

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Project Manager

RE: Yerba Buena Community Benefit District

Date: February 29, 2016

This is a memo summarizing the performance of the Yerba Buena Community Benefit District (YBCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2014 and June 30, 2015.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Yerba Buena 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 Yerba Buena's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2008.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2014-2015
2. CPA Financial Review Reports
 - a. FY 2014-2015
3. Draft resolution from the Office of Economic and Workforce Development



Background

Yerba Buena Community Benefit District spans 40 blocks, contains 2,002 parcels, and five benefit zones. Benefit zones are determined by the property owners who have specified the level of special services they desire.

- July 29, 2008: the Board of Supervisors approved the resolution that established the property-based district called the Yerba Buena Community Benefit District (Resolution # 330-08).
- February 10, 2009: the Board approved the contract for the administration and management of the Yerba Buena Community Benefit District (Resolution # 44-09).
- The CBD began receiving assessment funds in April 2009 and started providing cleaning and security services in June 2009.

Basic Info about Yerba Buena CBD

Year Established	June 2008
Assessment Collection Period	FY 2008-2009 to FY 2014-2015 (July 1, 2008 to June 30, 2015)
Services Start and End Date	January 1, 2009 – December 31, 2015
Initial Estimated Annual Budget	\$2,509,521
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

The current CBD website, <http://www.ycbcd.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 Service Area Goals

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance, beautification, and safety services. YBCBD contracts with MJM Management Group to staff a “Clean Team” and Community Guides. The “Clean Team” (11 team members) provides services seven days a week, year round including but not limited to: sidewalk and gutter sweeps, graffiti abatement, and street furniture painting. “Community Guides” (six to eight employees) offer information on local businesses and report maintenance and safety concerns. The CBD also hires 10-12 SFPD 10B officers who provide 10 hrs/day (70 hrs/week) of extra security in the district. The YBCBD Management Plan calls for 63.5% of the budget to be spent on SOBO.

District Identity and Street Improvements (DISI)

The District Identity and Street Improvements service includes marketing, public relations and street enhancements in the Yerba Buena area. This program area also offers small grants twice a year for public art, greening/streetscape, public safety, youth engagement and mini-grants for resident projects. The YBCBD Management Plan allocates 11% of their funds to this service area.

Administration and Corporate Operations

YBCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Yerba Buena CBD as well as a Director of Neighborhood Partnerships and an Administrative Manager. The YBCBD Management Plan calls for 15% of the budget to be spent on administration and corporate operations.

The YBCBD board has twenty-eight (28) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions, and businesses. Board member seats are determined using the following guidelines: At-Large (14%), Community Organizations (14%), Government or Education Institutions (14%), Non-Profit Arts (14%), Residents (14%), Commercial (30%). Board members are all required to actively participate in committees including Executive, Finance, Services, Marketing, Greening, Community Benefit Fund, and Fundraising. The YBCBD also has Ad Hoc Nominating and Audit Committees that were formed to accomplish specific tasks for a shorter period of time each year. The full board meets five times a year.

The ten committees and meeting times are detailed below:

- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the month
- **Fund Development** - as needed
- **Marketing** - the third Thursday of the month
- **Nominating** – as needed
- **Services** - the third Thursday of the month
- **Renewal Steering Committee** - the first Thursday of the month
- **Streets and Public Space** –the third Wednesday of the month. Committee works with the community, City agencies, CMG Landscape Architecture and the community to create a vision and road map for public space in Yerba Buena that will be used by YBCBD over the next decade to direct projects that facilitate vibrant social interaction and promote pedestrian life, safety, beauty and community pride.
- **Community Benefit Fund** – as needed. Grant program that provides small grants twice a year for public art, greening/streetscape, public safety, youth engagement and mini-grants for resident projects. The grant fund is one of the unique aspects of YBCBD.
- **Audit** –as needed

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2014-2015

Street Operations, Beautification and Order (SOBO)

- Worked with the City to incorporate many of our Street Life Plan projects into the Central SoMa Plan reducing implementation time and costs.
- Approved a public art plan to inspire more public art and guide that process, including artful bike racks and seating.
- Clean Team:

- Responded to more than 13,804 requests for sidewalk sweeping, steam cleaning and spot cleaning.
- Removed more than 4,179 graffiti tags, stickers and flyers.
- Addressed more 759 overflowing trashcans.
- Community Guides:
 - Conducted meet and greets with more 5,324 business people and residents.
 - Reported almost 1,257 incidents of aggressive panhandling.

District Identity and Street Improvements (DISI)

- Attracted more than 10,000 attendees to the fourth annual Yerba Buena Night.
- The Community Benefit Fund Provided grants that supported 13 exhibits and programs, such as the Martin Luther King Jr. Birthday Celebration, 12th Annual Parol Lantern Festival and Parade, Halloween Hoopla family event, and Children’s Creativity Museum’s Creativity Day 2015.

Administration and Corporate Operations

- Continued advocacy on behalf of the Yerba Buena Community Benefit District, including implementation of the Yerba Buena Street Life Plan. Additionally, this service category spearheaded the district’s CBD renewal campaign with assistance from OEWD.

YBCBD Annual Budget Analysis

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

- **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 “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether five percent (5%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Yerba Buena 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 “Yerba Buena Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether YBCBD 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 2014-2015

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: *YBCBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2014-2015 Budget	% of Budget	Variance Percentage Points
Sidewalk Operations & Beautification	\$1,596,700	63.63%	\$2,106,052	64.47%	+ .84%
District Identity and Street Improvements	\$279,597	11.14%	\$526,966	16.13%	+4.99%
Administrative Expenses	\$370,000	14.74%	\$413,225	12.65%	-2.09%
Contingency Reserve	\$263,224	10.49%	\$220,494	6.75%	-3.74%
TOTAL	\$2,509,521	100%	\$3,266,737	100%	

BENCHMARK 2: Whether five percent (5%) of actuals came from sources other than assessment revenue

ANALYSIS: *YBCBD met this requirement. Assessment revenue was \$3,140,991 or 93.47% of actuals and non-assessment revenue was \$219,481 or 6.53% of actuals. See table below.*

Revenue Sources	FY 2014-2015 Actuals	% of Actuals
Special Benefit Assessments	\$3,140,991	
Total assessment revenue	\$3,140,991	93.47%
Contributions and Sponsorships	\$66,482	1.98%
Grants	\$129,500	3.85%
Interest Earned	\$6,096	.18%
Earned Revenue	\$17,403	.52%
Total non-assessment revenue	\$219,481	6.53%
Total	\$3,360,472	100%

Non-assessment revenue applied to 5% General Benefit requirement

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

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

Service Category	FY 2014-2015 Budget	% of Budget	FY 2014-2015 Actuals	% of Actuals	Variance Percentage Points
Sidewalk Operations & Beautification	\$2,106,052	66.10%	\$1,741,151	66.89%	+2.42%
District Identity and Street Improvements	\$526,966	15.82%	\$433,371	15.00%	+0.52%
Administrative Expenses	\$413,225	12.68%	\$428,460	15.05%	+3.81%
Contingency Reserve	\$220,494	5.40%	\$0.00	0%	-6.75%
TOTAL	\$3,266,737	100%	\$2,602,982	100%	

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

ANALYSIS: *YBCBD 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.*

FY 2014-2015 Carryover Disbursement	\$2,724,080*	To be used in FY 2015-2016	To be used in Future Years
Designated Projects			
Management and Operations	\$594,659	-\$56,651	\$538,007.25
Cleaning and Streetscape Improvements	\$1,072,020	\$292,813.11	\$779,206.89
Safety and Security	\$856,036	\$145,000.00	\$711,036.00
Branding, Activation, and Marketing	\$161,776	\$10,500	\$151,276.00
Fiscally Sponsored Projects – Restricted Funds	\$39,589	\$39,589	\$0.00
Total Designated Amount	\$2,724,080.00	\$544,553.86	\$2,179,526.14

*As of 6/30/15

Findings and Recommendations

Within the review period of FY 2014-2015, the Yerba Buena CBD met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the “Yerba Buena Community Benefit District; and the Agreement for the Administration of the “Yerba Buena Community Benefit District.”

As delineated in their FY 2014-2015 Annual Report, Yerba Buena CBD has a total carryover amount of \$2,724,080. YBCBD successfully indicated how the money would be allocated in accordance with state code. OEWD recommends that YBCBD allocate their carryover spend down plan in accordance with categories mentioned in their management plan.

Conclusion

Yerba Buena CBD has performed incredibly well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events such as Yerba Buena Family Day and Yerba Buena Night. Yerba Buena CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund. Yerba Buena CBD is an extremely well run organization with an active board of directors and committee members. OEWD believes the Yerba Buena CBD will continue to successfully carryout their mission and service plans.