

MEMORANDUM

TO: Supervisor Matt Dorsey, District 6 Supervisor

CC: San Francisco Board of Supervisors

FROM: Jackie Hazelwood; Program Director, Community Benefit District Program, OEWD

DATE: January 22, 2024

SUBJECT: Civic Center Community Benefit District; CY 2022 Annual Report

This is a memo summarizing the performance of the Civic Center Community Benefit District, and an analysis of their financial statements (based on their audit) for the period between January 1, 2022 and December 31, 2022.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Civic Center Community Benefit District's Management Agreement with the City; and their Management Plan as approved by the Board of Supervisors in 2019.

Also attached to this memo are the following documents:

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



Background

The District is located in the Civic Center area of the City. The Civic Center CBD consists of approximately 43 whole or partial blocks and approximately 715 parcels. The District is generally bounded by: Golden Gate Avenue and Turk Street to the North; Market Street to the South; 7th Street to the East; and Gough Street to the West.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).
- April 28, 2015, the Board of Supervisors approved the Annual Reports for FYs 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 162-15).
- August 2, 2016, the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution #347-16).
- May 9, 2017, the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution # 164-17).
- November 13, 2018, the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution # 385-18)
- July 23, 2019, the Board of Supervisors approved the resolution to renew and expand the Civic Center Community Benefit District for 15 years (Resolution #342-19)
- October 29, 2019, the Board of Supervisors approved the Annual Report for FY 2017-2018 (Resolution #466-19).
- January 26, 2021, the Board of Supervisors approved the Annual Report for FY 2018-2019 (Resolution #020-21).
- May 17, 2022, the Board of Supervisors approved the Annual Report for FY 2020 (Resolution #212-22).
- March 24, 2023, the Board of Supervisors approved the Annual Report for CY 2021 (Resolution #116-23).

Basic Info about Civic Center CBD

Year Established	2011
Year Renewed	2019
Assessment Collection Period	FY 2019-20 – FY 2033-34
Services Start and End Date	January 1, 2020 - December 31, 2034
Initial Estimated Annual Budget	\$3,161,454.78
FY20-21 Assessment Roll Submission	\$3,178,521.87
FY 21-22 Assessment Roll Submission	\$3,192,426.64
Calendar Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Civic Center Community Benefit District, Inc.



The current CBD website, <https://sfciviccenter.org/>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Annual Report and meeting schedules.

Summary of Civic Center CBD Program Areas

Clean/Safe/Activation

This service areas of the Civic Center CBD consist of:

- Clean Program
 - 1) Sidewalk Cleaning
 - a. Sidewalk Pressure Washing
 - b. Trash Collection
 - c. Graffiti Removal
 - d. Landscape Maintenance
 - 2) Pedestrian Safety
 - a. Daytime Ambassadors and/or stewards
 - b. Evening Ambassadors and/or stewards
- Activation & Beautification: Activation and Beautification may include, but is not limited to: oversight of the Civic Center Plaza café kiosk, the daily setup of tables, chairs, and games in public open space, public art installations, outdoor musical performances, block parties, and the annual Holiday Tree Lighting & Toy Giveaway.

Marketing/Communication

The programs may include, but are not limited to:

- 1) Destination Marketing
- 2) Branding
- 3) Events
- 4) Media Relations
- 5) Website
- 6) District Stakeholder Outreach
- 7) Social Media

Administration/Contingency

Administration oversees Civic Center CBD services, which are delivered seven days a week. Staff actively works on behalf of stakeholders to ensure City and County services and policies support the District. Expenses in this category may include: professional services, organizational expenses such as insurance, and the cost to conduct a yearly financial review. Civic Center CBD funds from Administration may be used for renewing the Civic Center CBD.



Summary of Delivery of Services and Accomplishments

CY2022

Clean/Safe/Activation

CCCBD Field crew members were comprised of CBD cleaners and ambassadors from StreetPlus, as well as vendors: Urban Alchemy, Marina Security, SFPD's 10B Officer Program and Downtown Streets Team. In addition to overseeing the CBD's Clean and Safe team, the CBD was awarded add-back funding from District 6 Supervisor's office to work with the Downtown Streets team to provide additional clean, safe and activation services.

CCCBD Clean Team Summary Statistics

- Disposed of 36,191 used syringes removed from the public right of way
- Provided 498 instances of social service support (doubled from prior year)
- Removed approximately 7,492 bags or 129,525 pounds of trash
- Addressed removal of 18,582 hazardous waste items on public property
- Removed 4,862 instances of graffiti on private property

Downtown Streets Team (DST) Summary Statistics

- DST members removed almost 4,000 pounds of debris and 150 used needles per month

Key Activations

- Staff supported via community outreach, strategy efforts, and clean/safe services for the following activities, programs and improvements:
 - the re-opening of the café in Civic Center Plaza (in March 2022)
 - a new dog park in UN Plaza (in April 2022)
 - the San FranDisco Roller Rink on Fulton Plaza (October 2022)
 - Civic Center Plaza Lunchtime music series (September – October 2022) -
 - Civic Center Holiday Tree Lighting (December 2022)
 - Holiday Fanfare pop-up concerts (December 2022)

Marketing/Communication

- Produced quarterly newsletters sharing District news and accomplishments for member
- CCCBD created short videos of district businesses for promotion on social media

Administration/Contingency

- CCCBD consistently managed its core programs
- Worked with Public Works, SFMTA and the Better Market Street Community Advisory Committee on the Better Market Street Project



Civic Center CBD Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget percentages for each service category were within 10 percentage points of the percentages in the Management Plan (Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 2:** Whether four and eight tenths percent (4.80%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.4 - Annual Reports).
- **BENCHMARK 3:** Whether the variance between the budget expenses and actual expenses within a calendar year was within 10 percent (Agreement for the Administration of the “Civic Center Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 4:** Whether CCCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year (CA Streets & Highways Code, Section 36650(B)(5)).

CY 2022 Budget Analysis

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

ANALYSIS: Civic Center CBD met this requirement. See table below.

Service Category	Management Plan Budget (Percentage)	CY 2022 Asst. Budget (Percentage)	CY 2022 Total Budget (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points -- Total
Clean/Safe/Activation	\$2,583,768.86 (75.91%)	\$2,420,896.00 (81.51%)	\$2,560,027.00 (82.33%)	+5.60%	+6.42%
Marketing Communication	\$ 250,000.00 (7.34%)	\$152,382.00 (5.13%)	\$152,382.00 (4.90%)	-2.21%	-2.44%
Administration/Contingency	\$ 570,000.00 (16.75%)	\$396,920.00 (13.36%)	\$396,920.00 (12.77%)	-3.38%	-3.98%
TOTAL	\$3,403,768.00 (100.00%)	\$2,970,198.00 (100.00%)	\$3,109,329.00 (100.00%)		



BENCHMARK 2: Whether four and eight tenths percent (4.80%) of actuals came from sources other than assessment revenue.

ANALYSIS: *Civic Center CBD met this requirement. CCCBD received \$3,060,509.00 in assessment revenue including penalties, redemption, and redemption penalties, which was approximately 61.57% of their CY 2022 operating budget. The CBD received \$1,910,586.00 in non-assessment revenue which was approximately 38.43% of their CY 2022 revenue. See table below.*

Revenue Sources	CY 2022 Actuals	% of Actuals
Assessment Revenue	\$3,060,509.00	61.57%
Total Assessment (Special Benefit) Revenue	\$3,060,509.00	61.57%
Contributions & Sponsorships	\$9,958.00	0.20%
Grants	\$1,641,249.00	33.02%
Fees for Services	\$202,425.00	4.07%
Interest Earned	\$17,963.00	0.36%
Rental Income	\$38,991.00	0.78%
Total Non-Assessment (General Benefit) Revenue	\$1,910,586.00	38.43%
Grand Total (Assessment and Non-Assessment) Revenue	\$4,971,095.00	100.00%

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

ANALYSIS: *Civic Center CBD met this requirement. See table below.*

Service Category	CY 2022 Asst. Budget (Percentage)	CY 2022 Total Budget (Percentage)	CY 2022 Actuals – Asst. (Percentage)	CY 2022 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points -- Total
Clean/Safe/Activation	\$2,420,896.00 (81.51%)	\$2,555,896.00 (82.20%)	\$2,369,113.00 (80.86%)	\$4,112,124.00 (86.93%)	-0.65%	+4.73%
Marketing/Communication	\$152,382.00 (5.13%)	\$152,382.00 (4.90%)	\$110,329.00 (3.77%)	\$110,329.00 (2.33%)	-1.36%	-2.57%
Administration/Contingency	\$396,920.00 (13.36%)	\$401,050.00 (12.90%)	\$450,551.00 (15.38%)	\$508,125.00 (10.74%)	+2.01%	-2.16%
TOTAL	\$2,970,198.00 (100.00%)	\$3,109,328.00 (100.00%)	\$2,929,993.00 (100.00%)	\$4,730,578.00 (100.00%)		



BENCHMARK 4: Whether Civic Center CBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year.

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

CY 2022	As of 12/31/2022	Budgeted for 2023	Budgeted for Future Years
Clean/Safe/Activation	\$884,664.00	(\$738,827.00)	\$145,836.00
Marketing/Communication	\$88,455.00	(\$2,882.00)	\$85,572.00
Administration	\$201,578.00	(\$6,569.00)	\$195,009.00
Contingency & Reserve	\$793,333.00	\$23,500.00	\$816,833.00
Total Assessment (Special Benefit) Carry Forward	\$1,968,030.00	(\$724,778.00)	\$1,243,250.00
Total Non-Assessment (General Benefit) Carry Forward	\$2,123,657.00	\$57,007.00	\$2,180,664.00

Findings and Recommendations

The Civic Center CBD has met four of the four benchmarks as defined on page 4 to 5 of this memo as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Civic Center Community Benefit District.

While Civic Center CBD’s annual reporting to OEWD for 2022 was late, the CBD was compliant with legislation and the Agreement for the Administration of the organization. Following their late submission, the CBD was communicative with OEWD surrounding questions that arose as a part of this analysis and continues to work with OEWD to determine solutions on how to expedite report completion and review going forward.

During this review period, the CBD focused on its core services – providing clean and safe services that are responsive to the needs of property owners, businesses, and community stakeholders. The CBD crews focused on cleaning and supporting the paths of travel to places of employment and transit to support returning workers. CCCBD also provided personal escorts for pedestrians when needed, notably providing essential support for the District’s abundance of nighttime events and activities as the CBD’s evening ambassadors worked 200 nights in 2022, supporting events at District venues including the Opera, Symphony, Ballet, and SF Jazz.

In addition to its core Clean and Safe service provision throughout the district, CCCBD also implemented and partnered with district stakeholders on several activations by producing the annual Holiday Tree



Lighting and Toy Giveaway on Civic Center Plaza, and Holiday Fanfare outdoor musical concerts in partnership with the San Francisco Conservatory of Music along Van Ness Avenue also improving vibrancy and pedestrian safety. The CBD served as a vital partner and participant in City processes as the City's Safe Sleeping Site closed on Fulton Plaza during this reporting period. Their support in strategy and hyperlocal knowledge of the area resulted in their service as a key partner in the opening of the San FranDisco Roller Rink alongside the Mayor's Office and the Church of 8 Wheels.

CCCBD's Board of Directors currently meets requirements set forth by Article 15 of the Business and Tax Regulations Code and there have been no reports of Brown Act violations within the reporting period. The Civic Center CBD is in compliance with the Surveillance Technology Reporting requirements.

Conclusion

CCCBD performed well implementing its the service plan during the review period and was an invaluable asset to District members and the City. CCCBD also continued to seized opportunities to leverage and add value to its work through fundraising, grants, and collaborative partnerships in CY 2022. The organization has an active Board of Directors and committee members. OEWD believes that the CCCBD is well positioned to continue carrying out its mission.

