

**MEMO**

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To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Senior Program Manager

RE: Yerba Buena Community Benefit District

Date: March 12, 2018

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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, 2016 and June 30, 2017.

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, with assistance from the Controller's Office, 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 2016-2017
2. CPA Financial Review Reports
  - a. FY 2016-2017
3. Draft resolution from the Office of Economic and Workforce Development

### **Background**

Yerba Buena Community Benefit District spans 40 blocks, contains 2,152 parcels, and 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).

### **Basic Info about Yerba Buena CBD**

Year Established	June 2008
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 (District renewed in FY 14-15)
Initial Estimated Annual Budget	\$2,991,722.82
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 Service Area Goals**

#### **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.

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

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

### **Management and Operations**

The YCBCD 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 Partnerships and an Events and Administrative Manager. The YCBCD Management Plan calls for 13% of the budget to be spent on administration and corporate operations.

The YCBCD 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 YCBCD 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

- **Community Benefit Fund** – meets the 2<sup>nd</sup> Monday of March and October
- **Executive** –the fourth Thursday of the month
- **Finance** - the fourth Monday of the months of August, October, January, March, April, May, June
- **Marketing** - the third Thursday of the month
- **Services** - the second Thursday of the month
- **Streets and Public Space** –the third Wednesday of the month

#### Ad Hoc Committees

- **Audit** –as needed
- **Nominating** – as needed

## Summary of Accomplishments, Challenges, and Delivery of Service Areas

**FY 2016 - 2017**

### **Cleaning and Streetscape Improvements**

- Removed more than 300,000 pounds of trash from YCBCD public rights-of-way
- Removed 10,500 instances of graffiti tags, flyers and stickers
- Addressed 7,171 sleeper/camper issues
- Completed more than 7,300 requests for sidewalk sweeping, steam cleaning, and spot cleaning
- Addressed over 1,100 issues of overflowing trash cans
- Addressed over 1,100 issues of illegal dumping
- Identified crosswalks for graphic crosswalk designs to increase visibility at six locations

### **Safety and Security**

- Community Guides worked 365 days a year to connect those who need help with services, provide information about the neighborhood and serve as an additional set of eyes to report safety issues
- New Social Services Specialist engaged with and connected people living on district streets to available services
- Addressed over 12,500 quality of life issues: aggressive panhandling, trespassing/loitering, sleeper/camper issues, drunk and disorderly and assisting people in need
- Partnered with Millennium Partners to provide additional 10B officer coverage related to the 706 Mission construction project
- SFPD 10B Bike Patrol officers worked 10 hour shifts daily to address quality of life issues and provide a reassuring presence in the district

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

- Assisted and provided information to 8,000 visitors and merchants
- Launched a monthly Hidden San Francisco Walking tour
- Produced and distributed quarterly newsletters, re-designed and distributed monthly e-newsletters to over 650 subscribers
- Developed and posted a brief video explaining YCBCD services on the YCBCD website
- Provided a calendar of neighborhood events
- Ongoing promotion of the district's businesses and attractions

### **Management and Operations**

- Exceeded fundraising goals
- Day-to-day management of the District
- Continued to stay abreast of new developments in the neighborhood and their overall impact.
- Held leadership positions with The Yerba Buena Gardens Conservancy (a new nonprofit being formed to oversee and manage Yerba Buena Gardens), Moscone Expansion Strategic Advisory Group, Southern Station Community Police Advisory Board, and Better Market Street Citizen's Advisory Counsel and Yerba Buena Culture Cabinet

**YBCBD Annual Budget Analysis**

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

- **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 2016 - 2017**

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

<b>Service Category</b>	<b>Management Plan Budget</b>	<b>% of Budget</b>	<b>FY 2016-2017 Budget</b>	<b>% of Budget</b>	<b>Variance Percentage Points</b>
Cleaning and Streetscape Improvements	\$1,281,665.91	40.66%	\$1,629,486.76	40.62%	-0.04%
Safety and Security	\$1,024,744.40	32.51%	\$1,482,869.57	36.97%	+4.46%
Branding, Activation, and Marketing	\$434,614.14	13.79%	\$482,070.61	12.02%	-1.77%
Management and Operations	\$410,811.64	13.03%	\$417,083.50	10.40%	-2.63%
<b>TOTAL</b>	<b>\$3,151,836.09</b>	<b>100%</b>	<b>\$4,011,510.44</b>	<b>100%</b>	

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

**ANALYSIS:** *YBCBD met this requirement.* Assessment revenue was \$3,075,683 or **90.52%** of actuals and non-assessment revenue was **\$322,206** or **9.48%** of actuals. See table below.

Revenue Sources	FY 2016-2017 Actuals	% of Actuals
Special Benefit Assessments	\$3,075,683	90.52%
<b>Total assessment revenue</b>	<b>\$3,075,683</b>	<b>90.52%</b>
Contributions and Sponsorships	\$156,647	4.61%
Interest Earned	\$1,065	0.03%
Other	\$164,494	4.84%
<b>Total non-assessment revenue</b>	<b>\$322,206</b>	<b>9.48%</b>
<b>Total</b>	<b>\$3,397,889</b>	100%

Non-assessment revenue applied to 5.08% General Benefit requirement

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

**ANALYSIS:** *YBCBD met this requirement.* See table below. Of note: There was an additional \$73,235 which is designated toward fiscally sponsored projects. This amount is entirely made up of non-assessment dollars. It has not been included in this spreadsheet for simplification.

Service Category	FY 2016-2017 Budget	% of Budget	FY 2016-2017 Actuals	% of Actuals	Variance Percentage Points
Cleaning and Streetscape Improvements	\$1,629,486.76	40.62%	\$921,557	33.52%	-7.10%
Safety and Security	\$1,482,869.57	36.97%	\$1,254,222	45.62%	+8.65%
Branding, Activation, and Marketing	\$482,070.61	12.02%	\$343,058	12.48%	+0.46%
Management and Operations	\$417,083.50	10.40%	\$230,329.00	8.38%	-2.02%
<b>TOTAL</b>	<b>\$4,011,510.44</b>	<b>100%</b>	<b>\$2,749,166</b>	<b>100%</b>	

**BENCHMARK 4:** Whether YCBCD 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:** *YCBCD 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.*

<b>FY 2016-2017 Carryover Disbursement</b>	<b>\$4,158,190.00</b>	<b>To be used in FY 2017-2018</b>	<b>To be used in Future Years</b>
<b>Designated Projects</b>			
Management and Operations	\$1,037,993*	\$44,295	\$993,698
Cleaning and Streetscape Improvements	\$1,546,612*	\$439,168	\$1,107,444
Safety and Security	\$860,970*	\$253,825	\$607,145
Branding, Activation, and Marketing	\$234,258*	\$37,602	\$196,656
Fiscally Sponsored Projects – Restricted Funds	\$179,971*	--	\$179,971
Capital Assets	\$298,386*	--	\$298,386
<b>Total Designated Amount</b>	<b>\$4,158,190*</b>	<b>\$774,890</b>	<b>\$3,383,300</b>

\*As of 6/30/17

### Findings and Recommendations

Within the review period of FY 2016-2017, the Yerba Buena CBD met all benchmarks mentioned on Page 5 of this memo and all expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the “Yerba Buena Community Benefit District; and the Agreement for the Administration of the “Yerba Buena Community Benefit District.”

YCBCD’s Community Benefit Fund is continually supporting public art, community engagement, streetscape improvements, and public safety enhancements. Yerba Buena CBD continued collaborations with adjacent property owners to redesign the public plaza at Annie and Market Street. Additionally, YCBCD met with the community to develop new initiatives to improve road safety for pedestrians, cyclists and neighborhood drivers. Based on neighborhood input, YCBCD increased hours for the San Francisco Police Department bike patrol officer, added members to the Clean Team and Community Guides as well as onboarding a second social service specialist.

### Conclusion

Yerba Buena CBD has performed incredibly well in implementing their service plan. Yerba Buena CBD has continued to successfully market and produce events such as Yerba Buena Night. 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.