

File No. 221129

Committee Item No. 10

Board Item No. 22

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

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- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
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OTHER

- OEWD Memo 102622
- CCSF LPCBD Annual Report
- Lower Polk CBD Annual Report
- Lower Polk CBD Audit Report
- Lower Polk CBD Surveillance Tech Report
- OEWD PPT 111722
- _____
- _____

Prepared by: Stephanie Cabrera

Date: November 10, 2022

Prepared by: Stephanie Cabrera

Date: November 18, 2022

Prepared by: _____

Date: _____

1 [Lower Polk Community Benefit District - Annual Report - FY2020-2021]

2

3 **Resolution receiving and approving an annual report for the Lower Polk Community**
4 **Benefit District for Fiscal Year (FY) 2020-2021, submitted as required by the Property**
5 **and Business Improvement District Law of 1994 (California Streets and Highways**
6 **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 3, 2014, 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. 177-14, expressing the City's intention to
13 establish the Lower Polk Community Benefit District (the "Lower Polk CBD"); and

14 WHEREAS, On July 29, 2014, the Board of Supervisors adopted Resolution
15 No. 314-14 establishing the Lower Polk CBD ("Resolution to Establish") for a period of 15
16 years, commencing FY 2014-2015; and

17 WHEREAS, On July 28, 2015, the Board of Supervisors adopted Resolution
18 No. 297-15, authorizing an agreement with the owners' association for the
19 administration/management of the Lower Polk CBD, and a management agreement (the
20 "Management Contract") with the owners' association, the Lower Polk Community Benefit
21 District, was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 150735; and

24 WHEREAS, On January 25, 2022, the Board of Supervisors approved the Lower Polk
25 CBD's annual report for fiscal years 2018-2019 and 2019-2020 in Resolution No. 24-22; and

1 WHEREAS, The Lower Polk CBD has submitted for the Board’s receipt and approval
2 the Lower Polk annual report for fiscal year 2020-2021 as required by Section 36650 of the
3 Act and Section 3.4 of the Management Contract; and

4 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
5 File No. 221129, and is incorporated herein by reference as though fully set forth; and

6 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
7 memorandum report from the City's Office of Economic and Workforce Development, dated
8 October 26, 2022, and documentation from the Lower Polk CBD for the FY 2020-2021 Annual
9 Report is on file with the Clerk of the Board of Supervisors in File No. 221129; now, therefore,
10 be it

11 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
12 report for the Lower Polk Community Benefit District for fiscal year 2020-2021.

MEMORANDUM

TO: Supervisor Aaron Peskin, District 3 Supervisor

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

FROM: Mimi Hiraki, Project Specialist, OEWD

DATE: October 26, 2022

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

This is a memo summarizing the performance of the Lower Polk Community Benefit District (LPCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2020 and June 20, 2021.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Lower Polk CBD did not comply with the submission of all these requirements in a timely manner. The FY 20-21 annual report was submitted six months later than anticipated. 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 Lower Polk Community Benefit District's management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2014.

Also attached to this memo are the following documents:

1. LPCBD Annual Report
 - a. FY 2020-2021
2. LPCBD Financial Statements
 - a. FY 2020-2021
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Lower Polk Community Benefit District includes 307 property-based parcels.

- On July 29, 2014, the Board of Supervisors approved the resolution that established the property-based district called the Lower Polk Community Benefit District for 8 years (Resolution #314-15).
- On July 28, 2015, the Board of Supervisors approved the contract for the administration and management of the Lower Polk Community Benefit District (Resolution #297-15).
- On August 17, 2015, CBD received first assessment payment.
- On October 24, 2017, the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution #392-17).
- On November 13, 2018, the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution #401-18).
- On November 19, 2019, the Board of Supervisors approved the Annual Report for FY 2017-2018 (Resolution #510-19).
- On January 1, 2022, the Board of Supervisors approved the Annual Report for FY 2018-2019 and FY 2019-2020 (Resolution #24-22).

Basic Information about the Lower Polk Community Benefit District:

Year Established	July 2014
Assessment Collection Period	FY 2014-15 to FY 2028-29 (July 1, 2014 to June 30, 2029)
Services Start and End Date	January 1, 2014 – December 31, 2029
Initial Estimated Annual Budget	\$799,093.00
FY 2020-21 Assessment Submission:	\$903,012.06
Fiscal Year	July 1 – June 30
Executive Director	Chris Schulman
Name of Nonprofit Owners'	Lower Polk Community Benefit District Association

The current CBD website, www.lowerpolkcbd.com, includes all the pertinent information about the organization and their programs, meeting agendas, and their Management Plan. The last annual report posted is FY2019-2020.

Summary of Program Areas

Cleaning, Maintenance, and Safety

Cleaning, Maintenance, and Safety program area includes regular sidewalk sweeping, alley cleaning, refuse removal, regularly scheduled steam cleaning, pressure washing, graffiti removal, tree maintenance, and weeding. LPCBD Management Plan calls for 57% of the budget to be spent in this service area.

Marketing, Streetscape Improvement, and Beautification

Street Operations, Beautification and Order service area includes street maintenance and beautification. This service area calls for increased district marketing in order to create neighborhood identity and contribute to the economic vitality of the area. Additionally, this service area will support the district with events meant to draw visitors to the Lower Polk neighborhood throughout the year. The LPCBD Management Plan calls for 11% of the budget to be spent on this service area.



Management and Operations

The LPCBD Management Plan calls for 28% of the budget to be spent on management and operations. LPCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Lower Polk CBD. LPCBD board has seven (7) board members that represent the diverse property owners and businesses in the district. Notice of meetings of the CBD's Board of Directors and CBD Advisory Committees are posted to the website calendar and at the SF Main Library. All Board of Directors meetings are open to the public, and public comment is welcome.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2020-2021

Cleaning, Maintenance, and Safety Program

- Continued to sweep and steam clean District sidewalks.
- Continued to clean and weed tree wells.
- Continued to monitor public trash receptacles and continued reporting large items to the City for removal.
- Continued adding and training additional members to the LPCBD Clean Team.
- Continued to implement performance measures and goals for neighborhood cleanliness;
- Continued to analyze service trends over time to better understand the geographic.
- 156,000 lbs of trash removed from public rights of way, a 17% increase from the previous year.
- Removed 2,160 needles.
- Removed 1,848 instances of graffiti.
- Participated in multiple neighborhood safety and security groups to discuss and take actions on issues, trends, etc. with a special focus on Lower Polk alleyways.
- With support and funding from the City of San Francisco, continued to operate the award-winning Lower Polk Tenant Landlord Clinic, which helps landlords, small merchants, and tenants resolve issues that may lead to tenant or merchant displacement.

Marketing, Streetscape Improvements, and Beautification Program

- Continued to send out email newsletters to over 500 subscribers.
- Used social media to keep constituents informed of special events in Lower Polk and to solicit feedback on service delivery models.
- Used social media to share pandemic related resources with the community.
- The Tenant Landlord Clinic mailed over 32,900 multilingual flyers to people in the District to explain service offerings and targeted folks with limited to no access to the Internet and/or phones.
- Over 1,300 visitors visited the Tenant Lord Clinic website during the fiscal year and the Clinic triaged 139 potential eviction matters.
- Sponsored Lower Polk Art Walk and turned it into a virtual event
- Provided business activation and farmer's market in Austin Alley
- Maintained five Bigbelly waste receptacles

Management and Operations

- Elected new board members, renewed the terms of current board members and elected new officers and committee chairs



- Continued to stay abreast of new developments in the Lower Polk District and their overall impact on quality of life, and other issues.
- Continued to be involved in leadership positions with many community and City organizations, including Lower Polk Neighbors and Lower Polk TAY Navigation Center CAC

LPCBD Annual Budget Analysis

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

- **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 “Lower Polk Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether five and fifty-five hundredths percent (5.55%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Lower Polk 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 “Lower Polk Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether LPCBD 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

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: LPCBD met this requirement. See tables below. Note: The FY budget includes both general benefit and special assessment dollars. When separating the two the CBD’s variance percentage points did not change.

Service Category	Management Plan Budget (Percentage)	FY 2020-2021 Budget – Asst (Percentage)	FY 2020-2021 Budget – Total (Percentage)	Variance Percentage Point – Asst.	Variance Percentage Points - Total
Clean & Safe	\$543,871.00 (57.00%)	\$477,271.00 (52.93%)	\$477,271.00 (50.78%)	-4.07%	-6.22%
Marketing & Economic Development	\$104,958.00 (11.00%)	\$114,308.00 (12.68%)	\$152,446.00 (16.22%)	+1.68%	+5.22%
Administration	\$267,165.00 (28.00%)	\$310,102.00 (34.39%)	\$310,102.00 (33.00%)	+6.39%	+5.00%
Contingency/ Reserve/City Fees	\$38,166.00 (4.00%)	\$0.00 (0.00%)	\$0.00 (0.00%)	-4.00%	-4.00%
TOTAL	\$954,160.00	\$901,681.00	\$939,819.00		



BENCHMARK 2: Whether five and fifty-five hundredths percent (5.55%) of actuals came from sources other than assessment revenue

ANALYSIS: *LPCBD met this requirement. Assessment revenue was \$899,328.00 or 70.47% of actuals and non-assessment revenue was \$376,854.00 or 29.53% of actuals. See table below.*

Revenue Sources	FY 2020-2021 actuals	% of actuals
Assessment Revenue	\$899,328.00	
Total Assessment (Special Benefit) Revenue	\$899,328.00	70.47%
Contributions and Sponsorships	\$15,360.00	1.20%
Grants	\$361,464.00	28.32%
Interest Earned	\$30.00	0.00%
Total Non-Assessment (General Benefit) Revenue	\$376,854.00	29.53%
Total	\$1,276,182.00	100.00%

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

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

Service Category	FY 2020-2021 Budget – Asst (Percentage)	FY 2020-2021 Budget – Total (Percentage)	FY 2020-2021 Actuals – Asst (Percentage)	FY 2019-2020 Actuals – Total (Percentage)	Variance Percentage Points – Asst	Variance Percentage Points – Total
Clean & Safe	\$477,271.00 (52.93%)	\$477,271.00 (50.78%)	\$475,703.00 (52.90%)	\$489,520.00 (38.36%)	-0.04%	-12.43%
Marketing & Economic Development	\$114,308.00 (12.68%)	\$152,446.00 (16.22%)	\$134,633.00 (14.97%)	\$485,944.00 (38.08%)	+2.29%	+21.86%
Administration	\$310,102.00 (34.39%)	\$310,102.00 (33.00%)	\$253,090.00 (28.14%)	\$264,816.00 (20.75%)	-6.25%	-12.25%
Contingency/ Reserve/City Fees	\$0.00 (0.00%)	\$0.00 (0.00%)	\$35,902.00 (3.99%)	\$35,902.00 (2.81%)	+3.99%	+2.81%
TOTAL	\$901,681.00	\$939,819.00	\$899,328.00	\$1,276,182.00		



BENCHMARK 4: Whether LPCBD 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: LPCBD 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.*

Carryover Disbursement	FY 2021-2022
Special Assessment Project	
Cleaning, Maintenance, and Safety Program	\$417,807.00
Marketing, Streetscape Improvements, and Beautification	\$80,629.00
Management and Operations	\$205,239.00
Contingency and Reserve	\$29,320.00
Special Project Total	\$732,995.00

Findings and Recommendations

LPCBD has met all benchmarks as defined on page 4 of this memo for FY2020-2021 as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Lower Polk Community Benefit District.

The Lower Polk CBD continues to struggle to submit the annual reports and necessary financial documents for annual reporting in a timely manner for the third consecutive year. Annual reporting is required under both state law and the CBD’s management agreement with the City and County of San Francisco. The annual reports are important tools to educate policymakers, OEWD, and CBD stakeholders on the actions, financial health, and achievements of the organization over the reporting period; additionally, it is required by state law. In the previous two years, the delay was caused by a change in staff as well as a change in the CBD’s financial professional. For this reporting period, the CBD utilized the template tool OEWD shared the previous year to improve their reporting and the delay was moderately shortened. OEWD strongly recommends that the Lower Polk CBD prioritize the submission of annual reports to maintain full compliance with state law and the organization’s management agreement with the City and County of San Francisco.

During this reporting period, the Board members had limited activity meeting only twice during the FY20-21. Active board members are instrumental to good governance as the Board are constituents of the district and collectively manage the LPCBD and oversee the implementation of improvements, services and activities specified in the Management Plan. To OEWD’s knowledge none of the other CBD missed a scheduled board meeting as they moved to an online format during the pandemic. CBD leadership needs to prioritize scheduling fixed board meetings throughout the fiscal year to ensure that stakeholders are kept



abreast of the latest developments and to help ensure the board is complying with its governance role. OEWD has spoken with the Lower Polk CBD executive director and this issue was primarily caused by not knowing who was responsible for setting the board meetings following the resignation of the organization's board chair. Board meetings should have a set date, such as the 3rd Thursday of the month, and have a set time. This information should be enumerated in the organization's bylaws or in its management district plan. In general, most organizations have the executive director work with the board chair to set the agenda for each meeting. If the board chair is struggling at this, then the executive director should create a draft agenda and provide it the board chair for review and comment before finalizing it and sending it with proper notice under the Brown Act. One of the executive director's responsibilities, along with the governing board, is to ensure the organization has regular and open meetings. If OEWD does not see improvement in this area it will follow up with the Office of the City Attorney on possible actions to take, including the suspension of assessment distributions, should this not be cured. The Lower Polk CBD reported they are working with a consultant to improve overall Board engagement, including board meetings. OEWD will continue to monitor this situation.

The executive director and the governing board of the organization need to identify why these administrative shortcomings exist and determine internal mechanisms to quickly address them. If internal mechanisms do not exist to address these issues, then the CBD should reach out to OEWD to discuss further assistance or cures from an outside perspective.

Despite the organization's administrative struggles, it continues to perform well in delivering services to the community. During this review period, the Lower Polk CBD pivoted well to the emerging health and economic impacts of the COVID-19 global pandemic that started in March 2020 and continued through this review period. During this review period, the CBD 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 increased District cleaning and sanitizing, focused on supporting businesses disproportionately impacted by the pandemic through their Tenant Landlord Clinic, adjusted events such as their Lower Polk Art Walk into a virtual one, and worked with various City departments including Department of Homelessness and Supportive Housing, SF Department of Public Health and SF Police Department to conduct outreach to people without housing to address quality of life and safety issues within the district. Additionally, the CBD was a leader in working with OEWD to distribute PPE to other CBDs, to their employees, and to their community.

LPCBD successfully delivers the needed services to its district and constituents as laid out in their management plan but often times this comes at the expense of meeting administration and reporting requirements. The CBD also complied with its requirements for surveillance technology reporting. OEWD recommends LPCBD should focus on time management and strategize how best to optimize its resources to continue implementing its Management Plan while also meeting reporting requirements and improving board engagement.

Conclusion

LPCBD has generally performed well in implementing its service plan, successfully sponsoring and implementing programs in the district but must work on significantly improving administrative capacity, including timely submission of annual reporting materials, updating their website with instrumental documents, increase board member engagement, increase the number of board meetings, and address the



root causes of these administrative challenges. Despite these challenges, the CBD continues to demonstrate the ability to carry out its core mission functions as a community benefit district.



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

SA 74 - Lower Polk Service Category/Budget Line	Revenue per Management Plan FY2020-21				Revenue per Budget FY2020-21				Management Plan vs. Budget Variance			Source
	Total	General Benefit	Assessment	% of Total Rev per Mgmt Plan	Total	General Benefit	Assessment	% of Total Rev per Budget	Total	%	Variance in Percentage of Allocation	
SA 74 - Lower Polk CBD - Cleaning, Maintenance, and Safety Program	\$ 575,525	\$ 31,654	\$ 543,871	57%	\$ 477,271	\$ -	\$ 477,271	51%	\$ (98,254)	-17%	-6%	Cleaning Safety & Maintenance
SA 74 - Lower Polk CBD - Marketing, Streetscape Improvements, and Beautification	111,066	6,109	104,958	11%	152,446	38,138	114,308	16%	41,380	37%	5%	Marketing, Streetscape Improvements
SA 74 - Lower Polk CBD - Management and Operations	282,714	15,549	267,165	28%	310,102	-	310,102	33%	27,388	10%	5%	Management and Operations
Contingency and Reserve	40,388	2,221	38,166	4%	-	-	-	0%	(40,388)	-100%	-4%	Contingency and Reserves
TOTAL	\$ 1,009,693	\$ 55,533	\$ 954,159	100%	\$ 939,819	\$ 38,138	\$ 901,681	100%	\$ (69,874)	-7%		

BENCHMARK 2: General Benefit Requirement

5.55%

Revenue Sources	FY 2020-21 Actuals	% of actuals	Source
Assessment Revenue	\$ 899,328		
Total Assessment (Special Benefit) Revenue	\$ 899,328	70.47%	
Contributions and Sponsorships	\$ 15,360	1.20%	Various
Grants	361,464	28.32%	Various
Donations	-	0.00%	
Interest Earned	30	0.00%	Chase
Gain/(Loss) on Asset Disposal	-	0.00%	
Other	-	0.00%	
Total Non-Assessment (General Benefit) Revenue	\$ 376,854	29.53%	
Total	\$ 1,276,182	100.00%	

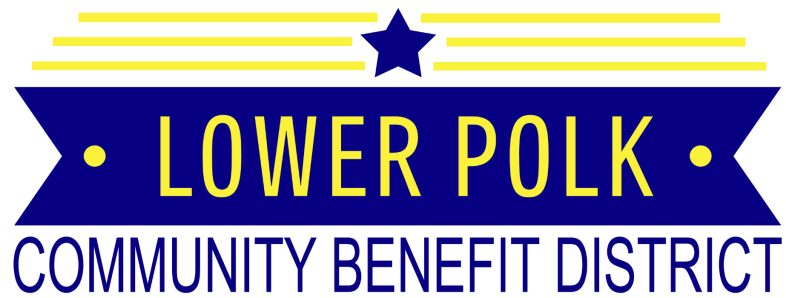
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BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

SA 74 - Lower Polk		Expenses per Budget FY 2020-21						Expenses Actual FY 2020-21						Assessment Variance		Total Variance	
Service Category/Budget Line	Total	from Assessment	from General Benefit	from Carryover	% Assessment (vertical)	% Total Budget	Total	from Assessment	from General Benefit	from Carryover	% Assessment (vertical)	% Total Budget	Amount	%	Amount	%	
SA 74 - Lower Polk CBD - Cleaning, Maintenance, and Safety Program	\$ 507,449	\$ 477,271	\$ -	\$ 30,179	53%	50%	\$ 485,507	\$ 475,703	\$ 13,817	\$ (4,014)	53%	40%	\$ (1,567)	0%	\$ (21,942)	-4%	
SA 74 - Lower Polk CBD - Marketing, Streetscape Improvements, and Beautification	299,829	114,308	38,138	147,383	13%	29%	\$ 573,202	134,633	351,311	87,258	15%	48%	\$ 20,325	18%	\$ (273,373)	-91%	
SA 74 - Lower Polk CBD - Management and Operations	212,734	310,102	-	(97,367)	34%	21%	\$ 147,883	253,090	11,726	(116,933)	28%	12%	\$ (57,012)	-18%	64,851	30%	
Contingency and Reserve	-	-	-	-	0%	0%	-	35,902	-	(35,902)	4%	0%	\$ 35,902	0%	-	0%	
TOTAL	\$ 1,020,013	\$ 901,681	\$ 38,138	\$ 80,194	100%	100%	\$ 1,206,592	\$ 899,328	\$ 376,854	\$ (69,591)	100%	100%	\$ 2,352	0%	\$ (186,579)	-18%	
								0.30		0.39							

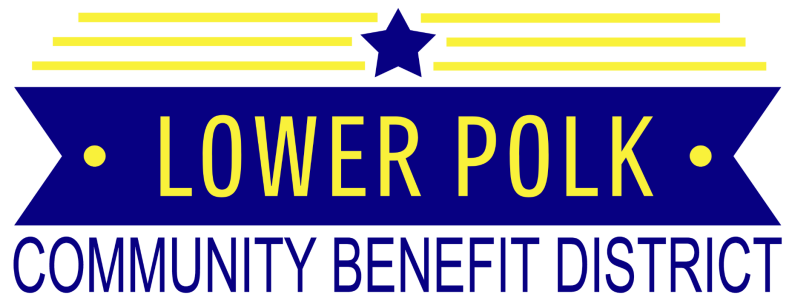
BENCHMARK 4: Whether CBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

	As of 6/30/2021	FY 22	Thereafter
FY 2020-2021 Carryover Disbursement	\$ 732,995		
General Benefit Project			
Cleaning, Maintenance and Safety Program			
Marketing, Streetscape Improvements and Beautification Program			
Management and Operations			
Contingency and Reserves			
General Project Total		\$ -	\$ -
Special Assessment Project			
Cleaning, Maintenance and Safety Program		\$ 417,807	
Marketing, Streetscape Improvements and Beautification Program		80,629	
Management and Operations		205,239	
Contingency and Reserves		29,320	
Special Assessment Project Total		\$ 732,995	\$ -
Total Designated Amount		\$ 732,995	\$ -

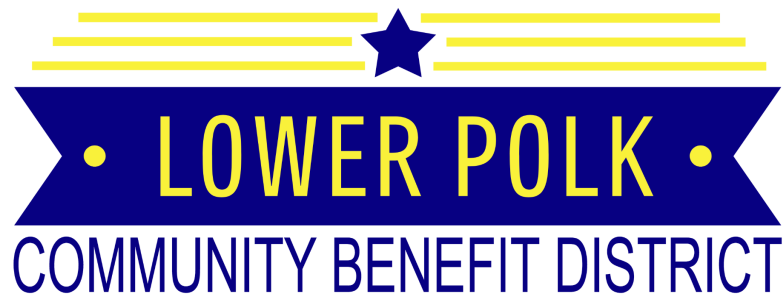


LOWER POLK COMMUNITY BENEFIT DISTRICT

2020-2021 Annual Report



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Executive Summary

We are pleased to submit this annual report on our organizational accomplishments and financial status for the 2020-2021 Fiscal Year. 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. As a growing CBD, our organization has been extremely busy. Some of our initiatives have included, but are not limited to:

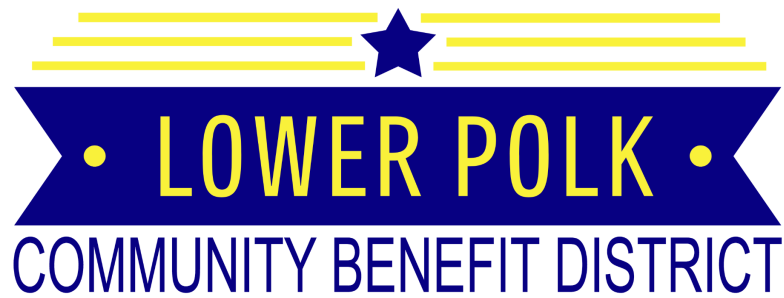
❖ Working to:

- Lessen the effects of COVID-19 on our District and constituents by continuing to increase District cleaning and sanitizing public fixtures.
- Maintain the health and safety of our team by training people to use personal protective equipment and seeing to it that they use it.
- Help merchants hurt by the pandemic through additional business support services and our award-winning Lower Polk Tenant Landlord Clinic.
- Help renters affected by the pandemic through our Lower Polk Tenant Landlord Clinic. As a proactive response to the effect COVID-19 has had on our neighborhood, we transitioned our placemaking and arts manager from an events and arts focus to a business support activation focus through most of the fiscal year to support businesses facing COVID-19 losses and affects. You will see a budget difference in money we spent on our Marketing, Streetscape Improvements, and Beautification Program. Based on the effects of COVID-19, we doubled that budget and used decreased management costs to fund this temporary reallocation.

❖ We serve on:

- Lower Polk Neighbors stakeholder
- Lower Polk TAY Navigation Center CAC
- San Francisco Community Benefit District Consortium

We have accomplished much in our first few years, but we still have much to do. We did not let COVID-19 slow us down. We look forward to working in partnership with the City of San Francisco and our constituents to improve the quality of life for everyone who lives here, works here, and visits our District.



Status and Progress of Programs

Some additional highlights of our accomplishments for the 2020-2021 fiscal year are outlined below.

Management & Operations

Board & Staff

- ❖ Elected new board members, new officers and community chairs. Renewed the terms of current board members.
- ❖ Kept up with new developments in the Lower Polk District and their effect on quality of life and other issues.
- ❖ Stayed involved in leadership positions with many community and City organizations, including Lower Polk Neighbors and the Lower Polk TAY Navigation Center CAC , among others.

Finance and Fund Development

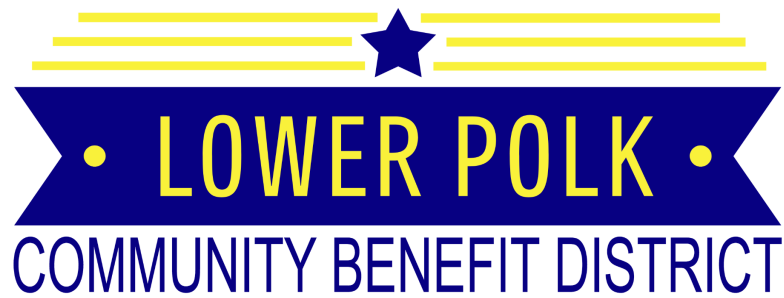
- ❖ Completed our organizational annual audit and received an unmodified opinion, which shows approval.
- ❖ Received a PPP Loan to assist in operations.
- ❖ Reviewed organizational investments.
- ❖ Reviewed organizational insurance.
- ❖ Prepared budget projections.

Cleaning and Maintenance

COVID-19 has made it even more important that the LPCBD Ambassador Clean Team continue to work all year to fix District cleanliness issues.

Therefore, we continued to:

- Sweep and steam clean District sidewalks.
- 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 of neighborhood issues, and design solutions to improve neighborhood safety and cleanliness.

Corridor Safety

Neighborhood Safety

Neighborhood safety became an even higher priority of the LPCBD during the pandemic. Our residents, merchants, visitors, property owners, and other constituents should always feel safe to enjoy our District.

Therefore, we continued to:

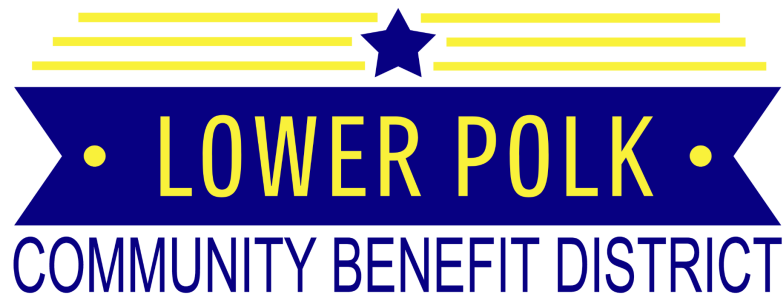
- ❖ Work with the San Francisco Police Dept. to address issues around quality of life and safety.
- ❖ Work with the Department of Homelessness and Supportive Housing.
- ❖ Use ambassador staff to report areas that need to be cleaned, provide directions and information about the neighborhood and serve 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.

Neighborhood Support

Neighborhood support is closely related to neighborhood safety. Not only do we address homelessness with outreach as needed, we also work proactively with the City to address policy issues that may affect those who are unhoused or at risk of becoming unhoused.

Therefore, we continued to:

- ❖ Collaborate with the Dept. of Public Health to address homelessness 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, which helps landlords, small merchants and tenants resolve issues that may lead to tenant or merchant displacement.



Marketing, Streetscape Improvements, and Beautification

Marketing / Advocacy / Newsletters

We continued to:

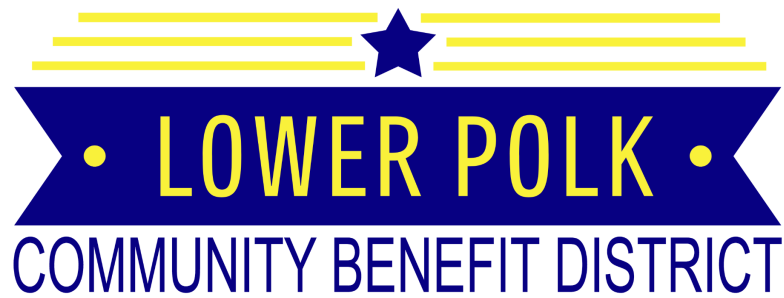
- ❖ Update and market the District website at www.lowerpolkcbd.org.
- ❖ Send out email newsletters to more than 500 subscribers.
- ❖ Use Facebook and Twitter to keep constituents informed of special events in Lower Polk, and to seek feedback on our delivery of services. This was in effect before the pandemic.
- ❖ Use social media to share COVID-19 resources to our District community.
- ❖ Use the Tenant Landlord Clinic to mail out 32,902 multilingual flyers to people in the District. These flyers were targeted at people who do not use technology. Non-tech users were disproportionately affected by the pandemic, and the TLC wanted to reach them to explain its service offerings.
- ❖ The Tenant Landlord Clinic had 1,334 visitors to its website during the fiscal year and triaged 139 potential eviction matters. This does not include direct referrals to our mediation partner, the Bar Association of San Francisco Conflict Intervention Service.

Festivals, Art Walks, and other special events

- ❖ Continued to sponsor the popular Lower Polk Art Walk. After the pandemic, we helped turn it into a virtual event.
- ❖ Worked with the City to help establish business activation and a Farmers Market in Austin Alley.

Streetscape Improvements

- ❖ Maintained nine Bigbelly SMART waste receptacles. However, we are working with the San Francisco Office of Economic and Workforce Development to move to more robust trash receptacles.
- ❖ Improved the streetscape of Fern Alley West in conjunction with the City.
- ❖ Improved streetscape plans for Austin Alley.



Other Accomplishments

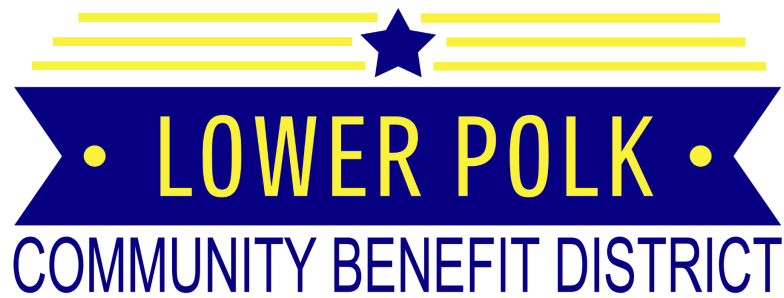
- ❖ Maintained leadership positions with Lower Polk Neighbors and the San Francisco Community Benefit District Consortium.
- ❖ Participated with Vision Zero Coalition.

Metrics

Even with the damage of COVID-19, our metrics have not changed substantially compared with the last fiscal year except with needles. The City has implemented significant program(s) to pick up needles in the community. We base our metrics on weekly sampling and daily visual counts. We are proud to present these estimated metrics. They help illustrate the continued impact of our Cleaning and Maintenance services.

- ❖ “Bags picked up” counts the number of large, full trash bags we picked up.
- ❖ “Weight of trash picked up” is the weight of that trash, in pounds.
- ❖ “Other paper picked up” is the number of large cardboard boxes we recovered.
- ❖ “Needles picked up” refers to the number of hypodermic needles we have picked up.
- ❖ “Graffiti remediations” is the number of instances of graffiti we have removed or painted over.

Item Count	Average Per Month	Total
Bags Picked Up	520	6,240
Weight of Trash Picked Up in Pounds	13,000	156,000
Other Paper Picked Up	220	2,640
Needles Picked Up	180	2,160
Graffiti Remediations	154	1,848



Summary Financial Data

Our Management Plan (<https://bit.ly/3kH5a4O>) generally calls for the following budget breakdown:

1. Cleaning, Maintenance and Safety Program - 57%
2. Marketing, Streetscape Improvements and Beautification Program - 11%
3. Management and Operations - 28%
4. Contingency and Reserves - 4%

Our FY20-21 budget expenditures were different from the above because we were able to leverage aggressive fundraising and fiscal discipline to decrease our effective internal management costs as a percentage of the budget.

Yet we were able to simultaneously double our Marketing, Streetscape and Beautification budget. This line item also includes direct merchant support, which we felt was important during this particular fiscal year.

This powerful combination allowed us to render a substantially higher level of crucial services to our District, while at the same time staying well within our assessment budget during a time of economic uncertainty. We ended the year with a very small \$38,622 deficit, which we will remedy in the next fiscal year.

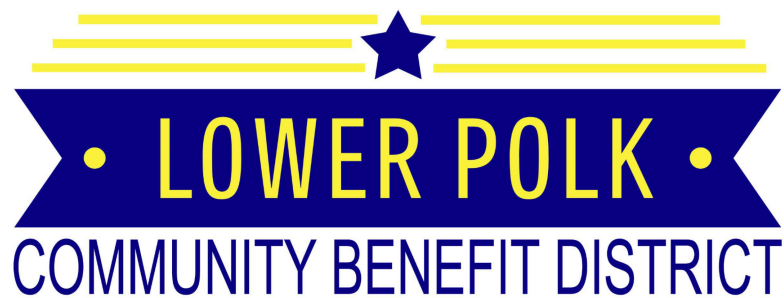


Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2021

	Actual	Budget	Variance Positive/(Negative)	Variance %
REVENUE AND SUPPORT				
Assessment revenue	899,328	901,681	(2,353)	0%
Grant revenue	361,464	38,138	323,326	848%
Contributions	15,360	-	15,360	100%
Interest	30	-	30	100%
TOTAL REVENUE AND SUPPORT	1,276,182	939,819	336,363	36%
EXPENSES				
Cleaning, Maintenance, and Safety	485,507	507,449	21,942	4%
Marketing, Streetscape, and Beautification	573,202	299,829	(273,373)	-91%
Management and Operations	147,883	212,734	64,851	30%
TOTAL EXPENSES	1,206,592	1,020,013	(186,579)	-18%
Change in Net Assets	69,590	(80,194)	(149,784)	187%
Prior Year Net Assets (Carryover)	663,405	663,405	-	0%
TOTAL NET ASSETS	732,995	583,211	(149,784)	-26%



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



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

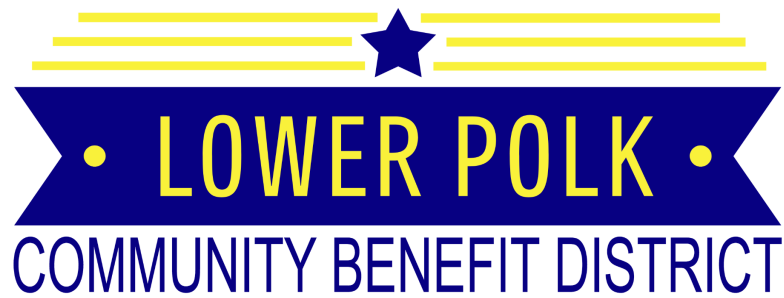
DEFICIT	38,622
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• LOWER POLK •
COMMUNITY BENEFIT DISTRICT

FY2021-2022 Budget



*Financial data from the audited financial statements is available upon request.



Manner of Calculating Assessments

Each property owner pays a share of the cost of the LPCBD, based on a simple formula.

That formula is explained in detail in Section 6-1 of our Engineer's Report at: <https://bit.ly/2V0EiSw>

That formula is also summarized on pages 20 to 23 of our Management Plan, at: <https://bit.ly/3kH5a4O>

In general, each parcel within the District is assigned:

1. **A linear factor** that is equal to the parcel's linear street frontage that receives ongoing District cleaning and public safety improvements.
2. **A lot factor** is calculated for each parcel based upon the assigned lot square footage divided by 2,500.
3. **A building factor** is calculated for each parcel based upon the assigned building square footage divided by 2,500.

Each parcel is also assigned **benefit points**, based on the use of the building:

1. Non-Residential Property = 18 points
2. Residential Property = 2.25 points
3. Non-Profit / Public Property = 2.65 points

Each parcel's assessment is then calculated using this formula:

(Linear Factor + Lot Factor + Building Factor) x Benefit Points

The payment for this assessment is collected twice yearly through the property tax bill. The CBD assessment, including the collection and enforcement of any delinquent assessment and imposition of interest and penalties per City and County of San Francisco Business and Tax Regulations Code Article 6, and related law as it may be amended from time to time, is collected and enforced by the City's Treasurer and Tax Collector. The Treasurer and Tax Collector then transfers the assessment payments to the CBD for the improvements, services, and activities as described both in this Annual Report, and in our Management Plan, which is linked above.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

**For the Years Ended
June 30, 2021 and 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lower Polk Community Benefit District
San Francisco, California

We have audited the accompanying financial statements of Lower Polk Community Benefit District (LPCBD) (a California nonprofit public benefit corporation) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, statements of functional expenses and statements of cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lower Polk Community Benefit District as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

December 15, 2021



LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 971,211	\$ 548,456
Grants receivables	156,497	95,279
Assesment and other receivables	26,519	44,947
Prepaid expenses	20,019	19,621
Total current assets	1,174,246	708,303
Deposits	14,250	14,250
Equipment, net of accumulated depreciation and amortization of 457,563 in 2021 and of \$329,364 in 2020 (Notes 2 and 3)	128,090	256,289
Total assets	\$ 1,316,586	\$ 978,842
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 141,197	\$ 37,080
Accrued liabilities	56,810	94,940
Unearned revenue	18,750	-
Total current liabilities	216,757	132,020
Long-term liabilities		
CARES Act PPP Loan (Note 10)	366,834	183,417
Total liabilities	583,591	315,437
Net assets		
Net assets without donor restrictions (Note 4)	706,226	636,865
Net assets with donor restrictions (Note 5)	26,769	26,540
Total net assets	732,995	663,405
Total liabilities and net assets	\$ 1,316,586	\$ 978,842

The accompanying notes are an integral part of these financial statements.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended June 30, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 288,992	\$ 610,336	\$ 899,328
Grant revenue	-	361,464	361,464
Contributions	11,695	3,665	15,360
Interest	30	-	30
Total revenue, gains and other support	300,717	975,465	1,276,182
Net assets released from restrictions	975,236	(975,236)	-
	1,275,953	229	1,276,182
EXPENSES			
Program			
Cleaning, maintenance and safety	485,507	-	485,507
Marketing, streetscape and beautification	573,202	-	573,202
Total program services	1,058,709	-	1,058,709
Supporting services			
Management and general	131,830	-	131,830
Fundraising	16,053	-	16,053
Total supporting services	147,883	-	147,883
Total expenses	1,206,592	-	1,206,592
Change in net assets	69,361	229	69,590
Net assets, beginning of year	636,865	26,540	663,405
Net assets, end of year	\$ 706,226	\$ 26,769	\$ 732,995

The accompanying notes are an integral part of these financial statements.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 202,137	\$ 701,368	\$ 903,505
Grant revenue	10,150	564,874	575,024
Contributions	1,000	12,620	13,620
In-kind contributions	-	10,929	10,929
Interest	81	-	81
Total revenue, gains and other support	<u>213,368</u>	<u>1,289,791</u>	<u>1,503,159</u>
Net assets released from restrictions	<u>1,277,628</u>	<u>(1,277,628)</u>	<u>-</u>
	<u>1,490,996</u>	<u>12,163</u>	<u>1,503,159</u>
EXPENSES			
Program			
Cleaning, maintenance and safety	836,515	-	836,515
Marketing, streetscape and beautification	485,491	-	485,491
Total program services	<u>1,322,006</u>	<u>-</u>	<u>1,322,006</u>
Supporting services			
Management and general	174,030	-	174,030
Fundraising	54,923	-	54,923
Total supporting services	<u>228,953</u>	<u>-</u>	<u>228,953</u>
Total expenses	<u>1,550,959</u>	<u>-</u>	<u>1,550,959</u>
Change in net assets	(59,963)	12,163	(47,800)
Net assets, beginning of year	<u>696,828</u>	<u>14,377</u>	<u>711,205</u>
Net assets, end of year	<u>\$ 636,865</u>	<u>\$ 26,540</u>	<u>\$ 663,405</u>

The accompanying notes are an integral part of these financial statements.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 69,590	\$ (47,800)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	128,200	130,249
Changes in assets and liabilities:		
Assessments and other receivables	113,707	(125,849)
Grants receivable	(156,497)	89,577
Prepaid expenses	(399)	39,479
Deferred revenue	18,750	(76,090)
Accounts payable	104,117	15,683
Accrued expenses	(38,130)	(131,954)
Advances received	-	(24,795)
Total adjustments	<u>169,748</u>	<u>(83,700)</u>
Net cash provided (used) by operating activities	<u>239,338</u>	<u>(131,500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	-	(4,021)
Net cash used for investing activities	<u>-</u>	<u>(4,021)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
CARES Act PPP Loan	<u>183,417</u>	<u>183,417</u>
Net cash provided by financing activities	<u>183,417</u>	<u>183,417</u>
Net change in cash and cash equivalents	422,755	47,896
Cash and cash equivalents, beginning of year	<u>548,456</u>	<u>500,560</u>
Cash and cash equivalents, end of year	<u>\$ 971,211</u>	<u>\$ 548,456</u>
Supplemental disclosures		
Cash paid for interest and fees	<u>\$ 4,448</u>	<u>\$ 1,008</u>

The accompanying notes are an integral part of these financial statements.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2021

	Program Services			Support Services		Total
	Cleaning, Maintenance, Safety	Marketing, Streetscape Improvements, Beautification	Total Programs	Management and General	Fundraising	
Grant expenses	\$ -	\$ 74,232	\$ 74,232	\$ -	\$ -	\$ 74,232
Salaries and wages	167,120	195,599	362,719	23,497	5,200	391,416
Payroll taxes	14,633	15,367	30,000	1,866	469	32,335
Employee benefits	27,201	20,141	47,342	2,343	474	50,159
Contract services	7,900	9,000	16,900	-	-	16,900
Professional services	28,864	160,203	189,067	18,868	3,854	211,789
Rent and other occupancy	62,471	15,724	78,195	26,091	-	104,286
Insurance	40,410	12,695	53,105	13,110	3,073	69,288
Marketing and advertising	-	3,159	3,159	-	-	3,159
Postage and printing	254	14,345	14,599	40	-	14,639
Repairs and maintenance	1,325	6,253	7,578	-	-	7,578
Software, subscriptions, license and fees	5,199	11,410	16,609	6,551	1,930	25,090
Supplies and equipment	17,784	1,660	19,444	4,308	-	23,752
Travel, training, conference, meals and entertainment	308	19	327	885	-	1,212
Utilities	28,161	5,130	33,291	4,077	488	37,856
Vehicle operations	10,251	-	10,251	-	-	10,251
Interest expense	808	1,212	2,020	2,294	135	4,449
Depreciation amortization	72,818	27,053	99,871	27,900	430	128,201
Total Expenses	\$ 485,507	\$ 573,202	\$ 1,058,709	\$ 131,830	\$ 16,053	\$ 1,206,592
Percent of Total	40%	48%	88%	11%	1%	100%

The accompanying notes are an integral part of these financial statements.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020

	Program Services			Support Services		Total
	Cleaning, Maintenance, Safety	Marketing, Streetscape Improvements, Beautification	Total Programs	Management and General	Fundraising	
Grant expenses	\$ -	\$ 43,690	\$ 43,690	\$ -	\$ -	\$ 43,690
Salaries and wages	436,503	187,297	623,800	53,059	39,293	716,152
Payroll taxes	38,260	15,303	53,563	4,417	3,079	61,059
Employee benefits	61,309	21,330	82,639	11,779	3,267	97,685
Contract services	576	14,361	14,937	594	-	15,531
Professional services	40,657	97,504	138,161	27,187	4,008	169,356
Rent and other occupancy	58,077	14,519	72,596	25,338	-	97,934
Insurance	32,612	12,526	45,138	9,373	2,155	56,666
Marketing and advertising	-	100	100	-	-	100
Postage and printing	2,472	14,910	17,382	476	22	17,880
Repairs and maintenance	2,130	355	2,485	20	-	2,505
Software, subscriptions, license and fees	6,422	17,629	24,051	4,948	1,784	30,783
Supplies and equipment	39,031	5,078	44,109	1,374	73	45,556
Travel, training, conference, meals and entertainment	7,074	10,732	17,806	1,848	596	20,250
Utilities	23,416	2,099	25,515	4,310	116	29,941
Vehicle operations	14,614	-	14,614	-	-	14,614
Interest expense	-	-	-	1,008	-	1,008
Depreciation amortization	73,362	28,058	101,420	28,299	530	130,249
Total Expenses	\$ 836,515	\$ 485,491	\$ 1,322,006	\$ 174,030	\$ 54,923	\$ 1,550,959
Percent of Total	54%	31%	85%	11%	4%	100%

The accompanying notes are an integral part of these financial statements.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 1 DESCRIPTION OF ORGANIZATION

Organization - Lower Polk Community Benefit District (“LPCBD”) is a not-for-profit community-based organization. LPCBD was formed in 2014 and began operations in 2016. Property owners of the business district formed LPCBD to improve the quality of life in the area by making the area cleaner, safer, and well maintained. The LPCBD has a contract with the City and County of San Francisco for a term of 15 years, expiring on June 30, 2029. LPCBD is generally 22 whole or partial blocks from approximately the south side of California Street to the east side of Van Ness Avenue and from the north side of Myrtle Street to the west side of Larkin Street.

LPCBD exists to implement programs to create a neighborhood that is safer, cleaner and a better place to conduct business and live. These programs and services are funded by district property owners in the Lower Polk Neighborhood, contributions from donors, and grants from the City and County of San Francisco.

Lower Polk Community Benefit District will advance the quality of life for residents, workers and visitors by fostering a safer and more secure community, enhancing environmental quality and beauty, and reinforcing the viability of the area’s economic base.

Programs and services provided by the LPCBD include:

Cleaning and Maintenance – Includes regular sidewalk sweeping, alley cleaning, refuse removal, regularly scheduled steam cleanings, pressure washing, graffiti removal, tree pruning and watering, tree well weeding with crushed granite replenishment. On April 30, 2018 LPCBD terminated its contract with an outside vendor to provide the majority of these services and hired a work force to bring these services in-house.

Safety Ambassadors – The program works with residents, merchants and youth on a variety of safety programs and strategies. Safety Ambassadors on Foot Patrol provide a reassuring presence, who continually engage members of the public, interact with merchants to share safety related information, and report any observed illegal behaviors to the police.

Marketing, Streetscape and Beautification Program – This program is designed to augment existing city services to ensure new marketing initiatives designed to promote both stability and growth within the area.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The financial statements of the LPCBD are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Basis of Presentation – The LPCBD is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular period. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

As of June 30, 2021 and 2020, there were no net assets with permanent donor restrictions.

Fair Value Measurements – The LPCBD carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the LPCBD to classify these financial instruments into a three-level hierarchy. The LPCBD classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

The LPCBD's carrying amounts of its assets and liabilities, approximate fair value under Level 1 for the years ended June 30, 2021 and 2020.

Property, Equipment, and Leasehold Improvements - The LPCBD records property, equipment, and leasehold improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from three to fifteen years. The LPCBD capitalizes all property, equipment, and improvements with a cost in excess of \$2,500.

Contributions and Revenue Recognition – LPCBD receives its support primarily from a special assessment levied by the City and County of San Francisco (“CCSF”) on properties located within the business district in accordance with CCSF Ordinance. The assessment is recorded by LPCBD when earned. CCSF remits the assessments to LPCBD as they are collected from the property owners. Interest is not charged on late assessments; however, late penalties are charged in accordance with the CCSF's policy.

Assessments and other receivables represent amounts due from the City and County of San Francisco (“CCSF”) for obligations of local property owners collected on the behalf of LPCBD, and other amounts due to LPCBD for other grants. Unpaid receivables do not accrue interest.

Contributions consist of cash contributions as well as in-kind goods and services provided to the Corporation. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated securities are recorded at their fair value at the date of donation.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Accounts Receivable - Contributions receivable are reviewed for collectability, and reserves for uncollectible amounts are established as needed. It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. LPCBD considers all unconditional promises to give fully collectible and therefore, there was no allowance for doubtful accounts at June 30, 2021 and 2020.

Advertising Costs – It is the policy of the LPCBD to expense advertising costs as incurred.

Functional Allocation of Expenses - The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management’s estimates and analysis of personnel time spent on each program and activity.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual future results could differ from those estimates.

Income Taxes - LPCBD is exempt from federal and state taxes under Section 501(c) (3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be a Corporation other than a Private Foundation. In the opinion of management, there is no unrelated business income.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2021	2020
Furniture, equipment and vehicles	\$ 149,357	\$ 149,357
Leasehold improvements	370,436	370,436
Website and mobile app	65,860	65,860
Total property and equipment	585,653	585,653
Accumulated depreciation and amortization	(457,563)	(329,364)
Property and equipment, net	\$ 128,090	\$ 256,289

Depreciation and amortization expense was \$128,200 and \$130,249 for the years ended June 30, 2021 and 2020, respectively.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 4 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Capital assets, net	\$ 128,090	\$ 256,289
Undesignated	<u>578,136</u>	<u>380,576</u>
Total net assets without donor restrictions	<u>\$ 706,226</u>	<u>\$ 636,865</u>

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Assessment receivable	<u>\$ 26,769</u>	<u>\$ 26,540</u>

NOTE 6 RETIREMENT PLAN

Effective January 1, 2016, LPCBD established a defined contribution retirement plan (the "Plan") for employees over 21 years of age. All employees employed on or after April 27, 2016 are considered eligible. The Plan allows eligible employees to make voluntary contributions by salary reduction up to 92% of compensation but not to exceed the limits allowed by the IRC.

Any eligible employee who does not make voluntary contribution election or elects out of the Plan, will be automatically enrolled in the Plan with a 2% deferral. LPCBD will match employee's contributions 100% on the first 3% deferred and then 50% of deferrals from 3%-5%. LPCBD may also make discretionary profit sharing contributions.

During the years ended June 30, 2021 and 2020, LPCBD made \$11,693 and \$18,338, respectively, in matching contributions, which are included in employee benefits expense on the statements of functional expenses.

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 7 COMMITMENTS

Funding - LPCBD's revenue, which is derived from government grants and contracts, is subject to audit by the government agencies. In accordance with the terms of the CCSF's contracts, an audit may be performed by an authorized CCSF representative. Should such an audit disclose any unallowable costs, LPCBD may be liable to the CCSF for reimbursement of such costs.

In the opinion of LPCBD's management the effect of any disallowed costs would be immaterial to the financial statements as of June 30, 2021.

Lease - LPCBD leases space in San Francisco, California under an operating lease that commenced on November 1, 2016 and expires October 31, 2021. The lease calls for monthly payments at \$4,200 that escalate to \$8,439 during the fifth year.

Fiscal year ended,	
<u>June, 30</u>	
2022	<u>\$ 33,756</u>

During the years ended June 30, 2021 and 2020, LPCBD paid rent in the amount of \$99,905 and \$92,605, respectively.

NOTE 8 FUNDRAISING REQUIREMENTS

The CCSF's contract requires LPCBD to annually raise not less than 5.5% of its annual budget from sources other than CCSF's assessments. For the years ended June 30, 2021 and 2020, LPCBD satisfied this requirement.

NOTE 9 LIQUIDITY MANAGEMENT

As part of LPCBD's liquidity management strategy, LPCBD structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. LPCBD's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions, grants, and assessments. LPCBD has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

The Statement of Financial Position shows liquid assets as follows:

Cash and cash equivalents	\$ 971,211
Accounts receivable	183,016
Net assets with donor restrictions	<u>(26,769)</u>
Financial assets available for current needs	<u>\$ 1,127,458</u>

LOWER POLK COMMUNITY BENEFIT DISTRICT
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 10 THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

During the year ended June 30, 2020, LPCBD participated in the Payroll Protection Plan under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) due to the Coronavirus Pandemic and received \$183,417 from the federal government. On September 22, 2021, the PPP loan had been granted forgiveness by the Small Business Association (SBA). See subsequent events Note 13.

On March 24, 2021, LPCBD received a second PPP loan in the amount of \$183,417. As of the report date, it is undetermined if the second PPP loan will be converted to a grant and the obligation will be extinguished. Repayment, if federal authorities determine the loan is not convertible to a grant, is deferred until a date to be determined by the SBA, when monthly payments will be due in 24 monthly installments at 1% per annum.

NOTE 11 CONCENTRATIONS OF RISK

Revenue concentration of risk – During the years ended June 30, 2021 and 2020, LPCBD received 98% of its total income from the City and County of San Francisco in the form of assessments and revenue from other programs.

Deposit balance risk - As of June 30, 2021, LPCBD had cash balances with financial institutions which exceeded the Federal Deposit Insurance Corporation insured limit of \$250,000 by approximately \$723,700.

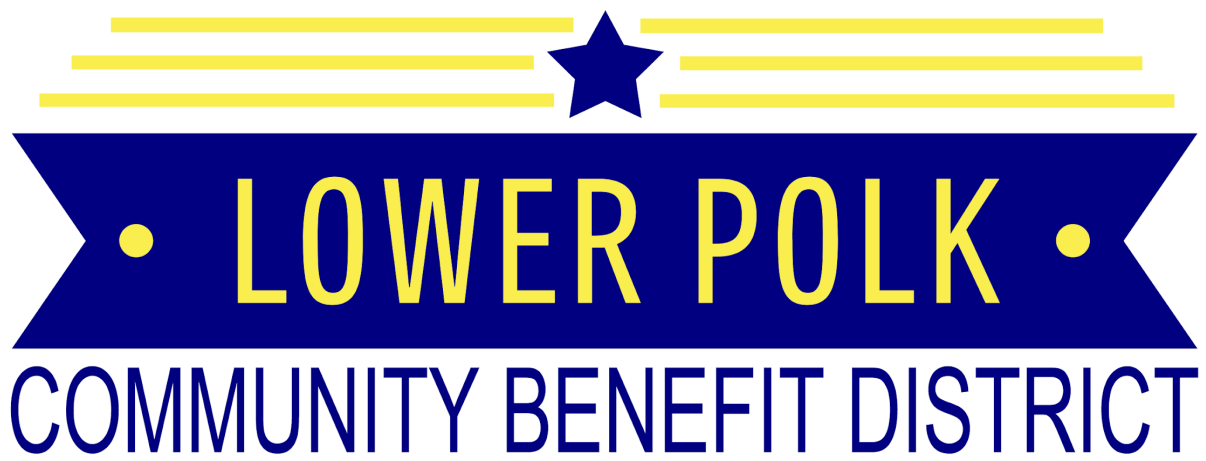
NOTE 12 RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. These changes in classification do not affect previously reported cash flows from operating activities in the Statements of Cash Flows.

NOTE 13 SUBSEQUENT EVENTS

As of the Auditor’s Report date, the Small Business Administration had granted LPCBD complete forgiveness of the first Payroll Protection Plan loan in the amount of \$183,417.

Management has evaluated all material subsequent events through the Auditor’s Report date, the date the financial statements were available to be issued, and are asserting there are none.



Surveillance Technology Report FY 2020-2021

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TECHNOLOGY

- 4x AV-12W-H3-4MH-DP1-B 3 MP, Pendant Multisensor Camera (1 Camera in unit)
- 3x AV-9W-H3-3MH-DP1-B 3 MP, Pendant Multisensor Camera (4 Cameras in unit)
- AV-HD-NVR3-STD-24TB-NA HD NVR3 STD 24TB NA 2U Rack Mnt WES7E (DVR)
- AV-2MN-HD-RMWS Avigilon Control Center Professional high performance onsite remote monitoring workstation for up to two monitors.
- Avigilon Control Center Software
- Additional equipment includes a monitor, keyboard, mouse, etc. Equipment also includes related camera mounts, cables, etc.

ACCESS LOG

Date of Request	Agency / Department	Person	Nature of Request
9/20/2020	SFPD	Sgt Thomas MacMahohn	Camera footage 816 Larkin. Do not have cameras responsive to request.
9/22/2020	SFPD	Sandon Cheung	9/19/20 Assaults/Robbery/Gun Fern and Polk. Video request. Video provided.
10/14/2020	SF Public Defender	Collin Olsen Public Defender	9/20/20 Video Footage Polk Street 0300 to 0745. Video provided.
3/8/2021	SFPD	SFPD officer name unknown	Provide video to responding officers Polk/Fern shooting in early morning hours.
3/22/2021	SF Public Defender	Collin Olsen	3/15/21 Video footage Polk/Golden Gate. Do not have cameras responsive to request.

SURVEILLANCE TECHNOLOGY POLICY

The Lower Polk Community Benefit District, hereinafter “CBD” values the civil rights and civil liberties of all people. This Surveillance Technology Policy thus aims to ensure the responsible and ethical use of our Security Camera System.

This policy is subject to change. The most current version will always be located at our website at: <https://lowerpolkcbd.org/documents/>

PURPOSE AND SCOPE

This Surveillance Technology Policy (“Policy”) defines the manner in which our Security Camera System will be used to (1) benefit the general public, and (2) support our CBD operations.

This Policy applies to all CBD personnel that use, plan to use, or plan to secure our Security Camera Systems, including employees, contractors, and volunteers.

POLICY STATEMENT

The CBD will limit our use of our Security Camera system to the following authorized use cases and requirements listed in this Policy.

Authorized Use(s):

1. Live monitoring.
2. Recording of video and images.
3. Reviewing camera footage in the event of an incident.
4. Providing video footage/images to law enforcement or other authorized persons following an incident or upon request.

Prohibited use cases include any uses not stated in the Authorized Use Case section.

Notwithstanding the above, analysis of, and/or the intentional gathering of aggregate or individual data revealing statistics related to any and all legally protected categories, including racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, gender, gender identity, disability status, or an individual person’s sex life or sexual orientation, shall be a prohibited use.

BUSINESS JUSTIFICATION

Security Cameras will help the general public with:

Benefit to Public:	Explanation:
Community Development	The CBD will be able to determine what areas may require additional attention, such as increased street lighting.
Health	The CBD will be able to determine what areas may require outreach and assistance.
Environment	The CBD will be able to determine what areas may be sites of illegal dumping, or waste disposal.
Criminal Justice	After violent crimes, the CBD may share camera data with pertinent law enforcement, on a case-by-case basis.
Safety	Benefit to public safety

Security Cameras will help the CBD with:

Benefit to CBD:	Explanation:
Staff Safety	The CBD will be able to proactively monitor situations that may be unsafe for employees.
Increased Service Levels	The CBD will be able to increase service levels.

POLICY REQUIREMENTS

This Policy defines the responsible data management processes and safeguards required by the CBD to ensure transparency, oversight, and accountability measures. CBD use of surveillance technology and information collected, retained, processed or shared by surveillance technology must be consistent with this Policy; must comply with all City, State, and Federal laws and regulations; and must protect all state and federal Constitutional guarantees.

Software:

The software and/or firmware used to operate security cameras must be kept up-to-date, patched, and maintained.

Data Collection:

Our CBD shall only collect the data that is necessary to execute authorized use cases.

Data Types:

Video and images that we collect may include MP4, AVI, MPEG, date and time data may be contained in MP4 or other formats, and geolocation data may be contained in TXT, CSV, DOCX files.

Notification:

We will notify the public that they are under surveillance at the places where the cameras are located.

Training and Access:

Prior to accessing or using data, authorized individuals receive training in system access and operation, and instruction regarding authorized and prohibited uses.

Access to live views and recorded footage is restricted to specific trained personnel. Recorded footage is accessed only in response to an incident.

Details on CBD staff and specific access are available in **Appendix A**.

Data Sharing:

No live (in real time) camera footage shall be shared outside of the CBD.

Before sharing data with any recipients, the CBD will use the following procedure to ensure appropriate data protections are in place:

- Confirm the purpose of the data sharing aligns with the CBD's mission.
- Consider alternative methods other than sharing data that can accomplish the same purpose.
- Review of all existing safeguards to ensure shared data does not increase the risk of potential civil rights and liberties impacts on residents.
- Evaluation of what data can be permissibly shared with members of the public should a request be made in accordance with San Francisco's Sunshine Ordinance.
- Ensure data will be shared in a cost-efficient manner and exported in a clean, machine-readable format.

CBD will comply with the California Public Records Act, the San Francisco Sunshine Ordinance, the requirements of the federal and State Constitutions, and federal and State civil procedure laws and rules.

Data Security:

CBD shall secure all technology and data obtained with that technology against unauthorized or unlawful processing or disclosure; unwarranted access, manipulation or misuse; and accidental loss, destruction, or damage.

The general safeguards that protect information from unauthorized access, including encryption and access control mechanisms include:

- Physical security and software security measures.

Data Disposal:

Upon completion of the data retention period, CBD shall dispose of data in the following manner:

Automatic overwrite of all existing files when standard data retention period ends. This may take the form of a delete/reformat, wipe, overwrite of existing data, or degaussing.

Audits:

A data access log will be maintained by the CBD for all Security Camera data that is shared. This log will include but is not limited to the following: date/time data was originally obtained/collected, reasons/intended use for data, Department requesting data, date/time of access of raw data, outcome of data processing, as well as date processed data was delivered to users.

Data Retention:

CBD may store and retain data only as long as necessary to accomplish a lawful and authorized purpose. Generally, we store camera and related data for 30 days, but we may retain it for longer or shorter periods of time in specific situations. For example, we may run out of storage space for the data, or a given file may be at issue in a legal case.

Appendix A

1. The specific categories and titles of individuals who are authorized by the CBD to access or use the collected information
 - a. CBD Management and CBD Board
 - b. Authorized law enforcement
 - c. Authorized public defenders
 - d. Authorized district attorneys
 - e. Authorized insurance companies
 - f. Others, only as allowed by our Data Sharing policy
2. What procedures will be put in place by which members of the public can register complaints or concerns, or submit questions about the deployment or use of a specific Surveillance Technology, and how the Department will ensure each question and complaint is responded to in a timely manner.
 - a. Public can inquire by contacting the CBD directly (listed below) or through the City's Public Records Request process.
 - i. Email the CBD at info@lowerpolkcbd.org
3. Specific details on where data will be stored (local, DT, SaaS, Cloud Storage) including name of vendor and retention period.
 - a. Local storage
4. Is a subpoena required before sharing with law enforcement?
 - a. No

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

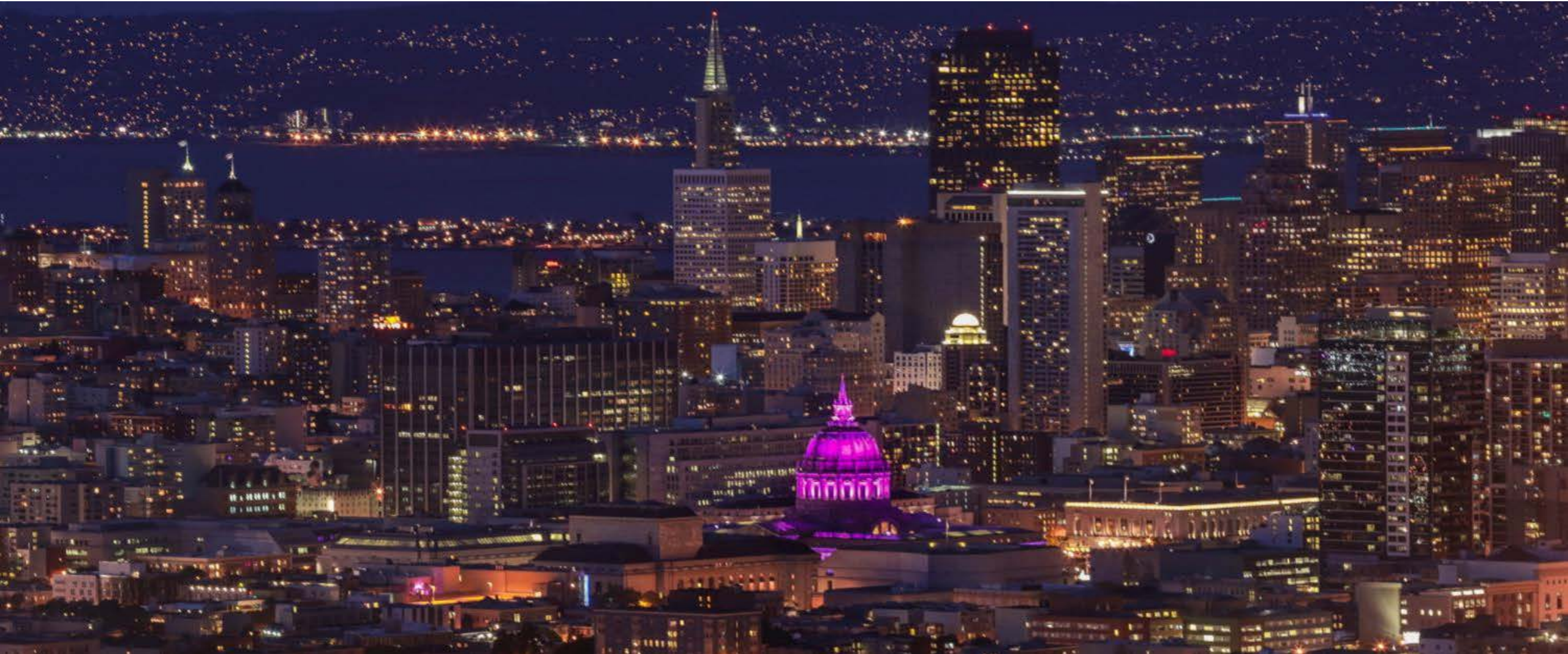
Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.55\%$	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were 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

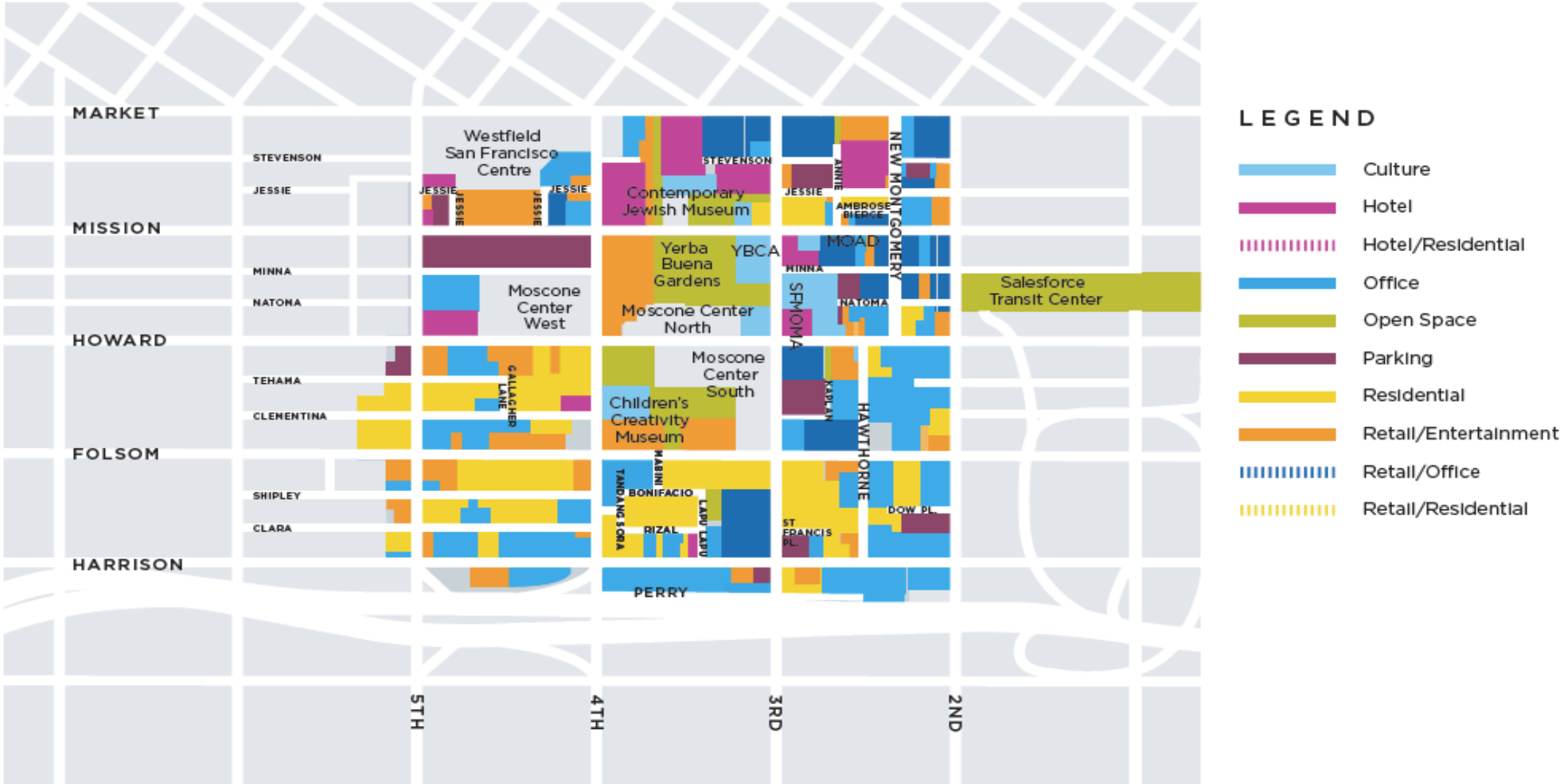
- Used to attract new clients
- Retain current clients during Moscone shut-down due to Covid-19 and into the future





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

What is the Yerba Buena District?



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

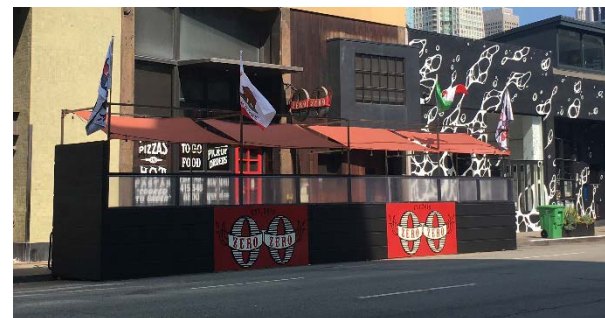


Small Business Grants

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

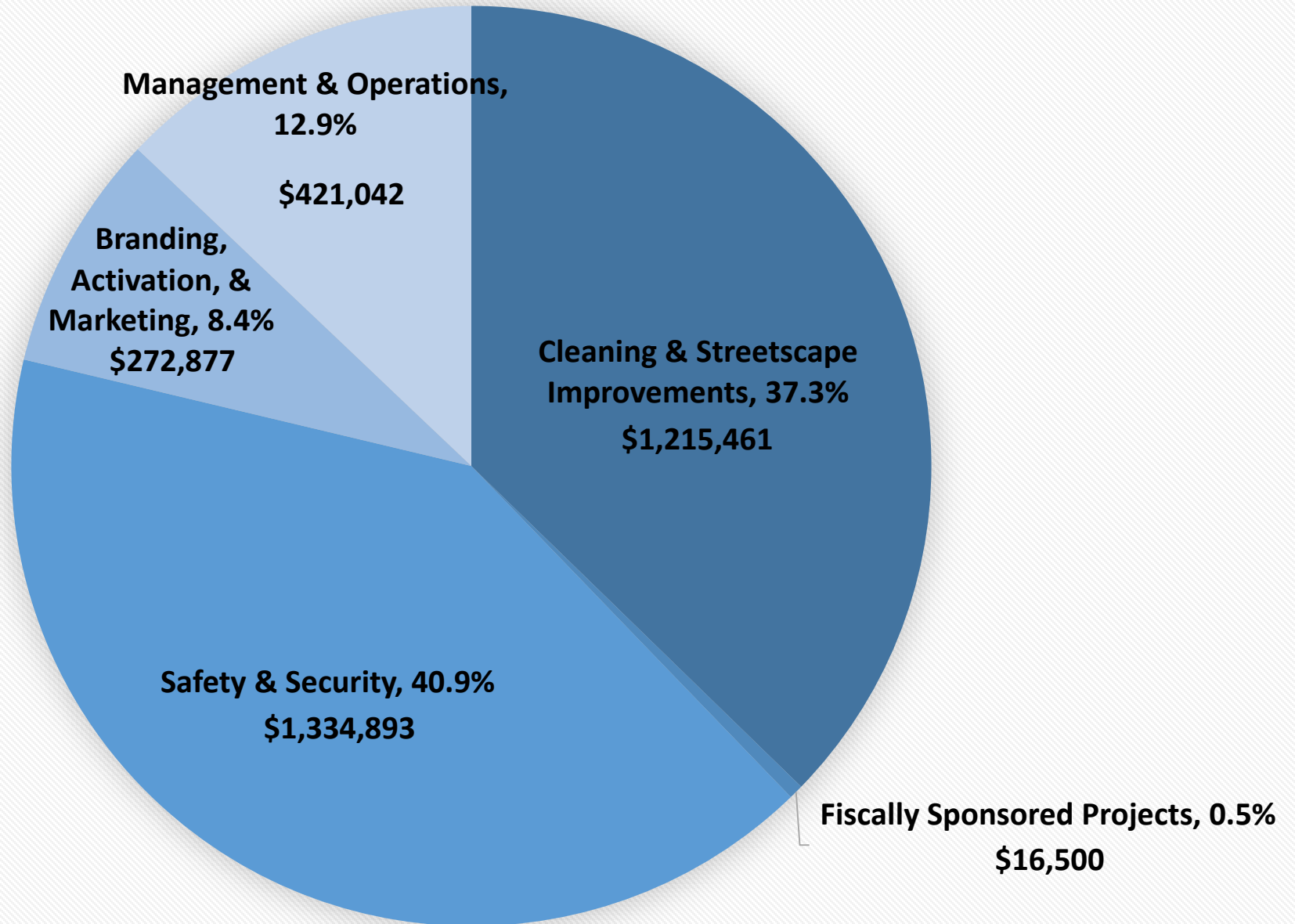
YBCBD Safety and Security Survey 2021

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...

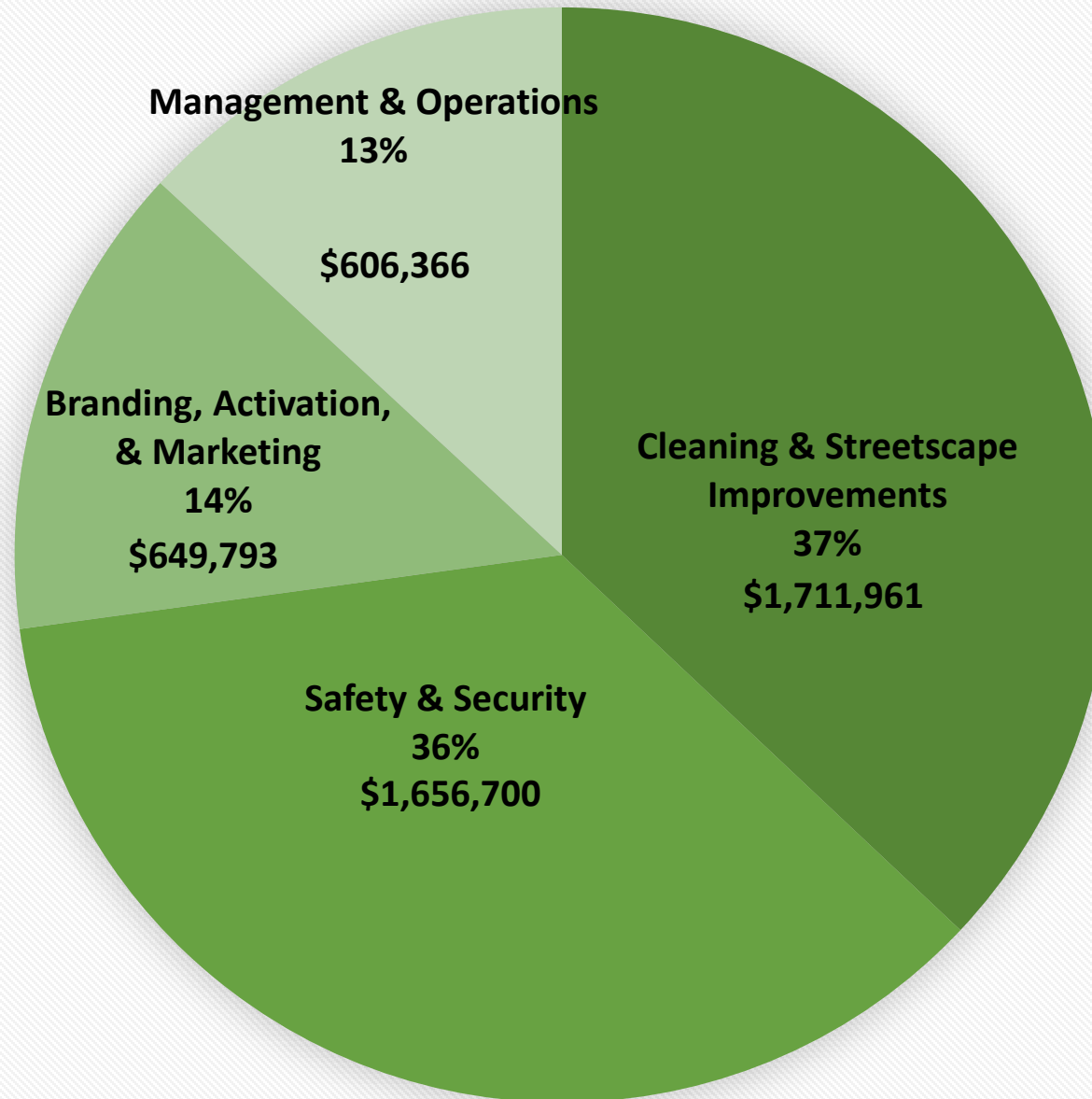
Community Support: Art & Joy



FY20-21 Actuals



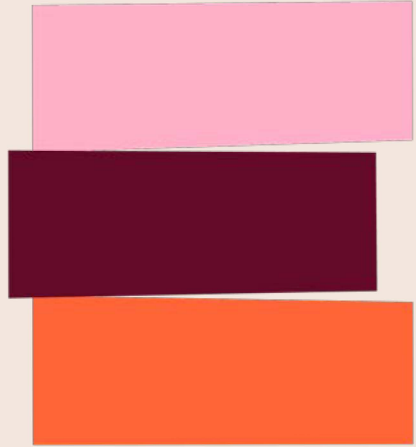
FY21-22 Budget





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

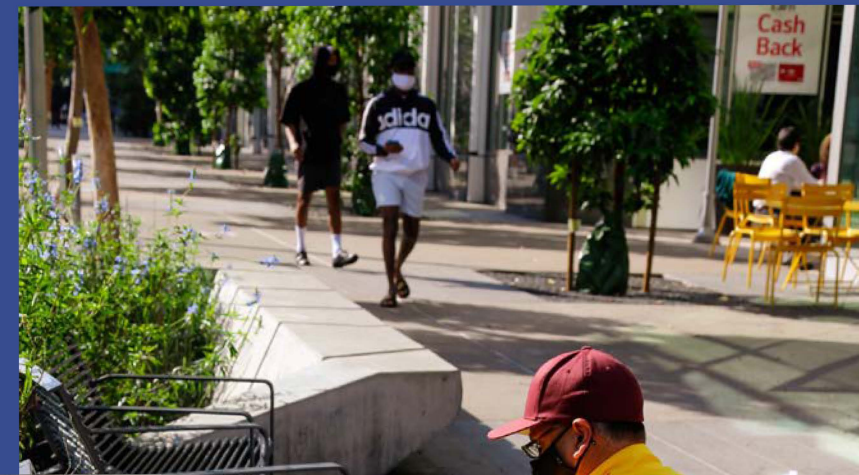
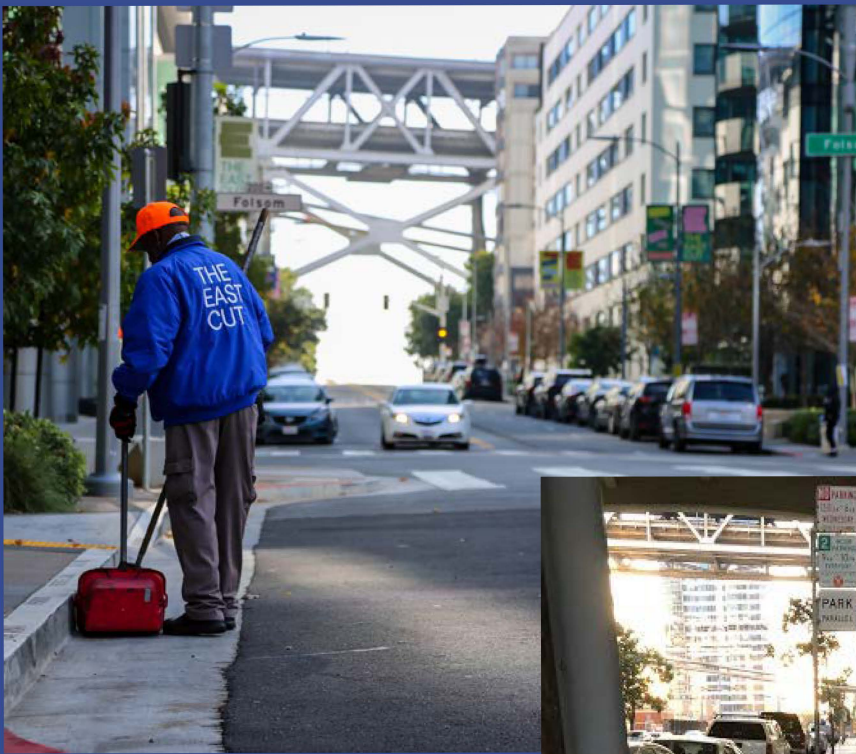
2,997 graffiti tags removed

1,101 needles collected

145,460 pounds of garbage removed

3,449 city trash cans topped off

3,187 instances of homeless outreach



Before

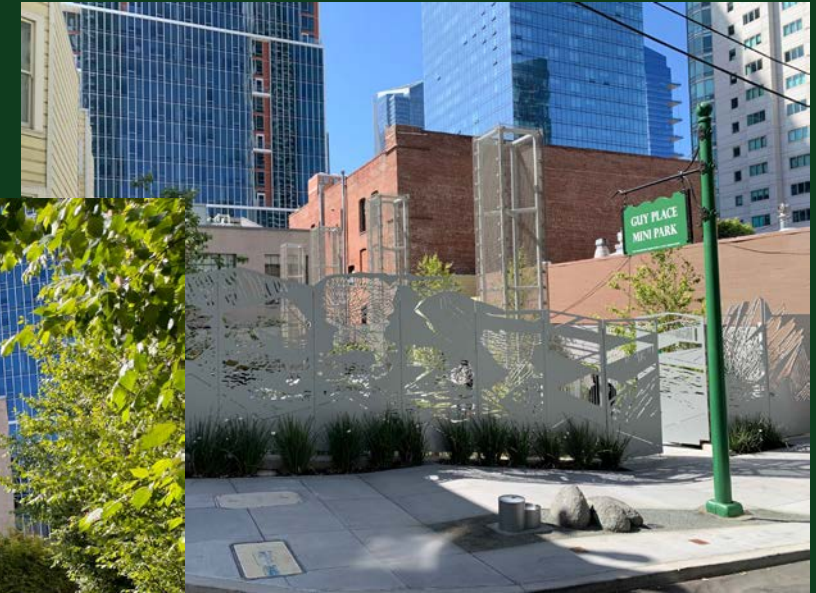
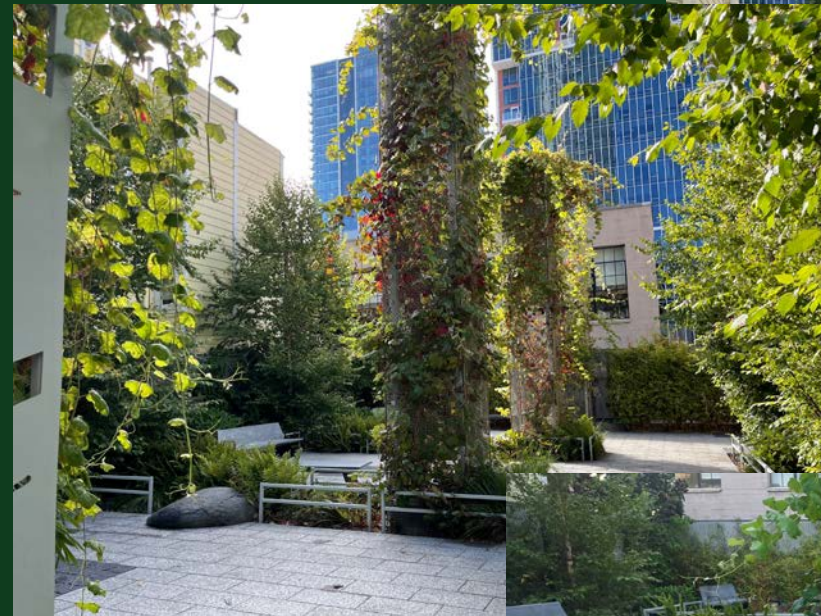
After

Neighborhood Parks & Open Spaces

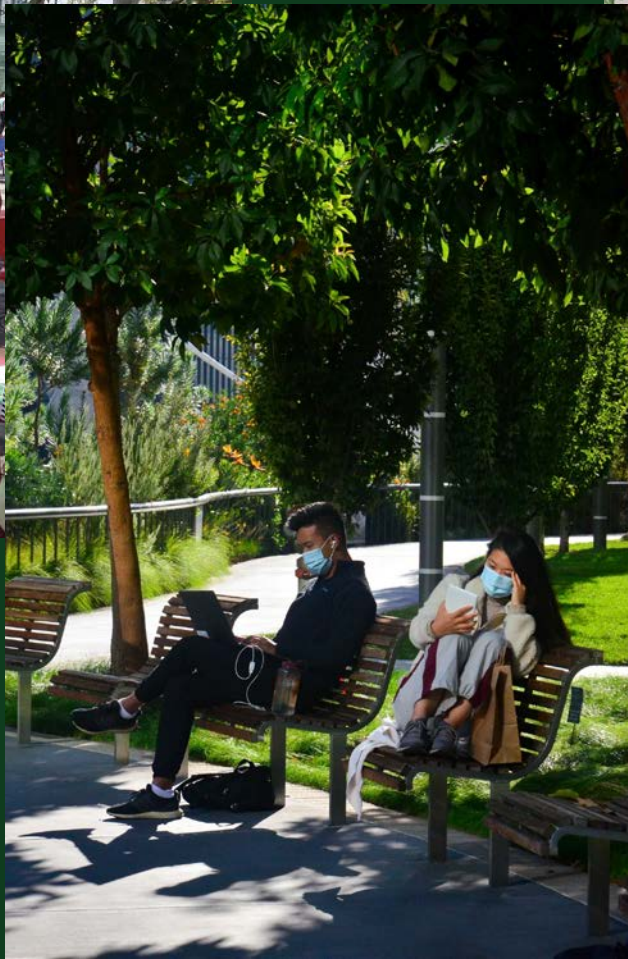
The East Cut CBD will maintain 5 parks and open spaces (current and upcoming)

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



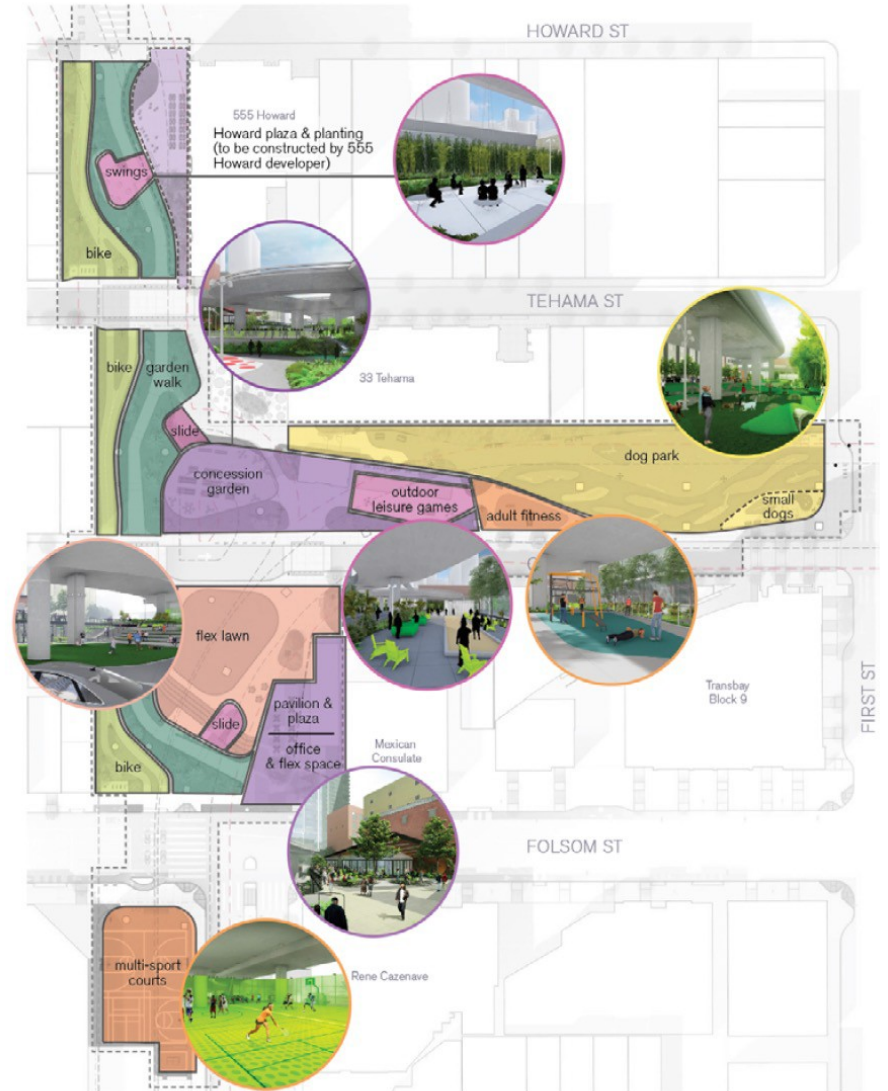
SITE DESIGN

-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

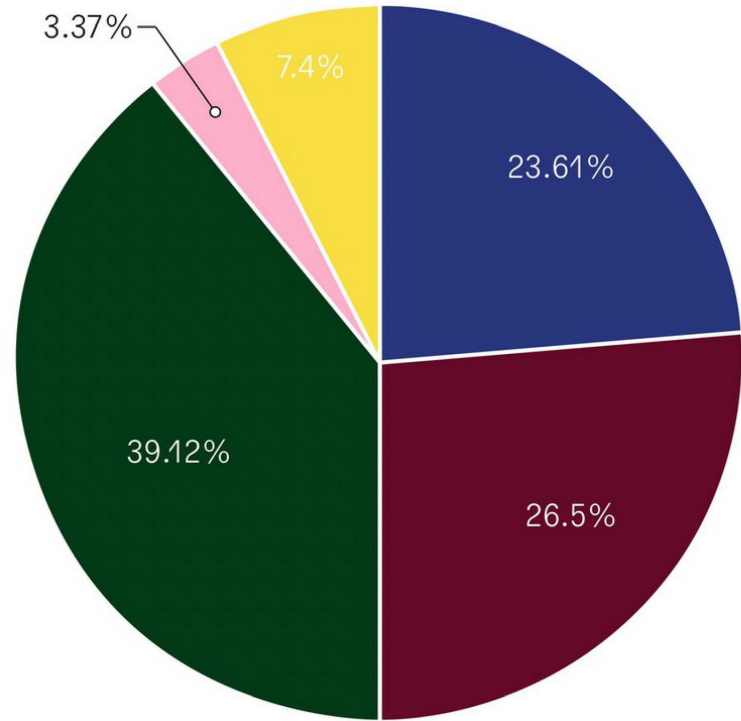




EAST
CUT
EATS



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

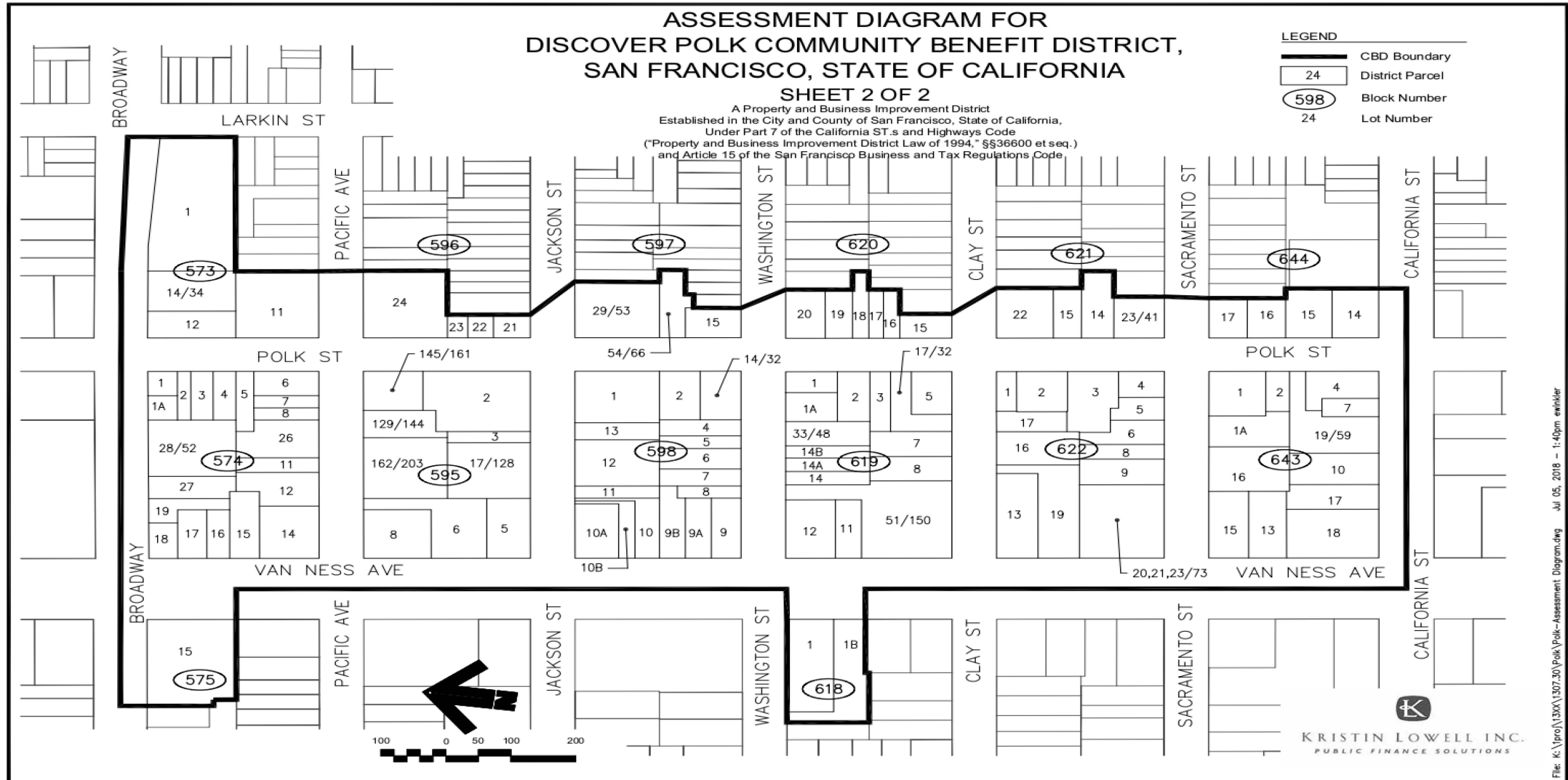
Service Category	Assessment \$	% of Budget from Assessment	Non-Assessment \$	% of Budget from Non-Assessment	Total Amount \$	% of Total Budget
Cleaning, Maintenance & Safety Program	\$190,882	55.56%	-	-	\$190,882	40.68%
Marketing, Streetscape Improvements & Beautification Program	\$41,380	12.05%	\$11,968	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

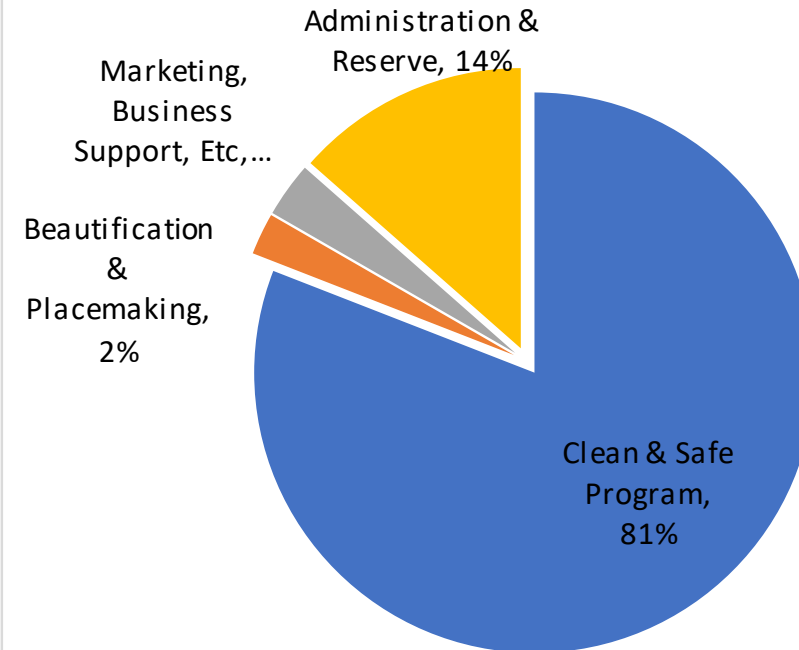
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820

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

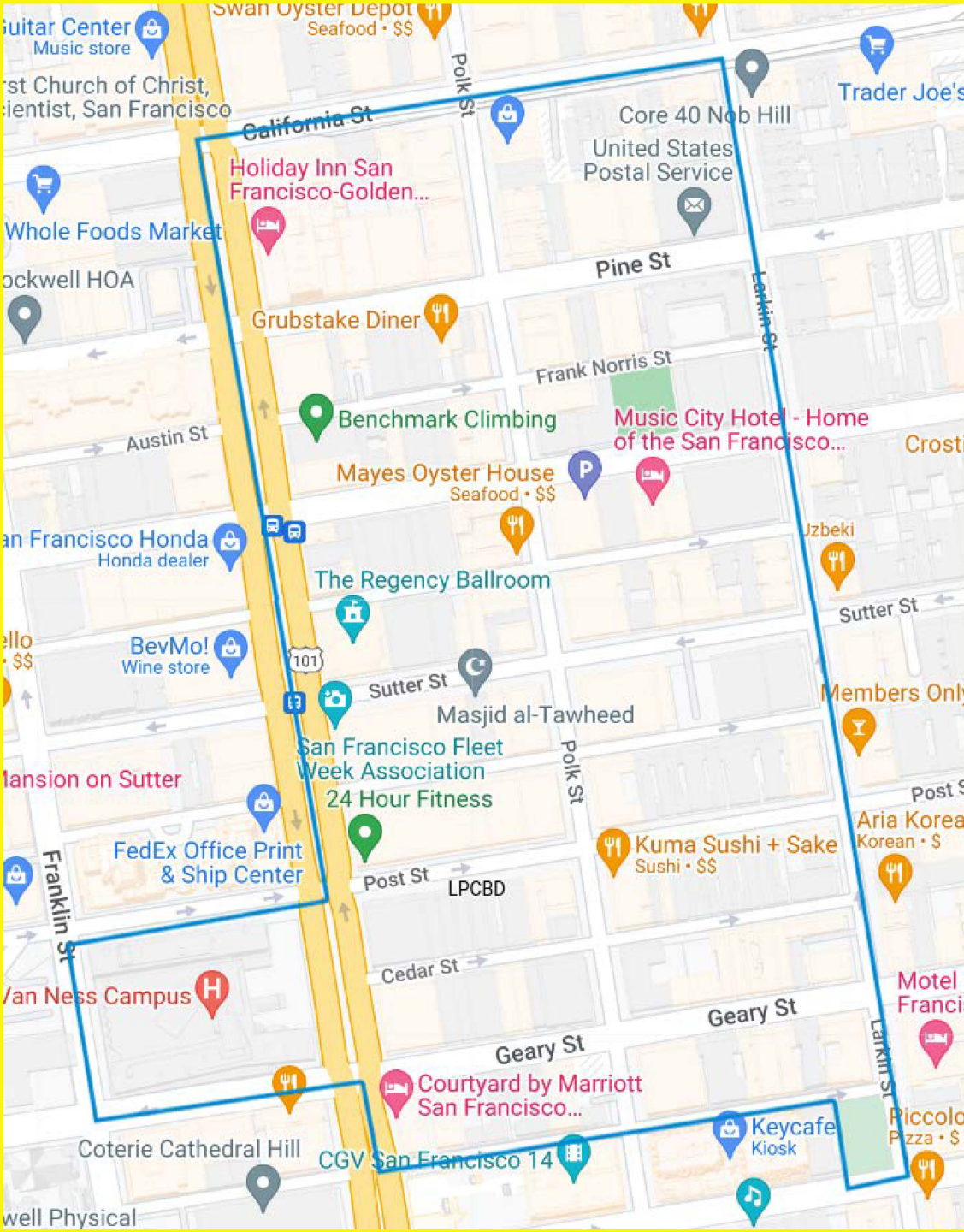
2020/2021 was the FY where Discover Polk fully came into its own. We were extremely fortunate that our assessments came in at (or very near to) budget. We managed to stay within budget while still keeping ample reserves due to COVID related risks.



• **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.

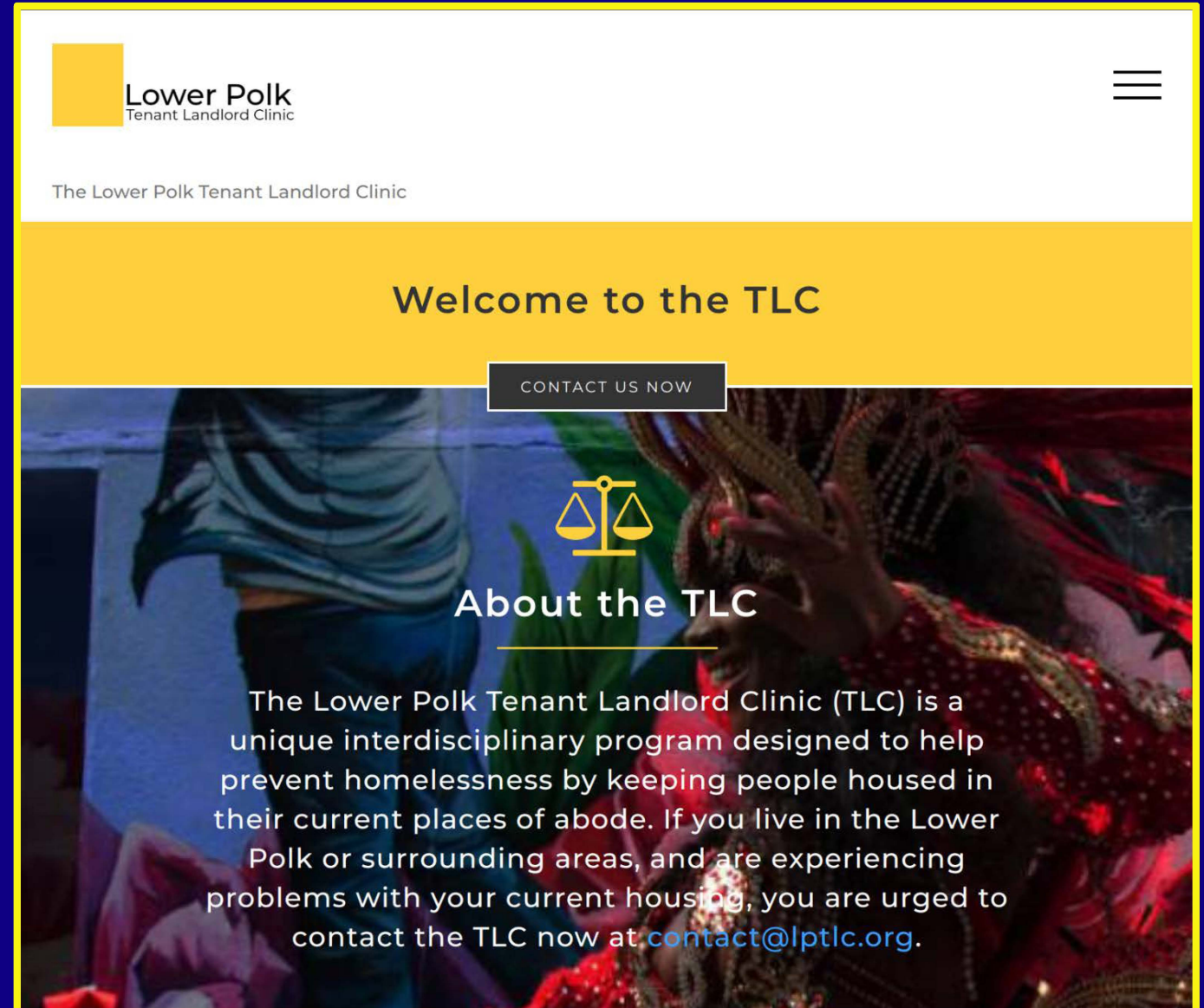
Attend numerous neighborhood association meetings and coordinate additional constituent meetings to discuss LPCBD outreach services, address specific concerns and create action plans.

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



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):

Supervisor Peskin

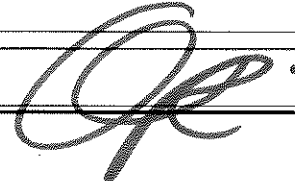
Subject:

[Lower Polk Community Benefit District – Annual Report for FY 2020-2021]

The text is listed:

Resolution receiving and approving annual report for the Lower Polk Community Benefit District for fiscal year 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.

Signature of Sponsoring Supervisor:



For Clerk's Use Only