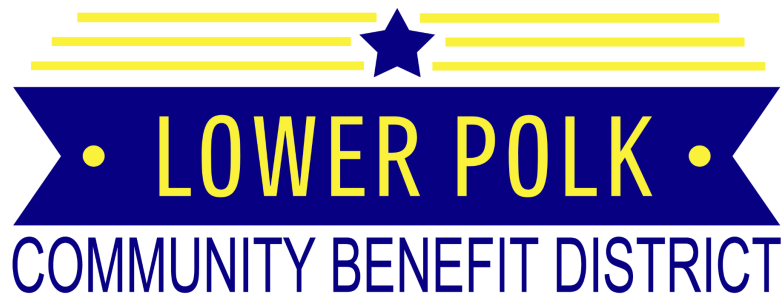


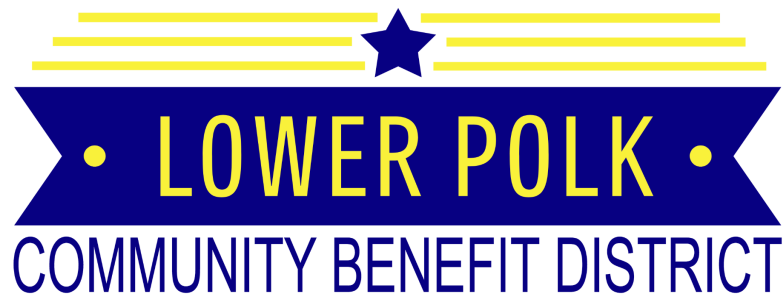
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LOWER POLK COMMUNITY BENEFIT DISTRICT

2021-2022 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 2021-2022 Fiscal Year. During a continued and prolonged period of great challenge and change, our diverse and active Board of Directors continued to demonstrate outstanding leadership and commitment to our vibrant District.

As a growing CBD, our organization has been extremely busy. Some of our initiatives have included, but are not limited to:

- COVID-19 response: We continued to increase District cleaning and sanitizing public fixtures, train staff on personal protective equipment (PPE) use, and provide business support services to merchants and renters affected by the pandemic.
- Business support: We transitioned our placemaking and arts program from an events and arts focus to a *business support activation focus* to support businesses facing COVID-19 losses and impacts. As FY 21-22 regulations shifted and the LPCBD assisted businesses in keeping up in an ever changing regulatory environment.
- Community engagement: We continued to serve on the Lower Polk Neighbors stakeholder group, the Lower Polk TAY Navigation Center CAC, and the San Francisco Community Benefit District Consortium.

We have accomplished much in our first years, but we still have much to do. 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, works, and visits our District.

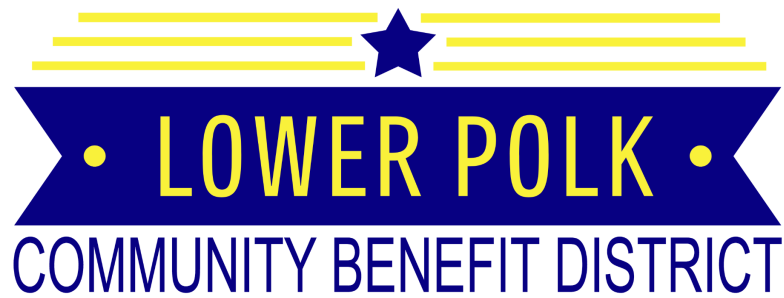
Status and Progress of Programs

Some additional highlights of our accomplishments for the 2021-2022 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, including the post-pandemic shift to hybrid and remote work, and their effect on quality of life and other issues. The district has been negatively impacted and the nightlife economy has suffered, and the LPCBD has shifted resources accordingly.
- 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.
- Prepared budget projections, taking into account the changing economic landscape of San Francisco.
- Reviewed our organizational investments and insurance.

Cleaning and Maintenance

- Continued to provide regular cleaning and maintenance services throughout the District, with a focus on keeping public spaces clean and safe.
- Expanded the LPCBD Ambassador Clean Team to meet the increased needs of the District.
- Implemented new performance measures and goals for neighborhood cleanliness.
- Hired a contracted pressure washing/steam company to clean the district in its entirety and specific areas as needed.

Corridor Safety

- Worked closely with the San Francisco Police Department and the Department of Homelessness and Supportive Housing to address issues around quality of life and safety, including homelessness and drug use.
- Brought the OEWD-funded Hospitality Ambassador team on board during Q3 and Q4.
- Provided funding for presence at Sgt. Macaulay park to provide both a safety/stewardship presence at the park and resources for individuals experiencing homelessness and other social service needs.
- Participated in multiple neighborhood safety and security groups to discuss and take action on issues and trends, with a special focus on the safety and condition of alleyways.

Neighborhood Support

- Collaborated with the Department of Public Health to address homelessness and the neighborhood street population.
- 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.
- Advocated to city Departments and Elected Officials and others for needs of the District.



Marketing, Streetscape Improvements, and Beautification

Marketing / Advocacy / Newsletters

- Continued to update and market the District website at www.lowerpolkcbd.org.
- Sent out email newsletters to more than 500 subscribers.
- Used social media to keep constituents informed of special events in Lower Polk, and to seek feedback on our delivery of services.
- Used social media to share COVID-19 resources to our District community.
- Used the Tenant Landlord Clinic to mail out thousands of multilingual flyers to people in the District.
- Planned upcoming Festivals, Art Walks, and other special events
- Continued to sponsor the popular Lower Polk Art Walk.
- Worked with the City to help establish business activation in Austin Alley.

Streetscape Improvements

- Maintained nine Bigbelly SMART waste receptacles and worked with the City to identify more robust trash receptacles that could better accommodate the needs of the District.
- Improved the streetscape of Fern Alley West in conjunction with the City.
- Developed activation plans for Austin Alley.
- Partnered with LPN and Discover Polk CBD to complete the California Cable Car Turnaround Vision Plan.
- Continued community planning and design for the Barklet on Myrtle Alley.

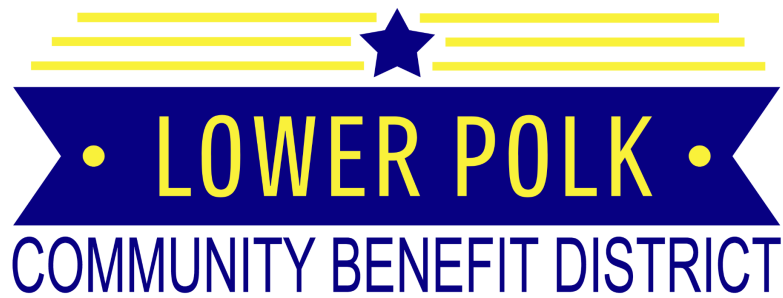
Other Accomplishments

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

Post-pandemic considerations

The COVID-19 pandemic has had a significant impact on San Francisco, including the Lower Polk District. The LPCBD has adapted its programs and services to meet the needs of the community during this challenging time. For example, the LPCBD has expanded its cleaning and maintenance services to keep public spaces clean and safe, and it has worked with the City to help businesses reopen and recover.

The LPCBD is also working to address the post-pandemic shift to hybrid and remote work. The LPCBD is working with businesses and community organizations to develop strategies to attract and retain visitors and residents. The LPCBD is also working to promote the



District as a vibrant and welcoming place to live, work, and play.

The LPCBD is committed to working with the community to build a better future for the Lower Polk District.

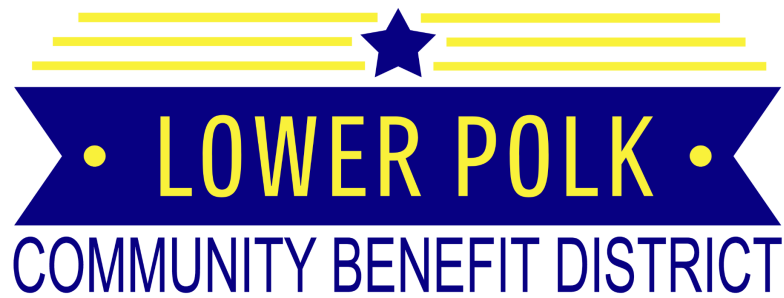
Cleaning Ambassador Metrics

Even with the damage of COVID-19, our base cleaning metrics have not changed substantially compared with the last fiscal year except for needles and graffiti. The City has implemented significant program(s) to pick up needles in the community. This number thus continues to drop. Our graffiti program has faced challenges due to hiring and the loss of our long time ambassador and we are rebuilding the program. 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 ¹	540	6,480
Weight of Trash Picked Up in Pounds	13,500	162,000
Other Paper Picked Up	205	2,460
Needles Picked Up	110	1320
Graffiti Remediations	90	1,080

¹ Some of these metrics may be best-estimates. We had unexpected employee turnover, due to post-pandemic changes, and some data was lost due to this. We also lost a key employee to a Fentanyl overdose in Q3 2021.



Outreach Ambassador Metrics

An Overview Of The Selected Vendor

In mid-late 2021, LPCBD made public its Hospitality Ambassador Program RFP and also shared it on our website, and with our industry peers at the International Downtown Association (IDA).

Surprisingly, only a few vendors showed interest and only one vendor submitted a full proposal.

That vendor was NexStreet, and they met all of the qualifications in our RFP. Furthermore, NexStreet's principle is someone who has great familiarity with the Lower Polk.

We are proud to work with them, and here is their background information:

Inspired by the events of 2020, NexStreet Inc. ("NexStreet") made history by becoming the first Black-owned place management company in the United States. NexStreet founders Christian Martin and Matt Allen have over a decade of experience in design and management of ambassador programs.

NexStreet has recently implemented similar programs that welcome people back to San Francisco's SOMA West Community Benefit District; founded, scaled up, and managed multiple business improvement districts and community benefit districts here in the Bay Area, and on the East Coast; and won numerous local, national and international awards including the IDA Pinnacle Award.

Final Metrics for Q3 and Q4 2021-2022

Total monthly Practitioner hours logged

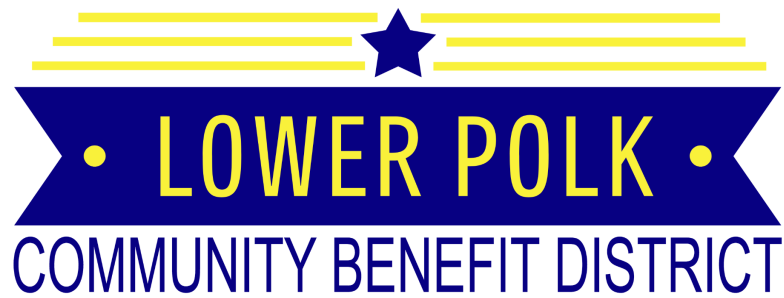
Total hours logged during Q3 and Q4, 2022 were 1670.

Number and location of block faces with Practitioner presence

Our practitioners are trained to canvass the neighborhood in order to actively seek out people who may need help. Therefore they are not sited on any one block. Rather, they work throughout the entire LPCBD.

Number of positive engagements with neighbors

16003 escorts (primarily Redding Elementary School children/families,) , 3038 business checks, 1795 directions



Number of Practitioner de-escalation events; number of Practitioner inviting spaces Intervention

73 deescalations, 70 inviting spaces interventions.

Number of Practitioner overdose reversals

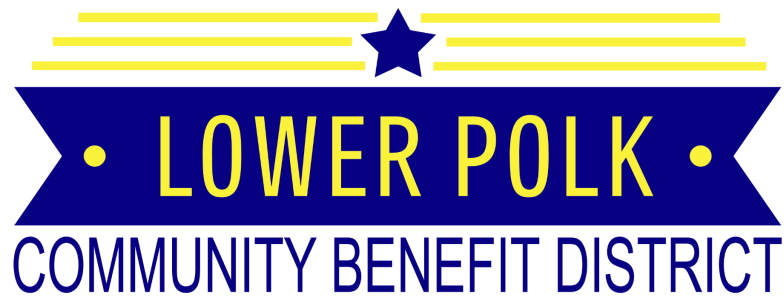
33 overdose reversals

Number of Practitioner requests for 911 help

17 requests for 911 help.

Number of Practitioner 311 requests

Our Practitioners made 13 311 requests during Q3 & Q4. However, they made 6285 internal requests to the LPCBD Clean Team.



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%

As with last year, our reported budget expenditures were different from the above because we were able to leverage aggressive fundraising, grants received and fiscal discipline. Our assessment expenditures however, were in line with these percentages.

This powerful combination allowed us to render a substantially higher level of crucial services to our District, while at the same time following the assessed budget percentage breakdowns. We ended the year with a deficit however, which was explained by grant receivables that had not yet been paid as of 6/30/22.

Financial Data*

Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2022

	Actual	Budget	Variance Positive/(Negative)	Variance %
REVENUE AND SUPPORT				
Assessment revenue	926,992	982,784	(55,792)	-6%
Grant revenue	859,469	173,102	686,367	397%
Contributions	68,208	57,199	11,009	19%
Interest	30	-	30	100%
TOTAL REVENUE AND SUPPORT	1,854,699	1,213,085	641,614	53%
EXPENSES				
Cleaning, Maintenance, and Safety	781,955	666,154	(115,802)	-17%
Marketing, Streetscape, and Beautification	659,183	290,782	(368,400)	-127%
Management and Operations	124,347	217,527	93,180	43%
TOTAL EXPENSES	1,565,485	1,174,463	(391,023)	-33%
Change in Net Assets	289,214	38,622	(250,591)	-649%
Prior Year Net Assets (Carryover)	732,993	732,993	-	0%
TOTAL NET ASSETS	1,022,207	771,616	(250,591)	-32%



Statement of Financial Position

As of 06/30/2022

ASSETS

Cash and Cash Equivalents	925,166
Grants Receivables	575,887
Assessment and Other Receivables	21,520
Prepaid Expenses	105,021
Equipment, net	64,890
TOTAL ASSETS	1,692,484

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LIABILITIES & NET ASSETS

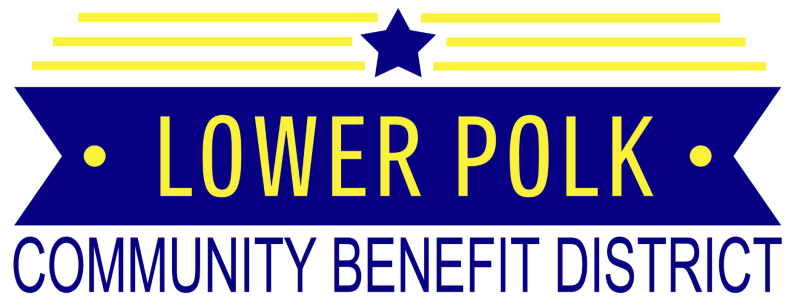
LIABILITIES

Accounts Payable	410,896
Accrued Liabilities	57,214
Unearned Revenue	18,750
CARES Act PPP Loan	183,417
TOTAL LIABILITIES	670,277

NET ASSETS

Without Donor Restrictions	446,320
With Donor Restrictions	575,887
TOTAL NET ASSETS (CARRYOVER)	1,022,207
TOTAL LIABILITIES & NET ASSETS	1,692,484

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Budget

FY 2022-23

REVENUE AND SUPPORT

Assessments	1,012,268
Grants	280,000
Contributions	0
Interest	0
TOTAL REVENUE AND SUPPORT	1,292,268

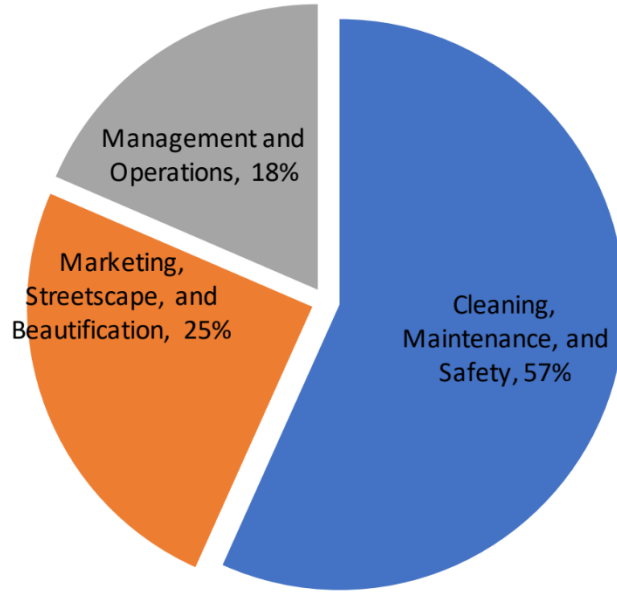
EXPENSES

Cleaning, Maintenance, and Safety	883,597
Marketing, Streetscape, and Beautification	233,178
Management and Operations	160,276
TOTAL EXPENSES	1,277,052

DEFICIT	15,216
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• LOWER POLK •
COMMUNITY BENEFIT DISTRICT

2022-2023 Budget



*Financial data from the audited financial statements is available upon request. Percentages are for overall budget, including grant revenue.



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.