

File No. 191083

Committee Item No. 7

Board Item No. 37

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: Nov. 13, 2019

Board of Supervisors Meeting:

Date: Nov. 19, 2019

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD Presentation – November 13, 2019</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report – FY2017-2018</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CPA Report – FY2017-2019</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo – October 10, 2019</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI – October 30, 2019</u> |

Prepared by: John Carroll

Date: Nov. 8, 2019

Prepared by: John Carroll

Date: Nov. 14, 2019

1 [North of Market/Tenderloin Community Benefit District - Annual Report - FY2017-2018]

2
3 Resolution receiving and approving the annual report for the North of
4 Market/Tenderloin Community Benefit District for FY2017-2018, submitted as required
5 by the Property and Business Improvement District Law of 1994 (California Streets and
6 Highways Code, Sections 36600, *et seq.*), Section 36650, and the District's management
7 agreement with the City, Section 3.4.
8

9 WHEREAS, On June 7, 2005, pursuant to the Property and Business Improvement
10 District Law of 1994 (the "Act"), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 422-05, expressing the City's intention to
13 establish the North of Market Tenderloin Community Benefit District (the "North of
14 Market/Tenderloin CBD"); and

15 WHEREAS, On August 9, 2005, the Board of Supervisors adopted Resolution
16 No. 584-05 establishing the North of Market/Tenderloin CBD ("Resolution to Establish") for a
17 period of 15 years, commencing FY2005-2006; and

18 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
19 No. 15-06, authorizing an agreement with the owners' association for the
20 administration/management of the North of Market/Tenderloin CBD, and a management
21 agreement (the "Management Contract") with the owners' association, the North of
22 Market/Tenderloin Community Benefit Corporation, was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 052018; and
25

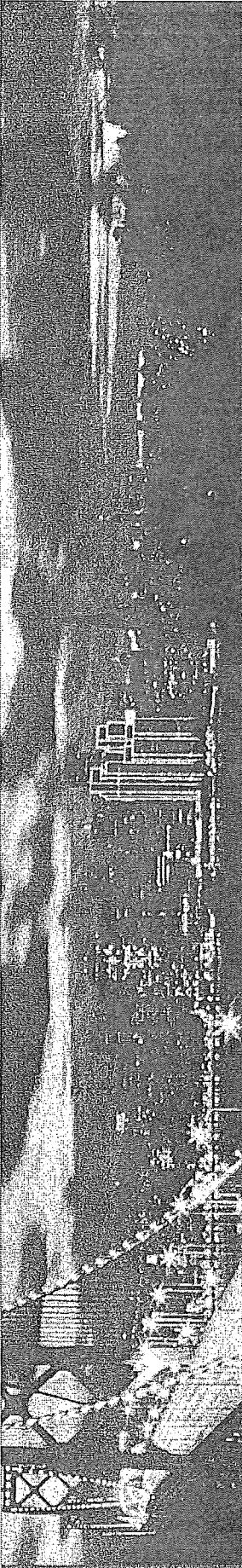
1 WHEREAS, On November 13, 2018, the Board of Supervisors approved the North of
2 Market/ Tenderloin CBD's annual reports for FY2016-2017 in Resolution No. 382-18; and

3 WHEREAS, The North of Market/Tenderloin CBD has submitted for the Board's receipt
4 and approval the North of Market/Tenderloin annual report for FY2017-2018 as required by
5 Section 36650 of the Act and Section 3.4 of the Management Contract; and

6 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
7 File No. 191083, and are incorporated herein by reference as though fully set forth; and

8 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
9 memorandum report from the City's Office of Economic and Workforce Development, dated
10 October 10, 2019, and documentation from the North of Market/Tenderloin CBD for the
11 Annual Report is on file with the Clerk of the Board of Supervisors in File No. 191083; now,
12 therefore, be it

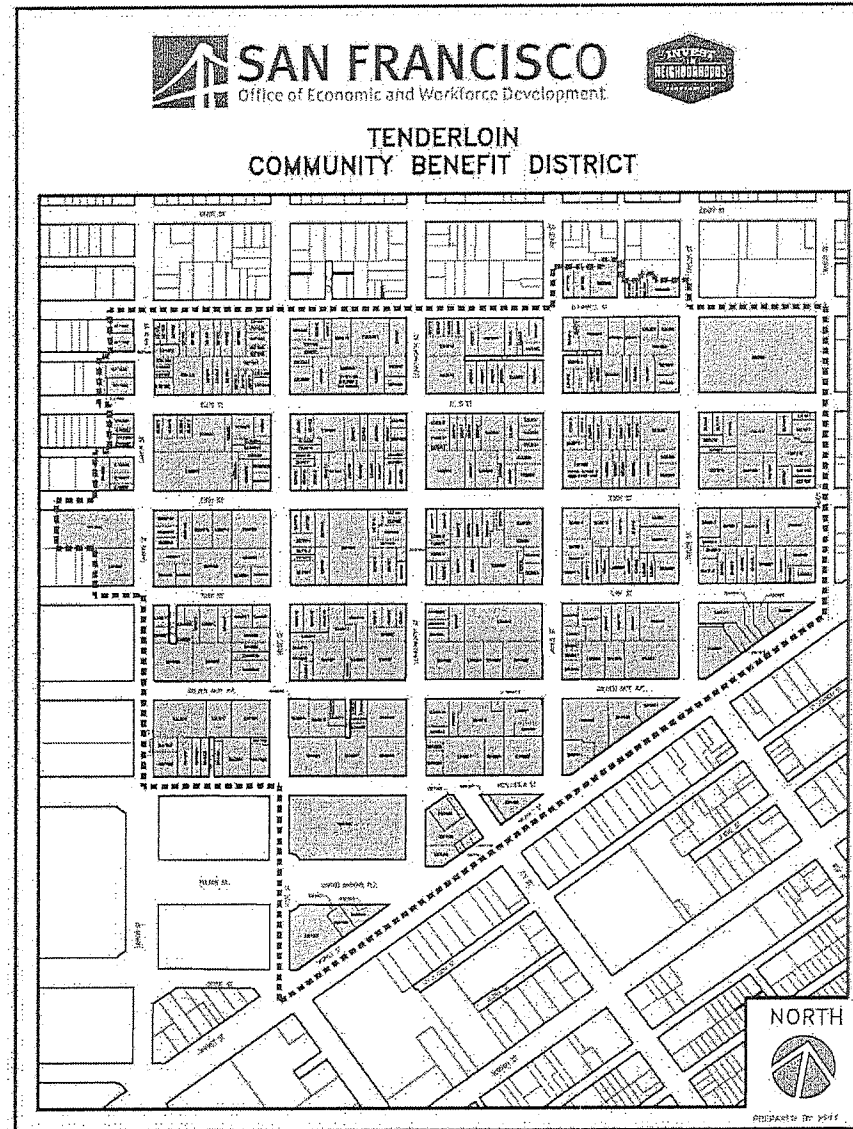
13 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
14 report for the North of Market/Tenderloin Community Benefit District for FY 2017-2018.
15
16
17
18
19
20
21
22
23
24
25



North of Market Tenderloin Community Benefit District



Parcel Map



5963

NOMTL Formation

NOMTL	Type	Initial Assessment Budget*	FY 17-18 Assessment Roll Submission	Year Established	Expires
	Property- Based	\$ 981,487.00	\$1,089,904.24	2005	June 30, 2020

**budget identified in management plan*

NOMTL Operations

- **Staff**

- Executive Director – Simon Bertrang

- **Service Areas**

- **Public Right of Way and Sidewalk Operations**

- This program includes sidewalk cleaning and maintenance.

- **District Identity and Streetscapes Improvements**

- This service area promotes the district through brochures, a website, social media outlets and sponsors special events; advocates on behalf of the North of Market Tenderloin property owners; beautifies the area through special projects.

- **Management and Operations**

- Admin and operations includes oversight of service contract, implementation of major projects, staffing the Board of Directors and Committees, and general day to day operations.

BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for NOMTL:

Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

Benchmark 2 – Whether five percent (5%) of NOMTL's actuals came from sources other than assessment revenue.

Benchmark 3 - Whether the variance between the budget amounts for each service category was within 10 percentage points from the actuals.

Benchmark 4 - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

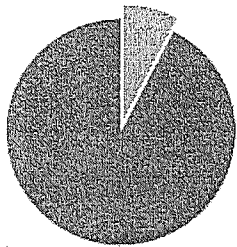
Management Plan vs Actual Budgets

Service Category	FY 2013-2014 Variance % Points	FY 2014-2015 Variance % Points	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points	FY 2017-2018 Variance % Points
Public Right of Way and Sidewalk Operations	0.00%	+5.15%	-1.67%	-1.15%	-0.34%
District Identity and Streetscape Improvements	0.00%	-0.03 %	+1.09%	+0.34%	-0.02%
Administrative/Corporate Operations	0.00%	-0.74%	+4.28%	+0.67%	-0.05%
Contingency Reserve	0.00%	-4.38%	-3.70%	+0.13%	+0.41%

5967

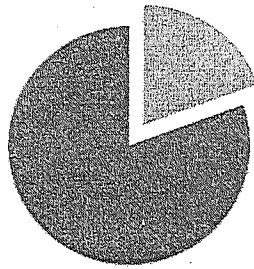
Assessment Revenue & Other Income

FY 2013 - 2014



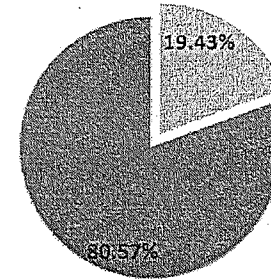
■ Non-Assessment Revenue 7.55%
■ Special Benefit Assessments 92.45%

FY 2015 - 2016



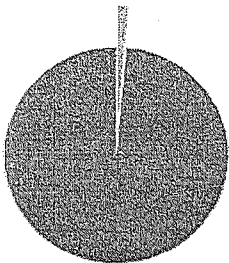
■ Non-Assessment Revenue 19.47%
■ Special Benefit Assessments 80.53%

FY 2017 - 2018



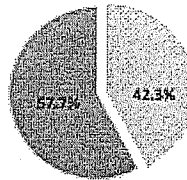
■ Non-Assessment Revenue 19.43%
■ Special Benefit Assessments 80.57%

FY 2014 - 2015



■ Non-Assessment Revenue 1.44%
■ Special Benefit Assessments 98.56%

FY 2016 - 2017



■ Non-Assessment Revenue 42.25%
■ Special Benefit Assessments 57.75%

8965

Budget vs Actuals

Service Category	FY 2013-2014 Variance % Points	FY 2014-2015 Variance % Points	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points	FY 2017-2018 Variance % Points
Public Right of Way and Sidewalk Operations	-.82%	-4.9%	0%	+2.38%	+0.85%
District Identity and Streetscape Improvements	-.39 %	+3.1%	0%	-1.09%	-0.94%
Administrative/Corporate Operations	+.19%	-1.6%	0%	-1.30%	+0.06%
Contingency Reserve	+1.02%	+3.5%	0%	0.00%	+0.03%

Carryover

Designated Projects

FY 2017-2018

Public Rights of Way and Sidewalk Operations

\$425,049.00

District Identity and Streetscape Improvements

\$25,534.48

Administrative and Corporate Operations

\$68,092.00

Contingency and Reserve

\$38,252.00

Total Designated Amount

\$556,927.48

5970

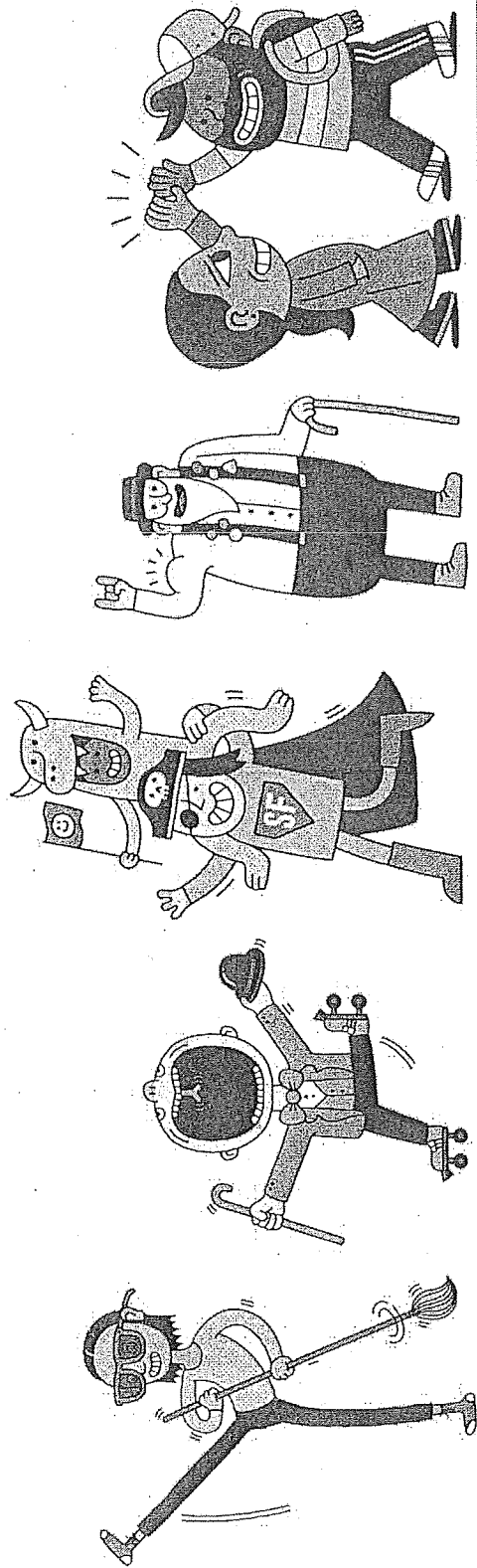
Findings/Recommendations for NOM/TL CBD

In completing the review of the NOM/TL CBD's annual reports and financials, OEWD made the following findings:

- NOM/TL CBD met all benchmarks
- CBD increased capacity of their organization by bringing on a full time executive director, Mr. Simon Bertrang
- NOM/TL CBD received a number of multi-year grants that allowed them to facilitate the full and final integration of the popular Safe Passage program
- NOM/TL CBD was successful in securing non-assessment dollars, which contributed to approximately 19% of the total budget, exceeding the district's 5% requirement
- The CBD focused on its renewal campaign in FY 17-18 and actively engaged with district stakeholders and property owners

Conclusion

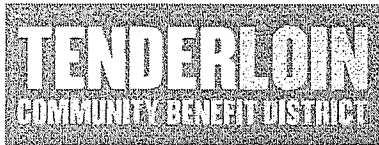
- The CBD has increased opportunities for partnering with external community stakeholders
- The CBD implemented programs to better engage community members
- The CBD successfully completed its renewal process in FY 2018-19
- OEWD believes that NOM/TL CBD will continue to successfully carryout their mission and service plans



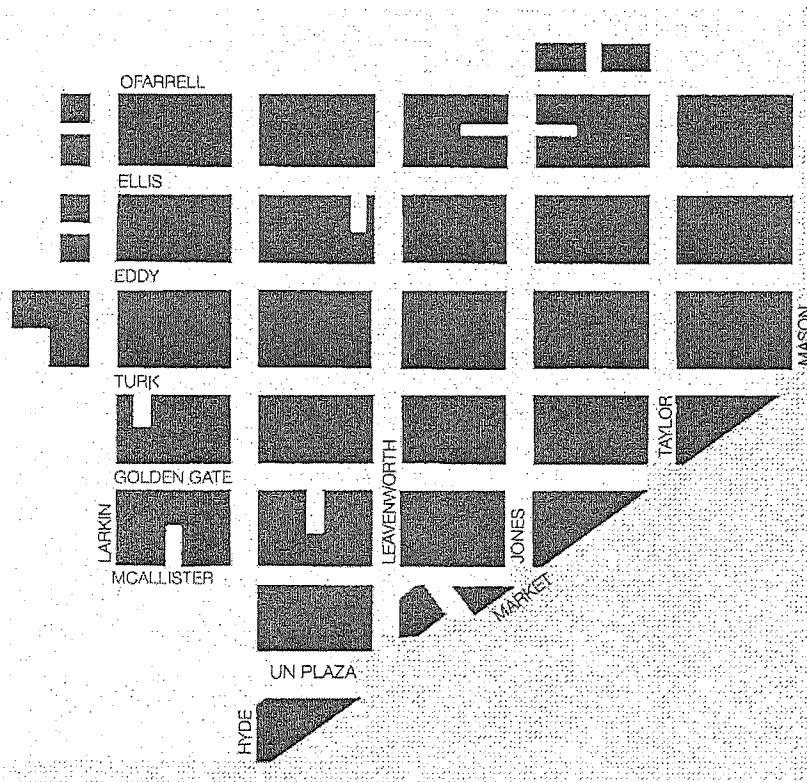
TENDERLOIN

COMMUNITY BENEFIT DISTRICT

Annual Report 2017-2018



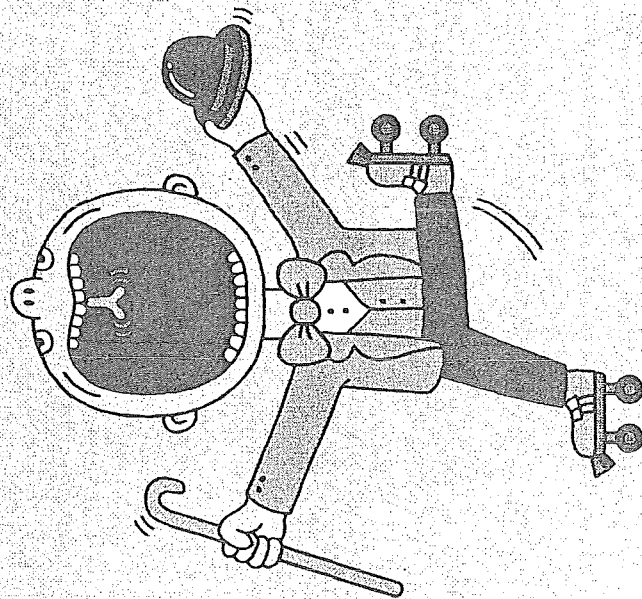
Leading the Evolution of the Tenderloin into a Vibrant Community for ALL



30 Blocks

Founded in 2005, the Tenderloin Community Benefit District (TLCBD) believes that a clean and safe environment, strong community partnerships and supportive collaboration with city agencies will create positive change in the Tenderloin. Services are focused on enhanced cleaning, safety, beautification, economic opportunity and neighborhood pride initiatives.

AROUND HERE WE TEND TO EXPRESS OURSELVES.



A year of capacity building and adding programs to move TLCBD forward.

The TLCBD and its 15-member Board of Directors worked to implement the objectives of the Management Plan.

An ongoing contract with Urban Place Consulting meant that TLCBD had administrative stability while it engaged in a third and final year of capacity building.

This year management and staffing for the organization transitioned from a consultant team to a staff of 6 led by a full-time Executive Director.

Programs were focused primarily on Clean and Safe with an expansion of work on Neighborhood Pride.

**AROUND HERE
WE TEND TO
SUPPORT
OUR BUSINESS
OWNERS.**



Organization Leadership. A total of \$268,582 was raised from non-assessment sources in FY 17/18. TLCBD Board and staff development continued.

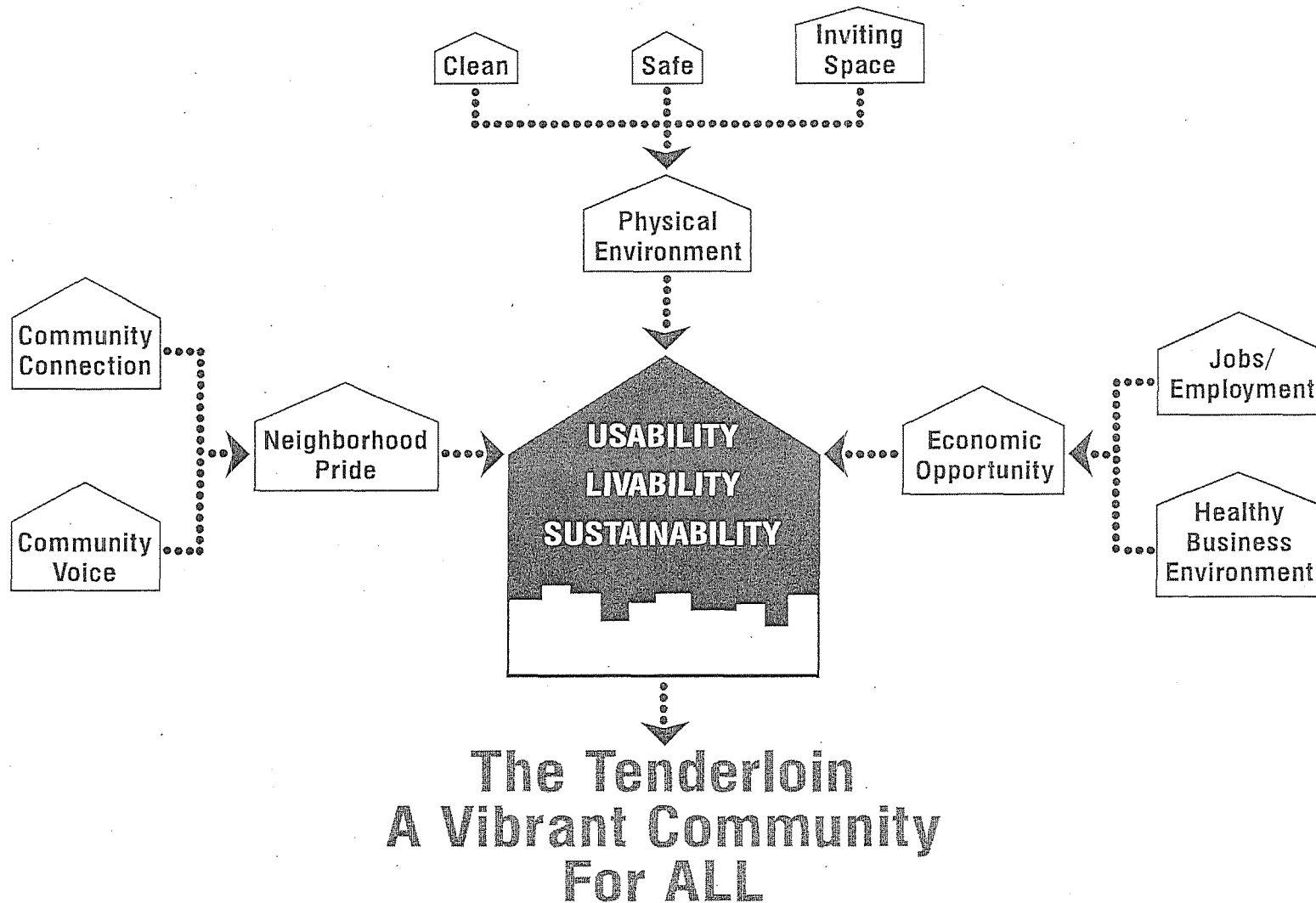
Urban Place Consulting led a third year of capacity building and board development and a fundraising program that supported the full integration of Safe Passage into TLCBD.

At second Annual Retreat, the Board built on Strategic Framework developed at the first retreat and reframed with a focus on how to improve the Quality of Lives in the Tenderloin, as measured by a walk down the sidewalk.

Hired a full-time Executive Director to lead a staff of six after a wide-ranging search.

Urban Place began a transition supported by OEWD's Non-Profit Sustainability Initiative.

Healthy Neighborhood



**AROUND HERE
WE TEND TO
NURTURE OUR
FAMILIES.**



Clean. New cleaning contract allowed significant expansion of supplemental cleaning of Tenderloin sidewalks.

New May 2017 contract with Block By Block delivered sidewalk sweeping, steam cleaning, and graffiti removal to the District's 30 blocks.

Expanded sidewalk cleaning services from 5 days to 7 days a week and added a second pressure washing truck.

New May 2017 Partnership with Downtown Streets Team brought additional cleaning resources and a pathway out of homelessness for Tenderloin residents.

- **Removed 10,083 graffiti tags**
- **Collected 374,275 pounds of litter**
- **Steam cleaned 706,000 linear feet of sidewalk**

**AROUND HERE
WE TEND
TO KNOW OUR
NEIGHBORS.**



Safe. Safe Passage was expanded and fully integrated into the TLCBD as a Program.

Grew Safe Passage program from 15 Corner Captains to 25 Corner Captains.

Promoted 5 Corner Captains to part-time paid positions as part of workforce development.

Became a partner in San Francisco's Safe Routes to School program.

Continued Vision Zero funding that supported increasing the morning shift for Safe Passage.

Led weekly Senior Walking Groups with seniors from YMCA and San Francisco Senior Center.

Conducted community outreach and completed a public life study for the SFMTA's Safer Taylor Street project.

Built an internal database to better capture and manage daily data collection of the program.

TENDERLOIN

TENDERLOIN COMMUNITY
BENEFIT DISTRICT

Neighborhood Pride. TLCBD worked to create a positive impression of the neighborhood and the organization.

Continued twice-a-month “Tenderloin Talks” digital newsletter

Continued quarterly “Tenderloin Talks Live” community meeting, with first in June 2017.

Participated in “Four-Corner Friday” events, working to activate multiple corners monthly.

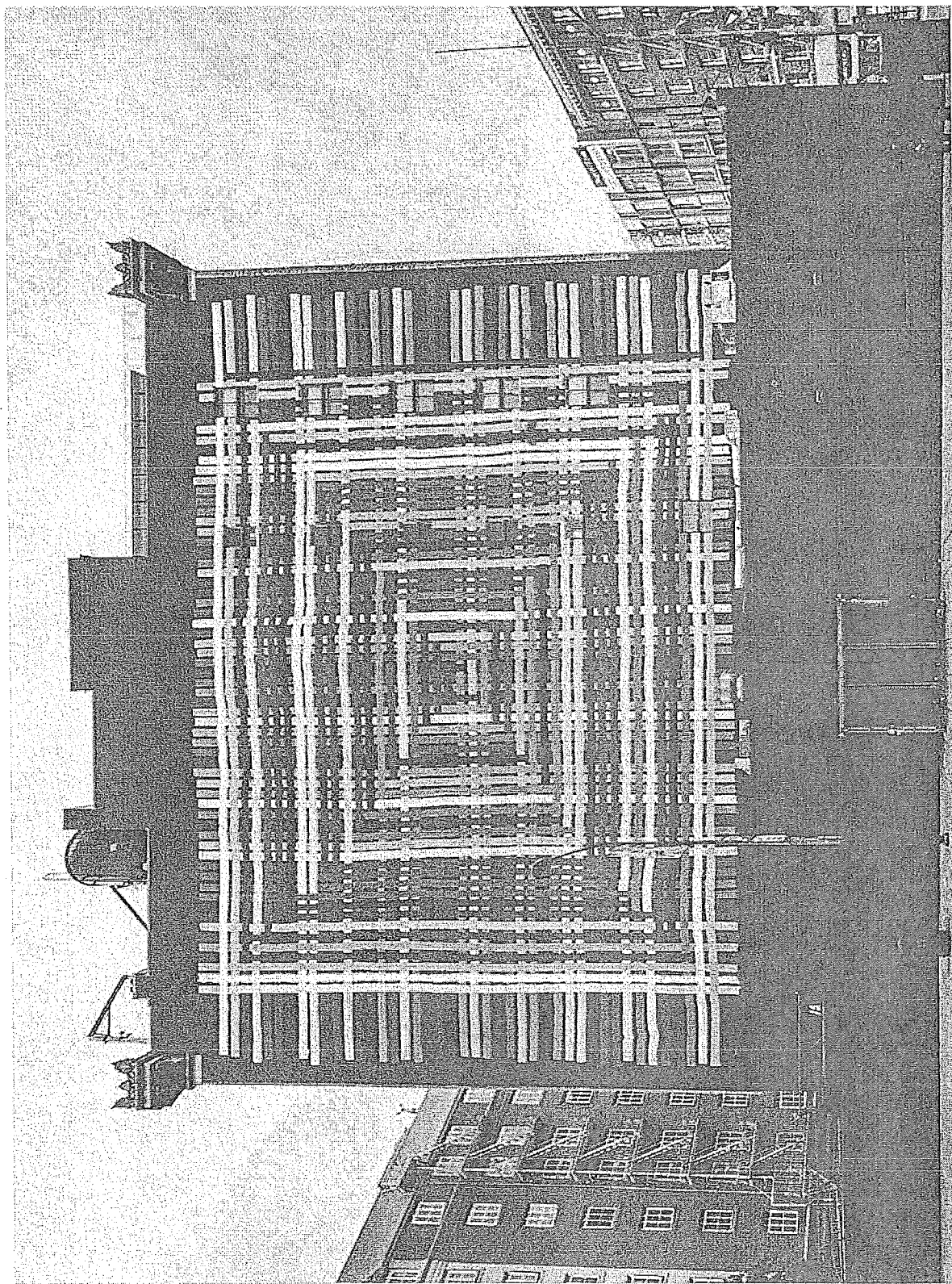
Supported Tenderloin People’s Congress and its Vision 2020 Summit.

Organized the Tenderloin Mayoral Forum, with slate of candidates addressing Tenderloin-specific issues to audience of several hundred community members.

Led press tours to promote neighborhood businesses, people, and culture.

TENDERLOIN
COMMUNITY BENEFIT DISTRICT

Leading the Evolution of the Tenderloin into a Vibrant Community for All



YEAR END REPORT
JULY 2017 – JUNE 2018

PRESENTED TO:

City and County of San Francisco Board of Supervisors

*North of Market/Tenderloin Community Benefits District Corporation
Board of Directors*

San Francisco Office of Economic and Workforce Development

YEAR END REPORT

JULY 2017 – JUNE 2018

SUMMARY OF PROGRAMS, EVENTS AND ACTIVITIES

The Tenderloin Community Benefit District (TLCBD) staff and Board members work diligently to implement the objectives of the organization's mandated management plan. Fiscal Year 2017-2018 was devoted to capacity building and adding programs to move the organization forward. This year was also significant because the management and staffing for the organization transitioned from a consultant team to a staff of 6 led by a full-time Executive Director.

Many initiatives supported the growth of the TLCBD as it provided supplemental cleaning, safety and beautification services to the special benefits district in the Tenderloin:

SAFE PASSAGE PROGRAM'S FULL INTEGRATION INTO TLCBD

TLCBD received a number of multi-year grants in order to facilitate the full and final integration of the Safe Passage Program into TLCBD. These grants were intended to build the TLCBD's organizational capacity and allow it to expand and strengthen the 9-year-old, community-driven Safe Passage Program. Some of these grants were a continuation of the funding from the previous fiscal year – for example St Francis Foundation and Sutter Health had each awarded \$150,000 in the previous fiscal year as part of a two-year grant. TLCBD was awarded a total of \$256,200 in new grants to support its expanded Safe Passage Program in this Fiscal Year:

- \$100,000 from OEWD
- \$50,000 from the St Francis Foundation and \$50,000 from Sutter Health. Both of these grants were a continuation of \$200,000 in support from the previous fiscal year for the TLCBD's organizational development and the merger of Sage Passage into the TLCBD.
- \$87,200 Safe Routes to School grant, a \$20,000 Safe Streets for Seniors grant, a \$24,000 Safe Streets for Youth grant and a \$25,000 Safer Taylor Street Outreach grant.

PROGRAM EXPANSION ON LARKIN STREET/LITTLE SAIGON CORRIDOR

TLCBD was awarded \$145,000 from OEWD to support its organizational capacity and the expansion of the TLCBD's work on the Larkin Street/Little Saigon Corridor. This was a multi-year grant with only a small portion of these funds were actually expended in this fiscal year. The remaining funds will support the ongoing work next fiscal year.

TURK HYDE MINI PARK PILOT

- Piloted a program at Turk/Hyde Mini Park by establishing a daily Corner Captain presence at the park to welcome people of all ages to use the park.
- Program also provided clean safe park access along with a grant program for community-led activations including dancing, singing, wellness activities, and arts.

LEADERSHIP AND OPERATIONAL STRATEGY

- Held second annual Board retreat was conducted in November 2017 to build on the strategic framework developed at the previous year's Board retreat and to focus on how to improve the Quality of Lives in the Tenderloin.
- Launched multi-year Invest Tenderloin fundraising campaign to "Improve the quality of lives for ALL in the Tenderloin."
- Recruited new Board members.
- Transitioned staff from being employed by Urban Place Consulting as part of its contract to provide management services to the direct employment by the TLCBD
- Launched a new TLCBD Employee Handbook.
- Set up benefits for all employees including health insurance and retirement
- Hired a new full-time Executive Director after a wide-ranging search.
- Expanded staff to include a Communications Coordinator to allow the Director of Communications to take on a new role in Clean Engagement – i.e. using the TLCBD supplemental cleaning program as a tool to engage residents, small businesses and property owners.

CLEAN

- TLCBD implemented expanded service under the new contract with Block by Block, a national service provider with a proven track record of providing cleaning services to dozens of improvement districts around the country.
- The Block by Block contract allowed the cleaning services to expand from 5 days-a-week to 7 days-a-week.
- The Block by Block contract added a second pressure washing truck so that two trucks were engaged in pressure washing the sidewalks 5 days-a-week.
- The Block by Block contract added the ability to use their SMART System to track relevant cleaning statistics and evaluate performance.
- The Downtown Streets Team (DST) was added as a sub-contractor to the Block by Block contract. DST works with homeless individuals to get them off the street and into jobs and housing. Having DST as part of our Clean Team has a positive effect on homeless individuals in the Tenderloin. The goal is to hire interested DST members into full-time Clean Team positions.
- Worked with Block by Block to develop and pilot several initiatives to improve sidewalk cleanliness in the Tenderloin.
- Provided additional sweeping and pressure washing service to Turk Hyde Mini Park to support positive community use.
- Piloted twice-weekly pressure washing service to the Larkin Street corridor.
- Developed a concept for Micro Neighborhood Cleaning Program that would bring increased attention by the same Clean Team member to smaller zones within the District. The goal of the Program would be to ensure that someone known to the community is providing at least three passes a day for each property's frontage.
- Readied the launch of a pilot Micro Neighborhood Cleaning Program on the Larkin Street Corridor.

NEIGHBORHOOD PRIDE

- Continued TLCBD's twice-a-month "Tenderloin Talk" digital newsletter.
- Continued the quarterly community meeting concept "Tenderloin Talk LIVE" initiated in June 2017 with rotation to different Tenderloin venues.
- Continued to attend meetings and engage with the numerous non-profits and stakeholders involved in the "Golden Gate Safety Group" and others.
- Attended and participated in several "Four-Corner Friday" events, working to activate several corners in the neighborhood.
- Continued to provide capacity and facilitation support to the Larkin Street Merchants and Property Association (LSA).
- Organized the Tenderloin Mayoral Forum, with slate of candidates addressing Tenderloin-specific issues to audience of several hundred community members.
- Participated in two Sunday Streets events in the TL.
- Supported Tenderloin People's Congress and its Vision 20-20 Summit.
- Supported Civic Center Commons initiative through steering committee and website development.
- Supported community activations and events through TLCBD Safe Passage.
- Hosted tours with press to promote neighborhood businesses, people, and culture.
- Led a successful walking tour with the Hilton Hotel and journalists from SF and LA to experience the neighborhood and connect with merchants.
- Featured in several news articles, blogs, and radio programs throughout the year.

SAFE

- Grew Safe Passage program from 15 to 25 Corner Captains.
- Continued Vision Zero funding that supported increasing the morning shift to 6 Corner Captains per day.
- Safe Passage became a partner in San Francisco's Safe Routes To School.
- Promoted 5 Corner Captains to part-time paid positions as part of our workforce development program, making a total of 5 Safe Passage hourly staff positions.
- Began weekly Safe Escorted Senior Walking Groups with seniors from YMCA and the San Francisco Senior Center.
- Expanded the Safe Passage Senior program to include a morning walking program.
- Led 36 Safety walks serving a total of 171 seniors.
- Built an internal database system to better capture and manage daily data collection of the program.
- Safe Passage conducted community-outreach and conducted a public life study for the SFMTA Safer Taylor Street project.

CAMERAS

- The Tenderloin Camera Network, installed at 6 locations in the previous fiscal year, was expanded to include two new locations. The Network includes:
 - 8 locations
 - 29 multi-sensor cameras
 - 90 total camera views

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

Service Category/Budget Line	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2017-18 Budget	General Benefit Dollars	FY 2017-18 Assessment Budget	% of Budget	Variance	% of Assessment Budget	Assessment Budget Variance
SA 62 - Tenderloin CBD - Public Rights of Way and Sidewalk Operations	\$ 37,453.70	\$ 37,453.70	\$ 711,620.30	76.32%	\$ 1,321,321.00	\$ 471,233.00	\$ 1,009,088.00	73.01%	-3.31%	75.98%	-0.34%
SA 62 - Tenderloin CBD - District Identity and Streetscape Improvements	\$ 2,250.00	\$ 2,250.00	\$ 42,750.00	4.58%	\$ 60,869.00	\$ 6,800.00	\$ 1,009,088.00	3.36%	-1.22%	4.56%	-0.02%
SA 62 - Tenderloin CBD - Administrative and Corporate Operations	\$ 6,000.00	\$ 6,000.00	\$ 114,000.00	12.23%	\$ 346,260.00	\$ 10,070.00	\$ 1,009,088.00	19.13%	6.91%	12.17%	-0.05%
Contingency and Reserve	\$ 3,370.65	\$ 3,370.65	\$ 64,042.35	6.87%	\$ 81,442.00	\$ 4,500.00	\$ 1,009,088.00	4.50%	-2.37%	7.28%	0.41%
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ 1,009,088.00	0.00%	0.00%	0.00%	0.00%
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ 1,009,088.00	0.00%	0.00%	0.00%	0.00%
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ 1,009,088.00	0.00%	0.00%	0.00%	0.00%
TOTAL	\$ 49,074.35	\$ 49,074.35	\$ 932,412.65	100.00%	\$ 1,809,892.00	\$ 691,099.00	\$ 1,118,793.00	100.00%			

BENCHMARK 2: General Benefit Requirement

Revenue Source	FY 2017-2018 Actual	% of Actual	Source
Assessment Revenue	\$ 1,113,856.00	80.57%	
Total Assessment (Special Benefit) Revenue	\$ 1,113,856.00	1.13%	
Contributions and Sponsorships	\$ 1,315,000.00	18.18%	
Grants	\$ 1,000.00	0.08%	
Donations	\$ 1,000.00	0.04%	
Interest Earned	\$ 1,000.00	0.00%	
Earned Revenue	\$ 1,000.00	0.00%	
Other	\$ 1,000.00	0.00%	
Total Non-Assessment (General Benefit) Revenue	\$ 268,582.00	15.43%	
Total	\$ 1,382,438.00	100.00%	

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

Service Category/Budget Line	FY 2017-18 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% of Budget (Total)	FY 2017-18 Actual	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)	Variance (Assessment)	Variance (Total)
SA 62 - Tenderloin CBD - Public Rights of Way and Sidewalk Operations	\$ 1,321,321.00	\$ 850,098.00	\$ 471,223.00	75.98%	73.01%	\$ 1,344,236.00	\$ 850,098.00	\$ 494,138.00	76.84%	77.84%	0.85%	4.83%
SA 62 - Tenderloin CBD - District Identity and Streetscape Improvements	\$ 60,869.00	\$ 51,069.00	\$ 9,800.00	4.56%	3.36%	\$ 40,352.00	\$ 20,520.00	\$ 19,832.00	3.62%	2.34%	-0.34%	-1.03%
SA 62 - Tenderloin CBD - Administrative and Corporate Operations	\$ 346,260.00	\$ 136,184.00	\$ 210,076.00	12.17%	19.13%	\$ 360,883.00	\$ 116,715.00	\$ 244,168.00	12.23%	15.11%	0.06%	-4.02%
Contingency and Reserve	\$ 81,442.00	\$ 81,442.00	\$ -	7.28%	4.50%	\$ 81,442.00	\$ 71,672.00	\$ 9,770.00	7.31%	4.72%	0.03%	0.22%
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
TOTAL	\$ 1,809,892.00	\$ 1,118,793.00	\$ 691,099.00	100.00%	100.00%	\$ 1,726,913.00	\$ 1,113,856.00	\$ 613,057.00	100.00%	100.00%		

BENCHMARK 4: Whether CBD 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

Project	FY 2017-2018 Carryover Disbursement	Spenddown Timeline
General Benefit Project	\$ 62,947.00	
SA 62 - Tenderloin CBD - Public Rights of Way and Sidewalk Operations	\$ 62,947.00	
SA 62 - Tenderloin CBD - District Identity and Streetscape Improvements	\$ 62,947.00	
SA 62 - Tenderloin CBD - Administrative and Corporate Operations	\$ 62,947.00	
Contingency and Reserve	\$ 62,947.00	
0	\$ 62,947.00	
0	\$ 62,947.00	
0	\$ 62,947.00	
Special Project Total	\$ 62,947.00	
Total Designated Amount for FY 2018-19	\$ 62,947.00	

**NORTH OF
MARKET/TENDERLOIN
COMMUNITY BENEFIT
CORPORATION**

FINANCIAL STATEMENTS

June 30, 2018

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Contents

Independent Accountants' Review Report	1-2
--	-----

Financial Statements:

Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-12

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

1970 Broadway, Suite 930
Oakland, CA 94612
Tel: 510 • 835 • CPAS (2727)
Fax: 510 • 835 • 5711
e-mail: admin@ckcpa.biz

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
North of Market/Tenderloin Community Benefit Corporation
San Francisco, California

We have reviewed the accompanying financial statements of North of Market/Tenderloin Community Benefit Corporation (the Organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The accompanying summarized comparative information as of and for the year ended June 30, 2017 is derived from financials that were previously reviewed by us and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated May 2, 2018. We have not performed procedures in connection with that review engagement since that date.

Croby & Kaneda CPAs LLP

Oakland, California

February 20, 2019

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Financial Position
June 30, 2018
(With Comparative Totals as of June 30, 2017)

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 524,597	\$ 664,437
Assessments receivable (Note 3)	77,289	156,161
Grants receivable	63,295	100,000
Prepaid expenses	14,982	30,142
Deposits	10,500	10,500
	<u> </u>	<u> </u>
Total Assets	<u>\$ 690,663</u>	<u>\$ 961,240</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 50,789	\$ 58,333
Commitments and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	639,874	802,907
Temporarily restricted	-	100,000
Total Net Assets	<u>639,874</u>	<u>902,907</u>
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 690,663</u>	<u>\$ 961,240</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Activities
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Unrestricted	Temporarily Restricted	Total	
			2018	2017
Support and Revenue				
Assessment revenue (Note 7)	\$ 1,113,856	\$	\$ 1,113,856	\$ 1,108,066
Government grants	251,315		251,315	163,860
Foundation and corporate grants	5,681	10,000	15,681	631,659
Individual	1,057		1,057	217
Miscellaneous	529		529	15,085
Net assets released from donor restrictions (Note 6)	110,000	(110,000)	-	-
Total Support and Revenue	<u>1,482,438</u>	<u>(100,000)</u>	<u>1,382,438</u>	<u>1,918,887</u>
Expenses				
Program	1,384,588		1,384,588	1,468,751
Management and general	232,171		232,171	216,153
Fundraising	28,712		28,712	24,412
Total Expenses	<u>1,645,471</u>	<u>-</u>	<u>1,645,471</u>	<u>1,709,316</u>
Change in Net Assets	(163,033)	(100,000)	(263,033)	209,571
Net Assets, beginning of year (Note 8)	<u>802,907</u>	<u>100,000</u>	<u>902,907</u>	<u>693,336</u>
Net Assets, end of year	<u>\$ 639,874</u>	<u>\$ -</u>	<u>\$ 639,874</u>	<u>\$ 902,907</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Cash Flows
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (263,033)	\$ 209,571
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Assessments receivable	78,872	(2,125)
Grants receivable	36,705	(45,000)
Prepaid expenses	15,160	(24,783)
Deposits	-	(8,550)
Accounts payable and accrued expenses	(7,544)	21,212
Net cash provided (used) by operating activities	(139,840)	150,325
Net change in cash	(139,840)	150,325
Cash and cash equivalents, beginning of year	664,437	514,112
Cash and cash equivalents, end of year	<u>\$ 524,597</u>	<u>\$ 664,437</u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Program	Management and General	Fundraising	Total	
				2018	2017
Salaries	\$ 206,323	\$ 39,773	\$ 2,486	\$ 248,582	\$ 2,032
Employee benefits	23,865	4,600	288	28,753	-
Payroll taxes	57,028	10,993	687	68,708	-
Total Personnel	287,216	55,366	3,461	346,043	2,032
Grants				-	355
Management services	231,946	150,562	24,415	406,923	490,766
Accounting fees	-	12,743	-	12,743	9,133
Other fees for service	585	118	-	703	20,230
Advertising and promotion	4,569	-	-	4,569	42,359
Office expenses and supplies	18,516	3,569	223	22,308	66,226
Occupancy	37,851	7,297	456	45,604	26,091
Insurance	6,476	1,248	78	7,802	6,034
Cleaning services	741,666	-	-	741,666	899,360
Public space improvement	48,987	-	-	48,987	141,026
Meetings	164	32	2	198	1,734
Sponsorship	200	-	-	200	485
Miscellaneous	6,412	1,236	77	7,725	3,485
Total Expenses	\$ 1,384,588	\$ 232,171	\$ 28,712	\$ 1,645,471	\$ 1,709,316

See Independent Accountants' Review Report and
Notes to the Financial Statements

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Notes to the Financial Statements

For the Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

NOTE 1: NATURE OF ACTIVITIES

The North of Market/Tenderloin Community Benefit Corporation (the Organization) is a California nonprofit public benefit corporation, which was established in 2005. The ultimate goal of the North of Market/Tenderloin Community Benefit Corporation is to provide systematic cleaning and beautification services to all of the parcels in the historic Tenderloin district. The North of Market/Tenderloin Community Benefit Corporation is funded entirely by special assessments levied on properties within the district. The annual assessment rate for properties is equal to \$0.15731 per square foot of lot size, plus \$10.38 per linear foot of lot frontage, plus \$0.04 per square foot of non-exempted building area. The North of Market/Tenderloin Community Benefit Corporation executes its mandate to provide cleaning and beautification services with a committee-based structure made up of the following committees:

Executive Committee oversees staff and contracts, corporate finances, insurance, grants, budget development, bylaws and policies, generation of Board agendas and meetings, etc.

Public Rights of Way Committee oversees cleaning services in the public right of way such as sidewalk sweeping, steam cleaning, tree planting and maintenance, and relations with the San Francisco Department of Public Works.

Community Engagement and Communications Committee oversees projects that promote the district and positive aspects of District Identity.

Development Committee oversees the development of fundraising strategies and supplemental support for the Organization and its activities.

Safe Passage Committee oversees the Safe Passage Program and other safety initiatives.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

Permanently restricted net assets — represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of June 30, 2018.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants Receivable

The Organization considers all grants receivable to be fully collectible at June 30, 2018. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2018 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2018.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2018.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no property and equipment that met this capitalization policy at June 30, 2018.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of February 20, 2019 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: ASSESSMENTS RECEIVABLE

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible. Assessments receivable consisted of the following as of June 30:

	<u>2018</u>	<u>2017</u>
Due from city	\$ 42,341	\$ 117,313
Unpaid assessments	<u>34,948</u>	<u>38,848</u>
Total	<u>\$ 77,289</u>	<u>\$ 156,161</u>

NOTE 4: COMMITMENT

Operating Leases

The Organization is party to a lease for office space in San Francisco that expires on January 31, 2020. Future minimum lease payments were as follows for the years ended June 30:

2019	\$ 45,051
2020	<u>26,733</u>
Total	<u>\$ 71,784</u>

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

NOTE 5: CONTINGENCIES

Community benefit district assessments are received under agreement with the City and County of San Francisco and assessments have been currently authorized through June 2020. The assessments and related revenue to the Organization may be terminated at an earlier date if the community benefit district which funds the Organization's operations is disestablished by a vote of the assessed property owners or in certain other circumstances.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the year ended June 30, 2018:

Safe Passage	\$ 10,000
Passage of time	<u>100,000</u>
Total	<u>\$ 110,000</u>

NOTE 7: ASSESSMENT REVENUE

Assessment revenue consists of regular annual property assessments which are recognized as revenue when assessed. In addition, the Organization may receive other related revenue for late fees and other items, which it records when paid. Assessment revenue consisted of the following for the year ended June 30:

	<u>2018</u>	<u>2017</u>
Assessment revenue – regular annual	\$ 1,089,904	\$ 1,046,773
Assessment revenue – other	<u>23,952</u>	<u>61,293</u>
Total	<u>\$ 1,113,856</u>	<u>\$ 1,108,066</u>

NOTE 8: RECLASSIFICATION

The Organization reclassified its net assets as of June 30, 2017 to increase temporarily restricted net assets by \$100,000, with a corresponding adjustment to unrestricted net assets, to reflect the restrictions attached to certain grant funding. There were no changes to total assets, liabilities, revenue, support or expenses.

NORTH OF MARKET/TENDERLOIN COMMUNITY BENEFIT CORPORATION

**Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

NOTE 9: CONCENTRATIONS

Revenue

For the year ended June 30, 2018, the Organization received 81% of its revenue from community benefit district assessments on property owners in the North of Market/Tenderloin Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

NOTE 10: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet age and length of service requirements. The Organization may make a matching contribution of up to 3% of the employee's salary. The contribution rate is determined annually. All contributions to an employee's account vest immediately. The Organization made no contributions for the years ended June 30, 2018 and 2017.

MEMO

To: Supervisor Matt Haney, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas; Senior Program Manager, OEWD

RE: North of Market/Tenderloin Community Benefit District FY 17-18 Annual Report

Date: October 10, 2019

This is a memo summarizing the accomplishments of the North of Market/Tenderloin Community Benefit District ("NOM/TL CBD") and an analysis of its financial statements (based on their independent financial review) for the period between July 1, 2017 and June 30, 2018.

Each year the NOM/TL CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. NOM/TL 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 NOM/TL CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2017-2018
2. CPA Financial Review Reports
 - a. FY 2017-2018
3. Draft resolution from the Office of Economic and Workforce Development



Background

The North of Market/Tenderloin Community Benefit District spans 29 blocks and includes approximately 700 parcels, including parcels owned by Tenderloin Neighborhood Development Corporation and UC Hastings. The district also includes UN Plaza, Golden Gate Theater, and the Hilton San Francisco.

- August 2, 2005: the Board of Supervisors approved the resolution that established the NOM/TLCBD for 15 years (Resolution # 584-05).
- January 10, 2006: the Board approved the contract for the administration and management of the NOM/TLCBD (Resolution # 15-06).
- April 28, 2015: the Board of Supervisors approved the Annual Reports for FYs 2010-2011, 2011-2012, and 2012-2013 (Resolution #160-15).
- August 2, 2016: the Board of Supervisors approved the Annual Reports for FY's 2013-2014 and 2014-2015 (Resolution #348-16).
- December 12, 2017: the Board of Supervisors approved the Annual Reports for FY's 2015-2017 (Resolution #449-17).
- November 13, 2018: the Board of Supervisors approved the Annual Reports for FY's 2016-2017 (Resolution #382-18)

Basic Info about North of Market/Tenderloin CBD:

Year Established	August 2005
Assessment Collection Period	FY 2005-2006 to FY 2019-2020
Services Start and End Date	January 1, 2006 – December 31, 2020
Initial Estimated Annual Budget	\$981,147
Fiscal Year	July 1 – June 30
Executive Director	Simon Bertrang
Name of Nonprofit Owners' Entity	North of Market/Tenderloin Community Benefit Corporation

The current NOM/TL CBD website www.tlcbd.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

Public Right-of-Way and Sidewalk Operations

Sidewalk Operations services include: (1) twice daily sidewalk and gutter hand sweeping 7-days a week, (2) monthly soap and water scrub-down of all properties, (3) dealing with needles, hazardous waste and bulky items, and (4) graffiti removal 10 to 15 hours per week. Public Right-of-Way initiatives also includes the *Safe Passage* program. NOM/TL CBD contracts with *Block by Block* to provide supplemental sidewalk cleaning. The NOM/TL CBD Management Plan calls for 76% of the budget to be spent on Public Right-of-Way and Sidewalk Operations.

District Identity and Streetscape Improvements

This service area includes but is not limited to promoting the district through brochures, a website, social media outlets (i.e. Facebook and Twitter), sponsoring special events, and enhancing beautification. The NOM/TL CBD dedicates approximately five percent (5%) of its budget to District Identity and Streetscape Improvements.

Management & Operations

The NOM/TL CBD Management Plan calls for 12% of the budget to be spent on management and corporate operations. NOM/TL CBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for the district. The NOM/TL CBD board has fifteen (15) board members that represent the diverse property owners, business owners and residents in the district. The board meets the fourth Monday of every month. NOM/TL CBD has several committees that function to assist the NOM/TL CBD with its goals and objectives.

The four committees include:

- **Executive Committee** - oversees central operations of the organization and ensures the functioning of key areas: staff and contracts; corporate finances; insurance; grants; development of budget; board agendas and meetings; correspondence; outreach; bylaws and policies; public relations; newsletters. The Executive Committee meets the 3rd Wednesday of the month.
- **Public Right-of-Way (PROW) Committee** – oversees the services in public spaces and ensures the success and efficiency of these services, along with other services designed to promote safety in the neighborhood. These services include the following activities: sidewalk sweeping and cleaning; steam cleaning; relations with San Francisco Public Works, Fix-It

and Recology; tree planting and maintenance; and improving public right-of-way experience. The PROW Committee meets the 1st Thursday of the month.

- **Community Engagement and Communications (CEC) Committee** - oversees programs that promote Tenderloin district identity and provide beautification through visual media such as art and murals. The CEC Committee meets the 2nd Monday of the Month.
- **Safe Passage Committee** – oversees the Safe Passage Program. The Safe Passage Committee meets the 1st Wednesday of the month.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2017-2018

Public Right-of-Way and Sidewalk Operations

- Clean and Safe Services Team removed 10,083 graffiti tags from public and private property and collected over 374,273 pounds of litter from sidewalks and gutter
- Steam-cleaned 706,000 linear feet of sidewalk
- Completed 1,957 instances of human/animal waste pick-ups
- Handled 1,048 cleaning call requests
- Completed 36 safety walks/initiatives serving a total of 171 seniors
- Expanded cleaning services via Block by Block contract from 5 days a week to 7 days a week
- Added the Downtown Streets Team (DST) as a sub-contractor to work with homeless individuals to get them off the streets and into jobs and housing, with a goal of hiring interested DST members to become full-time Clean Team members
- Provided additional sweeping and pressure washing services to Turk Hyde Mini Park
- Piloted twice-weekly pressure washing service for the Larkin Street corridor
- Grew the Safe Passage Program from 15 to 25 Corner Captains
- The Tenderloin Camera Network was expanded from 6 to 8 locations, with 29 multi-sensor cameras and 90 total camera views

District Identity and Streetscape Improvements

- Distributed 24 editions of “Tenderloin Talks,” a semi-monthly digital newsletter
- Attracted 1,694 social media followers
- Reached 1,063 mailing list recipients

- Received an award for a \$145,000 grant from OEWD to support organizational capacity and the expansion of the NOM/TL CBD's work on the Larkin Street/Little Saigon Corridor
- Piloted a program at Turk/Hyde Mini Park by establishing daily Corner Captain presence to welcome people of all ages to use the park
- Hosted tours with press to promote neighborhood businesses, people, and culture
- Continued the quarterly community meeting concept "Tenderloin Talk LIVE" initiated in June 2017

Management & Operations

- Launched multi-year Invest Tenderloin fundraising campaign to "Improve the quality of lives for ALL in the Tenderloin"
- Held second annual Board retreat in November 2017 to build on the strategic framework developed at the previous year's Board retreat and to focus on how to improve the quality of lives in the Tenderloin
- Recruited new Board members
- Transitioned staff from being employed by Urban Place Consulting to direct employment through the NOM/TL CBD by hiring a new Executive Director
- Launched a new NOM/TL CBD Employee Handbook
- Set up benefits for all employees including health insurance and retirement
- Expanded staff to include a Communications Coordinator under the Director of Communications

NOM/TL CBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for NOM/TL 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 "North of Market/Tenderloin Community Benefit District", Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "North of Market/Tenderloin Community Benefit District", Section A - 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 "North of Market/Tenderloin Community Benefit District", Section 3.9 – Budget*).

- **BENCHMARK 4:** Whether NOM/TL CBD 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 36651*)

FY 2017-2018

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: NOM/TL CBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Management Plan	FY 17-18 Assessment Budget	% of Assessment Budget	Variance Percentage Points
Public Right-of-Way and Sidewalk Operations	\$749,074.00	76.32%	\$850,098.00	75.98%	-0.34%
District Identity and Streetscape Improvements	\$45,000.00	4.58%	\$51,069.00	4.56%	-0.02%
Administrative/Corporate Operations	\$120,000.00	12.23%	\$136,184.00	12.17%	-0.05%
Contingency Reserve	\$67,413.00	6.87%	\$81,442.00	7.28%	+0.41%
TOTAL	\$981,487.00	100%	\$1,118,793.00	100%	

BENCHMARK 2: Whether five percent (5%) of NOM/TL CBD's actuals came from sources other than assessment revenue

ANALYSIS: NOM/TL CBD met this requirement. Assessment revenue was \$1,113,856.00 or 80.57% of actuals and non-assessment revenue was \$268,582.00 or 19.43% of actuals. See table below.

Revenue Sources	FY 2017-2018 Actuals	% of Actuals
Special Benefit Assessments	\$1,113,856.00	
Total assessment revenue	\$1,113,856.00	80.57%
Contributions and Scholarships	\$15,681.00	1.13%
Grants	\$251,315.00	18.18%

Donations	\$1,057.00	0.08%
Interest Earned	\$529.00	0.04%
Total non-assessment revenue	\$268,582.00	19.43%
TOTAL	\$1,382,438.00	100%

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

ANALYSIS: NOM/TL CBD met this requirement. See table below.

Service Category	FY 2017-2018 Assessment Budget	% of Assessment Budget	FY 2017-2018 Assessment Actuals	% of Assessment Actuals	Variance Percentage Points
Public Right-of-Way and Sidewalk Operations	\$850,098.00	75.98%	\$855,837.00	76.84%	+0.85%
District Identity and Streetscape Improvements	\$51,069.00	4.56%	\$40,352.00	3.62%	-0.94%
Administrative/Corp orate Operations	\$136,184.00	12.17%	\$136,225.00	12.23%	+0.06%
Contingency Reserve	\$81,442.00	7.28%	\$81,442.00	7.31%	+0.03%
TOTAL	\$1,118,793.00	100%	\$1,113,856.00	100%	

BENCHMARK 4: Whether NOM/TL CBD 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: NOM/TL CBD 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.

FY 2017-18 Carryforward to FY 18-19	
Special Assessment	
Public Right-of-Way and Sidewalk Operations	\$425,049.00
District Identity and Streetscape Improvements	\$25,534.48

Administrative and Corporate Operations	\$68,092.00
Contingency and Reserve	\$38,252.00
Total Carryforward	\$556,927.48

Findings and Recommendations

Within the review periods of FY 2017-2018, the NOM/TL CBD met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651 as found on pages 5 and 6 of this memo.

For the FY 2017-2018, the management and staffing for the organization transitioned from a consultant team to direct employment through the NOM/TL CBD by hiring a new, full-time Executive Director. Under their new Executive Director Simon Bertrang's leadership NOM/TL CBD continued to improve in all aspects, especially service delivery. For example, the NOM/TL CBD increased cleaning services from 5 to 7 days per week. They received a number of multi-year grants that allowed them to facilitate the full and final integration of the Safe Passage Program into the NOM/TL CBD service area. They began weekly Safe Escorted Senior Walking groups with seniors from YMCA and the San Francisco Senior Center. Additionally, the NOM/TL CBD increased staff capacity which led to increased coordination between itself, City departments, and other stakeholders which directly led to a positive improvement in efficiency and effectiveness of the organization as well as improved relationships with various community stakeholders.

The NOM/TL CBD was successful in securing non-assessment dollars which contributed to approximately 19% of the total budget, far exceeding its required 5%. NOM/TL CBD was able to build capacity, continue with strategic planning and secure substantial funding for the organization.

Conclusion

NOM/TL CBD has performed well in implementing their service plan. NOM/TL CBD has continued to successfully market and produce events and projects such as the Tenderloin Camera Network, "Four-Corner Friday," Tenderloin Talk LIVE and worked to activate several corners in the neighborhood. NOM/TL CBD has increased opportunities in partnering with community stakeholders and municipal agencies for the implementation of their management plan. NOM/TL CBD has an active board of directors and committee members; and OEWD believes the NOM/TL CBD will continue to successfully carryout their mission and service plans.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller
Joaquin Torres, Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: October 30, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Haney on October 22, 2019:

File No. 191083

Resolution receiving and approving the annual report for the North of Market/Tenderloin Community Benefit District for FY2017-2018, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Office of the Controller
Ken Rich, Office of Economic and Workforce Development
J'Wel Vaughan, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO2019 OCT 22 AM 3:06
The stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning : "Supervisor [] inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No. [] from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No. []
- ☐ 9. Reactivate File No. []
- ☐ 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Haney

Subject:

North of Market/Tenderloin Community Benefit District Annual Report- FY 2017-2018

The text is listed:

Resolution receiving and approving annual report for the North of Market/Tenderloin Community Benefit District for FY 2017-2018, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: []

For Clerk's Use Only