25

1 WHEREAS, On January 25, 2022, the Board of Supervisors approved the
2 Castro/Upper Market CBD’s annual reports for Fiscal Year 2019-2020 in Resolution No. 021-
3 22; and

4 WHEREAS, The Castro/Upper Market CBD has submitted for the Board’s receipt and
5 approval the Castro/Upper Market annual reports for Fiscal Year 2020-2021 as required by
6 Section 36650 of the Act and Section 3.4 of the Management Contract; and

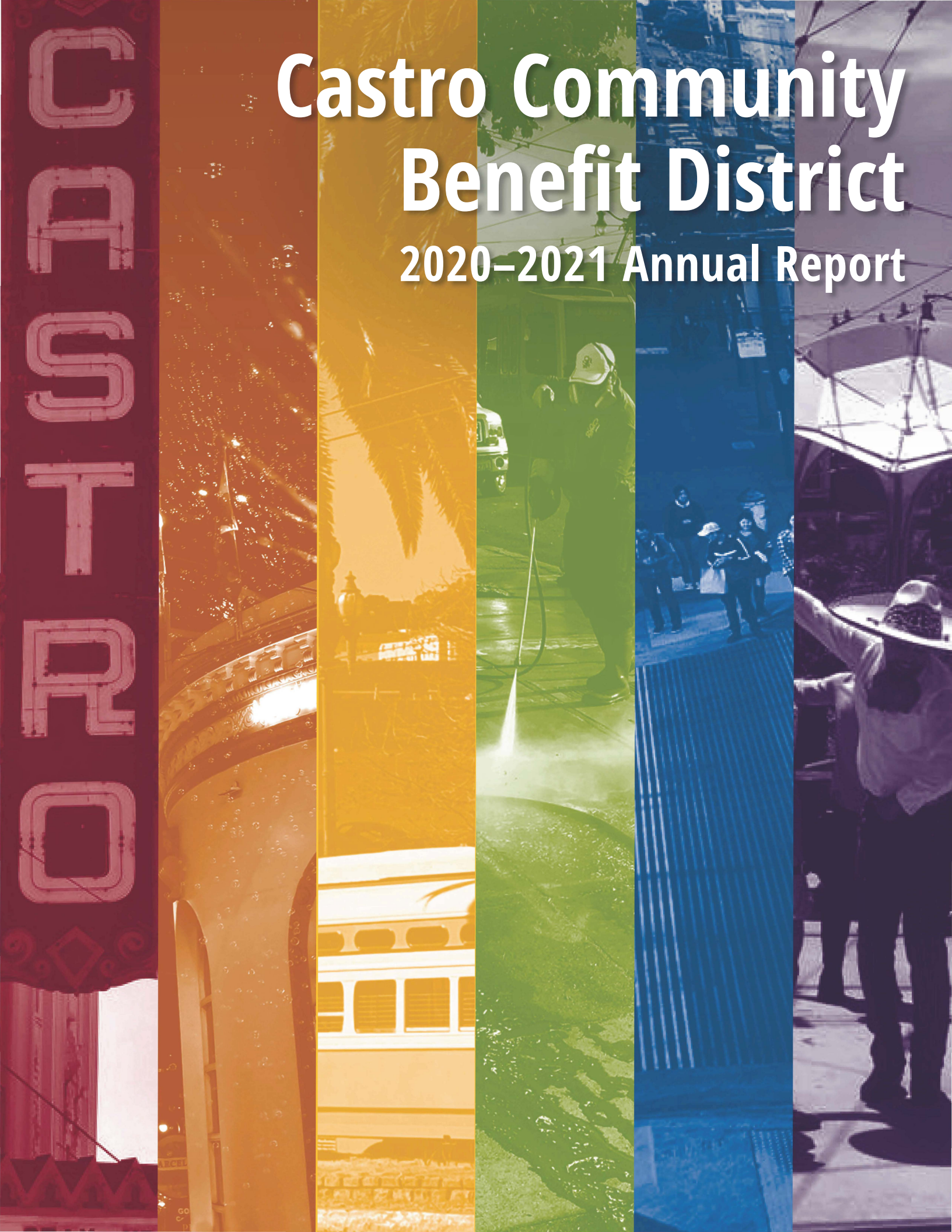
7 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
8 File No. 220890, and are incorporated herein by reference as though fully set forth; and

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 7, 2022, and documentation from the Castro/Upper Market CBD for the Annual Report is
12 on file with the Clerk of the Board of Supervisors in File No. 220890; now, therefore, be it

13 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
14 report for the Castro/Upper Market Community Benefit District for Fiscal Year 2020-2021.

Castro Community Benefit District

2020–2021 Annual Report



Castro CBD Meets the Neighborhood Challenges

Dear Community Member,

This past year has been a significant and important year for the Castro Community Benefit District. Most importantly, thanks to the Castro Community Benefit District property owners, the Castro Community Benefit District was approved for another fifteen years! Thank you all so very much!

With this renewal, we are doubling down on our cleaning efforts. Our cleaning ambassadors in their blue T-shirts and bright green jackets sweep litter and clean up trash seven days a week from 7am–7pm, and we have increased our steam cleaning. This past year (July 2020–June 2021) we responded to 9,687 hot spot/scrub requests in addition to our standard block face steam cleaning; compared to 6,046 hot spot/scrub requests the year before.



This year, the challenges are greater, and we are meeting these challenges.



You can help us by using the Castro CBD Dispatch phone number to let us know where the hot spots are. Keep this number in your phone and share it with your tenants: 415-471-7536.

To keep your assessment fees down, your assessment dollars do not pay for public safety services. Instead, the Castro CBD has applied for and received city grant dollars to support our Public Safety Initiative. The Castro CBD launched its Public Safety Initiative in February 2021 and funds public safety patrols on Friday and Saturday nights and during the day Sunday – Saturday. These patrols are a visible presence in the district, deter crime and are trained to observe and report crime or other questionable situations and to refer those in need to city services.

We are here to help you take care of the neighborhood and supplement city services. Reach out to us to learn more or with questions. You can contact our executive director Andrea Aiello at andrea@castrocdb.org

Sincerely,

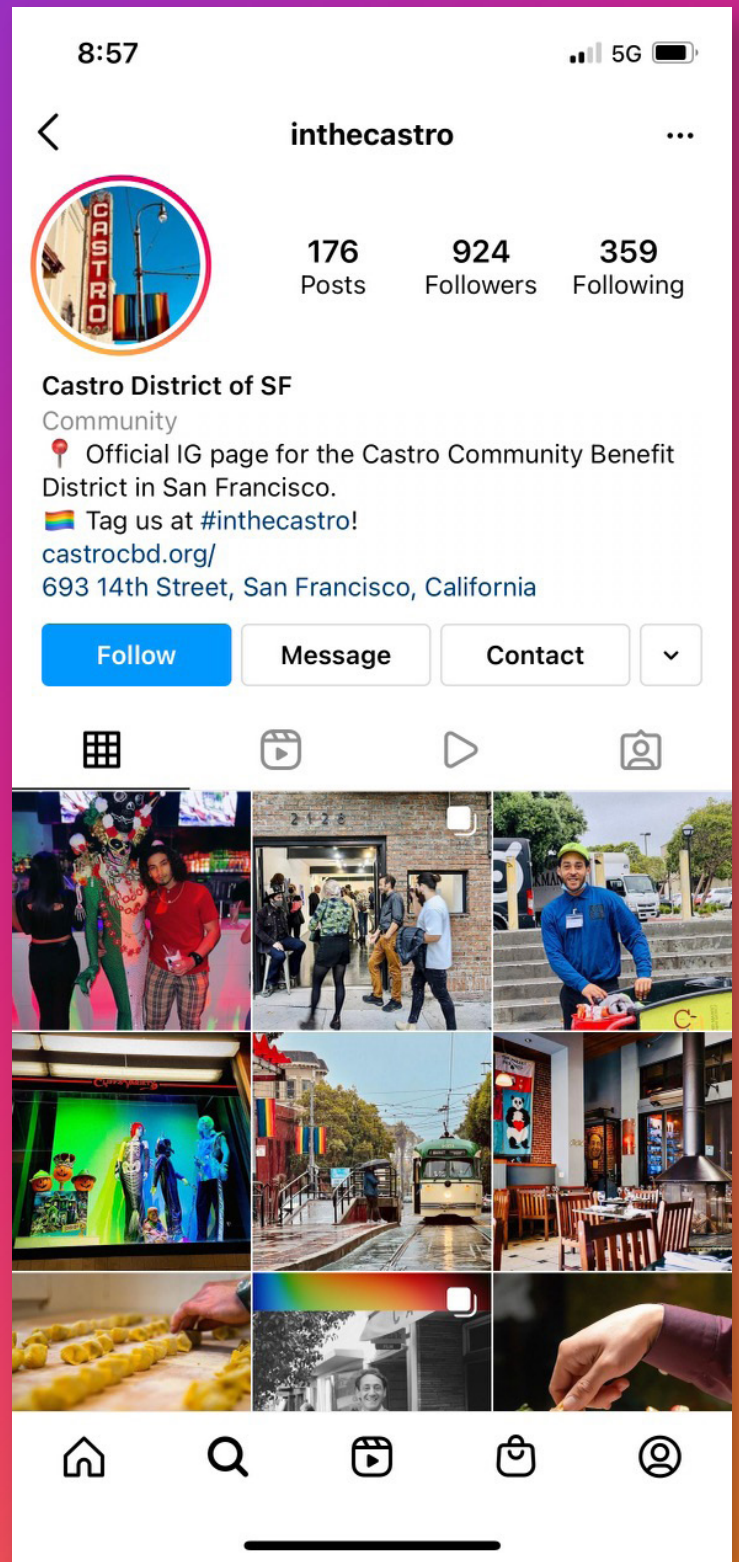
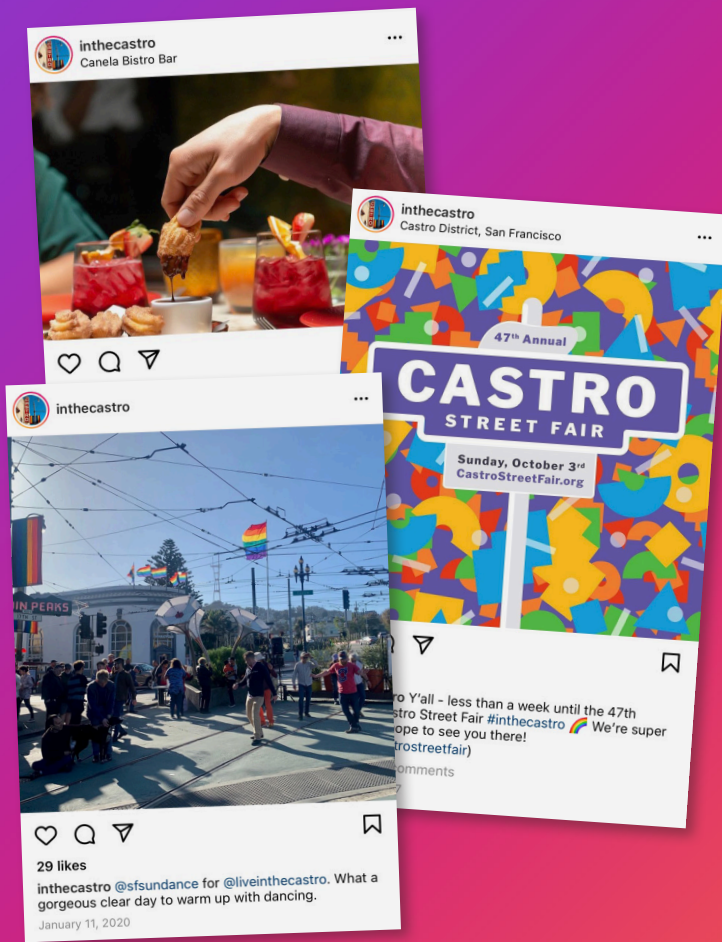
A handwritten signature in white ink that reads 'Justine Shoemaker'.

Justine Shoemaker
President, Board of Directors
Castro Community Benefit District

We're On Instagram!

Follow us @inthecastro

We're getting social! With the help of our amazing new social media coordinator Josh Decolongon, the Castro CBD is highlighting the beautiful culture, people, and style of our unique and special district in our hometown of San Francisco. Come check us out and give us a follow!



Dispatch

Help us keep the district clean!



CALL THE CASTRO CBD DISPATCH NUMBER:
415-471-7536

Pro tip: Save this number in your phone under "CBD Dispatch" for quick reference!

Castro Cares

Through Public Safety and Homeless Support, these are the ways that Castro Cares.

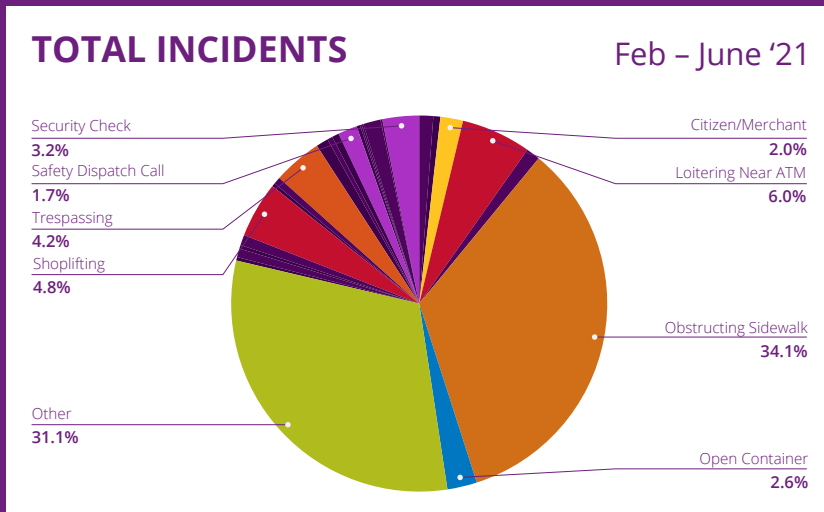
Public Safety Initiative

Between January and May of 2019, the Castro CBD worked closely with Supervisor Mandelman's office to bring additional public safety services to the district. Through his support and city funding, the Castro CBD submitted a grant application, under our Castro Cares program, for a unique Public Safety Initiative. Through meetings with merchants and residents, the Castro CBD, together with the Castro Cares Leadership Team, developed its Public Safety Initiative which brought together the S.F. Patrol Special Police (private officers who are armed and entrenched in the Castro community, having

worked the Castro beat for over 40 years), with unarmed safety/community ambassadors to walk the district observe and report crime, outreach to those unhoused on the street and generally provide an added presence of extra eyes and ears on the street all to help deter crime and promote a feeling of safety.

As we rolled out this new program in February 2020, little did we know, a month later, we would be hit by a pandemic and a shelter in place order. Once we opened back up, these supplemental public safety services became even more important. Business was taking place outside, in the public realm, businesses and customers had to feel the Castro was safe and welcoming. It has been important for merchants, residents and visitors to see our patrols out walking the district.

Patrol Special often are the first on the scene and if needed call for city back-up in the form of the Street Crisis Response Team, SF Fire or SFPD. The Patrol Specials address complex issues on our sidewalks from people who are suffering from confusion, serious mental illness, substance use, injured, suffering from other medical issues or a combination of these issues.



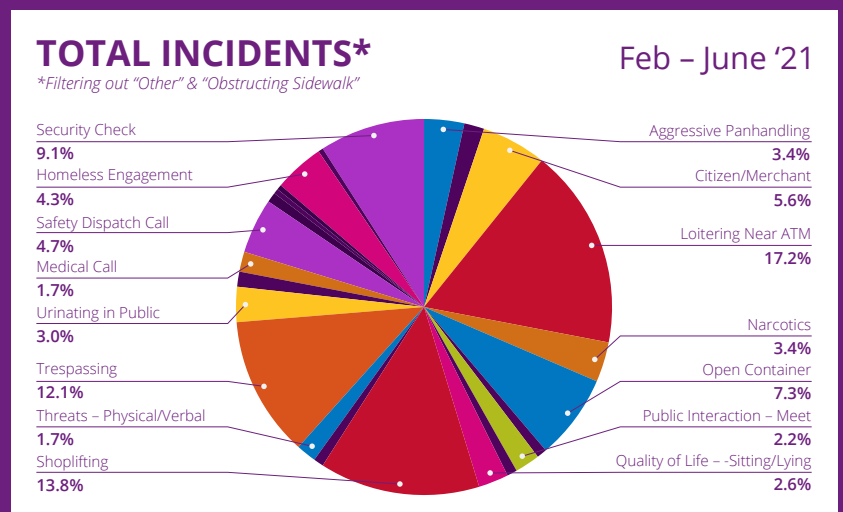
The pie charts show that the largest incidents are "Other" and "Obstructing the Sidewalk". We have created two new metrics—"Homeless Engagement" and "Security Check"—to address the large "Other" category.

Future reports should reflect the work performed more accurately.

The public safety/community ambassadors and the SF Patrol Special Police are a uniformed presence on the street, patrolling the entire district and also available via dispatch.

These services can be reached by calling 415-471-7536, and are available:

- Friday & Saturday nights 9pm–9am
- Sundays & Mondays 9am–5pm
- Tuesday–Saturday 7am–3pm





Safety First

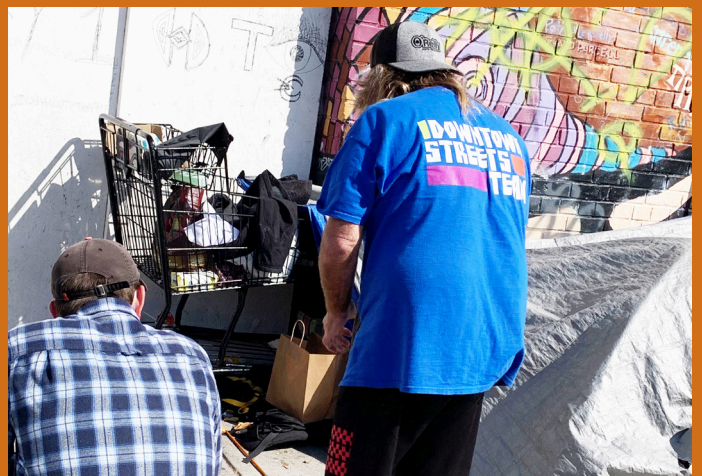
Officer Cody Clements and Castro Coffee owner Ken Khoury.

However, data alone does not capture the true value of our safety patrols. The CBD/ Castro Cares Safety Patrols are intervening in negative street behavior and preventing escalation:

- *An individual was agitated and began throwing pamphlets around from a table at the Farmer's Market. **Our safety ambassador approached the individual, spoke with him, he calmed down**, was asked to leave, and he complied.*
- *Another Farmer's Market incident was de-escalated by our ambassador: a man with his elderly mother were waiting at the Farmer's Market for a vendor to open. The individual became impatient, began yelling and then got verbally abusive to the vendor. The ambassador overheard the commotion and approached the individual. The minute the aggressive individual saw the ambassador with their radio and uniform he calmed down and began to explain himself. **The ambassador was able to de-escalate the situation and the individual walked away.***
- **Ambassadors also collaborate closely with SFPD.** *In this incident the ambassador was walking by the Bank of the West and noticed a person sleeping inside the ATM locked lobby. The ambassador called the police, the police arrived and got the individual up and out.*
- *On a Saturday evening shift, Patrol Special Police received a dispatch call about an intoxicated person in Harvey Milk Plaza. **Patrol Special responded, assessed the individual was in need of medical care, and called the ambulance.** The ambulance did transport the individual to Davies Hospital.*

Homeless Support Services

To address the needs of those unhoused on the street, the Castro CBD Castro Cares program contracts with the Downtown Streets Team to fund a team of unhoused or previously unhoused individuals that cleans and beautifies the district Monday - Friday and receives case management and job readiness training. In addition to the beautification work, they conduct street outreach and more recently they've had a team of nursing students out with the outreach workers. Nursing students assess people on the street for medical issues and make referrals to services. Through the case management services our Downtown Streets Team members are making progress on their path towards recovery. One individual has decided to go back to school and has enrolled at CCSF and another has found permanent supportive housing!



Supporting the Whole Community

Members of the CBD Castro Cares Program Supporting the unhoused.

Cleaning Through the Pandemic

A few highlights of some of the work we've accomplished this past year:



TRASH

in pounds

91,435

ILLEGAL DUMPING

311 calls

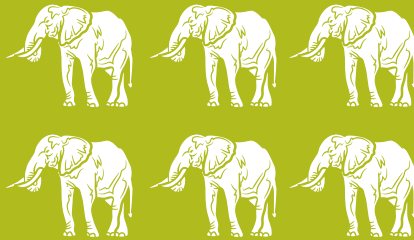
7,323

The fiscal year (July 2020 to June 2021) certainly brought a lot of challenges to all of us. Here at the Castro CBD, we tried to rise above it all, always striving to keep the Castro, Upper Church & Upper Market district clean and welcoming. As outdoor sidewalk seating, weight lifting and even retail sprung up on the sidewalk, we worked diligently to keep the sidewalks clean, discreetly sweeping the sidewalk so as not to disturb outside diners, weightlifters and shoppers.

We're excited that more and more of you are using our clean & safe dispatch number to report bad spills, or negative behavior on the sidewalk. Keep calling/texting us! 415-471-7536.



That's more than SIX elephants!



POWER WASHING

block faces

742

SCRUB REQUESTS

5,766



HUMAN WASTE

10,970

CARDBOARD

yards collected

25,676



NEEDLES COLLECTED

4,652



GRAFFITI

10,224

Assessments

The Castro CBD is partially funded through an annual assessment on the property in the district. The assessment rates for the district from July 1, 2020–December 31, 2020 can be found at:

<https://castrocbd.org/information-for-property-owners/>

The Castro CBD’s renewal began in January 2021. This renewal brought changes to the assessment fees. Beginning January 2021, the Castro CBD assessment fees changed as follows:

Assessments

Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Four property assessment variables: **linear frontage**, **parcel square footage**, **building square footage**, and **land use type** are used in the calculation.

Benefit Zones

In addition to parcel characteristics and land use types, location also plays a role in determining special benefit. Three distinct areas within the proposed boundary of the District have been identified that will experience the Improvements to differing degrees and therefore will receive different levels of special benefit.

Assessment Increases

Assessment rates may increase by up to 5% per year or by the change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward area for February, whichever is less. The determination of annual adjustments in assessments rates will be subject to the approval of the Castro CBD Owners’ Association..

	ZONE 1		
LAND USE TYPE	Rate per Front ft	Rate per Bldg sq ft	Rate per Lot sq ft
Non-Residential Property	\$30.23588	\$0.09060	\$0.15079
Residential Property (5+ Units)	\$20.15725	\$0.06040	\$0.10053
Residential Property (1-4 Units)	\$15.11794	\$0.04530	\$0.07540
Non-Profit Property	\$10.07863	\$0.03020	\$0.05026

	ZONE 2		
LAND USE TYPE	Rate per Front ft	Rate per Bldg sq ft	Rate per Lot sq ft
Non-Residential Property	\$20.15725	\$0.06040	\$0.10053
Residential Property (5+ Units)	\$13.43817	\$0.04027	\$0.06702
Residential Property (1-4 Units)	\$10.07863	\$0.03020	\$0.05026
Non-Profit Property	\$6.71908	\$0.02013	\$0.03351

	ZONE 3		
LAND USE TYPE	Rate per Front ft	Rate per Bldg sq ft	Rate per Lot sq ft
Non-Residential Property	\$13.43817	\$0.04027	\$0.06702
Residential Property (5+ Units)	\$8.95878	\$0.02685	\$0.04468
Residential Property (1-4 Units)	\$6.71908	\$0.02013	\$0.03351
Non-Profit Property	\$4.47939	\$0.01342	\$0.02234

Each assessed property is listed on the CBD website at: <http://castrocbd.org/information-for-property-owners/>

This information is provided to the Castro CBD from the S.F. Assessor’s office. It is the responsibility of property owners to ensure the information provided to the CBD is correct. To correct information, property owners must contact the S. F. Assessor’s office at 415-554-5596 or at <https://sfassessor.org/>

The Castro CBD’s Management Plan can be found on the CBD’s website at: <http://castrocbd.org/cbd-management-plan/>

Who We Are

Board of Directors

Justine Shoemaker, President
Alan Lau, Vice President
Crispin Hollings, Treasurer
Jim Laufenberg, Secretary
Daniel Bergerac, Board Member
Angel Davis, Board Member
Michael 'Misha' Langley, Board Member
Helen McClure, Board Member
Desmond Morgan, Board Member
Pat Sahagun, Board Member

Staff

Andrea Aiello, Executive Director
Anh Han, Accountant
Josh Decolongon, Social Media Coordinator

Castro Cares Leadership Team

Castro Community Benefit District
Castro Community On Patrol
Castro Merchants
Duboce Triangle Neighborhood Association
Eureka Valley Neighborhood Association
Hartford Street Neighbors
Most Holy Redeemer Catholic Church
St. Francis Lutheran Church

All Castro CBD meetings are open to the public.

*Meeting times and location are listed on the CBD's website at:
<http://castrocdb.org/upcoming-meetings/>*



Financials

Statement of Activities

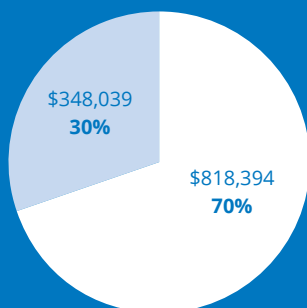
(Year Ended June 30, 2021)

SUPPORT & REVENUES	
Assessment Revenue	\$ 818,394
Government Grants	\$ 296,248
Contributions	\$ 11,709
Forgiveness PPP Loan	\$ 37,497
Affiliate member dues	\$ 2,558
Interest Income	\$ 27
TOTAL SUPPORT & REVENUES	\$ 1,166,433
EXPENSES	
Program Services	\$ 1,005,458
General & Administrative	\$ 115,283
TOTAL EXPENSES	\$ 1,120,741
NET ASSETS	
CHANGE IN NET ASSETS	\$ 45,692
NET ASSETS, beginning of year	\$ 446,646
NET ASSETS, end of year	\$ 492,338

*Your Assessment Dollars
Multiply through the CBD's
Fundraising Efforts!*

Support & Revenues
Assessment & Other Income Sources

Assessment Non-Assessment*



*Non-Assessment income includes all other sources of income, including but not limited to: grants, contributions, etc.

July 2021–June 2022 Budget

INCOME	
Assessments	\$ 818,600
Grant - Castro Cares Grant	\$ 215,000
Grant - Castro Cares Public Safety Ambassador	\$ 195,000
Grant - Castro Cares Shared Spaces	\$ 33,245
Grant - Jane Warner Plaza	\$ 100,000
Retail Strategy	\$ 53,880
Donations - Castro Cares	\$ 10,875
TOTAL INCOME	\$ 1,426,600

EXPENSES	
ASSESSMENTS	
Cleaning Services	\$ 590,000
Landscaping	\$ 2,500
Marketing	\$ 9,000
Administration and Contingency	\$ 210,533
Total Assessments	\$ 812,033

GRANTS	
Grant - Castro Cares	\$ 215,000
Grant - Castro Cares Public Safety Ambassador	\$ 195,000
Grant - Castro Cares Shared Spaces	\$ 33,245
Grant - Jane Warner Plaza	\$ 100,000
Retail Strategy	\$ 53,880
Total Grants	\$ 597,125

DONATIONS, SPONSORSHIPS & OTHER	
Donations - Castro Cares	\$ 14,765
Donations - Retail Strategy Donations	\$ 11,618
Total Donations, Sponsorships & Other	\$ 26,383

TOTAL EXPENSE	\$ 1,435,541
REVENUE OVER EXPENSES	\$ (8,941)

FUTURE YEAR CARRY OVER	
Assessments	\$ 404,059
Grant - Castro Cares	\$ 107,500
Grant - Castro Cares Public Safety Ambassador	\$ 97,500
Grant - Castro Cares Shared Spaces	\$ 16,623
Grant - Jane Warner Plaza	\$ 50,000
Donations, Sponsorships & Other	\$ 22,992
FUTURE YEAR CARRYOVER	\$ 698,674

Cheering loud and flying high The squad from San Francisco Cheer amaze and energize the community with their gravity-defying acts at the 2021 Castro Street Fair.







Castro Community Benefit District

693 14th St., San Francisco CA 94114 • 415-500-1181

facebook.com/castrocbd
@inthecastro
email: **info@castrocbd.org**



**CASTRO/UPPER MARKET COMMUNITY
BENEFIT DISTRICT, INC.**

(A California Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2021



**CASTRO/UPPER MARKET COMMUNITY
BENEFIT DISTRICT, INC.**

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JUNE 30, 2021**

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Statement of functional expenses	5
Statement of cash flow	6
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Independent Accountants' Review Report

Board of Directors
Castro/Upper Market Community Benefit District, Inc.

We have reviewed the accompanying financial statements of Castro/Upper Market Community Benefit District, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses 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 these 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 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 accordance with accounting principles generally accepted in the United States of America.

RINA Accountancy LLP

Certified Public Accountants

San Francisco, California
October 19, 2021

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

STATEMENT OF FINANCIAL POSITION - JUNE 30, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	215,144
Assessments receivable		4,901
Grants receivable		281,542
Prepaid expenses		10,163

TOTAL CURRENT ASSETS 511,750

OTHER:

Security deposits		3,185
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TOTAL ASSETS \$ 514,935

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$	7,863
Accrued expenses		5,788
Deferred rent		8,946

TOTAL LIABILITIES (ALL CURRENT) 22,597

NET ASSETS:

Net assets without donor restrictions		124,951
Net assets with donor restrictions		367,387

TOTAL NET ASSETS 492,338

TOTAL LIABILITIES AND NET ASSETS \$ 514,935

See accompanying independent accountants' review report and notes to financial statements.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES:			
Assessment revenue	\$ 214,394	\$ 604,000	\$ 818,394
Government grants	-	296,248	296,248
Contributions	400	11,309	11,709
Forgiveness of Paycheck Protection Program loan	37,497	-	37,497
Affiliate member dues	2,558	-	2,558
Interest income	27	-	27
Net assets released from restrictions	869,406	(869,406)	-
 TOTAL SUPPORT AND REVENUES	 <u>1,124,282</u>	 <u>42,151</u>	 <u>1,166,433</u>
EXPENSES:			
Program services	1,005,458	-	1,005,458
General and administrative	115,283	-	115,283
 TOTAL EXPENSES	 <u>1,120,741</u>	 <u>-</u>	 <u>1,120,741</u>
 CHANGE IN NET ASSETS	 3,541	 42,151	 45,692
 NET ASSETS, beginning of year	 <u>121,410</u>	 <u>325,236</u>	 <u>446,646</u>
 NET ASSETS, end of year	 <u>\$ 124,951</u>	 <u>\$ 367,387</u>	 <u>\$ 492,338</u>

See accompanying independent accountants' review report and notes to financial statements.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services						Total
	District Identity & Streetscape Improvement	Public Right of Way	Cleaning Services	Landscaping	Marketing	General and Administrative	
Sidewalk cleaning	\$ 40,353	\$ 344,683	\$ 292,169	\$ -	\$ -	\$ -	\$ 677,205
Salaries and wages	43,901	45,787	-	-	-	73,095	162,783
Public safety	-	99,387	-	-	-	-	99,387
Professional services	21,532	32,442	-	-	-	4,351	58,325
Rent expense	10,157	11,985	-	-	-	17,328	39,470
Social services	-	30,056	-	-	-	-	30,056
Operation expenses	6,145	6,676	-	-	-	12,048	24,869
Payroll taxes and workers' compensation	3,799	2,631	-	-	-	6,589	13,019
Accounting fees	3,500	3,500	-	-	-	1,750	8,750
Marketing and advertising	829	237	-	-	2,963	-	4,029
Streetscape improvements	1,037	-	-	1,689	-	-	2,726
Travel and meetings	-	-	-	-	-	122	122
TOTAL FUNCTIONAL EXPENSES	\$ 131,253	\$ 577,384	\$ 292,169	\$ 1,689	\$ 2,963	\$ 115,283	\$ 1,120,741

See accompanying independent accountants' review report and notes to financial statements.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 45,692
Adjustment to reconcile increase in net assets to net cash used by operating activities:	
Forgiveness of Paycheck Protection Program Loan (Non-cash)	(37,497)
Changes in operating assets and liabilities:	
Accounts receivable	3,944
Grants receivable	(225,773)
Prepaid expenses	(5,989)
Accounts payable	(50,017)
Accrued expenses and other payable	<u>(4,201)</u>
NET CASH USED BY OPERATING ACTIVITIES	(273,841)
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
NET DECREASE IN CASH	(273,841)
CASH AND CASH EQUIVALENTS, beginning of year	<u>488,985</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 215,144</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Non-cash items:	
Forgiveness of Paycheck Protection Program Loan	\$ 37,497

See accompanying independent accountants' review report and notes to financial statements.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2021

Note 1. NATURE OF ACTIVITIES:

Organization:

The Castro/Upper Market Community Benefit District, Inc. ('Organization') was incorporated in California on December 7, 2005 as a non-profit public benefit corporation. Its mission is to provide services that improve the quality of life in the neighborhood emphasizing clean, safe, beautiful streets. It also promotes the area's economic vitality, fosters the Castro's unique district identity, and honors its diverse history. All property owners whose parcels of land fall within the Organization's geographic area fund the Organization through a special assessment fee, as established after a majority of property owners voted in favor of establishment of the Organization, for a 15- year life. Legislation in favor of creating the Organization was adopted by the Board of Supervisors on August 2, 2005 and signed on August 8, 2005 by the Mayor of the City and County of San Francisco (the City).

Upon formation of the district in 2005, its members (property owners) were assessed an annual special tax assessment levied by the City under the Property and Business Improvement District Law of 1994. Under a contract with the City and a Management Plan, the Organization receives these special tax assessments and, in exchange, provides certain services to the members of the District. The services include, but are not limited to, supplemental regular cleaning of the sidewalks and curb gutters (sweeping/steam cleaning), graffiti removal, security, marketing, greening and landscaping services, public space management, sponsorship of special events and other district promotional activities, and management and corporate operations. The term of the District expired on December 31, 2021.

To continue services past December 31, 2020, the Organization had to be "renewed" by a vote of the property owners, the board of supervisors and the Mayor. On July 14, 2020, the property owners approved the renewal and expansion of the Organization with a 72% approval of the weighted assessments for another 15 years, until December 31, 2035. The renewal included an increase of 53% in the assessments collected and an expansion of the boundaries, including assessments on parcels above the ground floor. The renewed Organization's formal name is Castro Community Benefit District. Services funded through assessment dollars are provided in the public realm and include a full array of cleaning services (sweeping sidewalks and curb line, steam cleaning sidewalks, graffiti abatement on public and private property, hazardous waste removal in the footprint); limited landscaping and limited marketing services.

The Castro is known across the globe as a center of the LGBT community. The international LGBT community looks to the Castro for inspiration and leadership. In a time when gayborhoods are disappearing across the country and globe, the Castro stands as a beacon. However, the continued growth of the Castro's LGBT identity is critical to its future as a cultural hub and economically vital community. To help ensure the Castro continues to not only keep, but grow and enhance its LGBT relevance and importance, the Castro/Upper Market Community Benefit District has funded improvements in the public realm that enhance the districts' LGBT identity. The District has funded rainbow striped cross walks at a critical intersection in the Castro, rainbow LED lights on Castro St., a public art project based in the ideas of LGBT people finding a home in the Castro and also a history walk.

Note 2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (GAAP).

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2021

Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued):

Financial statement presentation:

Professional accounting standards require that the Organization report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. A description of the net asset categories follows:

Net assets without donor restrictions:

The portion of net assets that is not restricted by donor-imposed stipulations or restrictions.

Net assets with donor restrictions:

Net assets for which use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization, and net assets held in perpetuity by donor-imposed stipulations. Investment income is available for donor stipulated purposes. Net assets with donor restrictions are reclassified to without donor restrictions upon satisfaction of the time or purpose restrictions.

Cash and cash equivalents:

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Receivables:

Accounts receivable primarily consists of grants from the City and County of San Francisco that have been awarded but for which funds have not yet been received. The Organization provides an allowance for doubtful accounts that is based on prior year bad debt experience. No allowance was deemed necessary at June 30, 2021. It is the Organization's policy to charge off uncollectible accounts receivables when management determines the receivable will not be collected.

Property and equipment:

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment, ranging from 3 – 7 years.

Revenue recognition:

Contracts with Customers:

The Organization adopted Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC Topic 606") on July 1, 2019 using the modified retrospective method. The Organization's operating results for reporting periods beginning after July 1, 2019 are presented under ASC Topic 606, while prior period amounts continue to be reported in accordance with historic accounting under Topic 605. The timing and measurement of revenues under ASC Topic 606 is similar to that recognized under previous guidance, accordingly, the adoption of ASC Topic 606 did not have a material impact on the statement of financial position, statement of activities, cash flows, or presentation thereof at adoption or in the current period. There were no changes in the opening net assets balance as a result of the adoption of ASC Topic 606.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2021

Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue recognition (continued):

Revenues are derived from rendering of services to certain affiliate members and are generally recognized when the Organization performs the services. For the year ended June 30, 2021, revenues from affiliate member dues totaled \$2,558.

Contributions:

On June 21, 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Update is effective to annual periods beginning after June 15, 2018 for resource recipients. The Organization has implemented ASU 2018-08 and has adjusted the presentation in these financial statements accordingly.

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in net assets, depending on the nature of the contribution with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Assessment revenue is collected by the City of San Francisco and awarded to the Organization. It is treated as contribution revenue subject to the restrictions set forth in the agreement between the City and the Organization governing the administration of the assessment district.

Government contracts:

Government contract revenue is recognized in accordance with the terms of the contract which is generally when the related expenditures are incurred.

Donated services and materials:

Donated services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated property is recognized as contribution in the accompanying financial statements at its estimated fair market value at date of gift.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2021

Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued):

Income tax status:

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for such taxes in the accompanying combined financial statements.

Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to the provisions of pertinent grants and a percentage allocation based on time spent on programs and supporting services.

Date of management's review:

Management has evaluated subsequent events through October 19, 2021 the date which the financial statements were available for issue. Management has concluded that there were no other subsequent events required to be disclosed or recognized in the financial statements. The COVID-19 pandemic has impacted the area served by the district. However, it is not possible to assess the duration and financial impact at this time.

Note 3. NATURE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 4. CONCENTRATIONS OF CREDIT RISK:

The Organization maintains its cash and money market account balances at financial institutions located in San Francisco, California. Such balances with any one institution may, at times, be in excess of federally insured amounts. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Note 5. LIQUIDITY AND AVAILABILITY OF RESOURCES:

Financial assets available for general expenditure without donor restrictions limiting their use within one year of the balance sheet date comprise the following:

Cash and cash equivalents	\$	215,144
Grants receivable		281,542
Assessments receivable		4,901
Less donor-imposed restricted amount		<u>(367,387)</u>
Total	\$	<u>134,200</u>

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2021

Note 6. CONCENTRATION OF SUPPORT AND REVENUE:

The Organization received special benefit assessments under a contract with the City and County of San Francisco, which represents approximately 70% of the Organization's total revenue.

Note 7. SIMPLE IRA RETIREMENT PLAN:

The Organization has a Simple IRA Retirement Plan which covers all eligible employees. Employees may contribute up to the IRS annual limit. Employee contributions are withheld through payroll and remitted to the respective financial investment institution. Pursuant to the Plan, the Organization matches employee contributions up to 3% of annual compensation. Contributions of \$4,721 were made by the Organization in the year ending June 30, 2021.

Note 8. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions comprise the following for the year ended June 30, 2021:

Board designated	<u>\$ 124,951</u>
Total	<u>\$ 124,951</u>

The Board has designated the amount set forth above for public right of way, district identity and streetscape improvements and for general and administrative expenses.

Note 9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions and related activity comprise the following for the year ended June 30, 2021:

	July 1, 2020	Contributions and Income	Released from Restrictions	June 30, 2021
Assessments - public right of way	\$ 88,815	\$ -	\$ 88,815	\$ -
Assessments - district identity and streetscape improvements	62,188	-	62,188	-
Assessments - general and administration	63,027	-	63,027	-
Assessments - Cleaning Services	-	590,000	292,169	297,831
Assessments - Landscaping	-	5,000	1,689	3,311
Assessments - Marketing	-	9,000	2,963	6,037
General donations	3,845	2,016	1,875	3,986
Castro Care donations	50,317	9,293	27,756	31,854
Retail strategy donations	11,618	-	-	11,618
Annual Event Sponsorship	18,250	-	18,250	-
SF Arts Commission	12,750	-	-	12,750
OEWD - Castro Care grant	14,426	215,661	230,087	-
OEWD - JWP grant	-	45,664	45,664	-
OEWD - Retail Strategy	-	34,923	34,923	-
	<u>\$ 325,236</u>	<u>\$ 911,557</u>	<u>\$ 869,406</u>	<u>\$ 367,387</u>

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 2021

Note 10. FORGIVENESS OF PAYCHECK PROTECTION PROGRAM LOAN:

The Organization entered into a Paycheck Protection Program Promissory Note with Wells Fargo Bank on May 3, 2020 in the principal amount of \$37,497. On April 29, 2021, the full amount of the loan was forgiven by the Small Business Administration and is reflected as debt forgiveness in the Statement of Activities.

Note 11. OPERATING LEASE:

The Organization conducts its operation from a facility that is leased under a five-year non-cancelable operating lease that began on June 1, 2019 and may be renewed on May 31, 2024. Future minimum rental payments due under the lease are as follows:

Year Ending June 30,	
2022	\$ 41,144
2023	41,966
2024	<u>39,173</u>
	<u>\$ 122,283</u>

Rental expense was \$39,470 for the year ended June 30, 2021.

Castro/Upper Market Community Benefit District, Inc.
Statement of Financial Position

	06/30/20	06/30/21
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 488,985	\$ 215,143
Accounts receivable		
Assessments	3,154	4,777
Grants	55,769	281,542
Other	5,691	124
Total Accounts Receivable	\$ 64,614	\$ 286,443
Total Current Assets	\$ 553,599	\$ 501,586
Other Current Assets		
Prepaid expenses	4,174	10,163
Security deposits	3,185	3,185
Total Other Current Assets	\$ 7,359	\$ 13,348
TOTAL ASSETS	\$ 560,958	\$ 514,934
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 57,880	\$ 7,863
Accrued expenses and other payable	8,385	5,788
Deferred Rent	10,550	8,946
Total Current Liabilities	\$ 76,815	\$ 22,596
Long-Term Liabilities		
Note payable	37,497	-
Total Long-Term Liabilities	\$ 37,497	\$ -
Total Liabilities	\$ 114,312	\$ 22,596
Net Assets		
Without donor restrictions	\$ 121,410	\$ 124,550
With donor restrictions	325,236	367,788
Total Net Assets	\$ 446,646	\$ 492,338
TOTAL LIABILITIES AND NET ASSETS	\$ 560,958	\$ 514,934

Castro/Upper Market Community Benefit District, Inc.
Statement of Activities
Fiscal Year 2020-2021
as of June 30, 2021

Guide: 100%

	Q1 (7/1/20 - 9/30/20)	Q2 (10/1/20 - 12/31/20)	Q3 (1/1/21 - 3/31/21)	Q4 (4/1/21 - 6/30/21)	YTD Actual	Jul-Dec 2020 Budget	Jan-Jun 2021 Budget	Total Budget	Actual vs. Budget	% of Budget
INCOME										
<i>ASSESSMENTS & AFFILIATE MEMBERSHIPS</i>										
Assessments	\$ -	\$ -	\$ 483,661	\$ 334,734	\$ 818,394	\$ -	\$ 818,596	\$ 818,596	\$ (202)	100%
Affiliate Memberships	2,558	-	-	-	2,558	5,860	-	5,860	(3,302)	44%
Total Assessments & Affiliate Memberships	\$ 2,558	\$ -	\$ 483,661	\$ 334,734	\$ 820,952	\$ 5,860	\$ 818,596	\$ 824,456	\$ (3,504)	100%
<i>GRANTS</i>										
Castro Cares Grant	\$ -	\$ -	\$ 95,774	\$ 119,887	\$ 215,661	\$ -	\$ 443,245	\$ 443,245	\$ (227,584)	49%
Jane Warner Plaza Grant	-	-	2,365	43,299	45,664	-	100,000	100,000	(54,336)	46%
Retail Strategy Grant	10,400	10,557	2,344	11,622	34,923	-	-	-	34,923	100%
SF Arts Commission Grant	-	-	-	-	-	-	-	-	-	0%
Total Grants	\$ 10,400	\$ 10,557	\$ 100,483	\$ 174,808	\$ 296,248	\$ -	\$ 543,245	\$ 543,245	\$ (246,997)	100%
<i>DONATIONS, SPONSORSHIPS & OTHER</i>										
Donations - Castro Cares	\$ 2,501	\$ 2,149	\$ 2,409	\$ 2,634	\$ 9,693	\$ -	\$ 7,300	\$ 7,300	\$ 2,393	133%
Donations - General	560	813	509	133	2,016	-	-	-	2,016	100%
Donations - Retail Strategy	-	-	-	-	-	-	-	-	-	0%
Sponsorship	-	-	-	-	-	-	-	-	-	0%
In-Kind Donations	-	-	-	-	-	-	-	-	-	0%
Other (Interest)	8	4	6	10	27	-	-	-	27	100%
Total Donations, Sponsorships & Other	\$ 3,068	\$ 2,966	\$ 2,925	\$ 2,777	\$ 11,736	\$ -	\$ 7,300	\$ 7,300	\$ 4,436	161%
TOTAL INCOME	\$ 16,026	\$ 13,523	\$ 587,069	\$ 512,318	\$ 1,128,937	\$ 5,860	\$ 1,369,141	\$ 1,375,001	\$ (246,064)	82%
EXPENSE										
<i>ASSESSMENTS & AFFILIATE MEMBERSHIPS (Per Management Plan ended 12/31/2020)</i>										
Public Right of Way	\$ 140,915	\$ 156,550	\$ -	\$ (14,999)	\$ 282,466	\$ 289,141	\$ -	\$ 289,141	\$ (6,675)	98%
District Identity & Streetscape Improvement	26,580	27,164	-	(14,999)	38,745	62,188	-	62,188	(23,443)	62%
Administrative	11,601	9,152	-	(10,349)	10,404	24,125	-	24,125	(13,721)	43%
Affiliate Memberships	1,990	3,418	-	(1,583)	3,825	5,860	-	5,860	(2,035)	65%
Total Assessments & Affiliate Memberships	\$ 181,085	\$ 196,285	\$ -	\$ (41,930)	\$ 335,440	\$ 381,314	\$ -	\$ 381,314	\$ (45,874)	88%
<i>ASSESSMENTS (Per Renewal Management Plan started 1/1/2021)</i>										
Cleaning Services	\$ -	\$ -	\$ 147,500	\$ 144,669	\$ 292,169	\$ -	\$ 295,000	\$ 295,000	\$ (2,831)	99%
Landscaping	-	-	1,655	34	1,689	-	2,500	2,500	(811)	68%
Marketing	-	-	2,811	152	2,963	-	4,500	4,500	(1,537)	66%
Administration and Contingency	-	-	54,791	42,589	97,380	-	115,510	115,510	(18,130)	84%
Total Assessments	\$ -	\$ -	\$ 206,757	\$ 187,444	\$ 394,201	\$ -	\$ 417,510	\$ 417,510	\$ (23,309)	94%

Castro/Upper Market Community Benefit District, Inc.
Statement of Activities
Fiscal Year 2020-2021
as of June 30, 2021

Guide: 100%

	Q1 (7/1/20 - 9/30/20)	Q2 (10/1/20 - 12/31/20)	Q3 (1/1/21 - 3/31/21)	Q4 (4/1/21 - 6/30/21)	YTD Actual	Jul-Dec 2020 Budget	Jan-Jun 2021 Budget	Total Budget	Actual vs. Budget	% of Budget
GRANTS										
Castro Cares Grant	\$ 14,435	\$ -	\$ 95,774	\$ 119,877	\$ 230,087	\$ 14,435	\$ 221,623	\$ 236,058	\$ (5,971)	97%
Jane Warner Plaza Grant	-	-	2,365	43,299	45,664	-	50,000	50,000	(4,336)	91%
Retail Strategy Grant	5,448	10,557	2,344	11,622	29,971	79,221	-	79,221	(49,250)	38%
SF Arts Commission Grant	-	-	-	-	-	12,750	-	12,750	(12,750)	0%
Total Grants	\$ 19,883	\$ 10,557	\$ 100,483	\$ 174,799	\$ 305,722	\$ 106,406	\$ 271,623	\$ 378,029	\$ (72,307)	81%
DONATIONS, SPONSORSHIPS & OTHER										
Donations - Castro Cares	\$ 9,824	\$ 17,803	\$ 71	\$ 58	\$ 27,756	\$ 32,455	\$ 1,300	\$ 33,755	\$ (5,999)	82%
Donations - Retail Strategy	-	-	-	-	-	11,618	-	11,618	(11,618)	0%
Donations - General	1,865	-	10	-	1,875	3,700	-	3,700	(1,825)	51%
Sponsorship	9,125	9,125	-	-	18,250	18,250	-	18,250	-	100%
In-Kind Donations	-	-	-	-	-	-	-	-	-	0%
Total Donations, Sponsorships & Other	\$ 20,814	\$ 26,928	\$ 81	\$ 58	\$ 47,881	\$ 66,023	\$ 1,300	\$ 67,323	\$ (19,442)	71%
TOTAL EXPENSE	\$ 221,782	\$ 233,770	\$ 307,321	\$ 320,371	\$ 1,083,245	\$ 553,743	\$ 690,433	\$ 1,244,176	\$ (160,932)	87%
OTHER INCOME & EXPENSES										
Other Income										
PPP Loan Forgiveness - INCOME	\$ -	\$ -	\$ -	\$ 37,497	\$ 37,497	\$ -	\$ -	\$ -	\$ 37,497	100%
Other Expenses										
PPP Loan Expenditure - Wages	-	-	-	\$ 37,497	\$ 37,497	-	-	-	\$ 37,497	100%
NET - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
REVENUE OVER EXPENSES	\$ (205,756)	\$ (220,247)	\$ 279,748	\$ 191,948	\$ 45,692	\$ (547,883)	\$ 678,708	\$ 130,825	\$ (85,133)	35%

MEMORANDUM

TO: Supervisor Rafael Mandelman, District 8 Supervisor

CC: San Francisco Board of Supervisors
Chris Corgas; Program Director, OEWD

FROM: Mimi Hiraki, Project Specialist, OEWD

DATE: July 7, 2022

SUBJECT: Castro Community Benefit District; FY 2020-2021 Annual Report

This is a memo summarizing the accomplishments of the Castro Community Benefit District (Castro CBD), formerly known as the Castro CBD and an analysis of its financial statements (based on their audit) for the period between July 1, 2020, and June 30, 2021.

Each year, the CBD is required to submit a mid-year report, an annual report and a CPA financial review or audit. Castro CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, 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 Castro CBD's management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2020-2021
2. CPA Financial Review Reports
 - a. FY 2020-2021
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Castro/Upper Market Community Benefit District spans 18 blocks and contains 279 parcels.

- August 2, 2005: the Board of Supervisors approved the establishment of the Castro/Upper Market Community Benefit District (Resolution # 582-05).
- January 10, 2006: the Board approved the contract for the administration and management of the Castro/Upper Market Community Benefit District (Resolution # 14-06).
- April 10, 2018: the Board of Supervisors approved the Castro/Upper Market CBD’s Annual Report for Fiscal Year 2016-2017 (Resolution # 097-18).
- July 9, 2019: the Board of Supervisors approved the Castro/Upper Market CBD’s Annual Report for FY 2017-2018 (Resolution # 307-19).
- May 19, 2020: the Board of Supervisors approved the renewal and expansion of the Castro/Upper Market Community Benefit District (Resolution #215-20).
- September 29, 2020: the Board of Supervisors approved the Castro/Upper Market CBD’s Annual Report for FY 2018-2019 (Resolution #436-20).
- January 25, 2022: the Board of Supervisors approved the Castro/Upper Market CBD’s Annual Report for FY2019-2020 (Resolution #21-22).

Basic Information about the Castro Community Benefit District:

Year Established	August 2005
Year Renewed	July 2020
Assessment Collection Period	FY 2005-2006 to FY 2019-2020 (July 1, 2005 to June 30, 2020) FY 2020-2021 to FY 2034-2035 (July 1, 2020 to June 30, 2035)
Services Start and End Date	January 1, 2006 – December 31, 2020 January 1, 2020 – December 31, 2035
Initial Estimated Annual Budget	\$413,500 (Original term)
Initial Estimated Annual Budget	\$866,275 (Renewed term)
FY 20-21 Assessment Submission	\$818,991.62
Fiscal Year	July 1 – June 30
Executive Director	Andrea Aiello
Name of Nonprofit Entity	Castro/Upper Market Community Benefit District Corporation

The current CBD website, www.castrocbd.org, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

Summary of Program Areas

Service Area Categories for July 1, 2020, to December 31, 2020



Castro/Upper Market Community Benefit District renewed and expanded during this review period. For the first half of the fiscal year (July 1, 2020 to December 31, 2020), the CBD operated under the previous Management Plan’s framework which detailed the following service areas:

Public Rights of Way and Sidewalk Operations (PROWSO)

Public Rights of Way and Sidewalk Operations program area includes cleaning and public realm management services include regular sidewalk and gutter sweeping within the district boundaries, enhanced trash emptying in public rights of way, graffiti removal within 24-48 hours, spot steam cleaning as necessary, and maintenance of public spaces. These services are provided daily by a “Clean Team.” This program area augments its pedestrian safety initiatives with a Patrol Special officer who patrols the neighborhood seven nights a week. PROWSO may also include removal of bulky items, tree and plant maintenance, greening, landscaping and beautification of public spaces, The Castro/Upper Market CBD Management Plan calls for 63% of the budget to be spent on PROWSO.

District Identity and Street Improvements (DISI)

The District Identity and Street Improvements service includes marketing, public relations, street enhancements, historical markers and public art, and economic vitality related strategies in the Castro/Upper Market area. This program area may also sponsor events such as Halloween, Castro Street Fair, Pink Saturday, Bear Weekend, and Folsom Street Fair. The Castro/Upper Market CBD Management Plan allocates 12% of their funds to this service area.

Administration and Corporate Operations

The Castro/Upper Market CBD is staffed by a full-time executive director who serves as the focal point person and advocate for the CBD. The executive director also ensures that the CBD complies with the City contract and management plan as well as works towards organizational development issues including long term goals of the CBD. The executive director is in regular communication with community stakeholders such as the SFPD, Public Works and Recology. The Castro/Upper Market CBD Management Plan calls for 16% of the budget to be spent on administration and corporate operations.

In FY 2020-2021 the Castro CBD board had ten (10) directors, represented by residents, property owners, community organizations, and non-property-owning merchants. The full board meets on the second Thursday of each month. The five standing committees and meeting times are detailed below:

- Executive Committee – First Tuesday of the month
- Finance Committee – Quarterly.
- Land Use Committee – As needed, but if needed second Thursday of the month.
- District Identity & Streetscape Committee – First Wednesday of the month.
- Services Committee – as needed, but when needed, fourth Thursday of the month.
- Castro Cares Leadership Team – Fourth Wednesday of the month.
- Castro Leadership Group – Third Tuesday of the month.
- Retail Strategy Committee – Second Thursday of the month.

Service Area Categories for January 1, 2021 to June 30, 2021



The second half of the fiscal year (January 1, 2021-June 30, 2021), the CBD transitioned to an updated framework. The new service areas are similar to the previous service areas as described below:

Cleaning Services

Cleaning Services include sidewalk sweeping, power washing and graffiti removal will be provided along the frontages of the property within the district. Other cleaning services that may be provided are enhanced trash emptying in the public right-of-way and special events cleaning and maintenance service.

Landscaping

Landscaping maintenance will be done as needed and as approved by the Board of Directors within public plazas. As funding allows, new plantings, and sidewalk planters might be considered.

Marketing

Marketing and communication services include, but is not limited to, data collection, Castro CBD stakeholder and neighborhood outreach, website and social media, service presentations, general benefit fundraising, branding, media relations, and destination marketing.

Administration and Contingency

Administration activities include daily oversight and operation of the district, ensuring adherence to the Management District Plan, compliance with audit/reporting requirements, fundraising, building and managing relationships with the neighborhood association/groups, city agencies/departments and elected officials. This category also includes a contingency reserve that may be used to cover unforeseen future expenses and help smooth out cash flows, which are affected by the timing of property owner payments. This category can also support renewal expenses.

Summary of Accomplishments, Challenges, and Delivery of Services

The following activities are reported by the CBD at the annual level. Based off the descriptions of the service categories areas in each of the management plans, some of the service areas are grouped by similarity. Public Rights of Way and Sidewalk Operations is grouped with Cleaning Services and Landscaping as both service areas largely focused on cleaning services such as sidewalk sweeping, graffiti removal, enhanced trash emptying and landscaping maintenance. District Identity and Street Improvements is grouped with Marketing as both service areas focus services including marketing, public relations and destination marketing. Administration and Corporate Operations is grouped with Administration and Contingency as both service areas largely focused on providing oversight and coordination of District and contractor-provided services, administrative tasks such as annual assessment roll preparation, addressing property owners' questions and concerns and ensuring adherence to the Management District Plan.

FY 2020-2021

Public Rights of Way and Sidewalk Operations (PROWSO) / Cleaning Services / Landscaping



- Collected 91,435 lbs. of trash
- Collected 25,676 cardboard yards
- Removed 10,970 instance of human/animal feces
- Received 5,766 scrub requests
- Power washed 742 blocks
- Properly disposed of 4,652 discarded needles
- Removed 10,224 instances of graffiti or handbills, a 48% increase from FY1920

Public Safety Data:

The Castro CBD collaborates with the Castro neighborhood merchants in funding a Patrol Special Officer to be on call and patrolling the district 7 nights a week. This collaboration funds a Patrol Special Officer Tuesday – Saturday from 7 a.m. to 3 p.m. The Patrol Special gave 1,559 warnings and had other interactions over the past year. Please see website for monthly and comprehensive breakdowns. Top interactions include the following:

- 581 obstructing sidewalks
- 237 citizen and merchant interactions
- 223 homeless engagement
- 138 loitering near ATM
- 82 trespassing
- 72 aggressive panhandling
- 54 shoplifting

The Castro CBD also has a Public Safety Ambassadors program where unarmed safety patrols walk the district Tuesday-Saturday from 7a.m. to 3pm. To observe, report and to intervene when appropriate. Top interactions include 333 citizen and merchant interactions and 227 engagement with unhoused individuals.

District Identity and Street Improvements (DISI) / Marketing

No events were held in 2020 due to the Shelter in Place as a result of the Covid-19 pandemic.

Administration and Corporate Operations

- Successfully guided the Castro CBD through renewal and expansion process. The CBD was approved by property owners in July 2020.
- Continued to administer Castro Cares, Jane Warner Plaza, and other grants
- Close monitoring of the Block By Block contract and their employees related to SIP.
- Website and social media updates.
- Represent the CBD in the media.
- Respond to communication from property owners, merchants, and residents regarding issues directly or indirectly related to the services provided by the CBD. With the onset of the corona virus, communication was particularly related to the Shelter In Place, business closures and city policies as they changed to respond to COVID.
- Maintain a close working relationship with the SFPD’s Mission Station, SF Public Works, SFMTA, and Recology.
- Ensured compliance with state and City CBD requirements; as well as Management Agreement with the City.



Castro/Upper Market CBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for the Castro/Upper Market CBD:

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the “Castro Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether five point forty-one percent (5.41%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B) (6); Agreement for the Administration of the “Castro 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 “Castro/Upper Market Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether the Castro 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 (*CA Streets & Highways Code, Section 36650(B)(5)*).

FY 2020-2021 Budget Analysis

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

ANALYSIS: The Castro CBD did not meet this requirement. See tables below.

July 2020-December 2020

Service Category/ Budget Line	Management Plan Budget – Asst. (Percentage)	Management Plan Budget – Total (Percentage)	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Public Right of Way	\$246,572.48 (63.04%)	\$260,675.00 (63.04%)	\$289,141.00 (77.01%)	\$343,546.00 (62.70%)	+13.97%	-0.34%
District Identity and Streetscape Improvement	\$47,767.95 (12.21%)	\$50,500.00 (12.21%)	\$62,188.00 (16.56%)	\$159,246.00 (29.07%)	+4.35%	+16.86%
Administrative	\$61,483.50 (15.72%)	\$65,000.00 (15.72%)	\$24,125.00 (6.43%)	\$45,091.00 (8.23%)	-9.29%	-7.49%
Contingency	\$35,305.72 (9.03%)	\$37,325.00 (9.03%)	\$0.00 (0.00%)	\$5,860.00 (1.07%)	-9.03%	-7.96%
TOTAL JULY-DEC. 2020	\$391,129.65 (100%)	\$413,500.00 (100%)	\$375,454.00 (100%)	\$547,883.00 (100%)		

January 2021-June 2021



Service Category/ Budget Line	Management Plan Budget – Asst. (Percentage)	Management Plan Budget – Total (Percentage)	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Cleaning & Security Services	\$550,915.81 (67.23%)	\$582,425.00 (67.23%)	\$295,000.00 (70.66%)	\$509,962.00 (77.29%)	+3.42%	+10.06%
Landscaping	\$2,364.75 (0.29%)	\$2,500.00 (0.29%)	\$2,500.00 (0.60%)	\$5,000.00 (0.76%)	+0.31%	+0.47%
Marketing	\$8,513.10 (1.04%)	\$9,000.00 (1.04%)	\$4,500.00 (1.08%)	\$29,331.00 (4.45%)	+0.04%	+3.41%
Administration and Contingency	\$257,615.27 (31.44%)	\$272,349.37 (31.44%)	\$115,510.00 (27.67%)	\$146,140.00 (22.15%)	-3.77%	-9.29%
TOTAL JAN.-JUNE 2021	\$819,408.93 (100%)	\$866,274.37 (100%)	\$417,510.00 (100%)	\$659,803.00 (100%)		

BENCHMARK 2: Whether five point forty-one percent (5.41%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Castro CBD met this requirement. Assessment revenue was \$818,394.00 or 70.16% of actuals and non-assessment revenue was \$348,039.00 or 29.84% of actuals. See table below.*

Revenue Sources	FY 2020-2021 Actuals	% of Actuals
Assessment Revenue	\$818,394.00	
Total Assessment (Special Benefit) Revenue	\$818,394.00	70.16%
Grant - Castro Cares	\$215,661.00	18.49%
Grant - Jane Warner Plaza	\$45,664.00	3.91%
Grant - Retail Strategy Grant	\$34,923.00	2.99%
Donations - Castro Cares	\$9,693.00	0.83%
Donations - General	\$2,016.00	0.17%
PPP Loan Forgiveness - Income	\$37,497.00	3.21%
Interest Income	\$27.00	0.00%
Affiliate Memberships	\$2,558.00	0.22%
Total Non-Assessment (General Benefit) Revenue	\$348,039.00	29.84%
TOTAL	\$1,166,433.00	100.00%



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

ANALYSIS: *The Castro CBD met this requirement. See Table below.*

July 2020-December 2020

Service Category/ Budget Line	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	FY2020-2021 Actuals – Asst. (Percentage)	FY2020- 2021 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Public Right of Way	\$289,141.00 (77.01%)	\$343,546.00 (62.70%)	\$282,466.00 (84.21%)	\$344,273.00 (76.32%)	+7.20%	+13.62%
District Identity and Streetscape Improvement	\$62,188.00 (16.56%)	\$159,246.00 (29.07%)	\$38,745.00 (11.55%)	\$52,310.00 (11.60%)	-5.01%	-17.47%
Administrative	\$24,125.00 (6.43%)	\$45,091.00 (8.23%)	\$10,404.00 (3.10%)	\$50,712.00 (11.24%)	-3.32%	+3.01%
Contingency	\$0.00 (0.00%)	\$5,860.00 (1.07%)	\$3,825.00 (1.14%)	\$3,825.00 (0.85%)	+1.14%	-0.22%
TOTAL JULY- DEC 2020	\$375,454.00 (100%)	\$547,883.00 (100%)	\$335,440.00 (100%)	\$451,120.00 (100%)		

January 2021- June 2021

Service Category/ Budget Line	FY2020-2021 Budget – Asst. (Percentage)	FY2020- 2021 Budget – Total (Percentage)	FY2020-2021 Actuals – Asst. (Percentage)	FY2020-2021 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Cleaning & Security Services	\$295,000.00 (70.66%)	\$509,962.00 (77.29%)	\$292,169.00 (74.12%)	\$492,463.00 (73.54%)	+3.46%	-3.75%
Landscaping	\$2,500.00 (0.60%)	\$5,000.00 (0.76%)	\$1,689.00 (0.43%)	\$1,708.00 (0.26%)	-0.17%	-0.50%
Marketing	\$4,500.00 (1.08%)	\$29,331.00 (4.45%)	\$2,963.00 (0.75%)	\$42,707.00 (6.38%)	-0.33%	+1.93%
Administration and Contingency	\$115,510.00 (27.67%)	\$146,140.00 (22.15%)	\$97,380.00 (24.70%)	\$132,744.00 (19.82%)	-2.96%	-2.33%
TOTAL JAN- JUNE 2021	\$417,510.00 (100%)	\$659,803.00 (100%)	\$394,201.00 (100%)	\$669,622.00 (100%)		

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



ANALYSIS: The Castro CBD met this requirement.

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

FY2020-2021 Carryover	Amount
Assessments	\$404,059.00
Grant - Castro Cares	\$107,500.00
Grant - Castro Cares Public Safety Ambassador	\$97,500.00
Grant - Castro Cares Shared Spaces	\$16,623.00
Grant - Jane Warner Plaza	\$50,000.00
Donations, Sponsorships & Other	\$22,992.00
Total Designated Amount for FY 2020-2021	\$698,674.00

Findings and Recommendations

FY2020-2021 was a year of transition for Castro CBD as the CBD successfully completed renewal on May 19, 2020 and began operating under a new management plan mid-year. Thus, for the first half of this reporting period, July 2020-December 2020, the CBD's benchmarks are evaluated under the previous management plan and engineer's report adopted by the Board of Supervisors on June 7, 2005 (File #050924) while the second half of this reporting period, January 2021-June 2021, is evaluated under the current management plan and engineer's report adopted by the Board of Supervisors on May 19, 2020 (File #200379).

For FY 2020-2021, the Castro CBD met 3 out of the 4 benchmarks as defined on page 6 of this memo. The Castro CBD missed benchmark 1 which compares the organization's management plan budget with the fiscal year budget by the Castro CBD's governing board at the beginning of the fiscal year. Per Section 3.9 of each CBD is allotted a ten (10) percent deviation from their management plan budget. If they do not meet this, OEWD must determine if this deviation adversely impacts the special benefits conferred on parcels within the CBD.

In this particular situation, based on assessment dollars, spent 3.97% more on their Public Right of Way and Sidewalk Operations service area than the 10% variance allowance. Per the Management Plan adopted by the Board of Supervisors on June 7, 2005, the Public Right of Way and Sidewalk Operations service category is apportioned to all by linear frontage and lot size. Additionally, the CBD raised a high amount of non-assessment dollars from a variety of sources (46.78% of the total budget per benchmark 2). Due to the combination of these factors, it is OEWD's opinion that this deviance did not adversely impact special benefits conferred on parcels within the District.



OEWD notes that this is the second year the CBD missed this benchmark in the same service category. Similar to last year, the CBD missing this benchmark was entirely avoidable by lowering the budgeted assessment dollar amount of the Public Right of Way and Sidewalk Operations service category by 3.57%. The CBD's service agreement with the City and County of San Francisco allows an additional 10% deviance from what was budgeted for the FY. In benchmark 3 the Castro CBD indicates that the variance of FY actuals from FY budget for assessment dollars is +7.20%. By being conscious of the budget variances in benchmark 1 the CBD would have been able to meet this benchmark and still spend the same amount of dollars in assessment dollar actuals in the fiscal year. It is also important to note that for the second half of the reporting period, when the CBD operated under the new Management Plan and new budget, it did meet the benchmark. OEWD is confident that the district will be able to meet this benchmark in future years.

During this review period, the CBD continuously adjusted to the continuous changes of health orders issued by the San Francisco Health Officer, including the renewed shelter-in-place health order in December 2021. The CBD's cleaning ambassadors increased response to hot spot/scrub requests by 60% compared to last year and also increased steam cleaning services.

Conclusion

The Castro/Upper Market CBD did not meet 1 of its 4 benchmarks, but OEWD determined it did not adversely impact special benefits conferred to assessed property owners. The Castro CBD continues to partner with the City and County of San Francisco to implement numerous grants, including the Castro Cares Grant and Jane Warner Plaza Grant. The Castro CBD has an active board of directors and committee members; and OEWD believes the Castro CBD will continue to successfully carryout their mission and service plans.



Community Benefit District Annual Reports

FY 2020-2021

- Tourism Improvement District
- Moscone Expansion District
- Yerba Buena
- The East Cut
- Castro/Upper Market
- Ocean Avenue
- Discover Polk
- Lower Polk

Legislative Overview

Community Benefit Districts (CBDs) / Business Improvement Districts (BIDs) are governed by:

- State law
 - “1994 Act”
- Local law
 - “Article 15”

Review Process

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of the Annual Reports and CPA Financial Reviews.
- OEWD provides the Board of Supervisors with a summary memo.

Basic Information

CBD Name	Type	Management Plan Assessment Budget	FY20-21 Assessment Roll Submission	Year(s) Formed and Renewed	Expires
Tourism Improvement District	Business-based	\$27,000,000.00	-	2008	2023
Moscone Expansion District	Business-based	\$19,332,000.00	-	2013	2045
Yerba Buena	Property-based	\$2,991,722.82	\$3,151,269.00	2008, 2015	2030
The East Cut	Property-based	\$2,474,194.00	\$4,466,696.68	2015	2030
Castro/Upper Market	Property-based	\$866,991.62	\$818,991.62	2005, 2020	2035
Ocean Avenue	Property-based	\$239,578.00	\$339,580.72	2010	2025
Discover Polk	Property-based	\$622,784.00	\$635,238.70	2018	2029
Lower Polk	Property-based	\$799,093.00	\$903,012.06	2014	2029

Benchmarks

OEWD's staff reviewed the following budget related benchmarks for each CBD/BID:

- **Benchmark 1** – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.
- **Benchmark 2** – Whether the CBD met its non-assessment revenue source requirement.
- **Benchmark 3** - Whether the variance between the budget amounts for each service category was within 10 percentage points from the fiscal actuals.
- **Benchmark 4** - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

Tourism Improvement District (TID) & Moscone Expansion District (MED) - Benchmarks

Benchmark	Question	TID: Was This Met in FY2021?	MED: Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is X < 10%?	Yes	Yes
Benchmark 2	Variance between fiscal year budget and fiscal year actuals is X < 10%	Yes	Yes
Benchmark 3	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes	Yes

Tourism Improvement District & Moscone Expanding District - Findings and Recommendations

- Both districts special assessment revenues were significantly impacted by the Covid-19 pandemic. The formula for both districts is based on a percentage of revenue generated from hotel room purchases in the City and County of San Francisco.
 - The lack of assessment revenue forced the Moscone Expansion District to tap its Debt Service and Stabilization fund. The fund was designed to be drawn upon in any year when lower than expected MED collections caused MED contributions toward debt service to be lower than the sum set forth in cash flow projections.
 - Due to the pandemic's impact on assessment revenue TID assessment fees were less than anticipated resulting in the district expending approximately \$890,000 more than what it collected in the FY. This amount was covered through the TID's Contingency/Reserve fund.
- The TID is set to expire in 2023 and the renewal and expansion process will be completed in Fall 2022.
 - The San Francisco Tourism Improvement District Management Corporation (SFTIDMC) and SF Travel followed OEWD's recommendation to begin the renewal process in FY 2019-20.
 - A Management District Plan was submitted to the City in spring 2020 but the TID and OEWD mutually agreed to pause the renewal process due to the Covid-19 pandemic and expansion proponents.
 - OEWD and project proponents resumed the renewal and expansion Management District Plan from winter 2020 through summer 2021. Project proponents have hosted and continue to host informational meetings for rate payers.
- In May 2020, SFTIDMC took out a line of credit of \$5,000,000 which was supposed to come to term in 2021. In August 2021, SFTIDMC worked with the lending agency to extend the term to December 2022 and is in process of finalizing the agreement.

Yerba Buena - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.08\%$	No
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

Yerba Buena - Findings and Recommendations

- Recommendation: The CBD should quantify the dollar value of in-kind donations and volunteer hours and include the amount in their non-assessment revenue.
- Pivoted programs and services well in response to the economic and health impacts of the pandemic. Select highlights:
 - Provided total of \$130,000 to small businesses and non-profits through Yerba Buena Community Benefit Fund
 - Adjusted focus for Community Guides to check in with neighborhood merchants and businesses during the incremental reopening of the economy as well as assist the Clean Team
 - Funded the Yerba Buena Gardens Lawn Art project to create space for safe, art filled social distancing
 - Hosted Yerba Buena Day in summer 2021 to highlight and promote the district's businesses as people started coming back to the district
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

The East Cut CBD - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue for each service category: Public Safety is $X \geq 1.4\%$, Cleaning and Maintenance is $X \geq 1.4\%$, Parks and Greenspace is $X \geq 6.79\%$, and Salesforce Park is $X \geq 20.8\%$.	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

The East Cut CBD - Findings and Recommendations

- Pandemic significantly impacted the CBD's ability to provide programming for its parks resulting in large carryover amounts
- Partnered with 13 restaurants for the East Cut Eats program where staff and volunteers delivered meals from local restaurants to residents free of charge
- Launched the East Cut Seats program to provide outdoor table and chair sets to local businesses to expand their public realm
- Administered its first merchant survey in March 2021 to build a better relationship with merchants and understand their needs
 - Recommendation: incorporate merchant survey feedback where possible as the CBD plans spending down their carryover amounts
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

Castro/Upper Market - Benchmarks

Benchmark	Question	Was this met in July – December 2020?	Was this met in January – June 2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	No	Yes
Benchmark 2	July-December 2020: Non-assessment revenue is $X \geq 5.00\%$ January-June 2021: Non-assessment revenue is $X \geq 5.41\%$	Yes	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes	Yes

Castro/Upper Market - Findings and Recommendations

- Successfully renewed on May 19, 2020 and began operating under a new management plan mid-year.
- Adjusted services to respond to the pandemic:
 - Received and responded to 60% increased hot spot/scrub requests compared to last year
- Continued to partner with the City and County of San Francisco to implement the Castro Cares Grant and Jane Warner Plaza Grant
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

Ocean Avenue - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 1.00\%$	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	No

Ocean Avenue - Findings and Recommendations (Pt 1 of 3)

- OAA did not provide carryforward amount and spenddown plan in their annual report; provided the information in supplemental documentation
 - Recommendation: Utilize the OEWD provided annual reporting template to ensure they include all required reporting fields
- Partnered with city agencies to help provide some business technical assistance and facade improvement to some of the businesses along the corridor
 - Recommendation: Perform weekly merchant walks and host weekly office hours to listen to concerns of all the district's businesses as the organization does not have a physical office to interact with stakeholders
 - Recommendation: Ensure outreach materials are culturally competent when translated into Chinese and Spanish as the corridor is comprised of a large number of monolingual business owners
- Continued to perform core cleaning services well
 - Recommendation: Collect quantifiable metrics for its cleaning services so as to demonstrate to the community and city stakeholders the CBD's impact as well as ensure accountability
- Recommendation: Prioritize the implementation of the Ocean Avenue Association Strategic Plan developed in September 2020.

Ocean Avenue - Findings and Recommendations (Pt 2 of 3)

- **Select findings from the Ocean Avenue Association Strategic Plan:**
 - The Board is undereducated on its legal and moral responsibilities to the assessment payers and the City. There is a lack of a Board Handbook or document that defines the Board role, its legal responsibility and the organization's expectations of Board Members
 - The Board is not adequately meeting fiduciary responsibilities either organizational or financial. There is a lack of participation by Board members with 2-3 members controlling the meetings and strongly influencing board decisions. There is a lack of understanding and questioning of programs, finances and the Executive Director's Performance
 - There are communications challenges between the Board and the Executive Director. The Board is not clearly informed or kept up to date on the operations and programs of the CBD
 - There is a lack of a consistent distribution of timely financial reports to the Board: The Board does not receive an operation report or balance sheet or a cash flow projection on a consistent monthly basis. Contracts for services, grant funding and grant funds receivable are not consistently reviewed and approved by the Board. The fiscal year 2020-2021 budget which began July 1, 2020 was not reviewed and approved by the Board until January 2021

Ocean Avenue - Findings and Recommendations (Pt 3 of 3)

- **Continued select findings from the Strategic Plan:**
 - There is no clear focus or Board unity on the organization's purpose, vision and its relationship with other community organizations
 - The CBD has limited relationships with the property owners that pay the assessments to the district. There is inconsistent communication to the property owners, businesses and residents of the district
 - There is neither a consistent communication strategy nor marketing strategy to attract customers and investors to the district
 - There is a lack of staff capacity to execute projects and programs beyond the CBD's core cleaning program
- The Strategic Plan includes a list of recommendations (page 7-13 of the plan) to address these findings.
- OEWD requested the Office of the Controller to perform an audit of the organization in FY22-23 to gauge the progress the organization is making at implementing the strategic plan's recommendation, ensure the organization is spending funding properly and the overall effectiveness and efficiency of the organization.
- Complied with OEWD's memo regarding surveillance technology reporting requirements

Discover Polk - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 3.36\%$	No
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

Discover Polk - Findings and Recommendations

- District saw an increase in trash and waste littered during this review period. Despite the cleaning staff shortage, the overall cleanliness of the streets did not decline due to increased staff efforts and the installment of new Big Belly trash cans.
- Launched Discover Polks Delivers program where volunteers delivered food and beverages from local businesses to customers
- Installed lights on Polk Street and projected holiday images to activate the public realm during the holidays
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

Lower Polk - Benchmarks

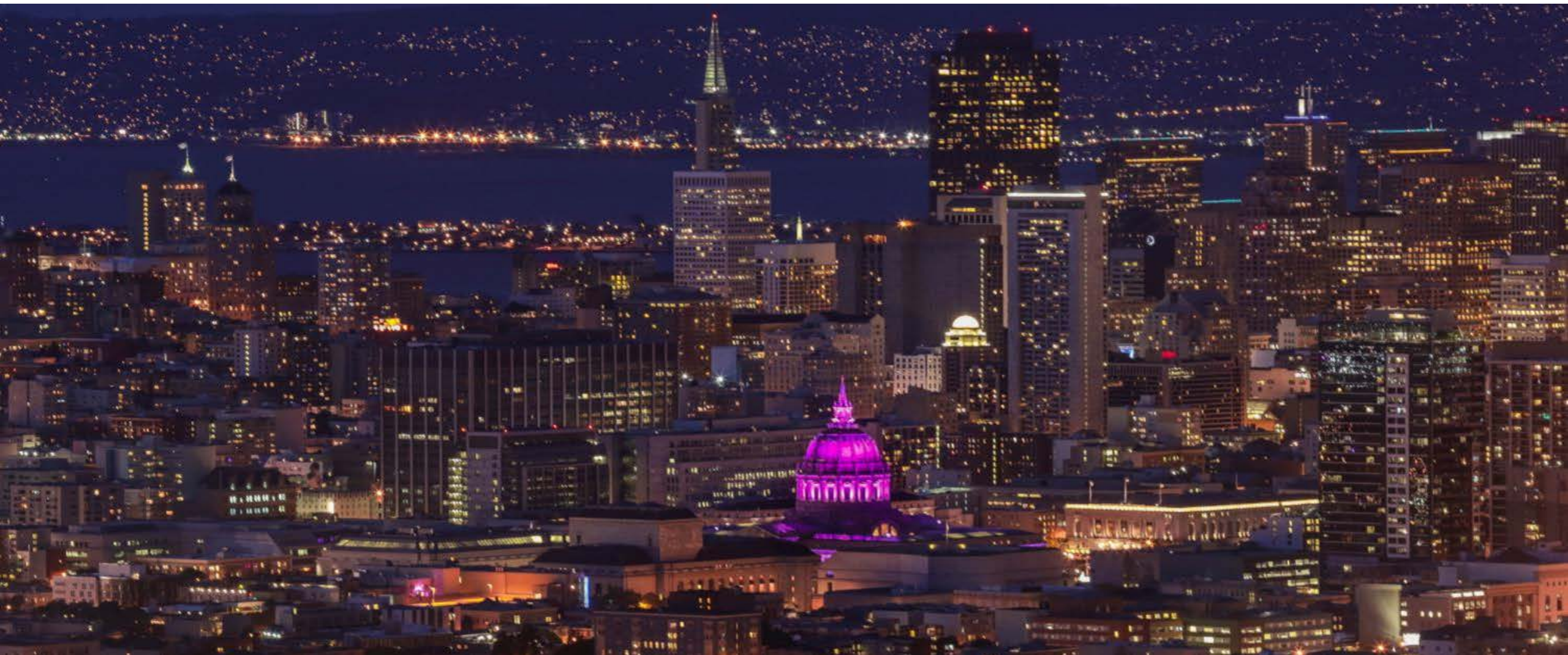
Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.55\%$	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

Lower Polk - Findings and Recommendations

- Performed well in delivering core cleaning services to the community
- Supported district businesses disproportionately impacted by the pandemic with their Tenant Landlord Clinic
- Recommendation: strengthen administrative capacity
 - Increase Board engagement with fixed board meetings to ensure stakeholders are kept abreast of the latest developments and to help ensure the board is complying with its governance role
 - Prioritize the submission of annual reports and necessary financial documents to maintain in full compliance with state law as this is the third consecutive year the CBD struggles to submit the required documents to OEWD in a timely manner
- CBD reported they will be working with a consultant to improve Board engagement.
 - OEWD will continue to monitor the situation
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Well positioned to carry on its mission

CITY & COUNTY OF SAN FRANCISCO GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

NOVEMBER 17, 2022



TOURISM IMPROVEMENT DISTRICT 2020 – 2021

TOURISM IMPROVEMENT DISTRICT

Convention Sales

- Meetings and Conventions generated over 850 meetings (7 Moscone Events) with \$222.2 million in direct spending
- Sales team booked over 641,700 rooms nights in 2021 for all future years
- Attended 72 virtual meetings and 18 in-person meetings

Marketing and Promotion

- Leisure visitors comprised 81% of all visitors
- The Visitor Information Center is closed due to lack of funding.



TOURISM IMPROVEMENT DISTRICT

MARKETING EFFORTS

- 17.0 Million Visitors
- 1.2 billion media impressions which equates to more than \$96+ million in value
- www.sftravel.com
 - 3.1 million unique visitors
 - \$106.9 million in economic impact
- Instagram @onlyinSF 295,000 followers
- Twitter @onlyinSF 201,000 followers
- Facebook @onlyinSF 698,000 followers



MOSCONE EXPANSION DISTRICT 2019 – 2020

MOSCONE EXPANSION DISTRICT

- \$551+ million-dollar expansion and renovation continues to be front and center for attracting new and repeat business to San Francisco. The center is much more competitive in total space and meeting planner accommodations related to set-up and configuration
- Moscone Center preparing for the upcoming MPI (Meeting Professionals International) Western Conference in June 2022. 1,500 to 2,000 planner and suppliers are expected to attend this prestigious event.



MOSCONE EXPANSION DISTRICT

Moscone Expansion Incentive Fund Balance as of June 30, 2021 | \$597,141

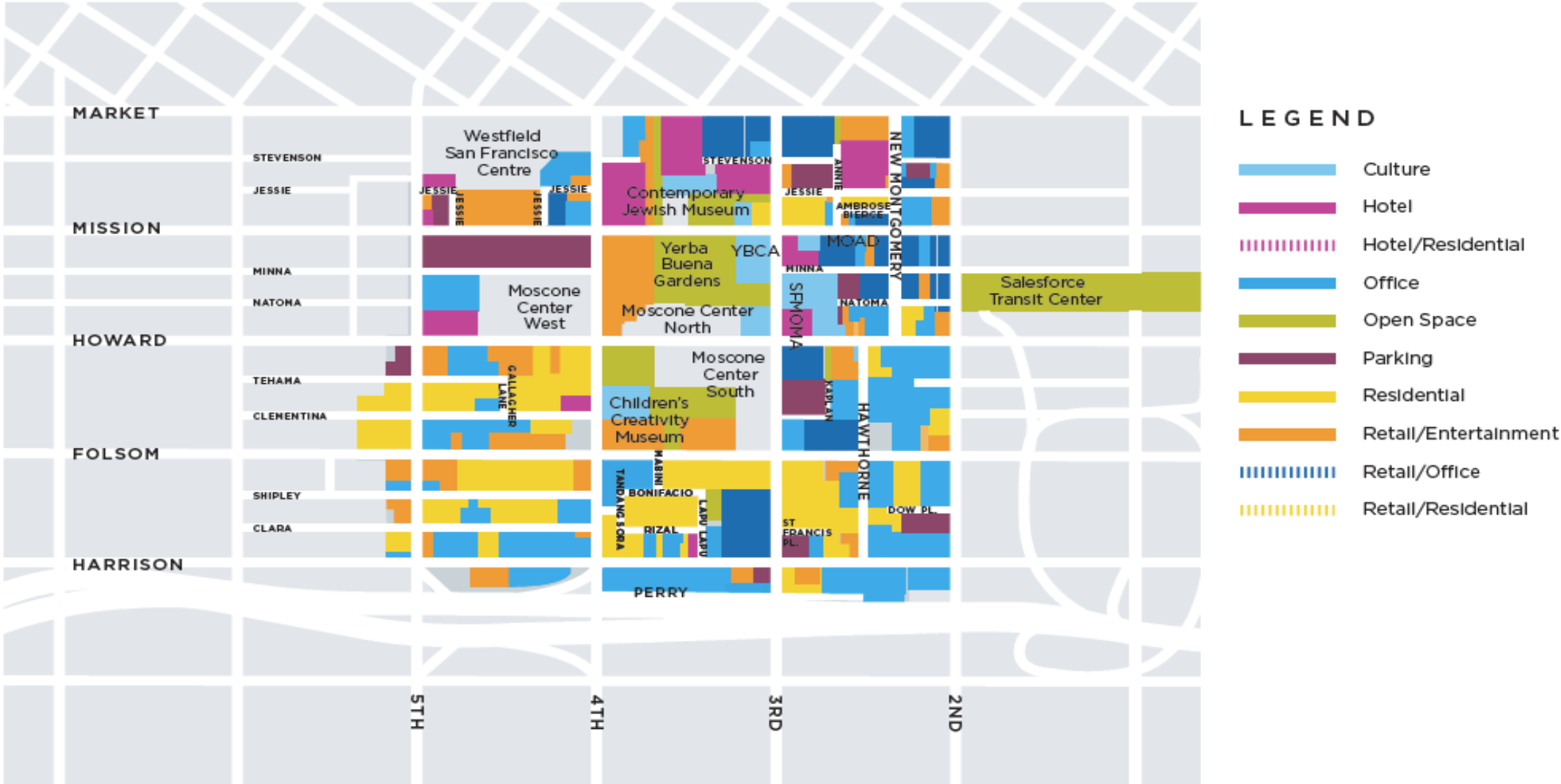
- Used to attract new clients
- Retain current clients during Moscone shut-down due to Covid-19 and into the future





Presentation to the San Francisco Board of Supervisors
Government Audit and Oversight Committee
November 17, 2022

What is the Yerba Buena District?



LEGEND

- Culture
- Hotel
- Hotel/Residential
- Office
- Open Space
- Parking
- Residential
- Retail/Entertainment
- Retail/Office
- Retail/Residential

What does the YBCBD do?

YBCBD Mission Statement:

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

1. Cleaning

Clean Team
Steam Cleaning
Bigbelly Program



2. Safety

Community Guides
SFPD Bike Patrol
Social Services Specialist



3. Streetscape

Public Art
Open Space Enhancement
Streetscape Projects



4. Marketing

Events & Activations
Marketing Campaigns
Social Media



5. Community Benefit Grants

Public Art
Pedestrian Safety
Community Spaces & Events



MoAD is temporarily closed. All on-site visits, tours, and events are postponed or canceled until further notice. [See our online programs here.](#)

Community Support: Grants

Non-Profit Grants

American Bookbinder's Museum
California Historical Society
Children's Creativity Museum
Museum of African Diaspora
Renaissance Entrepreneurship Center
Yerba Buena Arts & Events



Small Business Grants

Thirsty Bear
Zero Zero
Pazzia
111 Minna Gallery
Kaisen Sushi
Wine Down
Eden Plaza Café
Thi Spa & Nails
Executive Order Bar

Pink Elephant
Nora Nail Spa
City's Choice Deli & Market
Moscone Cleaners
Les Gourmands
Novela
The Rafael's Boutique
Hotel Zetta
Copy Central

SoMa Eats
SoMa Restaurant
VSC Sports
Sunrise Deli
Flytrap Restaurant
Carlos Shoe Repair
City Wine & Spirits
Samovar
Luke's Lobster



Community Support: Safety

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD



District 6 Supervisor
Matt Haney



SFPD Southern Station
Police Captain, Tim Falvey

YBCBD RESIDENTIAL TOWN HALL

February 18th, 5pm

The YBCBD will be hosting a virtual meeting for neighborhood residents with District 6 Supervisor Matt Haney and SFPD Southern Station Captain Tim Falvey. The Supervisor and Police Captain will be sharing timely information as it relates to our neighborhood and answering questions from our community.

Please send any questions you have for Supervisor Haney or Captain Falvey to info@ybcbd.org by Monday, February 15.

To register go to:
[YBCBD.org/news/townhall](https://www.ybcbd.org/news/townhall)

Recent News & Events



[EventsNews](#)

January 19, 2021

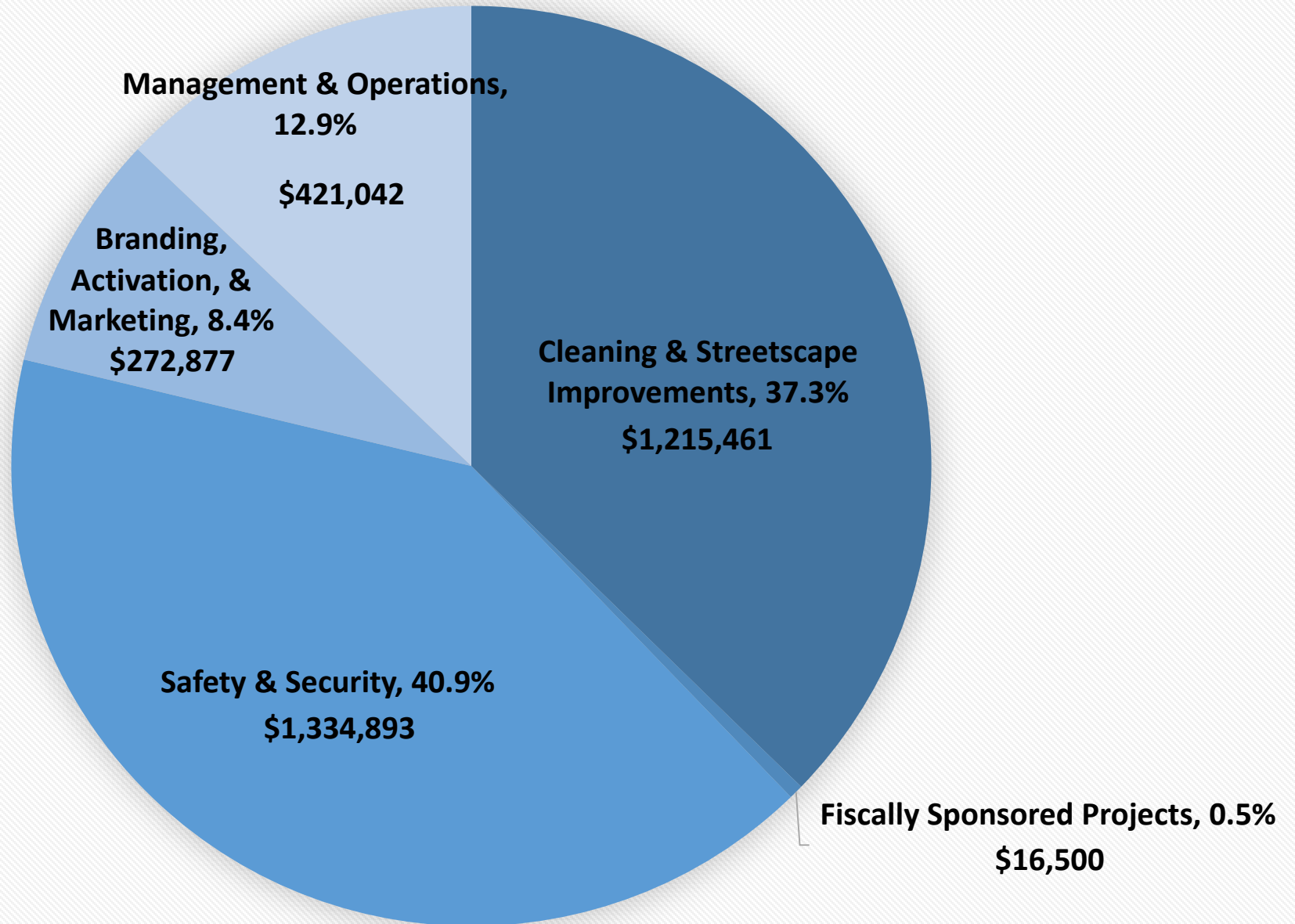
YBCBD Safety and Security Survey 2021

The YBCBD Services Committee is seeking your feedback regarding safety and security in the neighborhood! Community members are invited to share their thoughts and experiences by taking a brief survey at the link below. The survey is completely anonymous and should take around 5-10 minutes to complete. Please share the survey link with anyone you...

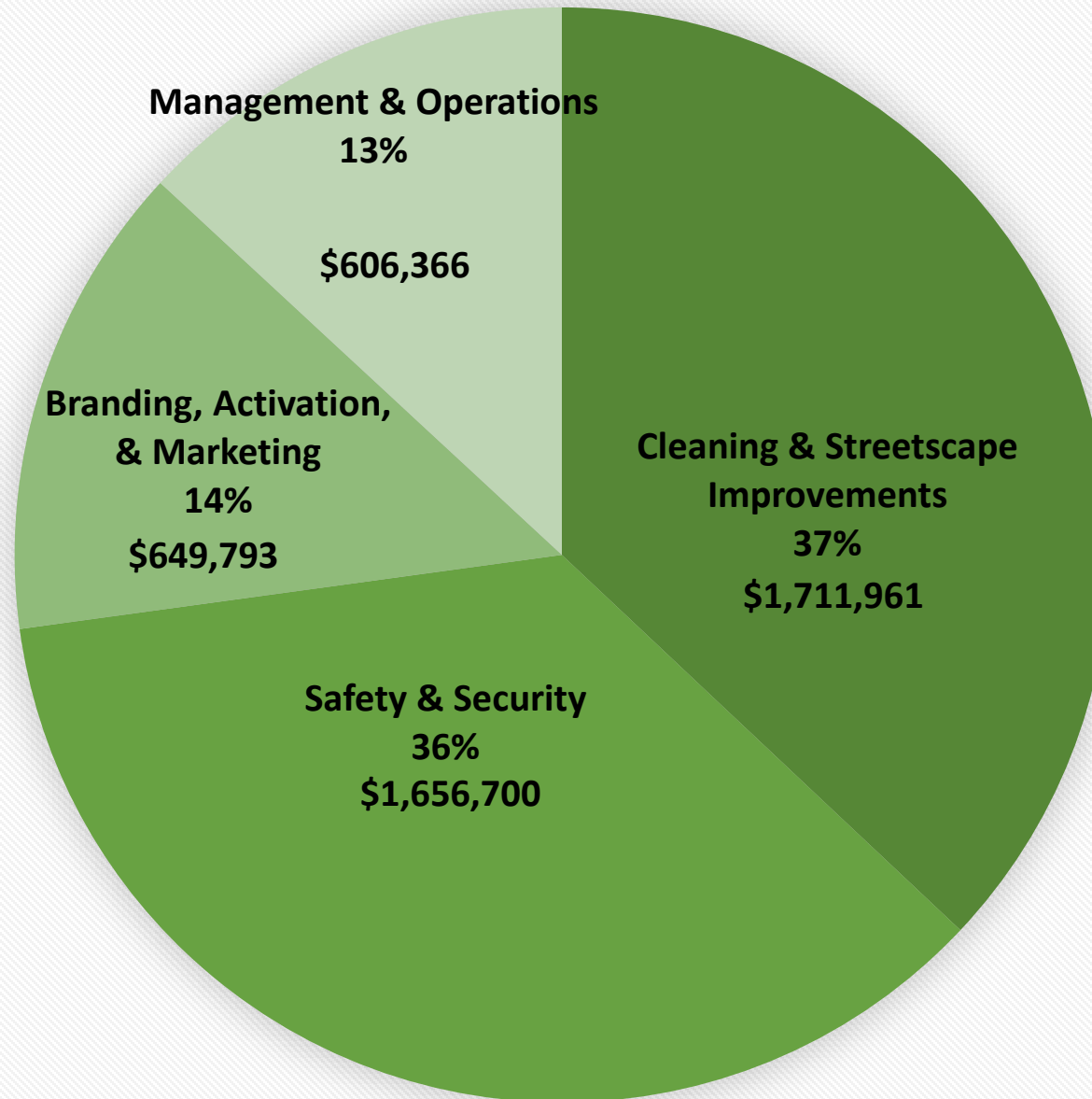
Community Support: Art & Joy



FY20-21 Actuals



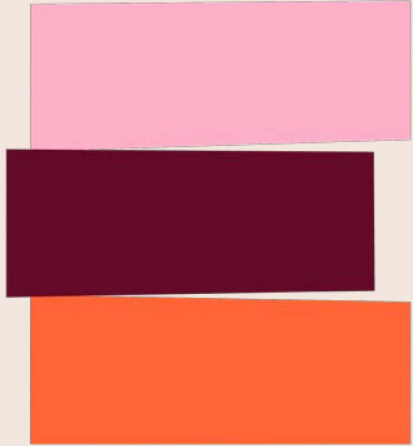
FY21-22 Budget





ybcbd.org
visityerbabuena.org





THE EAST CUT

Annual Report
Fiscal Year 20-21

Andrew Robinson
Executive Director



The East Cut CBD spans from the east side of Second Street to Steuart Street and from north of Mission to Bryant.

In FY20-21 there were 4,511 properties

Public Space Stewardship



24 HOURS SERVICES

Cleaning & Maintenance

5:30am - 10:00pm

Community Guides

5:30am - 10:00pm

Security

24 Hours

Dispatch Service

24 Hours

Telephone: 415-543-8223 Email:
dispatch@theeastcut.org

THE EAST CUT
COMMUNITY
BENEFIT
DISTRICT

dispatch@
theeastcut.org

415 543 8223



theeastcut.org

FY20-21 SERVICES STATS

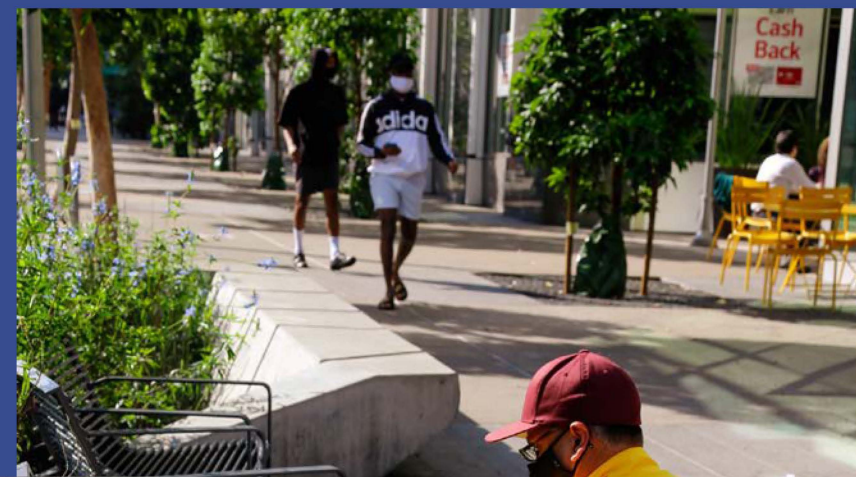
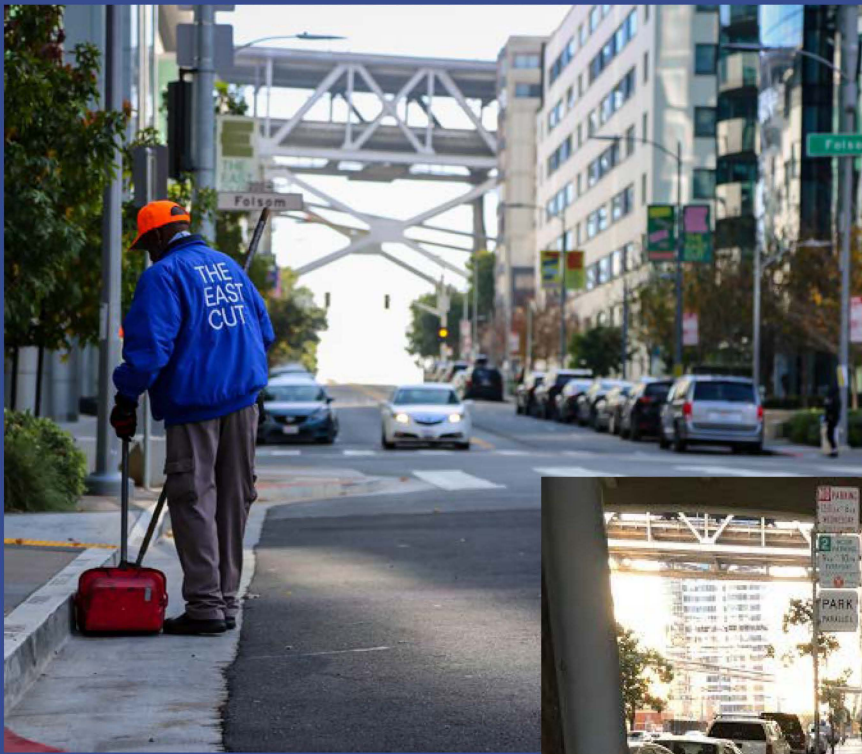
2,997 graffiti tags removed

1,101 needles collected

145,460 pounds of garbage removed

3,449 city trash cans topped off

3,187 instances of homeless outreach



Before

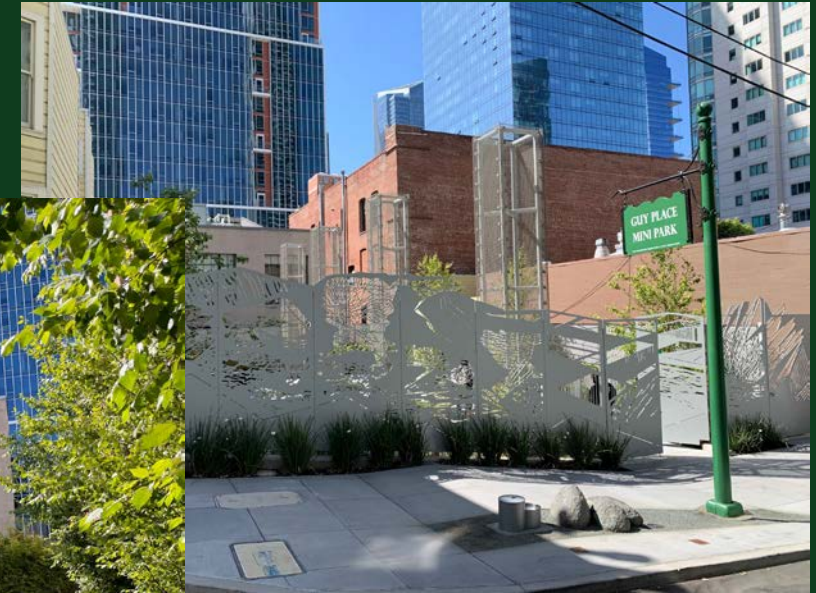
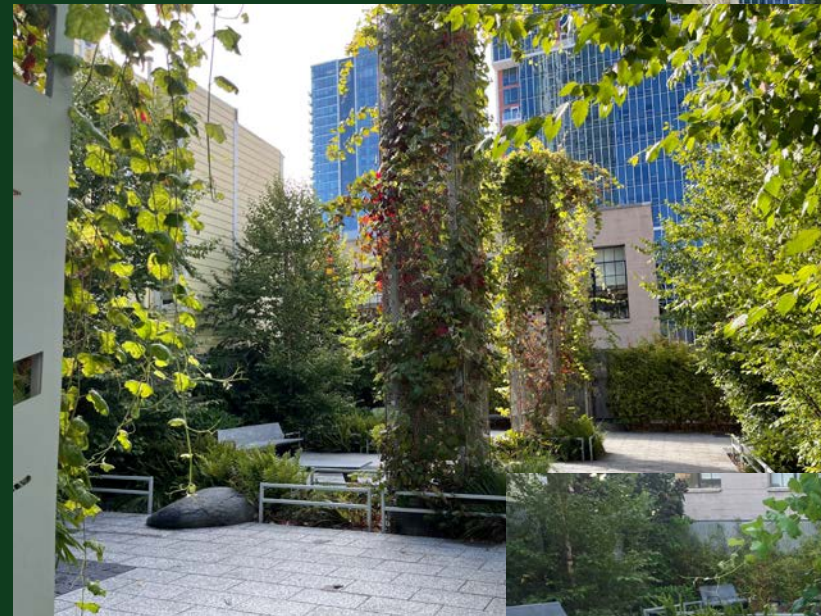
After

Neighborhood Parks & Open Spaces

The East Cut CBD will maintain 5 parks and open spaces (current and upcoming)

Emerald Park

Guy Place Mini Park



Salesforce Park



Future Parks:

Block 3 Park

CURRENT SITE PLAN

LEGEND

- A Flexible Tables & Chairs
- B Benches/Seating
- C Seatwalls
- D Boulders
- E Permeable Paving
- F Paving
- G Planting Areas

0' 5' 10' 30'

True North

SOMA North



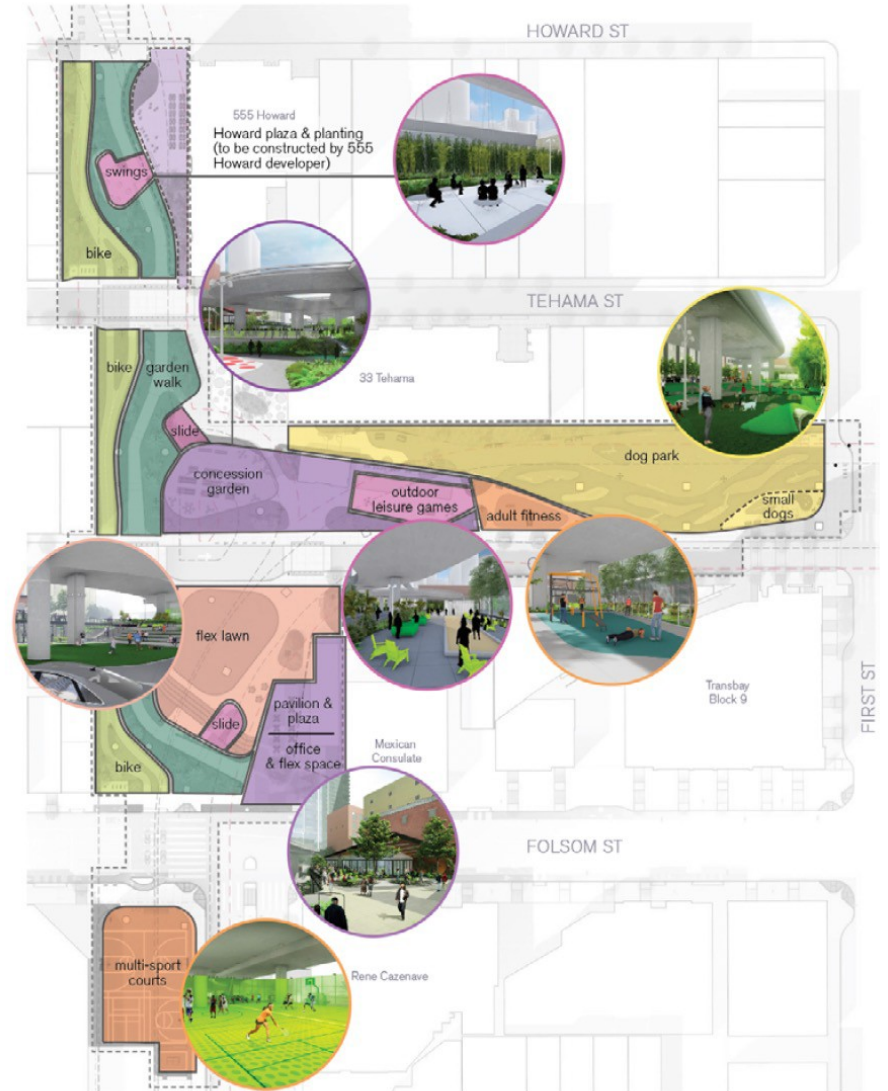
SITE DESIGN

-9-

BLOCK 3 PARK

CDR PHASE II | OCTOBER 2022

East Cut Sports & Dog Park



Community Building & Communications

The Crossing –

an interim activation

Fitness & Recreation

- Outdoor gym
- Soccer

Food & Beverage

- Food Kiosks
- Beer Garden

Entertainment


- Outdoor cinema
- Events



Light Pole Banners




Newletters



THE EAST CUT


LOCAL BUSINESS HIGHLIGHTS & UPDATES



Proper Food Now Delivers 3 Days a Week in The East Cut

Get prepared meals, groceries, and other essential items delivered every Tuesday, Wednesday, and Friday (11am—12pm)! Orders must be placed by Monday 6pm.

[Order Now!](#)



La Fromagerie is Back!

Exciting news! La Fromagerie, your neighborhood cheese shop located at 100 1st St. has reopened yesterday!


Open Monday to Friday, 7am — 4pm.

[Order online](#)

Support Neighborhood Businesses

Neighborhood small businesses need your patronage now more than ever. Please take a moment to browse the list of businesses operating during the shelter-in-place order.

Food & Groceries



PURCHASE GIFT CARDS & SUPPORT

Neighborhood Info

MASKS FOR THE EAST CUT

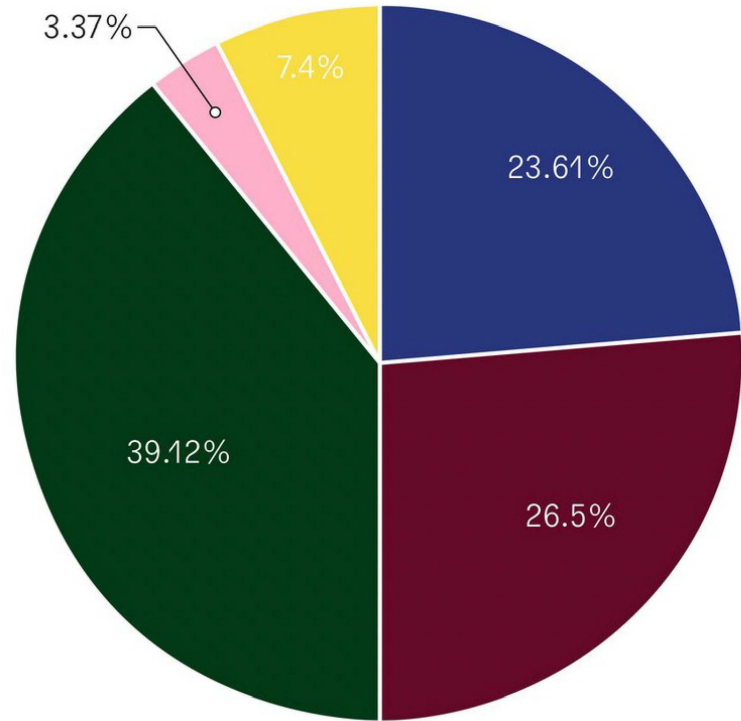




EAST
CUT
EATS



FY2020-2021 Budget



← FIG. 01

Public Safety	23.61%
Cleaning & Maintenance	26.5%
Parks & Greenspace	39.12%
Communications & Development	3.37%
Management & Operations	7.4%

Thank You!

Castro Community Benefit District July 2020 - June 2021

San Francisco Board of Supervisors Government & Oversight
Committee



CASTRO / UPPER MARKET
COMMUNITY BENEFIT DISTRICT

DISTRICT MAP



CBD Renewal July 2020

- Approved on July 14, 2020 with 72% of weighted assessments.
- 15 year life; services stop December 2035 if not renewed
- Focus of renewed CBD - CLEANING; added power washing and cleaning ambassador capacity with assessment dollars.
- Established zones to better align special benefit need with special assessment.
- Renewed CBD rolled out services January 1, 2021.

Priorities During the Pandemic

- Hub for distributing PPE to merchants across the district
- Litter, trash, graffiti, hazardous waste removal
- Wiping down high use street furniture
- Learning how to clean and power wash with businesses on sidewalk and then parklets
- Power washing
- Working with those living on the sidewalk

ACTIVE COMMITTEES

- ◆ Executive Committee
- ◆ Finance Committee
- ◆ District Identity & Streetscape Committee
- ◆ Services Committee
- ◆ Land Use Committee
- ◆ Retail Strategy Committee
- ◆ Castro Cares Leadership Team
- ◆ Renewal Committee



GRANTS

- ◆ OEWD Castro Cares
- ◆ OEWD Jane Warner Plaza Improvement
- ◆ OEWD Castro Corridor Manager

Cleaning Services



CLEANING UP IN FY 2020-21

- TRASH 91,435 pounds of trash removed
- GRAFFITI 10,224 incidences of graffiti abated - 31% 
- NEEDLES 4,652 dirty/hazardous needles collected
- CARDBOARD 25,676 yards of flattened cardboard
- HUMAN FECES 10,970 incidences human feces removed - 57% 

PUBLIC SAFETY – Patrol Special Police

- 5 Nights, 2 Days/Week (July 2020-December 2020)
 - Foot patrol and vehicle patrol
 - Assist merchants with public safety concerns
 - Refer unhoused to services, assist when in need
 - Call Ambulance for emergencies (generally quality of life related)
 - Respond to calls for service
 - Extra set of eyes and ears on the street

PUBLIC SAFETY/OUTREACH – Community Ambassadors

- Unarmed Foot Patrols 7 Days/Week
 - Assist with Farmer's Market
 - Check on those in need, offer support
 - Provide water, socks to those in need
 - Work closely with HSOC
 - Work with merchants, help merchants open up in morning
 - Respond to calls for service from merchants
 - Stand by for Cleaning Ambassadors when needed
 - Administer Narcan
 - Extra set of eyes and ears on the street

COMMUNITY AMBASSADORS AT WORK



THANK YOU!

ANNUAL REPORT

Fiscal Year 2021-2022

OCEAN AVENUE ASSOCIATION

The Ocean Avenue Community Benefit District consists of a 12-block retail business corridor in the southern part of San Francisco.

It is at the center of a quiet residential area easily accessible by BART, MUNI, 280 Freeway, Junipero Serra or 19th Avenue, and is a place of unity for businesses serving people of all backgrounds.



OCEAN AVENUE
ASSOCIATION

Intro

FY 2021-2022 was a time of great progress for OAA, for example:

- ★ We reviewed and updated our contracts.
- ★ We worked with Cleanscapes to make sure Ocean Avenue was clean and graffiti free.
- ★ We worked with DPW to add five trash cans at critical locations.
- ★ Our "*Respect New 20 MPH on Ocean Avenue*" prints were posted on windows of businesses, and our posters appeared on social media with politicians and law enforcement officers.
- ★ We developed and participated in a series of events to bring neighbors to Ocean Avenue.



Cleaning-Graffiti Data:

- ★ Trash Collected: 25,000 lbs.
- ★ Graffiti cleaned-up: 1,300 occurrences
- ★ Blocks power washed: 200
- ★ #311 Calls (big items removal): 340
- ★ Palm Trees Cleaned: 50
- ★ Other Trees Thinning: +/- 40
- ★ Feces cleaning: 600


By The Numbers

Spreading The Word

Marketing:

- ★ OAA developed a database of all businesses, and produced the Ocean Avenue Business Directory that can be found at multiple locations on Ocean Avenue,
- ★ OAA has increased its email list by 38% during the FY 21/22. Emails with Community Updates are sent out 2 to 3 times monthly.
- ★ OAA is active on Facebook, Twitter, and Instagram.
- ★ Posting happened 2 to 3 times weekly.
- ★ In FY 21/22, we showed a 300% increase in Instagram followers telling us that a young audience is very involved on Ocean Avenue.
- ★ We saw an average increase of 40% in Email / Facebook / Twitter / Instagram for FY 21/22.





San Francisco adopted a speed reduction of 5 MPH along Ocean Avenue, and:

- ★ OAA promptly started a public campaign to promote the new 20 MPH speed limit by passing window signs to businesses, stickers to kids, and posing at events with posters promoting the new speed limit of 20 MPH.
- ★ All intersections on the Ocean Avenue business corridor have a traffic light signal except at Granada.
- ★ OAA collected about 400 signatures asking our district supervisor to install a STOP sign on Ocean at Granada Avenue.

Street Safety

Examples:

- ★ Thanks to a grant from Paint the Void, a free temporary artwork was painted by artist Andrea Perreira on the front of the NEMS building (1441 Ocean) in January 2022.
- ★ Bows were installed on all palm trees of the district at the end of November 2021 giving a cheerful Holiday welcome to the visitors.
- ★ OAA worked with the property owner SFMTA to regularly steam clean the plaza. OAA also worked with their team to keep up the landscape around the plaza.

Beautification





Helping Merchants:

- ★ OAA has diligently encouraged businesses to apply for the Vandalism Relief Grant. An instruction pamphlet was designed in English/Chinese to help affected businesses.
- ★ OAA is working with the Office of Small Business to resolve ADA issues with retail stores who need to update their entrances to qualify for grants.
- ★ We worked with merchants that qualified for the OEWD Rent Relief Pilot Program.
- ★ In March 2022, our vacancy report showed a 25% vacancy. By June, this report showed vacancies had fallen to about 12%.

Business Assistance

Events and Activations

Examples:

- ★ “National Night Out”: a community-building that promotes police-community partnerships.
- ★ “Ocean After Hour”: a business owners & neighbors gathering (Jul, Aug & Sept 21); past Executive Director Dan Weaver was presented with a Mayor’s Proclamation.
- ★ “Open The Gate”: Ingleside Library Gateway Grand Opening in September 2021.
- ★ “MuSix September”: featured musicians on Ocean Avenue between Miramar and Faxon. Sponsors included Whole Foods Market (4 Gift Certificates), Ocean Paws/The Plant Lady.
- ★ “Gotta Love Ocean Avenue” Art Show: organized by community member Kate Favetti, OAA sponsored this well attended event in October 2021.



- ★ Community Cleanup of Unity Plaza on National Public Lands Day – with community volunteers, Whole Foods Market employees, OAA Board Directors & staff (Sept 2021). 25 bags of weeds and trash were collected.
- ★ 20 dedicated students from Lick-Wilmerding volunteered to clean-up the walkway known as 699 Ocean Avenue and collected 40 bags of trash and weeds.
- ★ A group of 15 students from Lick-Wilmerding volunteered to make noise on Ocean & Granada Avenues to make drivers aware of the new 20 MPH speed limit.
- ★ OAA sponsored the SF Turkey Drive who collects turkeys to feed the poor and homeless coming to St. Anthony's Dining Room to get fed.

Events and Activations



From the FY 20/21 Strategic Plan, the following accomplishments were made:

- ★ Board Member Handbook
- ★ Personnel Policies and Procedures
- ★ Financial Policies

Looking Forward

2022 and Beyond:

- ★ The process for the renewal of OAA started with the signing of the contract with the consulting firm NBS in July 2021.
- ★ The Renewal & Expansion working group met with new stakeholders including a Lakeside Village group, Mayor's Office of Housing and Community Development, Municipal Transportation Authority, Parks & Rec, and BART.

Looking Forward



Budget

o Comparing Totals FY 21/22 Budget

Service Category	Assessment \$	% of Budget from Assessment	Non-Assessment \$	% of Budget from Non-Assessment	Total Amount \$	% of Total Budget
Cleaning, Maintenance & Safety Program	\$192,155	45.03%	-	-	\$192,155	30.57%
Marketing, Streetscape Improvements & Beautification Program	\$88,945	20.85%	\$11,988	5.94%	\$100,933	16.05%
Management & Operations	\$130,560	30.60%	\$190,000	94.06%	\$320,560	50.99%
Contingency & Reserves	\$15,000	3.52%	-	-	\$15,000	2.39%
Total Budget	\$426,660	100%	\$201,988	100%	\$628,648	100%

o Comparing Totals FY 21/22 Actual

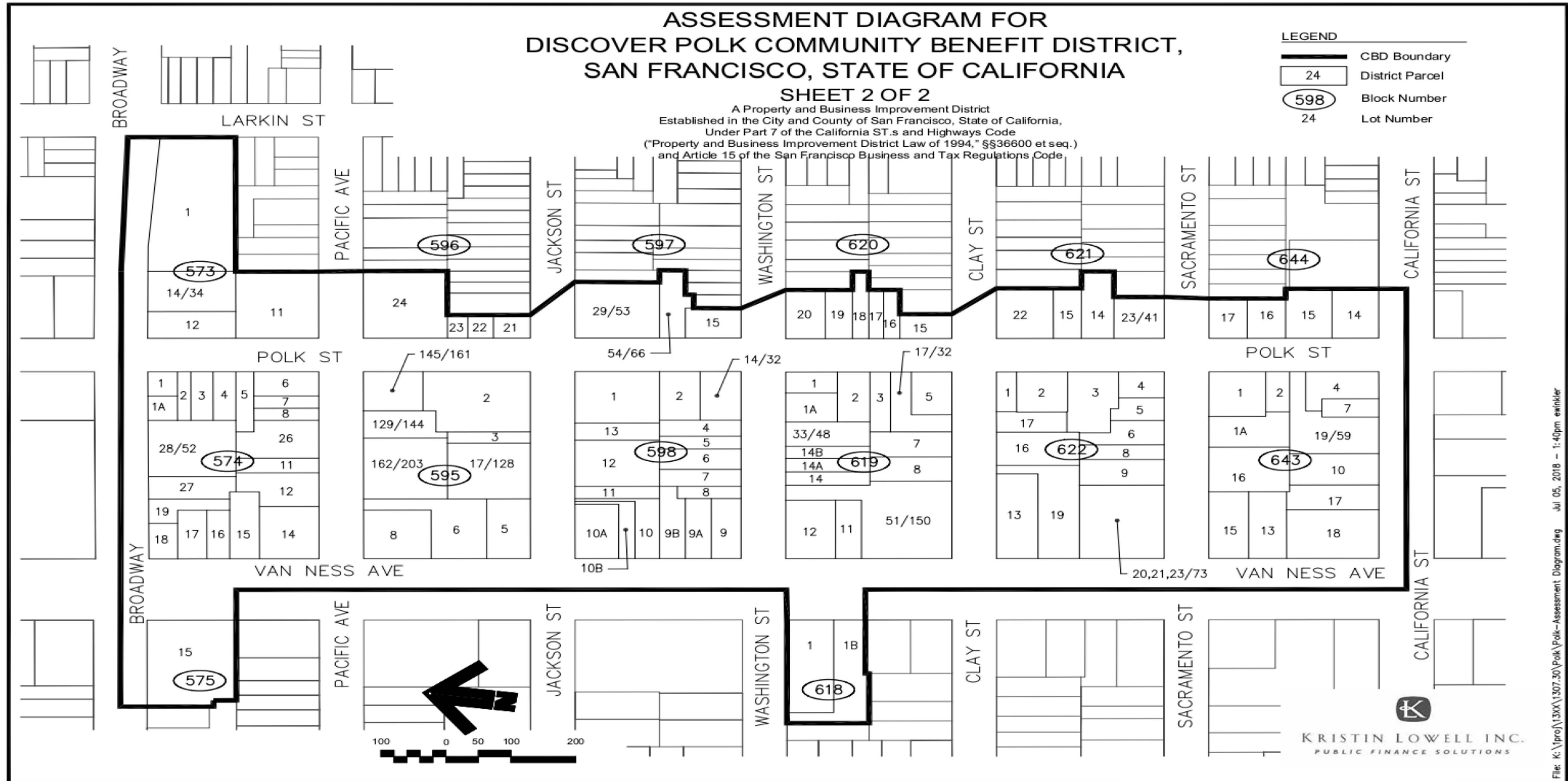
Service Category	Assessment \$	% of Budget from Assessment	Non-Assessment \$	% of Budget from Non-Assessment	Total Amount \$	% of Total Budget
Cleaning, Maintenance & Safety Program	\$190,882	55.56%	-	-	\$190,882	40.68%
Marketing, Streetscape Improvements & Beautification Program	\$41,380	12.05%	\$11,968	9.52%	\$53,348	11.37%
Management & Operations	\$111,255	32.39%	\$113,749	90.48%	\$225,004	47.95%
Contingency & Reserves	-	-	-	-	-	-
Total Budget	\$343,517	100%	\$125,717	100%	\$469,234	100%



Annual Report Highlights – FY 20/21



District Map - 535 total parcels



Executive Summary

- Due to COVID-19, DPCBD dedicated much of its time and resources toward helping the district weather the pandemic's impacts, and FY 20/21 very much fits that description. Mainly this entailed supporting our StreetPlus cleaning crews, addressing the myriad needs and questions from the merchant community, and continuing to respond to the concerns of residents and property owners.
- Overall, FY 20/21 was an opportunity for the value of DPCBD to be shown in full effect to local stakeholders, and we believe that we emerged from this FY stronger, better organized, and ready to take on the challenges of the next year.

- **Neighborhood Cleanliness**

- The COVID-19 pandemic caused an increase in homelessness activity as well as a decrease in the presence of the public on the streets which both led to moderately larger amounts of trash and waste littered throughout the district.
- Simultaneously, StreetPlus was forced to manage pandemic-related staffing shortages, which meant a smaller core group of workers were forced to complete more cleaning in less time with fewer numbers.
- Despite these circumstances, the StreetPlus team managed to accomplish their cleaning, graffiti abatement, and steam cleaning/power washing goals consistently as is evidenced by the report below.
- The brand-new Big Belly trash cans (installed in June '20) were in full effect throughout FY 20/21 and helped to stem the issues caused previously by overflowing public waste receptacles.

Month	Animal Feces	Graffiti removed	Needles (# needles removed)	Sidewalk Sweeping	Pressure Washing-block faces cleaned
20-Jul	77	49	10	826	0
20-Aug	13	18	14	135	0
20-Sep	94	57	35	1906	28
20-Oct	27	31	14	574	86
20-Nov	77	77	11	722	64
20-Dec	110	24	17	1117	69
21-Jan	139	247	13	1404	47
21-Feb	157	13	7	969	38
21-Mar	106	10	2	687	50
21-Apr	142	27	14	1051	27
21-May	43	46	0	329	46
21-Jun	100	42	7	936	42
Total	1085	641	144	10656	497

Budget

FY 2020-21

REVENUE AND SUPPORT

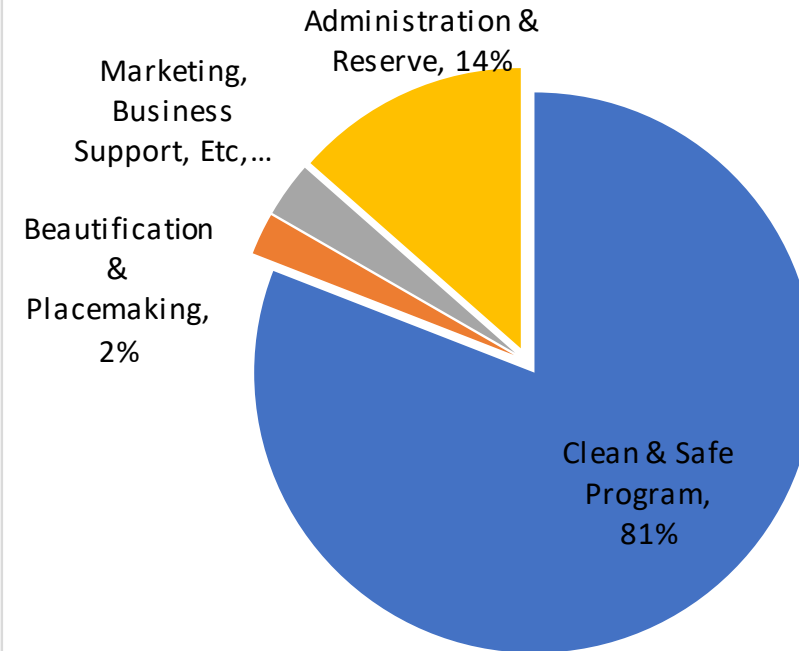
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820

EXPENSES

Clean & Safe Program	432,713
Beautification & Placemaking	12,882
Marketing, Business Support, Etc	16,950
Administration & Reserve	72,235
TOTAL EXPENSES	534,779

* Financial data from the audited financial statements.

FY 2020-2021 budget



Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2021

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	636,322	654,820	(18,498)
Fundraising/In-Kind	18,745	37,000	(18,255)
Interest Income	0	0	0
TOTAL REVENUE AND SUPPORT	655,067	691,820	(36,753)
EXPENSES			
Clean & Safe Program	341,853	416,713	74,860
Beautification & Placemaking	44,564	12,882	(31,682)
Marketing, Business Support, Etc	27,260	16,950	(10,310)
Administration & Reserve	88,812	72,235	(16,577)
TOTAL EXPENSES	502,488	518,779	16,291
Change in Net Assets	152,579	173,041	(20,462)
Prior Year Net Assets (Carryover)	653,788	653,788	0
TOTAL NET ASSETS	806,367	826,830	(20,462)

Statement of Financial Position	
As of 06/30/2021	
ASSETS	
Cash and Cash Equivalents	815,733
Assessment and Other Receivables	16,907
Prepaid Expenses	3,000
Equipment, net	8,467
TOTAL ASSETS	844,107
LIABILITIES & NET ASSETS	
LIABILITIES	
Accounts Payable	37,740
TOTAL LIABILITIES	37,740
NET ASSETS	
Without Donor Restrictions	794,704
With Donor Restrictions	11,663
TOTAL NET ASSETS (CARRYOVER)	806,367
TOTAL LIABILITIES & NET ASSETS	844,107

Financial Notes

Benchmark 1 – Budget Vs Management Variance

- Revenues and expenses followed very closely to plan for the fiscal year. Assessment revenues were lower than expected due to the COVID-19 crisis but were offset partially by lower-than-expected expenses.

Expense

- Overall expenses for the fiscal year are under budget by \$16,285.

Clean & Safe

- Clean & Safe expenses are significantly under the budget by \$74,860 due to understaffing issues at StreetPlus mostly related to the COVID-19 crisis.

Beautification & Placemaking

- Beautification & Placemaking expenses are \$31,682 higher than budgeted. This is a result of paying the lighting company to install tree lights throughout the district. A large portion of this expense will be offset by a grant which was awarded to DPCBD by SF OEWD, but will not be reimbursed until FY 2021-2022.

Marketing & Business Support

- Marketing & Business Support expenses are \$10,310 over the budgeted plan due to hiring a social media manager.

Admin & Reserve

- Admin & Reserve expenses are \$16,577 over the budgeted plan due to a renegotiation of the Executive Management contract to include additional funds to cover healthcare for Executive Management Team.

Carryover Status

- DPCBD has a carryover of \$806,367

Other Notable Items

- DPCBD proceeded with fiscal caution throughout the COVID-19 crisis due to uncertainty on the impact of the pandemic on assessment revenues. Thankfully, the crisis did not impact assessment revenues significantly. The Board of Directors and Executive Management team plan to allocate more of the reserve funds toward meeting the district's objectives in FY2021-2022.

Conclusion

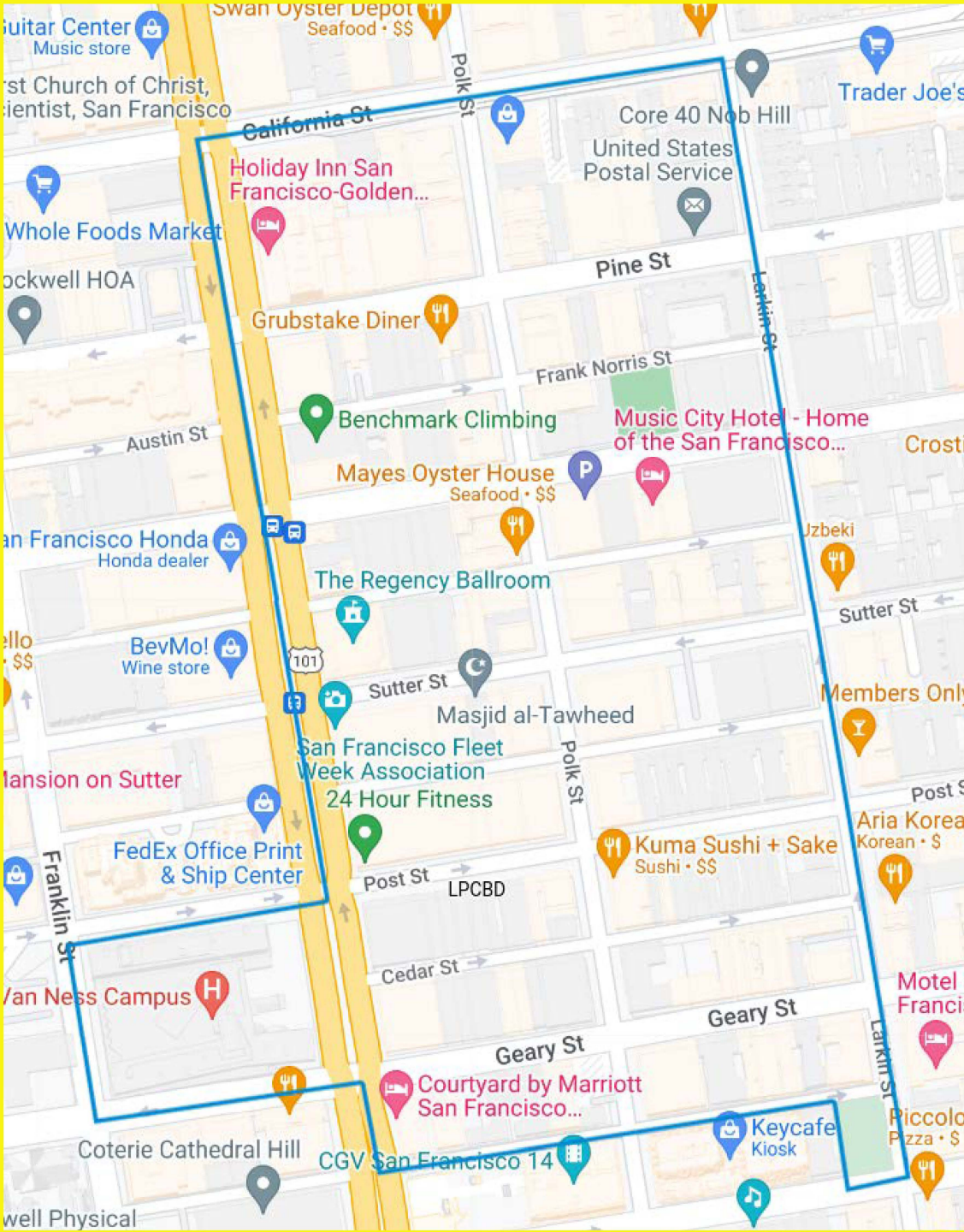
2020/2021 was the FY where Discover Polk fully came into its own. We were extremely fortunate that our assessments came in at (or very near to) budget. We managed to stay within budget while still keeping ample reserves due to COVID related risks.



• **LOWER POLK** •

COMMUNITY BENEFIT DISTRICT

2020-2021 Annual Report



The Lower Polk CBD encompasses 22 whole or partial blocks on lower Polk street. It is a diverse and challenging District, due to its proximity to the Tenderloin, and to the high traffic Van Ness corridor.

Yet, even during a continued period of great challenge and change, the members of our local, diverse, and active Board of Directors continued to collectively demonstrate outstanding leadership and commitment to our unique and vibrant District.



In 2020-2021:

We lessened the effects of COVID-19 on our District and constituents by continuing to increase District cleaning and sanitizing public fixtures.

We maintained the health and safety of our team by training people to use personal protective equipment and seeing to it that they use it.

We helped merchants hurt by the pandemic through additional business support services and our award-winning Lower Polk Tenant Landlord Clinic.

We helped renters affected by the pandemic through our Lower Polk Tenant Landlord Clinic.



We elected new board members, new officers and community chairs, and renewed the terms of current board members.

We kept up with new developments in the Lower Polk District and their effect on vitality, community, and other issues.

We stayed involved in leadership positions with many community and City organizations, including Lower Polk Neighbors



With respect to finance and fund development:

We completed our organizational annual audit and received an unmodified opinion, which shows approval.

We received a PPP Loan to assist in operations.

We reviewed organizational investments.

We reviewed organizational insurance.

We prepared budget projections.

We continued to:

Sweep and steam clean District sidewalks. Address graffiti.

Clean and weed tree wells.

Monitor public trash receptacles and report large items to the City for removal.

Add more members of the LPCBD Clean Team and conduct training sessions.

Carry out performance measures and goals for neighborhood cleanliness.

Analyze service trends over time to better understand the geographic distribution

We continued to:

Work with the San Francisco Police Dept. to address issues around safety.

Work with the Department of Homelessness and Supportive Housing.

Use ambassador staff to report areas that need to be cleaned, provide directions and information about the neighborhood and serve as an additional set of eyes to report safety issues.

Participate in multiple neighborhood safety and security groups to discuss and take action on issues and trends, with a special focus on our Lower Polk alleyways.

Work with the City on potential policies concerning empty storefronts.



And we continued to:

Collaborate with the Dept. of Public Health to address the unhoused and the neighborhood street population.

Attend numerous neighborhood association meetings and coordinate additional constituent meetings to discuss LPCBD outreach services, address specific concerns and create action plans.

Operate the award-winning Lower Polk Tenant Landlord Clinic.



The Lower Polk Tenant Landlord Clinic (TLC) is a unique interdisciplinary program designed to keep residential tenants and small businesses stably sited. It works with people who live in the Lower Polk or surrounding areas, or operate a small business in the Lower Polk or surrounding areas.

Its coalition members include the Bar Association of San Francisco and UC Hastings.

Lower Polk
Tenant Landlord Clinic

The Lower Polk Tenant Landlord Clinic

Welcome to the TLC

CONTACT US NOW

About the TLC

The Lower Polk Tenant Landlord Clinic (TLC) is a unique interdisciplinary program designed to help prevent homelessness by keeping people housed in their current places of abode. If you live in the Lower Polk or surrounding areas, and are experiencing problems with your current housing, you are urged to contact the TLC now at contact@lptlc.org.

Budget

FY 2021-22

REVENUE AND SUPPORT

Assessments	982,784
Grants	173,102
Contributions	57,199
Interest	0
TOTAL REVENUE AND SUPPORT	1,213,085

EXPENSES

Cleaning, Maintenance, and Safety	666,154
Marketing, Streetscape, and Beautification	290,782
Management and Operations	217,527
TOTAL EXPENSES	1,174,463

DEFICIT	38,622
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Statement of Financial Position

As of 06/30/2021

ASSETS

Cash and Cash Equivalents	971,211
Grants Receivables	156,497
Assessment and Other Receivables	26,519
Prepaid Expenses	34,269
Equipment, net	128,090
TOTAL ASSETS	1,316,586

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	141,197
Accrued Liabilities	56,810
Unearned Revenue	18,750
CARES Act PPP Loan	366,834
TOTAL LIABILITIES	583,591

NET ASSETS

Without Donor Restrictions	706,226
With Donor Restrictions	26,769
TOTAL NET ASSETS (CARRYOVER)	732,995
TOTAL LIABILITIES & NET ASSETS	1,316,586



BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Kate Sofis, Director, Office of Economic and Workforce Development

FROM: Alisa Somera, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: July 29, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Rafael Mandelman on July 26, 2022

File No. 220890

Resolution receiving and approving an annual report for the Castro/Upper Market Community Benefit District for Fiscal Year (FY) 2020-2021, 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 additional 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 or by email at: Alisa.Somera@sfgov.org.

cc: Anne Taupier, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only