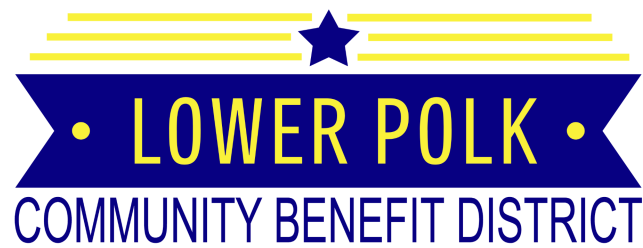




LOWER POLK COMMUNITY BENEFIT DISTRICT

2019-2020 Annual Report



Executive Summary

We are pleased to submit this annual report regarding our organizational accomplishments and financial status for the 2019-2020 Fiscal Year. Even during a time 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 new CBD, our organization has been extremely busy. Some of our initiatives have included, but are not limited to:

❖ Working:

- To mitigate the effects of COVID-19 on our District and constituents via increased cleaning, and increased sanitation of public fixtures.
- To maintain the health and safety of our own team via the increased use of PPE, and the associated training thereof.
- To assist merchants impacted by the pandemic via our award-winning Lower Polk Tenant Landlord Clinic, business support services, and placemaking initiatives.
- To assist residential tenants impacted by the pandemic via the Lower Polk Tenant Landlord Clinic.
- Transition placemaking/arts manager from events/arts focus to business support/activation focus in latter half of fiscal year to support businesses facing COVID-19 losses and affects.

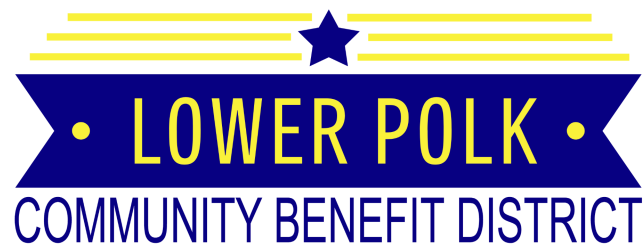
❖ Launching:

- A newly designed LPCBD website with increased information regarding COVID-19.
- A newly designed Lower Polk Tenant Landlord Clinic with COVID-19 information that was human-translated into multiple languages.

❖ Serving:

- On the Lower Polk Neighbors.
- On the Graffiti Advisory Board.
- On the San Francisco CBD Consortium.

While much has been accomplished over these first few years of our existence – including the above – much remains to be done. We did not let COVID-19 slow us down, and we look forward to working in partnership with the City of San Francisco and our constituents to improve the quality of life for all of those who live, work, and visit the Lower Polk.



Status and Progress of Programs

Some additional highlights of our accomplishments for the 2019-2020 fiscal year are outlined below.

Management & Operations

Board & Staff

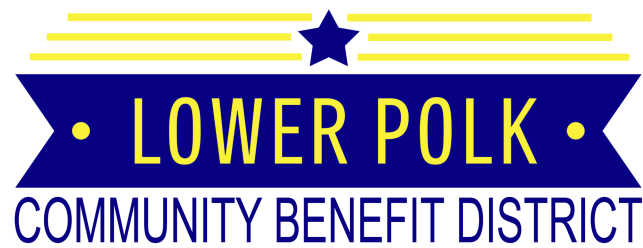
- ❖ Brought on as the new Executive Director, a local resident with more than 18 years of experience with the neighborhood, extensive contacts within the local merchant community and at City Hall.
- ❖ Elected new board members and renewed the terms of current board members, and elected new officers and 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 the Mayor's Graffiti Advisory Board, just to name a few.

Finance and Fund Development

- ❖ Completed our organizational annual audit and received an unmodified opinion.
- ❖ Conducted a review of organizational investments.
- ❖ Conducted a review of 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 365 days a year (Suspended services for 1 month at initial onset of lockdown due to unavailability of PPE supplies) to address and remediate District cleanliness issues. Therefore we:
 - 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 distribution of neighborhood issues and design solutions to improve neighborhood safety and cleanliness; and
 - continued to track live community service requests through our mobile app, Bonayo.org so as to focus extra attention on areas that require extra attention.

Corridor Safety

Neighborhood Safety

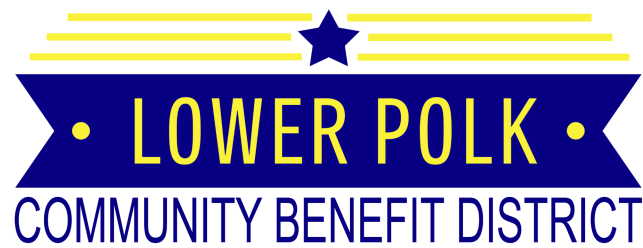
During COVID-19, neighborhood safety became an even higher priority of the LPCBD. Our residents, merchants, visitors, property owners, and other constituents should always feel safe to enjoy our District. Therefore we:

- ❖ worked with our SFPD to address quality of life issues and safety issues;
- ❖ successfully advocated for the inclusion of Lower Polk Alleyways into the Tenderloin Safety Plan;
- ❖ continued to work with the Department of Homelessness and Supportive Housing;
- ❖ utilized ambassador staff to report areas that need to be cleaned, provide directions and information about the neighborhood, and to generally serve as an additional set of eyes for the community to report safety issues; and
- ❖ participated in multiple neighborhood safety and security groups to discuss and take action on issues, trends, etc., with a special focus on our Lower Polk alleyways.
- ❖ worked with the City on potential policies with respect to empty storefronts.

Neighborhood Support

Closely related to neighborhood safety is neighborhood support. Not only do we address homelessness on an “as needed” outreach basis, we also work proactively with the City to address policy issues which may impact those who are unhoused or at risk of becoming unhoused. Therefore, we:

- ❖ collaborated with the Department of Public Health and Department of Homelessness to address homelessness and the street population in the neighborhood. Supported the TAY



Navigation Center planning;

- ❖ attended numerous neighborhood association meetings and coordinated additional constituent meetings to discuss LPCBD outreach services, address specific concerns, and create action plans; and
- ❖ 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

Marketing / Advocacy / Newsletters

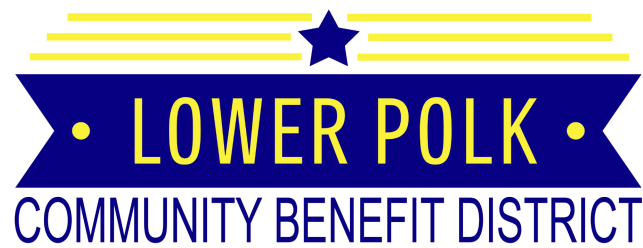
- ❖ Continued to update and market the District website at www.lowerpolkcbd.org.
- ❖ Continued to send out email newsletters to over 500 subscribers.
- ❖ Before the pandemic, we continued to use Facebook and Twitter to keep constituents informed of special events in the Lower Polk and to seek feedback on our service delivery models.
- ❖ After the start of the pandemic, we used social media to share COVID-19 resources to our District community.
- ❖ In addition to the above, and after the start of the pandemic, the Tenant Landlord Clinic mailed out over 30,000 multilingual flyers to people in the District. These flyers were targeted at people who are not users of technology. This demographic was disproportionately affected by the pandemic, and the TLC wanted to reach them to explain its service offerings.

Festivals, Art Walks, and other special events

- ❖ Continued to sponsor the popular Lower Polk Art Walk, and after the pandemic, assisted in turning it into a virtual event.
- ❖ Before the pandemic, continued to activate the newly revamped Fern Alley with Sidewalk Cinema, Halloween on Fern, and other events. After the pandemic, worked with the City to help establish business activation and a Farmers Market in Austin Alley.

Streetscape Improvements

- ❖ Continued to maintain 9 Bigbelly SMART waste receptacles and finalized a plan to add additional Bigbelly SMART waste receptacles to the neighborhood by the end of the fiscal



year.

- ❖ Continued on streetscape improvements of Fern Alley West in conjunction with the City.
- ❖ Continued on streetscape improvement plans for Austin Alley.

Banners and Other Accomplishments

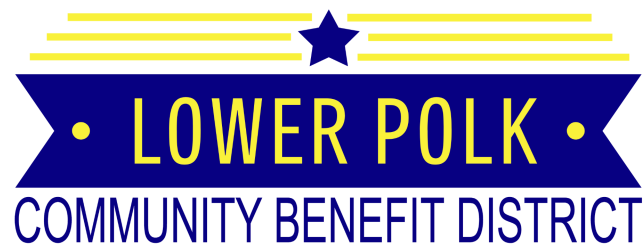
- ❖ Maintained leadership positions with Lower Polk Neighbors.
- ❖ Maintained leadership position with the San Francisco CBD Consortium .
- ❖ Participated with Vision Zero Coalition.

Metrics

Even with the impact of COVID-19, our metrics have not changed substantially compared to the previous fiscal year. And based on weekly sampling and daily visual counts, we are proud to present the below estimated metrics that help illustrate the continued impact of our Cleaning and Maintenance services.

- ❖ “Bags picked up” is the number of large, filled trash bags that we pick 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 that has been removed or painted over.

Item	Average Per Month	Total (11 months due to 1 month COVID-19 suspension)
Bags Picked Up (count)	520	6240
Weight of Trash Picked Up	12050	132550
Other Paper Picked Up (count)	260	2860
Needles Picked Up (count)	669	7359
Graffiti Remediations (count)	176	1936



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%

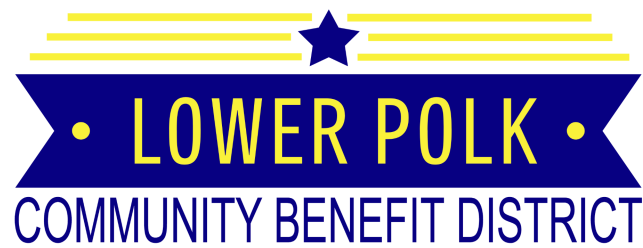
Our FY19-20 budget expenditures deviated from the above in that we were able to leverage aggressive fundraising and fiscal discipline to decrease our effective internal management costs, as a percentage of budget. Yet we were able to simultaneously increase our rendered District. This powerful combination allowed us to render a substantially higher level of services to our District, while at the same time staying well within our assessment budget during a time of economic uncertainty.

Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	903,505	876,710	26,795
Fundraising/In-Kind	599,573	750,295	(150,722)
Interest Income	81	-	81
Loss on Assets Disposal	-	-	-
Other	-	-	-
TOTAL REVENUE AND SUPPORT	1,503,159	1,627,005	(123,846)
EXPENSES			
Cleaning, Maintenance, and Safety	836,515	1,109,932	273,417
Marketing, Streetscape, and Beautification	485,491	424,631	(60,860)
Management and Operations	228,953	285,447	56,494
TOTAL EXPENSES	1,550,959	1,820,010	269,051
Change in Net Assets	(47,800)	(193,005)	(145,205)
Prior Year Net Assets (Carryover)	711,205	711,205	-
TOTAL NET ASSETS	663,405	518,200	(145,205)



Statement of Financial Position

As of 06/30/2020

ASSETS

Cash and Cash Equivalents	548,456
Assessment and Other Receivables	140,226
Prepaid Expenses	33,871
Equipment, net	256,289
TOTAL ASSETS	978,842

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	37,080
Accrued Liabilities	94,940
CARES Act PPP Loan	183,417
TOTAL LIABILITIES	315,437

NET ASSETS

Without Donor Restrictions	636,865
With Donor Restrictions	26,540
TOTAL NET ASSETS (CARRYOVER)	663,405
TOTAL LIABILITIES & NET ASSETS	978,842



Budget

FY 2020-21

REVENUE AND SUPPORT

Assessments	901,681
Fundraising/In-Kind	38,138
Interest Income	0
TOTAL REVENUE AND SUPPORT	939,819

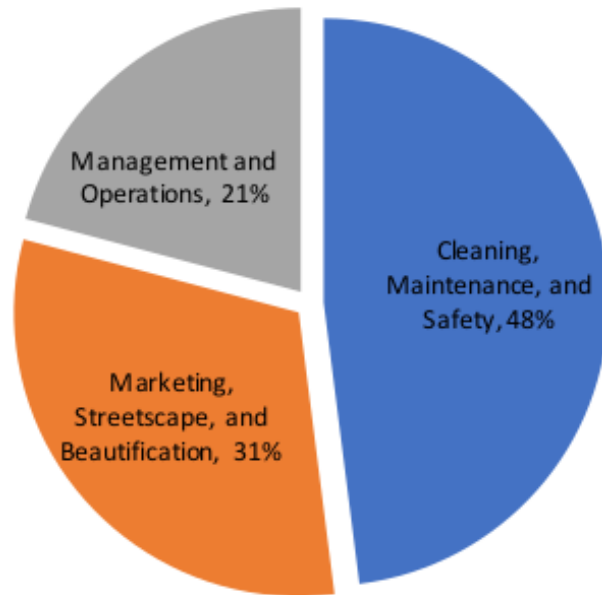
EXPENSES

Cleaning, Maintenance, and Safety	489,549
Marketing, Streetscape, and Beautification	317,730
Management and Operations	212,734
TOTAL EXPENSES	1,020,013

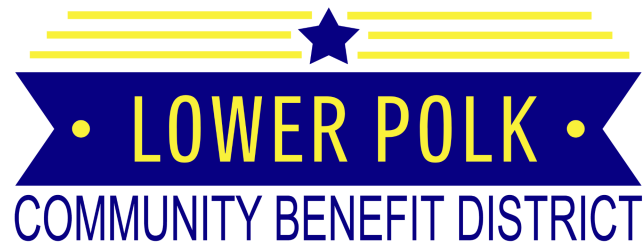
DEFICIT	(80,194)
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• LOWER POLK •
COMMUNITY BENEFIT DISTRICT

FY2020-2021 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, which is located at: <https://bit.ly/2VOEiSw>

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

In general, each parcel within the District is:

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