

# 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:** December 22, 2022

**SUBJECT:** Civic Center Community Benefit District; CY 2021 Annual Report

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This is a memo summarizing the performance of the Civic Center Community Benefit District, and an analysis of their financial statements (based on their audit) for the period between January 1, 2021 and December 31, 2021.

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

Also attached to this memo are the following documents:

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



## Background

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

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

## Basic Info about Civic Center CBD

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

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



## Summary of Civic Center CBD Program Areas

### **Clean/Safe/Activation**

This service areas of the Civic Center CBD consist of:

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

### **Marketing/Communication**

The programs may include, but are not limited to:

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

### **Administration/Contingency**

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

## Summary of Delivery of Services and Accomplishments

**CY2021**

### **Clean/Safe/Activation**

CCCBD Field crew members were comprised of CBD cleaners and ambassadors from StreetPlus, as well as vendors: Urban Alchemy, Marina Security, SFPD's 10B Officer Program and Downtown Streets



Team. In addition to overseeing the CBD's Clean and Safe team, the CBD was awarded add-back funding from District 6 Supervisor's office to work with the Downtown Streets team to provide additional clean, safe and activation services.

#### **CCCBD Team Summary Statistics**

- Disposed of 31,500 used syringes removed from the public right of way
- Provided 262 instances of social service support
- Distributed 5,000 copies of CCCBD's Food Shelter Help Resource Guide
- Removed approximately 260,433 lbs. of trash
- CBD awarded City grant to support its Bigbelly trash receptacles to make them tamper resistant and more aesthetically pleasing.
- Overnight safety personnel stationed at the playgrounds continued and additional safety staffing was provided for UN Plaza on Farmers Market days

#### **Downtown Streets Team Summary Statistics**

- Removed approximately 67,813 lbs. of trash
- Disposed of 2,022 used syringes removed from the public right of way

#### **Activation & Beautification Summary Statistics**

- Removed 4,012 instances of graffiti on private property
- Removed 5,975 on public property
- Detached pressure washing unit from vehicle during washings and used vehicle for roving patrols to detect and deter criminal activity and break-ins
- New signs communicating UN Plaza rules and codes of conduct were installed, and new brightly colored patio umbrellas were added to CBD's tables and chairs for Farmers Market patrons to increase comfort and visibility of the seating area.
- Staff planned for the following future clean/safe/activation activities, programs and improvements:
  - the re-opening of the café in Civic Center Plaza,
  - a new dog park in UN Plaza
  - the sound system in UN Plaza; and
  - strategizing with the City on what might be an effective activation for Fulton Plaza once the Safe Sleeping Site closes.

#### **Marketing/Communication**

- Produced quarterly newsletters sharing District news and accomplishments for member
- Rebranded and redesigned their website to include interactive maps, a dining and shopping section; visitor information and an expanded events calendar
- CCCBD created short videos of district businesses for promotion on social media
- Implemented an Arts & Culture street banner campaign "The Lights are On" to promote Civic Center arts and cultural venues such as Bill Graham Civic Auditorium, Asian American Art Museum, SF Jazz, San Francisco Conservatory of Music, African American Shakespeare Company, City Arts and Lectures, SF Symphony, SF Performances, and SF Opera



- Continued to produce the FOOD | HELP | SHELTER resource guide used by City agencies and several non-profits in the area supplying them with free copies throughout the year

**Administration/Contingency**

- CCCBD consistently managed its core programs
- Became part of the Department of Emergency Management’s public/private Joint Field Operations Team attempting to triage Tenderloin-area public realm problems in a coordinated effort during the Declaration of Emergency in December 2021. CCCBD dedicated field crew hours, vendor time and administrative personnel to ongoing weekly meetings.
- Worked with Public Works, SFMTA and the Better Market Street Community Advisory Committee on the Better Market Street Project
- Worked closely with BART on its canopy and station revitalization projects at Civic Center station;
- Helped implement new street vending legislation and enforcement in UN Plaza

**Civic Center CBD Annual Budget Analysis**

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

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

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

Service Category	Management Plan Budget (Percentage)	CY 2021 Asst. Budget (Percentage)	CY 2021 Total Budget (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points -- Total
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Clean/Safe/ Activation	\$2,583,768.86 (75.91%)	\$2,269,123.97 (78.78%)	\$3,122,372.06 (83.63%)	+2.87%	+7.72%
Marketing Communication	\$ 250,000.00 (7.34%)	\$140,606.64 (4.88%)	\$140,606.64 (3.77%)	-2.46%	-3.58%
Administration/ Contingency	\$ 570,000.00 (16.75%)	\$470,499.77 (16.34%)	\$470,499.77 (12.60%)	-0.41%	-4.14%
<b>TOTAL</b>	<b>\$3,403,768.00</b> <b>(100.00%)</b>	<b>\$2,880,230.38</b> <b>(100.00%)</b>	<b>\$3,733,478.47</b> <b>(100.00%)</b>		

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

**ANALYSIS:** Civic Center CBD met this requirement. CCCBD received \$3,028,045.38 in assessment revenue including penalties, redemption, and redemption penalties, which was approximately 76.72% of their CY 2021 operating budget. The CBD received \$918,994.89 in non-assessment revenue which was approximately 23.28% of their CY 2021 revenue. See table below.

Revenue Sources	CY 2021 Actuals	% of Actuals
Assessment Revenue	\$2,996,552.67	75.92%
Penalties	\$7,993.80	0.20%
Redemption + Redemption Penalties	\$23,498.91	0.60%
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$3,028,045.38</b>	<b>76.72%</b>
Contributions & Sponsorships	\$4,742.71	0.12%
Grants	\$726,327.25	18.40%
Interest Earned	\$219.51	0.01%
Other (In-Kind & Misc - includes PPP forgiveness)	\$187,705.42	4.76%
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$918,994.89</b>	<b>23.28%</b>
<b>Grand Total (Assessment and Non-Assessment) Revenue</b>	<b>\$3,947,040.27</b>	<b>100.00%</b>

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

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

Service Category	CY 2021 Asst. Budget (Percentage)	CY 2021 Total Budget (Percentage)	CY 2021 Actuals – Asst.	CY 2021 Actuals –	Variance	Variance Percentage
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			(Percentage)	Total (Percentage)	Percentage Points – Asst.	Points -- Total
Clean/Safe/ Activation	\$2,269,123.97 (78.78%)	\$3,122,372.06 (83.63%)	\$1,872,658.02 (75.56%)	\$2,668,594.31 (81.23%)	-3.22%	-2.40%
Marketing/ Communication	\$140,606.64 (4.88%)	\$140,606.64 (3.77%)	\$118,750.73 (4.79%)	\$118,750.73 (3.61%)	-0.09%	-0.15%
Administration/ Contingency	\$470,499.77 (16.34%)	\$470,499.77 (12.60%)	\$486,807.89 (19.64%)	\$497,901.47 (15.16%)	+3.30%	+2.55%
<b>TOTAL</b>	<b>\$2,880,230.38</b> <b>(100.00%)</b>	<b>\$3,733,478.47</b> <b>(100.00%)</b>	<b>\$2,478,216.64</b> <b>(100.00%)</b>	<b>\$3,285,246.51</b> <b>(100.00%)</b>		

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

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

CY 2021	As of 12/31/2021	Budgeted for 2022	Budgeted for Future Years
Clean/Safe/Activation	\$824,602.59	\$615,000.00	\$209,602.59
Marketing/Communication	\$52,280.87	\$25,000.00	\$27,280.87
Administration/Contingency	\$841,564.83	\$20,000.00	\$821,564.83
<b>Total Assessment (Special Benefit) Carry Forward</b>	\$1,718,448.29	\$660,000.00	\$1,058,448.29
<b>Total Non-Assessment (General Benefit) Carry Forward</b>	\$2,711,488.41	\$250,000.00	\$2,461,488.41

### Findings and Recommendations

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

While Civic Center CBD’s annual reporting to OEWD for 2021 was late in part due to the team becoming part of the Department of Emergency Management’s Joint Field Operations Team, the CBD was compliant with legislation and the Agreement for the Administration of the organization. Civic Center CBD dedicated field crew hours, vendor time and administrative time to weekly meetings. This impacted the organization’s capacity to conduct the regular business of the organization including annual reporting. Additionally, the



CBD worked with OEWD to figure out solutions on how to expedite report completion and review going forward.

During this review period, the CBD has 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. 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 in addition to the City's declaration of State of Emergency in the Tenderloin in December 2021 for the Tenderloin area which included part of Civic Center CBD.

The CBD crews focused on cleaning and supporting the paths of travel to places of employment and transit to support returning workers. CCCBD increased pressure washing of UN Plaza (above the Civic Center BART/Muni station) before peak commute times and provided personal escorts for pedestrians when needed. Overnight care for the Civic Center Plaza playgrounds and café kiosk also remained an important priority; and evening Ambassadors were reinstated to support the return of arts venue patrons to nighttime performances. The district saw an increase in graffiti and vandalism on vacant, ground floor retail storefronts. CCCBD was often first on the scene to discover storefront break-ins. CBD staff report the incidents and assist owners with securing the space and cleaning up broken glass on the sidewalk. CCCBD also issued a survey in quarter 1 to better understand stakeholder priorities for recovery and in quarter 2 issued a business attraction survey to ascertain the types of businesses were desired for the district.

CCCBD also implemented several activations by installing decorative lighting in Hayes Valley in partnership with Hayes Valley Neighborhood Association improving vibrancy and safety; producing the annual Holiday Tree Lighting and Toy Giveaway on Civic Center Plaza, and Holiday Fanfare outdoor musical concerts in partnership with the San Francisco Conservatory of Music along Van Ness Avenue also improving vibrancy and pedestrian safety.

The CBD continues to be a vital partner and participant as the City manages its largest outdoor Safe Sleeping Village on Fulton Plaza, BART station construction, SFMTA's Van Ness BRT construction, SFMTA's Better Market Street, and City's State of Emergency in the Tenderloin declaration. They continue to develop their ongoing relationships with various city and community partners, including the neighboring North of Market/Tenderloin, Lower Polk and Civic Center CBDs, the Department of Emergency Management, BART, SF Department of Public works and SFMTA to advance the above-mentioned initiatives and projects.

At the end of this reporting period, after the City's State of Emergency Declaration in the Tenderloin, CBD field personnel reported an increase in illegal behavior, tent encampments and hostile behavior, including verbal and physical assaults and injuries. Field crews worked with stakeholders, law enforcement and the Department of Emergency Management to respond to increased concerns and feedback from district stakeholders.

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

### **Conclusion**





CCCBD performed well implementing its the service plan during the review period and was an invaluable asset to District members and the City. CCCBD also continued to seized opportunities to leverage and add value to its work through fundraising, grants, and collaborative partnerships in CY 2021. The organization has an active Board of Directors and committee members. OEWD believes that the CCCBD is well positioned to continue carrying out its mission.

