

# MEMORANDUM

**TO:** Supervisor Matt Dorsey, District 6 Supervisor

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

**FROM:** Mimi Hiraki; Project Specialist, OEWD

**DATE:** July 13, 2022

**SUBJECT:** Yerba Buena Community Benefit District; FY 2020-2021 Annual Report

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This is a memo summarizing the performance of the Yerba Buena Community Benefit District (YBCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2020 and June 30, 2021.

Each year the YBCBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Yerba Buena CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Yerba Buena's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2015.

Also attached to this memo are the following documents:

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



## **Background**

Yerba Buena Community Benefit District spans 40 blocks, contains approximately 2,150 parcels, and is divided between two benefit zones. Benefit zones are determined by the property owners who have specified the level of special services they desire.

- July 29, 2008: the Board of Supervisors approved the resolution that established the property-based district called the Yerba Buena Community Benefit District (Resolution #330-08).
- February 10, 2009: the Board approved the contract for the administration and management of the Yerba Buena Community Benefit District (Resolution #44-09).
- June 2, 2015: the Board of Supervisors approved the resolution to renew and expand the Yerba Buena Community Benefit District (Resolution #197-15).
- April 11, 2017: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2015 – 2016 (Resolution #117-17).
- April 10, 2018: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2016-2017 (Resolution #095-18).
- October 29, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2017-2018 (Resolution #468-19)
- December 1, 2019: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2018-2019 (Resolution #539-20)
- January 25, 2022: the Board of Supervisors approved the Yerba Buena CBD annual report for FY 2019-2020 (Resolution #19-22)

## **Basic Information about the Yerba Buena CBD:**

Year Established	June 2008
Year Renewed	June 2015
Assessment Collection Period	FY 2008 - 2009 to FY 2014 - 2015 (initial) FY 2015 - 2016 to FY 2029 - 2030 (renewal)
Services Start and End Date	July 31, 2015 – December 31, 2030
Initial Estimated Annual Budget	\$2,991,722.82
FY 2020-21 Assessment Submission	\$3,151,269.00
Fiscal Year	July 1 – June 30
Executive Director	Cathy Maupin
Name of Nonprofit Entity	Yerba Buena Community Benefit District Corporation

The current YBCBD website, <http://www.ycbcd.org/>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

## **Summary of Program Areas**

### **Cleaning and Streetscape Improvement Plan**

The Cleaning and Streetscape Improvement Plan is a comprehensive program that aims to ensure the maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and building throughout the



YBCBD. This includes regular sidewalk and gutter sweeping, scheduled steam cleanings, power washing, refuse removal, graffiti removal and streetscape improvements based on, but not limited to, the Yerba Buena Street Life Plan. The YBCBD also distributes small annual grants to community organizations working to improve the neighborhood through its Community Benefit Fund.

### **Safety and Security Program**

The Safety and Security Program works with residents, merchants, the SFPD, and greater YBCBD community on a variety of strategies and initiatives to prevent crime and increase pedestrian safety throughout the District. The YBCBD provides Community Guides to assist visitors, connect those in need with social services, and report cleaning and safety issues. They also engage a Social Services Specialist to provide additional services to the street population in the District, spending extra time to meet their needs and connect and/or escort them to appointments for services. The YBCBD also contracts with SFPD for a bike patrol officer to address nuisance and quality of life issues.

### **Branding, Activation, and Marketing Program**

The Branding, Activation, and Marketing Program promotes YBCBD's properties and businesses through specially targeted programs and initiatives. These activities play the dual role of contributing to the economic and social vitality of the area, and helps with the recruitment and retention of businesses and other entities.

The YBCBD also supports the creation and production of special events, such as the annual free outdoor festival Yerba Buena Night that welcomes visitors into the YBCBD area as a means of additional exposure. The YBCBD marketing and promotion services makes sure visitors, employees, patrons, and residents know about area attractions and helps them enjoy their experience within the YBCBD.

### **Management and Operations**

The YBCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Yerba Buena CBD as well as a Director of Neighborhood Services and Project, a Director of Branding, Marketing and Activation, and an Administrative Manager. The YBCBD Management Plan calls for 13% of the budget to be spent on administration and corporate operations.

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

The eight committees and meeting times are detailed below:

- Standing Committees:
  1. Community Benefit Fund – meets the 2nd Monday of March and October
  2. Executive –the fourth Thursday of the month



3. Finance - the fourth Monday of the month
4. Marketing - the first Wednesday of the month
5. Services - the second Thursday of the month
6. Streets and Public Space –the Second Wednesday of the month
- Ad Hoc Committees
  7. Audit –as needed
  8. Nominating – as needed
  9. Small Business Support Committee – as needed

### **Summary of Accomplishments, Challenges, and Delivery of Services**

#### **FY 2020-2021**

##### **Cleaning and Streetscape Improvements**

- Removed 471,250 pounds of trash from YBCBD public rights-of-way, a 12.5% increase from last reporting period
- Removed 5,389 instances of graffiti tags, flyers and stickers, more than twice as many instances than last reporting period
- Conducted 1,704 steam cleanings
- Responded to 1,398 calls for cleaning
- Installed new art on all 13 Bigbelly receptacles throughout the district
- Created artful social distancing designs in the Yerba Buena Gardens through the Yerba Buena Gardens Lawn Art project
- Supported the installation of “Filipino Heroes” art on Mission Street
- Continued working with city and community partners on the Minna-Natoma Art Corridor Project
- Provided SFMTA with a supply of 50 YBCBD-designed bike racks
- Commissioned an artist to design a graphic crosswalk for the Folsom Streetscape Improvement Project

##### **Safety and Security**

- Community Guides worked 365 days a year to connect those who need help with services, provide information about the neighborhood, serve as an additional set of eyes to report safety issues and assist Clean Team with disinfecting high-touch public surfaces
- Partnered with Supervisor Matt Haney, SFPD Southern Station Captain and District Attorney’s office to host a Residential Town Hall in February 2021 to discuss with community members their safety concerns and questions.
- Provided free masks and hand sanitizer to neighborhood businesses and nonprofits
- Responded to 654 calls for safety service
- Worked with SFPD Bike Patrol Officer daily to address quality of life issues and provide a reassuring presence in the district

##### **Branding, Activation, and Marketing**



- Provided \$130,000 grants to small businesses and nonprofits to defray pandemic related costs
- Installed new artistic graphics on nine Bigbelly receptacles throughout the District.
- Hosted Yerba Buena Day to highlight arts and culture in summer 2021 to visitors returning to the district after shelter in place lifted

### **Management and Operations**

- Secured grant funding and served as the fiscal sponsor to formalize the San Francisco Benefit District Alliance, a coalition of the San Francisco community benefit districts
- Participated in the SFPD Southern Station Community Police Advisory Board, Yerba Buena Gardens Conservancy Board, Tourism Improvement District Board, Better Market Street Community Advisory Committee, Clean Civil Sidewalks Coalition, CleanSafe365 Coalition, San Francisco Benefit District Alliance, and the Healthy Streets Operation Center

### **Yerba Buena CBD Annual Budget Analysis**

#### **OEWD's staff reviewed the following budget related benchmarks for the Yerba Buena CBD:**

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 2:** Whether five and eight hundredths percent (5.08%) of actuals came from sources other than assessment revenue (CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.4 - Annual Reports).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (Agreement for the Administration of the “Yerba Buena Community Benefit District”, Section 3.9 – Budget).
- **BENCHMARK 4:** Whether YBCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (CA Streets & Highways Code, Section 36650(B)(5)).

#### **FY 2020-2021 Budget Analysis**

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



**ANALYSIS:** *The YBCBD met this requirement. See tables below.*

Service Category/Budget Line	Management Plan Budget (Percentage)	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points - Total
<b>Cleaning and Streetscape Improvements</b>	\$1,281,655.91 (40.66%)	\$1,537,346.13 (37.10%)	\$1,619,622.98 (37.10%)	-3.56%	-3.56%
<b>Safety and Security Program</b>	\$1,024,744.40 (32.51%)	\$1,627,862.16 (39.29%)	\$1,714,983.31 (39.29%)	+6.77%	+6.77%
<b>Branding, Activation, and Marketing Program</b>	\$434,614.14 (13.79%)	\$455,659.86 (11.00%)	\$480,046.21 (11.00%)	-2.79%	-2.79%
<b>Management and Operations</b>	\$410,811.64 (13.03%)	\$522,793.20 (12.62%)	\$550,772.44 (12.62%)	-0.42%	-0.42%
<b>TOTAL</b>	<b>\$3,151,826.09 (100%)</b>	<b>\$4,143,661.35 (100%)</b>	<b>\$4,365,424.94 (100%)</b>		

**BENCHMARK 2:** Whether five point and eight hundredths percent (5.08%) of actuals came from sources other than assessment revenue

**ANALYSIS:** *The YBCBD did not meet this requirement. Assessment revenue was \$3,143,384.00 or 94.64% of actuals and non-assessment revenue was \$109,758.00 or 3.37% of actuals. See table below.*

Revenue Sources	FY 2020-2021 Actuals	% of Actuals
Assessment Revenue	\$3,143,384.00	
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$3,143,384.00</b>	<b>94.64%</b>
Fundraising/In-Kind	\$109,083	5.21%
Interest Income	\$675.00	0.15%
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$109,758.00</b>	<b>3.37%</b>
<b>TOTAL</b>	<b>\$3,253,142.00</b>	<b>100.00%</b>

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



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

Service Category	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	FY2020-2021 Actuals – Asst. (Percentage)	FY2020-2021 Actuals – Total (Percentage)	Variance % Points – Asst.	Variance % Points – Total
<b>Cleaning and Streetscape Improvements</b>	\$1,537,346.13 (37.10%)	\$1,619,622.98 (37.10%)	\$1,153,715.58 (37.46%)	\$1,215,461.00 (37.46%)	+0.36%	+0.36%
<b>Safety and Security</b>	\$1,627,862.16 (39.29%)	\$1,714,983.31 (39.29%)	\$1,267,080.44 (41.15%)	\$1,334,893.00 (41.15%)	+1.86%	+1.86%
<b>Branding, Activation, and Marketing</b>	\$455,659.86 (11.00%)	\$480,046.21 (11.00%)	\$259,014.85 (8.41%)	\$272,877.00 (8.41%)	-2.59%	-2.59%
<b>Management and Operations</b>	\$522,793.20 (12.62%)	\$550,772.44 (12.62%)	\$399,653.07 (12.98%)	\$421,042.00 (12.98%)	-0.36%	+0.36%
<b>TOTAL</b>	<b>\$4,143,661.35 (100%)</b>	<b>\$4,365,424.94 (100%)</b>	<b>\$3,079,463.93 (100%)</b>	<b>\$3,244,273.00 (100%)</b>		

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

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

*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	Budgeted for FY22	Budgeted for Future Years
<b>Management &amp; Operations</b>	\$119,231.00	\$1,278,062.00
<b>Cleaning &amp; Streetscape Improvements</b>	\$1,034,483.00	\$1,788,798.00
<b>Safety &amp; Security</b>	\$0.00	\$163,393.00
<b>Branding, Activation &amp; Marketing</b>	\$57,265.00	\$48,777.00
<b>Fiscally Sponsored Projects</b>	\$0.00	\$3,350.00
<b>Capital Assets</b>	\$0.00	\$240,077.00
<b>Total Designated Amount for FY 2020-2021</b>	<b>\$1,210,979.00</b>	<b>\$3,522,457.00</b>



## **Findings and Recommendations**

The Yerba Buena CBD met 3 out of the 4 benchmarks as defined on page 5 of this memo. Specifically, the Yerba Buena CBD did not raise enough non-assessment resources to cover its general benefit requirement of 5.08%. This is the second year in a row that the CBD has not met this benchmark; although, it did show improvement based off of FY 19-20. Like in FY 19-20, the impact of the Covid-19 pandemic on the organization's non-assessment funding sources is likely the culprit behind failure to meet benchmark 2. There are multiple ways a CBD can meet this requirement, including quantifying the dollar value of in-kind donations and volunteer hours. The CBD received significant amounts of PPE throughout the pandemic through the Covid Command Center to help protect their essential employees and disinfect public areas. If this was calculated in to the non-assessment calculation then they, in all likelihood, would have met benchmark 2.

During this review period, the CBD has excelled in pivoting to the emerging health and economic impacts of the COVID-19 global pandemic that started in March 2020 and continued through this review period. The CBD continuously adjusted to the continuous changes of health orders issued by the San Francisco Health Officer, including the renewed shelter-in-place health order in December 2021. With its proximity to the Moscone Convention Center, the neighborhood was significantly impacted by the lack of conventions during the pandemic.

To support the neighborhood's local businesses and nonprofits, YBCBD offered grants through its Community Benefit Fund to overcome some of the pandemic induced challenges such as providing masks to residents and visitors and property protection (plywood). In FY2021, YBCBD provided a total of \$130,000 to small businesses and non-profits. When businesses were allowed to re-open, YBCBD marketed and promoted them through their website, social media, and street banners. Additionally, the district hosted Yerba Buena Day in summer 2021 highlighting and promoting businesses as they welcomed people back to the district. For residents and visitors, the CBD provided funding for the Yerba Buena Gardens Lawn Art project to create a space for safe, art-filled social distancing.

They also adjusted the focus for their Community Guides to check in with neighborhood merchants and businesses to assist them during the incremental reopening of the economy, and assist Clean Team colleagues in disinfecting high-touch public surfaces, and continue to report cleaning and safety issues.

The district will be transitioning to a new Executive Director in June 2022.

Yerba Buena CBD continues to identify needs and solutions to bring back conventioners and office workers to the area which are vital to the economic health for the neighborhood's small businesses such as the return of Yerba Buena Night event.

## **Conclusion**

Yerba Buena CBD has performed incredibly well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events. Yerba Buena CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Yerba Buena Street Life Plan and Community Benefit Fund. Yerba Buena CBD is





an extremely well-run organization with an active board of directors and committee members. OEWD believes the Yerba Buena CBD will continue to successfully carryout their mission and service plans.

