

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
PARKING AUTHORITY COMMISSION**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Supporting the formation of a new Lower Polk Community Benefit District (CBD) and authorizing the Director of Transportation to submit a ballot in favor of the formation of the CBD.

SUMMARY:

- The Lower Polk area attracts employees and visitors, as well as tourists, to numerous venues, private businesses and restaurants.
- Over the last year, the community has explored the formation of a CBD to raise adequate funds for implementing specific improvements and adding services, thereby enhancing the quality of life for the neighborhood residents, businesses and visitors.
- The proposed CBD would levy special assessments on the properties within the CBD boundaries. The CBD would operate effective FY2014-15 and continue for 15 years.
- The Polk-Bush Garage, located on the southeast corner of Polk Street and Bush Street is within the proposed CBD boundaries. The initial proposed annual assessment for this garage is \$2,212.73.
- The area in the vicinity of the Polk-Bush Garage would benefit from enhanced sidewalk cleaning, graffiti removal, security and street beautification efforts funded by the assessments.

ENCLOSURES:

1. Parking Authority Commission Resolution
2. Lower Polk CBD Map

APPROVALS:

DATE

DIRECTOR _____ May 27, 2014

SECRETARY _____ May 27, 2014

ASSIGNED SFMTAB CALENDAR DATE: June 3, 2014

PURPOSE

This report requests that the San Francisco Parking Authority Commission (PAC) adopt the attached resolution, supporting formation of a new Lower Polk Community Benefit District (CBD) and authorizing the Director of Transportation to submit a ballot in favor of establishing the CBD.

GOAL

This action is consistent with the SFMTA 2013-2018 Strategic Plan.

- Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel
 - Objective 2.2 – Improve transit performance.
 - Objective 2.3 – Increase use of all non-private auto modes.
 - Objective 2.4 – Improve parking utilization and manage parking demand.

- Goal 3: Improve the environment and quality of life in San Francisco
 - Objective 3.2 – Increase the transportation system’s positive impact to the economy.
 - Objective 3.3 – Allocate capital resources effectively.
 - Objective 3.5 – Reduce operating and capital structural deficit.

DESCRIPTION

Under State and City laws, property owners may form property and business improvement districts, whereby property owners agree to pay assessments to fund specific programs and projects that benefit their communities. The Property and Business Improvement District Law of 1994 (Sections 36600 et seq. of the California Streets & Highways Code), and the City's Business Improvement Districts Procedural Code (Sections 1510 et seq. of the Business & Tax Regulations Code) establish the requirements and procedures for the formation and administration of property and business improvement districts. In San Francisco, many of the districts formed under these laws are referred to as Community Benefit Districts (CBDs). Currently, there are several CBDs within the City and County of San Francisco.

For over a year, the CBD Steering Committee, the Mayor’s Office of Economic and Workforce Development, The Livable Environment, Bay Area LISC and NBS Consulting have evaluated the challenges faced by the community and identified a variety of solutions to advance the quality of life for its residents and visitors and enhance the economic vibrancy for businesses. Since the community’s needs exceed the services provided by limited government resources, the Steering Committee has put together a comprehensive plan that proposes to address what the community wants through the formation of a CBD. The Final CBD Management Plan, released in April 2014, outlines the following:

District Boundaries and Priorities

The proposed district includes approximately 307 parcels within 22 full or partial blocks and stretches along Polk Street between California Street on the north and Myrtle Street on the south,

and between the east side of Van Ness Avenue and the west side of Larkin Street. One block on north of Geary between Van Ness and Franklin is also included. A detailed map showing the district boundaries is attached.

Over the last year, the Steering Committee conducted extensive outreach to the property owners through community meetings, one-on-one meetings and mail surveys, and identified the following priorities for the proposed CBD:

1. Sidewalk Cleaning and Maintenance
2. Streetscape and Beautification
3. Public Safety
4. Social Service Outreach
5. Advocacy Related to Business Technical Assistance and District's Interests at Citywide Forums

Budget

Based upon the needs of the community, a first year budget of \$850,775 has been identified in the Final Management Plan. The breakdown of proposed expenses is as follows:

| Service | Proposed Expense |
|---|-------------------------|
| Cleaning, Maintenance and Safety Programs | \$483,400 |
| Marketing, Streetscape Improvements and Beautification Programs | 95,700 |
| Management and Operations | 240,900 |
| Contingencies and Reserves | 30,775 |
| Total | \$850,775 |

Of the total annual budget, 94.5 percent of the revenues will be generated from the special benefit assessments. The remaining 5.5 percent revenue will be generated from other sources such as grants, donations and in-kind contributions.

Property Assessments

The Lower Polk CBD Steering Committee developed an assessment methodology that is fair and equitable to all parcels within the proposed CBD. Since all parcels within the district will benefit from the formation of the CBD, an appropriate assessment has been proposed for each parcel. The annual assessment for each parcel is based on the following:

- General Benefit Assignment (based on land use and relevant benefit to the property)
- Linear footage of the lot abutting the public right of way
- Lot square feet
- Gross building area, and
- Land Use

The assessments for future years (years two through 15) may be adjusted for inflation based upon the San Francisco-Oakland-San Jose Consumer Price Index, not to exceed three percent annually. Unless extended by the property owners, the CBD will terminate after 15 years.

District Management

To effectively govern the newly formed CBD, a 501(c)(3), Owner's Non-Profit Association will be formed that will be governed by a Board of Directors. In compliance with Section 1511(f) of the San Francisco Business Tax and Regulations Code, at least 20 percent of the Board will consist of business owners who do not own commercial property within the District. The Association will comply with the Ralph M. Brown Act and the California Public Records Act.

Schedule

Through a petition process begun in September 2010, the community is attempting to document the required support from property owners in the Civic Center area to initiate the CBD formation process. Assuming that sufficient support is received from property owners, the anticipated schedule for the remainder of the process is as follows:

- | | |
|------------------|---|
| June 3, 2014 | - Hearing before Board of Supervisors on resolution of intent to form the CBD and authorization to mail the ballots to all affected property owners. |
| July 29, 2014 | - Ballots due. Public hearing before Board of Supervisors and, unless a majority of the weighted ballots cast are opposed to formation, Board of Supervisors decision on CBD formation. |
| Aug. – Dec. 2014 | - Formation of the CBD. |
| December 2014 | - Collection of First Year's Assessment. |
| January 2015 | - Assessments transferred to CBD from the City. Services initiated. |

In general, the SFMTA staff encourages neighborhood associations and community groups to work together with City staff to identify community needs, secure necessary funds and jointly develop an implementation plan. Staff believes that the proposed CBD initiative, including the planned services and administration, will benefit the community at large, including the Polk-Bush Garage operated by the SFMTA. The proposed assessments include \$2,212.73 for the Polk-Bush Garage. Under Article XIID (4) of the California Constitution, government property in CBDs must be assessed unless the property receives no special benefit from the improvements and services funded by the assessments.

The enhanced maintenance of sidewalks, additional security and streetscape improvements in the proximity of the garage will benefit thousands of garage patrons every day. Due to significant benefits in return for an annual assessment of approximately \$2,212 for the Polk-Bush Garage, staff recommends supporting the formation of the CBD.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

Not supporting the formation of the proposed CBD would require increased resources from various City departments including the SFMTA in order to provide the proposed services. Therefore, the formation of the CBD, which will levy an annual assessment to all properties benefiting from the improvements, is recommended.

FUNDING IMPACT

Approval of this resolution will have no fiscal impact on the approved FY2013-2014 SFMTA Operating Budget. Formation of this CBD will result in an annual assessment of approximately \$2,212 beginning FY2014-2015, which is less than one percent of the gross income for the garage.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

At its June 3, 2014 meeting, the Board of Supervisors will receive the results of the petition process and, if there is sufficient support from property owners, may pass a resolution of intent to proceed with formation of the district, and authorize the mailing of ballots to the affected property owners within the proposed CBD. If a majority of the weighted ballots cast by property owners do not oppose formation of the CBD, final action on formation of the CBD by the Board of Supervisors is anticipated on July 29, 2014.

RECOMMENDATION

Staff recommends that the PAC support formation of a new Lower Polk CBD and authorize the Director of Transportation to submit a ballot in favor of establishing the CBD.

SAN FRANCISCO
PARKING AUTHORITY COMMISSION

RESOLUTION No. _____

WHEREAS, Sections 36600 et seq. of the California Streets and Highways Code, and Article 15 of the San Francisco Business and Tax Regulations Code establish the requirements and process for the formation and administration of property and business improvement districts, including Community Benefit Districts (CBDs); and,

WHEREAS, Due to limited government resources, there is support in the Lower Polk neighborhood for exploring new ways to fund cleaning, greening, beautifying, marketing, promoting and maintaining a vibrant and inviting community; and,

WHEREAS, The Lower Polk CBD Steering Committee, consisting of a broad range of members from various businesses, private entities and residents in the Lower Polk area proposes to form a CBD; and,

WHEREAS, The Steering Committee has developed a CBD Management Plan that identifies community challenges and priorities, proposed projects and services, annual assessments for each parcel, a budget, and a plan for administration of the CBD; and,

WHEREAS, Formation of the CBD will benefit hundreds of property owners and residents by improving community livability and strengthening economic vibrancy in the Lower Polk area; and,

WHEREAS, The Polk-Bush Garage owned by the Parking Authority is located within the proposed CBD boundaries and would be subject to annual assessments, and the total assessment for the first year of operation (Fiscal Year 2014-2015) would be \$2,212.73; and,

WHEREAS, Formation of the CBD will result in cleaner sidewalks, enhanced safety, improved streetscapes and additional marketing that will benefit the Garage as well as the community; now, therefore, be it

RESOLVED, That the Parking Authority Commission supports the formation of the Lower Polk Community Benefit District, and authorizes the Director of Transportation to submit a ballot in favor of the formation of the CBD.

I hereby certify that the foregoing resolution was adopted by the San Francisco Parking Authority Commission at its meeting of June 3, 2014.

Secretary to the Commission
San Francisco Parking Authority Commission

Lower Polk Community Benefit District (CBD) Map

