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February 25, 2013

Richard Kurylo
City and County of San Francisco
Office of Economic and Workforce Development
1 Dr. Carlton B. Goodlett Place, Room 448
San Francisco, CA 94102

Dear Rick,

These past six months have been incredibly busy for the Castro/Upper Market Community Benefit District. The Castro Community Benefit District continues to improve the Castro/Upper Market by building collaborative relationships with our private and public partners.

- 1) The CBD has developed a close working relationship with both Recology and DPW and collectively we all work hard at keeping the public realm in the Castro clean;
- 2) This summer, after receiving input from the neighborhood residents and merchants, we rolled out twenty (20) *Live! In The Castro* performances which averaged 100 - 150 people most every weekend in the Jane Warner Plaza;
- 3) Through a collaborative effort with the Castro Merchants and funding provided by OEWD, we will be developing an advertising campaign during the sidewalk widening construction with the message, "*The Castro Is Open For Business*";
- 4) The Castro CBD is the lead agency in a collaborative effort with the neighborhood associations (EVNA, DTNA), the Castro Merchants and the Market St. developers to implement the Upper Market/Castro Retail Strategy Project. The primary focus of this project is to address the existing high vacancy rate and develop an actionable plan to fill new ground floor retail in a thoughtful manner. The intent is to provide guidance on developing an appropriate retail mix that enables the commercial corridor to thrive, preserving its unique character and draw as a tourist destination, while ensuring the livability for its residents.
- 5) The Castro Quality of Life Committee is the most recent collaborative effort with representatives from the the Castro/Upper Market CBD, Eureka Valley Neighborhood Association, Castro Merchants, neighborhood bars, Most

Holy Redeemer, and individual neighborhood merchants. The mission of the Quality of Life Committee is as follows: *First and foremost we are very concerned about people who are seriously mentally ill and/or drug addicted living on the streets. They are the most victimized, they get beat up, robbed and they die on the street. This is an overwhelming and serious problem. We want to work on a long term, sustainable solution to this problem.*

The committee is currently researching costs, and funding strategies/ opportunities for funding dedicated Patrol services (10 B or Patrol Special) and dedicated Homeless Outreach services to the district.

Enclosed please find the Castro/Upper Market Community Benefit District's mid-year report for FY 2013-14. If you have any questions, or would like to discuss this further, please contact me.

Thank you.

Sincerely,



Andrea Aiello
Executive Director

enclosure

**CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT
MID-YEAR REPORT JULY 1, 2013- DECEMBER 31, 2013**

Services Implemented for 7/1/2013- 12/31/2013

Public Rights of Way and Sidewalk Operations; Public Safety

The Castro/Upper Market CBD contracts with 1st Building Maintenance for district cleaning and graffiti abatement services. Sidewalk cleaning services have been provided to every parcel in the district at least once every day seven days a week, including holidays. Every parcel in the district was steam cleaned at least twice, once in July and once in December. Steam cleaning was also conducted on hot spots throughout the district.

Challenges:

Cleaning of the sidewalks and gutters and graffiti removal continue to be the largest portion of the Castro/Upper Market CBD's (Castro CBD) budget, as mandated by the management plan. The largest cleaning related challenges facing the Castro/Upper Market CBD continue to be related to:

- **new businesses, including new restaurants not having trash service until they are open for several weeks, trash collects on the sidewalk**
- residents not having trash service
- residents moving out and dumping debris on the sidewalk
- people living on the street
- mentally ill homeless living on the street
- merchants, particularly restaurants overstuffing the recycling, compost and landfill bins
- dog poop
- alcohol and other substance/use/abuse

The CBD's clean team cleans up vomit, human feces, human urine, and dog poop from the sidewalks, daily. The clean team also collects abandoned blankets, cardboard, dirty needles and other debris left behind by those sleeping on the sidewalk, on a daily basis, and regularly reports debris dumped on the sidewalk.

Accomplishments:

Evaluation tool was implemented once in the past 6 months.

Daily sidewalk cleaning services include the following:

- A. Strong collaboration with Recology and DPW re: restaurants not disposing of their trash correctly and/or not having trash service.
- B. Daily sweeping of the entire district, (i.e. every parcel in the entire district, and both plazas) litter removal, topping off of City trash cans, and collection of street garbage, including human/animal excrement/feces, and to a limited extent removing illegal fliers, stickers from bus stops, city signage, lamp posts.
- A. Cleaning planter beds in both the Harvey Milk Plaza (upstairs and also along the wall of 400 Castro St.) and the Jane Warner Plaza.

- B. Daily removal of all graffiti within the district (including on private property 9ft. or lower with approval of property owner), graffiti is removed as soon as possible after notification, generally within 24 hours.
- C. Call DPW 311 for debris dumped.
- D. Re-paint street furniture on an as-needed basis.
- E. Additional sweeping and spot cleaning services provided after the Castro St. Fair and after Halloween to ensure the district is presentable the following day.
- F. Weeding around tree wells and keeping tree wells free of trash.
- G. Workers on the street are able to communicate in English.
- H. Supervisors are in the field to ensure high quality of work is maintained.
- I. Unlock tables and chairs in Jane Warner Plaza no later than 9:00 a.m. daily.
- J. Unlock gate for the City parking lot on Castro St. no later than 7:00 a.m. daily.
- O. Monthly management report.

Steam Cleaning

Industrial-strength hot steam cleaning of all sidewalks and plazas within the district, was completed two times in the first six months of this year.

- A. Spot steam cleaning as needed, including periodically around City trash cans.
- B. Steam cleaning Harvey Milk Plaza and Jane Warner Plaza three (3) times during the 6 month period (in addition to two steam cleanings).

Management of Operations

Contractor manages cleaning operations including:

- A. Hire, train, supervise and evaluate all operations personnel.
- B. Submit a monthly report, to include a graffiti report.
- C. Attends community meetings as needed, including but not limited to the Castro/Upper Market CBD Board of Directors' meetings, the Merchants of Upper Market and Castro (MUMC).
- D. Inspect the entire CBD area for cleanliness on a regular basis. Document areas that need cleaning and bring them to the attention of the maintenance crew.

Dispatch

- A. Castro CBD operates a central dispatch number through 1st Building Maintenance. Dispatch service is available to report issues within the district boundaries. Dispatch will alert workers on the street of problem area or report problem to 311.

Public Safety Services

- A. The Castro CBD is a leading partner in a new committee, Castro Quality of Life Committee. Membership in this committee is composed of representatives from the Castro Merchants, Eureka Valley Neighborhood Association, Most Holy Redeemer, the bars and individual merchants. The committee is researching sustainable interventions that can be used to improve the quality of life in the neighborhood. Strategies include hiring a dedicated 10B officer and dedicated HOT team. *First and foremost we are very concerned about people who are seriously mentally ill and/or drug addicted living on the streets. These people are the most victimized, they get*

beat up, robbed and some die on the street. This is an overwhelming and serious problem. We want to work on a long term, sustainable solution to this problem. The committee is currently researching costs, and funding strategies/opportunities for funding dedicated Patrol services (10B or Patrol and dedicated Homeless Outreach services to the district.

- B. Once costs are established, fundraising strategies will be developed.
- C. Committee is also working with the City to reinstate the ability of Patrol Special Police to be able to write citations.
- D. S.F. Patrol Special works for the Castro CBD to specifically patrol the Harvey Milk and Jane Warner plazas and the public restroom on Market St. in front of Safeway. The hours are: 4:00 p.m. – 1:00 Sunday – Wednesday and 4:00 p.m. – 3:00 a.m. Thursday – Saturday.

District Identity and Streetscape Improvements

- A. Live! In The Castro - Performances were held most every weekend in the summer, and at various times during the fall. A total of 20 outdoor performances were held. These performances were supported by a \$10,000 grant from OEWD and CBD funds.
- B. Castro St. Improvement Project - Castro CBD is working closely with the Castro Street Design Project, and is a co-sponsor of this project. This sidewalk widening project represents the implementation of the CBD's third major recommendation in its "Neighborhood Beautification and Safety Plan", widening the sidewalks on Castro St. from Market to 19th. The Castro CBD is lead organization, representing the Castro neighborhood with the City departments.
- C. Merchant Support Grant - Wrote a proposal and was awarded \$25,000 for a Merchant Support grant during the sidewalk widening. Funds will be used for an advertising campaign which will promote the Castro during construction and a dedicated website to improve communication between the contractor, DPW and the merchants.
- D. Retail Strategy Project - CBD is the lead in a community-based effort to develop a Retail Strategy Project for the Upper Market/Castro. The Upper Market/Castro Retail Strategy Project is a project of the Castro/Upper Market Community Benefit District, the Duboce Triangle Neighborhood Association, the Merchants of Upper Market/Castro and the Eureka Valley Neighborhood Association. Concern about ensuring the long term vibrancy of the Upper Market/Castro has brought these four neighborhood associations together to conduct a study which can provide guidance to developers, property owners, merchants and policy makers on building a thriving retail mix in the Upper Market/Castro. This document will be an analysis of unique project specific data, publicly available leakage study data, census data, and case studies of other thriving commercial corridors in San Francisco. The project specific data will be collected by trained surveyors using customer intercept surveys and other survey tools specifically developed for the project.

The overall goal of the Upper Market/Castro Retail Strategy Project is to develop a proactive plan which can provide guidance, to property owners, merchants, developers, policy makers, and those who consult with these groups, on developing a successful and thriving retail mix and vibrant community in the Upper Market/Castro (including Church St.).

- E. Castro CBD continues to maintain Harvey Milk Plaza and Jane Warner Plaza. This includes organizing volunteers to maintain both plazas, and adding landscaping as needed.
- F. The owners of Orphan Andy's continue to generally take care of the Jane Warner Plaza 24/7. Additionally, they water the landscaping at the Jane Warner Plaza (JWP).
- G. Contracted with Ground Cover Landscaping to provide landscape maintenance at Harvey Milk Plaza.
- H. Continue working with Supervisor Wiener on addressing some of the challenges the CBD faces with maintaining both the HMP and JWP.
- I. Land Use Committee meets regularly.
- J. Castro Ambassador program, continued for its 3rd year, helping about 6,600 visitors with information on what to see and do in the Castro, directions to popular tourist locations, where to eat and or have a cup of coffee or a drink. The program ran from mid May – late October 2013. Volunteers for the Castro Ambassadors program continue to be recruited.
- K. 20 Hanging Flower baskets were hung and maintained. The funding for these has been raised through outside fundraising.

Administrative and Corporate Operations

- A. Ensure functioning of CBD and compliance with City contract and management plan.
- B. Ensure compliance with the California Brown Act.
- C. Recruited three new board members to Board of Directors.
- D. Monitor contracts and services. Assist contractors in problem solving as is necessary.
- E. Hired financial consultant to provide consultation on creating more efficient accounting strategies.
- F. Continue to update website.
- G. Maintain contact with local press.
- H. Update social media networks.
- I. Continue as active member of CBD/BID Consortium.
- J. Support all working committees of the Board of Directors including: Streetscape, Services, Land Use, Executive, and Finance.
- K. Continues to be fiscal sponsor for Rainbow Honor Walk.
- L. Hired NBS to conduct an audit of all Castro CBD assessments.

Status of Contracts

- A. Castro CBD has contracts with 1st Building Maintenance to perform all our cleaning/graffiti removal related work.

- B. S.F. Patrol Special Police is our contractor for public safety services in the district.
- C. The Castro CBD has a contract with Ben Horne for financial consultation.

Actual vs Budgeted Expenditures, P&L and Balance Sheet

- A. See attached.

Amount of Non-Assessment Funds Raised 7/2013 – 12/2013

- \$150 Flower basket fundraising.
- \$5,500 Business Donations (\$3,000 from HBO dedicated to the Jane Warner Plaza and \$2,500 donation for the Retail Strategy Project)
- \$7,395 Rainbow Honor Walk
- \$3,000 In-kind donations include office space and meeting room space from Coldwell Banker at 2355 Market St. \$500/month x 6 months.
- \$1,300 In-kind from S.F. Travel Partnership
- \$350 In-kind S.F. Travel donated display space at Visitors Center
- \$7,800 Pro-bono legal services from Walkup, Melodia, Kelly, & Schoenberger Law Firm

Volunteer Time Not Reflected in P&L

- \$3,220 Castro Volunteer Ambassadors: Total of 230 hrs. of volunteer service provided July 1 – October 28 at a value of \$14/hr.
- \$456 in-kind support provided by The Café through donating their employees time to lock up the tables and chairs in the Plaza, everyday for 6 months.
- \$2,704 Gardening volunteers – JW Plaza 12 hours/week July – October, 8 hours/week November – December. Estimated value for gardening volunteers is \$13/hour.
- \$3,276 Volunteer Board of Directors time 3 hrs. a month at Board of Directors meetings and at least one committee meeting a month. 234 hours in 6 months x \$14/hr.

Changes to the District

- The NBS assessment audit revealed discrepancies between the Castro/ Upper Market Community Benefit District Management Plan's District Map and the narrative describing the district. Details of the discrepancies are provided in the attached spread sheets (attachment A). Based on the findings from this audit, over the next 4-6 months the CBD will work with the City on making any necessary corrections to assessments which are approved by the Board of Directors. Additionally, building square footage will be added to several properties on Market St. that have been in the development stage and have recently come on line.

Attachment A

July 1, 2013 - December 31, 2013 Profit & Loss Statement

December 2013 Balance Sheet

Budget vs Actual Report July - December 2013

Castro/Upper Market Community Benefit District, Inc. Profit & Loss

July - December, 2013

	Total
Income	
4000 Assessments & Contributed Support	
4010 Special Benefit Assessments	
4012 Interest & Penalties on Assessments	806.68
Total 4010 Special Benefit Assessments	806.68
4020 Individual/Business Contributions	
4022 Business Donations	5,500.00
4023 Flower Basket Donations	150.00
Total 4020 Individual/Business Contributions	5,650.00
4025 Fiscal Sponsor Revenues	
4026 Rainbow Honor Walk	7,395.00
Total 4025 Fiscal Sponsor Revenues	7,395.00
4030 Interest Income	330.90
4040 In-Kind Donations	
4041 Donated Use of Facilities	3,000.00
4042 In-Kind Services	9,600.00
Total 4040 In-Kind Donations	12,600.00
4050 Grants	
4052 Government Grants	35,000.00
Total 4050 Grants	35,000.00
Total 4000 Assessments & Contributed Support	61,782.58
Total Income	\$61,782.58
Gross Profit	\$61,782.58
Expenses	
7000 Program Services Expense	
7010 Contracts--Street Cleaning	115,153.00
7020 Contracts--Police Patrol Services	6,020.00
7030 District ID/Streetscape Improvements	
7031 Repair & Maintenance	497.03
7032 Landscaping	2,773.10
7033 Ambassador Program	5,155.24
7034 Flower Baskets	4,845.00
7035 Promotions/Street entertainment	24,500.44
7037 Marketing & Advertising	2,483.99
7038 Meetings & Events	100.00
Total 7030 District ID/Streetscape Improvements	40,354.80
Total 7000 Program Services Expense	161,527.80
7200 Personnel Expenses	
7210 Officer & Director Salaries	49,000.00
7220 Salaries & Wages -- Other	3,367.00
7240 Payroll Taxes	4,179.00
7260 Workers' Compensation Insurance	529.00
Total 7200 Personnel Expenses	57,075.00
7500 Professional Fees	
7520 Accounting Fees	4,300.00
7530 Legal & Professional Fees	5,018.12
7540 Payroll Fees	593.76
7560 Administrative Services	2,295.00
Total 7500 Professional Fees	12,206.88
8100 Operational Expenses	
8105 Bank Service Charges	18.70
8130 Equipment/PO Box Rental	300.00
8140 Insurance	
8141 Insurance--Directors and Officers	607.00
8143 Insurance--General Liability	378.00

8144 Volunteer Insurance	250.00
Total 8140 Insurance	1,235.00
8155 Office Supplies	1,299.02
8160 Postage and Shipping	1,064.00
8170 Printing and Copying	2,242.66
8185 Telecom Expenses	543.90
8190 Website/Internet Expense	1,223.71
Total 8100 Operational Expenses	7,926.99
8300 Travel & Meeting Expenses	
8320 Travel/Transportation	84.00
8340 Conferences, Meetings, Conventions	37.59
8360 Board Meeting Expense	300.00
Total 8300 Travel & Meeting Expenses	421.59
8900 RHW - Payments & Expenses	
8911 Rainbow Honor Walk Payments	6,445.20
8912 RHW - PayPal Fees	210.30
Total 8900 RHW - Payments & Expenses	6,655.50
9100 In-Kind Expenses	12,600.00
Total Expenses	\$258,413.76
Net Operating Income	\$ -196,631.18
Net Income	\$ -196,631.18

Tuesday, Feb 25, 2014 11:29:11 AM PST GMT-8 - Accrual Basis

Castro/Upper Market Community Benefit District, Inc.

Balance Sheet

As of December 31, 2013

	Total
ASSETS	
Current Assets	
Bank Accounts	
1020 Checking Accounts	
1021 Cash in Bank--WFB Ckg	8,296.61
1022 Cash in Bank--SB&T Ckg	1,000.00
1023 Cash in Bank--BA Ckg	1,000.00
1024 Checking Paypal	96.80
Total 1020 Checking Accounts	10,393.41
1030 Cash in MM/CDs	
1031 Cash in Bank--WFB MM	104,419.65
1032 Cash in Bank--SB&T MM	14,821.43
1033 Cash in Bank--BA CD	111,046.89
Total 1030 Cash in MM/CDs	230,287.97
Total Bank Accounts	\$240,681.38
Accounts Receivable	
1040 Assessments Receivable	28,601.75
1060 Grants Receivable	
1061 MOEWD Grant	35,000.00
1063 SF Study Center Ped Safety Grant	0.00
Total 1060 Grants Receivable	35,000.00
Total Accounts Receivable	\$63,601.75
Other current assets	
1095 Prepaid Expenses	0.00
1096 Prepaid Insurance	2,258.00
Total Other current assets	\$2,258.00
Total Current Assets	\$306,541.13
TOTAL ASSETS	\$306,541.13
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	22,575.25
Total Accounts Payable	22,575.25
Credit Cards	
2030 Credit Card	301.68
Total Credit Cards	\$301.68
Other Current Liabilities	
2040 Deferred Assessments	0.00
2080 Deferred Grant Income--Restricted by Use	
2081 OEWD	0.00
2083 Pedestrian Safety Grant	0.00
Total 2080 Deferred Grant Income--Restricted by Use	0.00
2098 Loan Payable--Board Members	0.00
2100 Accrued Expenses	852.60
2200 Accrued Vacation Payable	3,367.00
2300 Payroll Tax Payable	0.00
Total Other Current Liabilities	\$4,219.60
Total Current Liabilities	\$27,096.53
Total Liabilities	\$27,096.53
Equity	
3700 Temporarily Restricted Net Assets	35,000.00
3800 Unrestricted Net Assets - Prior Years	7,926.78
3900 BOD Designated Net Assets	433,149.00

Net Income	<u>-196,631.18</u>
Total Equity	<u>\$279,444.60</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$306,541.13</u></u>

Tuesday, Feb 25, 2014 11:30:10 AM PST GMT-8 - Accrual Basis

Castro/Upper Market CBD	Budget vs Actual Report July -December 2013				Actual Results Through December 31, 2013	% of Expenses	Remaining Budget
	Annual Budget 13-14FY	% of Revenue					
INCOME							
Assessment Income	\$ 431,000			\$ 807	(Interest)	\$ 430,193	
Interest	\$ 600			\$ 331		\$ 269	
Flower Basket Donations	\$ 4,045			\$ 150		\$ 3,895	
Outdoor Promotion Grant (Invest in Neighborhoods)	\$ 10,000			\$ 10,000		\$ 0	
Other Donations				\$ 5,500		\$ (5,500)	
Rainbow Honor Walk Donations				\$ 7,395		\$ (7,395)	
In-kind Facilities				\$ 3,000		\$ (3,000)	
In-kind Services				\$ 9,600		\$ (9,600)	
Merchant Support Grant				\$ 25,000		\$ (25,000)	
Total Income	\$ 445,645			\$ 61,783		\$ 383,862	
EXPENSES							
District Identity & Streetscape Improvement	\$ 83,165	19%		\$ 49,800	19%	\$ 33,365	
PROSWO - Services (Cleaning & Safety)							
	\$ 289,170	65%		\$ 154,305	60%	\$ 134,865	
General & Administration							
	\$ 36,665	8%		\$ 43,003	17%	\$ (6,338)	
Contingency							
	\$ 36,645	8%		\$ 4,165	2%	\$ 32,480	
Rainbow Honor Walk Expenses	\$ 0			\$ 7,141	3%	\$ (7,141)	
Total Operating Budget Expenses	\$ 445,645	100.00%		\$ 258,414	100%	\$ 187,231	
Net Surplus or Deficit	\$ (0)			\$ (196,631)		\$ 196,631	

Note - \$69,120 of the \$83,165 in DISI are assessment \$, DISI actual expenses include grant expenses