



# Yerba Buena Community Benefit District – Mid-Year Report

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*July-December 2017*

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## Executive Summary

We are pleased to submit this mid-year report outlining our accomplishments and financial status for the first six months of the 2017-2018 fiscal year.

We celebrated our nine-year anniversary in January 2018 at our Annual Meeting. We are proud of the accomplishments outlined in this report and our overall progress since operations began in 2009. Our Board of Directors continues to demonstrate outstanding leadership and commitment to the organization. They participate in six standing committees (Executive, Community Benefit Fund, Finance, Marketing, Services, and Streets & Public Space) and two ad hoc committees (Audit and Nominating). The Nominating Committee recently completed its work of bringing three new institutions onto the YCBCD Board of Directors along with new officers and committee chairs. Three (3) institutions and one resident were re-elected for a second 3-year term. We also continue to increase non-board participation on committees and working groups, involving more than 18 community members on various committees and working groups.

The organization has been extremely busy the first six months of FY18. We hired an Associate Executive Director for the first time. Neal Patel filled that position joined the staff of the YCBCD in September 2017. He has an extensive background in community engagement and strong relationships with the City through his previous work at the San Francisco Bicycle Coalition and SFMTA. Other organizational activities for the first six months of the year included unveiling two additional pieces of public art – painted niches with small seats and tables on Natoma by artist Leah Rosenberg and a neon text-based sculpture/sign by artist Hank Willis Thomas on the back of 165 Jessie Street, visible along Mission and Annie streets; increased the hours of our SFPD Bike Patrol Officer from 10 to 12 hours/day; launched a redesigned YCBCD website, developed and distributed new neighborhood awards for community excellence; installed nine (9) Bigbelly SMART waste receptacles; finalized plans to redesign the public plaza at Annie and Market streets; completed another successful audit; partnered with 706 Mission Street Co, LLC to aid with traffic congestion and flow related to the 706 Mission construction project; continued our leadership role with The Yerba Buena Gardens Conservancy – a new nonprofit that will oversee and manage Yerba Buena Gardens; and selected a landscape architecture team to help us develop a new Yerba Buena Street Life Plan.

While much has been accomplished over the first nine years of our existence – including securing renewal in 2015 for 15 years - and we're excited about what comes next, much remains to be done. We look forward to working in partnership with the City of San Francisco to improve the quality of life for those who live, work, and visit Yerba Buena.

## Status and Progress of Programs

Highlights of our accomplishments for the first six months of the 2017-2018 fiscal year are outlined below.

## Management & Operations

### ▪ Board & Staff

- Elected 3 new board members in January 2018; renewed terms of 4 current board members, and elected new officers and committee chairs.
- Board elections occurred at the YCBCD Annual Meeting on January 16, 2018. All property owners received invitations to the Annual Meeting and public turnout was strong. We hosted a panel discussion on the opioid epidemic and what can be done with panelists from the Department of Health and the San Francisco AIDS Foundation.
- Continued to stay abreast of new developments in the neighborhood and their overall impact. We are actively involved in leadership positions with The Yerba Buena Gardens Conservancy (a new nonprofit being formed to oversee and manage Yerba Buena Gardens), Moscone Expansion, Tourism Improvement District, Southern Station Community Police Advisory Board, and Better Market Street, just to name a few.
- Produced the ninth YCBCD Annual Report with the theme of “Making Yerba Buena Cleaner, Safer, Better” and mailed it to all property owners in the district.

### ▪ Finance and Fund Development

- Completed the eighth organizational annual audit and received an unmodified opinion.
- Conducted a review of organizational investments.
- Conducted a review of organizational insurance.
- Prepared five-year budget projections.

## Cleaning & Streetscape Improvements

### ▪ Neighborhood Cleanliness

- YCBCD Clean Team continues to work 365 days a year to address graffiti, sweeping and steam cleaning sidewalks, cleaning and weeding tree wells, painting poles, mail boxes and fire plugs, monitoring public trash receptacles and reporting large items to the City for removal.
- Continued implementation of quarterly performance measures for neighborhood cleanliness with scores consistently in the 95% +/- range.
- Continue performance walks with the Services Committee to explore problem areas and measure cleanliness. The committee met with the Department of Public Health to discuss the significant increase of needles on our streets and what the organization can do to help.
- Continued to post monthly cleaning reports, photos, and steam cleaning/sweeping schedules on the YCBCD website.

### ▪ Streetscape Improvements

- Installed 9 Bigbelly SMART waste receptacles in the neighborhood.
- In partnership with Sites Unseen, unveiled two additional pieces of public art in the neighborhood. We celebrated Leah Rosenberg’s painted niches with seating and small tables at Natoma and New Montgomery on the Academy of Art Building. We also

installed a neon text-based public art sculpture/sign by artist Hank Willis Thomas, located on the back of 165 Jessie Street and overlooking Annie and Mission streets.

- Engaged a new landscape architecture team to develop a new Yerba Buena Street Life Plan. The community planning process is scheduled to kick-off in February 2018.
- Collaborated with adjacent property owners on the redesign of the public plaza at Annie and Market streets and secured funding for the project.

## **Safety & Security**

### ▪ Neighborhood Safety

- Increased the daily hours of our SFPD Bike Patrol Officer from 10 to 12 hours a day. The officer focuses on addressing quality of life issues.
- Our Social Services Specialist focuses on connecting people living on district streets to available services.
- YBCBD Community Guides continue to work 365 days a year to connect those who need help with services, report areas that need to be cleaned, provide directions and information about the neighborhood, and serve as an additional set of eyes for the community to report safety issues.
- In partnership with the 706 Mission Co, LLC, we continued the coordination of 10B officers to aid with traffic congestion and flow related to the construction of 706 Mission and the temporary closure of the Mission Street Exit to the Jessie Square Garage.
- Hosted a neighborhood meeting with the Southern Station Police Captain and the community to discuss safety concerns.
- Participated in a neighborhood safety and security group to discuss issues, trends, etc.
- Continued to track community service requests through our mobile app, YBCBD Assist, and other multiple ways to contact Dispatch, including phone, text, email, and on the YBCBD website.

### ▪ Neighborhood Support

- Attended numerous Homeowners Association meetings and coordinated additional constituent meetings to discuss YBCBD services and address specific concerns.

## **Branding, Activation & Marketing**

### ▪ Communications

- Produced and distributed four (4) quarterly newsletters, mailed to property owners and delivered to apartment buildings in the neighborhood.
- Produced twelve monthly e-newsletters of both YBCBD and neighborhood events and activities to 650 subscribers.
- Produced the ninth YBCBD Annual Report with the theme, *Making Yerba Buena Cleaner, Safer, Better*. The report was mailed to all property owners in the district and posted online.
- In partnership with SFMTA, created bus ads to promote Yerba Buena Night.
- Redesigned and relaunched the YBCBD website.
- Developed new neighborhood awards recognizing community excellence.

- Continue to distribute “Welcome Packets” to new residents and businesses.
- Neighborhood Identity and Branding
  - Continued to update and market the neighborhood website, [www.visityerbabuena.org](http://www.visityerbabuena.org).
  - Began work on a redesign of the YBCBD website, [www.ycbcd.org](http://www.ycbcd.org).
- Neighborhood Events and Connections
  - Produced the 7<sup>th</sup> Annual Yerba Buena Night on October 13, 2018 with more than 6,000 in attendance. Used the event to raise money for the North Bay Fire victims.
  - Launched a monthly neighborhood walking tour called Hidden San Francisco.
  - Planned the first annual ceremony to distribute community excellence awards.
- Community Benefit Fund
  - Grant guidelines and applications were distributed to area nonprofits in July 2017 and posted on both the YBCBD and neighborhood websites.
  - Funding continues to be targeted for public art projects, greening/streetscape improvements, community engagement, and public safety enhancements.
  - So far this fiscal year a total of \$77,500 has been awarded to seven (7) nonprofit organizations working to improve the neighborhood. Total granted since the inception of the Fund is \$1,217,500 to 38 nonprofit organizations with more than 325,000 people impacted.

### **Other Accomplishments**

- Active participation and/or leadership positions with the:
  - The Yerba Buena Gardens Conservancy
  - Better Market Street Citizen’s Advisory Council
  - Clean, Safe, Civil Coalition
  - Moscone Bridge Art Panel
  - Moscone Expansion Strategic Advisory Group
  - San Francisco CBD Consortium
  - Southern Station Community Police Advisory Board
  - Tourism Improvement District Board
  - Yerba Buena Culture Cabinet
  - Yerba Buena Neighborhood Consortium

### **Statistical Summary of Services Provided – July 1, 2017 to December 31, 2017**

- Cleaning Calls for Service – 19,535
- Public Safety Calls for Service – 8,919
- Pounds of Trash Removed – 147,650
- Graffiti Removed – 3,336
- Linear Frontage Steam Cleaned – 1,135,120
- Commercial Vacancies as of February 15, 2018 – 26 (twice as many vacancies as last year; data gathered from CoStar and only includes properties with 1,000 or more available square feet)

<b>Commercial Vacancies in Yerba Buena – as of February 15, 2018</b>				
<b>Address</b>	<b>Use</b>	<b>Vacant Square Feet</b>	<b>Former Use</b>	<b>Owner</b>
601 Market Street	Commercial/Office	1,459	Joseph A. Bank	SD Commercial
625 Market Street	Commercial/Office	8,877	General Offices	Sun Life Assurance Company of Canada
685 Market Street	Commercial/Restaurant/Office	5,933	Jeffrey's Toys	Brookfield Office Properties, Inc.
703 Market Street	Commercial/Office	6,258	AT&T Store	CIM Group LP
715-717 Market Street	Commercial/Office	1,892	Unknown	Digital Garage, Inc.
785 Market Street	Commercial/Office	7,821	General Offices	Seligman Western
649 Mission Street	Commercial/Office	9,195	Steinway Piano	Paul Perdue
657 Mission Street	Commercial/Office	98,553	Cartoon Art Museum + General Offices	Vanke Holdings LLC
667 Mission Street	Commercial/Office	46,371	Unknown	Vanke Holdings LLC
855 Howard Street	Commercial/Restaurant	12,000	Buca di Bepo	Yadegar J & V Living Trust
620 Folsom Street	Commercial/Office	49,557	Unknown	Folsom Street Associates LLC
816 Folsom	Commercial	9,961	LuLu	CitizenM Hotels
840-842 Folsom Street	Commercial/Office	8,800	Unknown	Bayshore Associates
600 Harrison Street	Commercial/Office	7,096	Unknown	Pell Development
645 Harrison Street	Commercial/Office	19,587	General Offices	Stanford Hotels Group
657 Harrison Street	Commercial/Restaurant/Club	12,000	Supperclub	Cresleigh Homes
665 Harrison Street	Commercial/Office	9,000	Unknown	Cresleigh Homes
75 Hawthorne Street	Commercial/Office	32,031	Government Offices	John Hancock Real Estate

Address	Use	Vacant Square Feet	Former Use	Owner
121-123 2 <sup>nd</sup> Street	Commercial/Office	8,102	Unknown	Field Family LP
33 New Montgomery	Commercial/Office	34,701	General Offices	Barings Real Estate Advisers, LLC
55 New Montgomery	Commercial/Office	2,051	General Offices	Coast Counties Property Management, Inc.
90 New Montgomery	Commercial/Office	9,137	General Offices	JKL Corporation
149 New Montgomery	Commercial/Office	11,000	General Offices	Monahan Parker, Inc.
26-34 3 <sup>rd</sup> Street	Commercial	2,552	Unknown	CIM Group LP
325 5 <sup>th</sup> Street	Commercial/Office	10,216	City Park	Impark
365 5 <sup>th</sup> Street	Commercial	4,550	Unknown	Market Street Property Management
<b>TOTAL VACANT SQUARE FEET</b>		<b>428,703</b>		

### Summary Financial Data

We do not expect any significant deviations from our approved FY18 annual budget.

	Actuals thru 12.31.17	Year-To-Date Budget
<b>REVENUE</b>		
Assessments	\$ 3,004,913.00	\$ 3,004,913.00
Fundraising	\$ 289,607.00	\$ 86,650.00
Interest Income	\$ 5,500.00	\$ 500.00
Carryover from Previous Years	\$ 160,589.00	\$ 387,445.00
<b>TOTAL REVENUE</b>	<b>\$ 3,460,609.00</b>	<b>\$ 3,479,508.00</b>
<b>EXPENSE</b>		
Management & Operations	\$ 180,653.00	\$ 212,995.00
Cleaning & Streetscape Improvements	\$ 382,916.00	\$ 635,931.00
Safety & Security	\$ 645,494.00	\$ 720,616.00
Branding, Activation & Marketing	\$ 264,984.00	\$ 302,794.00
<b>TOTAL EXPENSE</b>	<b>\$ 1,474,047.00</b>	<b>\$ 1,872,336.00</b>
<b>NET GAIN/(LOSS)</b>	<b>\$ 1,986,562.00</b>	<b>\$ 1,607,172.00</b>

## Financial Notes

### Revenue

- Overall we're on track to hit or exceed our budgeted numbers.

### Expense

- Management & Operations
  - Expenses are running slightly lower than projected in large part because we have a vacant staff position. Rent expenses are also less than projected. We are anticipating the need to relocate our offices as the Hearst Corporation hopes to turn the Hearst Building into a boutique hotel however things are progressing slower than hoped thus we do not expect to move this fiscal year.
- Cleaning & Streetscape Improvements
  - Expenses are significantly lower than projected primarily related to Streetscape Improvement projects. We expect significant increases in the 2<sup>nd</sup> half of the year though are projecting to be under budget by an estimated \$250,000.
- Safety & Security
  - We are running slightly under budget primarily related to the delay in hiring a second Social Services Specialist. We anticipate ending the year close to budget.
- Branding, Activation & Marketing
  - Expenses are slightly under budget primarily due to costs savings in promotions and staffing.

### Carryover Status

- We began Fiscal Year 2018 with a carryover balance of \$4.1 million.
- As part of our budgeting process each year, we develop 5-year budget projections in order to anticipate costs and to monitor carryover.
- Our current 5-year budget projections reflect a gradual spending of carryover funds, reducing the amount of carryover to approximately \$250,000 by the end of FY23.
- Our Finance Committee works to maintain a minimum balance of 6-months operating expense as carryover – an amount of \$2 million for FY18.

## Description and Status of Each Contract to Provide Programs/Services

### **MJM Management Group, Inc./Streetplus**

- In December 2015 we signed a five-year agreement with MJM Management Group, Inc. In June 2017, MJM sold part of their business to Streetplus, a national firm, and our MJM agreement was assigned to Streetplus. Terms and conditions of the agreement remained the same, however as part of the transition, MJM will remain involved with the YBCBD and Streetplus for a period of two years. Streetplus is a national service provider for CBDs and BIDs with a specialty in urban environments. Streetplus is responsible for providing cleaning and community guide services throughout the district, along with the Social Services Specialist. Services are provided

365 days a year from 6:00am to midnight. The YBCBD meets monthly with Streetplus and MJM to discuss how to continually improve services.

### **San Francisco Police Department**

- The YBCBD contracted with the San Francisco Police Department to engage 10B police officers as of July 1, 2009. In July 2018, we increased the daily hours of our Bike Patrol Officer from 10 to 12 hours a day, 365 days a year. Police officers are on bicycle to better cover the entire neighborhood and work in conjunction with Streetplus and the Community Guides. YBCBD representatives meet monthly with SFPD to discuss issues and how to improve services.
- In July 2016, our contract with SFPD expanded to provide additional officers focused on circulation and traffic enforcement in the area around the 706 Mission Street Project. This expanded service is funded from external sources and is expected to continue until construction is complete, expected to be in early to mid-2020.

### **Profile Strategies**

- We have worked with Profile Strategies since 2009 on public relations and marketing efforts. They serve as our media expert and contact, are instrumental in developing mailings to property owners, and provide public relations services.

## **Preview of 2018**

### **Management & Operations**

- Board
  - Conduct board officer, committee chair, and new director orientation including training on The Brown Act.
- Finance and Fund Development
  - Prepare mid-year forecast for FY18.
  - Prepare the FY19 budget.
  - Prepare updated 5-year budget projections.
  - Continue to seek funding for organizational initiatives.
  - Meet our non-assessment revenue requirement.
  - Complete another audit and secure an unmodified opinion.
- Other
  - Hire a Director of Neighborhood Services and Projects.
  - Continue active participation and/or leadership roles in the San Francisco CBD Consortium, Moscone Expansion Strategic Advisory Group, Moscone Expansion Art Panel, Better Market Street Citizen’s Advisory Council, Southern Station Community Police Advisory Board, Tourism Improvement District Board, Clean-Safe-Civil Coalition, Yerba Buena Culture Cabinet, and The Yerba Buena Gardens Conservancy.

### **Cleaning & Streetscape Improvements**

- Conduct a community planning process to develop a new Yerba Buena Street Life Plan.
- Continue installation of public art throughout the neighborhood.

- Install high-visibility graphic crosswalks at six (6) neighborhood intersections.
- Fabricate another round of custom-designed Yerba Buena Bike Racks.
- Complete changes to the public plaza at Annie and Market streets.
- Install five (5) Yerba Buena Benches along Second Street as part of DPW's Second Street Redevelopment Project and three (3) benches at the new Moscone Center.
- Install at least fifteen (15) cigarette butt recycling dispensers through the neighborhood.
- Continue quarterly measurements of neighborhood cleanliness.
- Continue posting reports and cleaning schedules on the YBCBD website.

### **Safety & Security**

- As part of the community planning process to develop a new Yerba Buena Street Life Plan, develop initiatives to improve the safety of those walking, biking, and driving through the neighborhood.
- Hire a second additional Social Services Specialist to address the issues of our street populations.
- Continue tracking reports through the five (5) ways to access services.

### **Branding, Activation & Marketing**

- Plan and present the eighth annual Yerba Buena Night 2018 – Saturday, October 13, 2018 – and increase financial support for the event.
- Redesign and relaunch the neighborhood website, [www.visityerbabuena.org](http://www.visityerbabuena.org).
- Create a digital walking tour of the neighborhood.
- Initiate one (1) or two (2) additional annual neighborhood events.
- Redesign neighborhood banners and explore placing some banners outside the neighborhood.
- Continue to grow a greater presence on social media.
- Continue to conduct site visits and monitoring of all Community Benefit Fund grantees.