



# SAN FRANCISCO COMMUNITY BENEFIT DISTRICTS



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# What is a CBD/BID

Private-Public Partnership

Formed by Property Owners

Provides Range of Services

Everyone Pays Assessments

Self-managed by Volunteer Board



# CBD History

- **Created in 1969 in Toronto, Ontario, Canada**
- **Came to the United States in 1974**
  - Response to neglected urban centers due to suburbanization
- **1989: California statute allows formation of CBDs**
- **1994: California Property & Business Improvement District Law – combat short falls of 1989 law**
- **2004: San Francisco passes Article 15**
  - Leads to increase in amount of CBDs in the city
- **Cities with CBD/BID programs include: New York, Los Angeles, San Diego, Chicago, Seattle, Houston, Washington D.C, and Boston**



# Enabling Legislation

- “1994 Act”
  - California Streets and Highways Code §§36600 et seq. – Property and Business Improvement District Law of 1994
- “Article 15”
  - San Francisco Business and Tax Regulations Code, Article 15 - Business Improvement Districts Procedure Code



# The 1994 Act

- California Streets and Highways Code §§36600 et seq. – Property and Business Improvement District Law of 1994
  - Allows cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefit from those improvements
  - Sets forth processes on:
    - Establishing Districts
    - Calculating Assessments
    - Collecting Assessments
    - Governing Districts
    - Renewing Districts
    - Disestablishing Districts

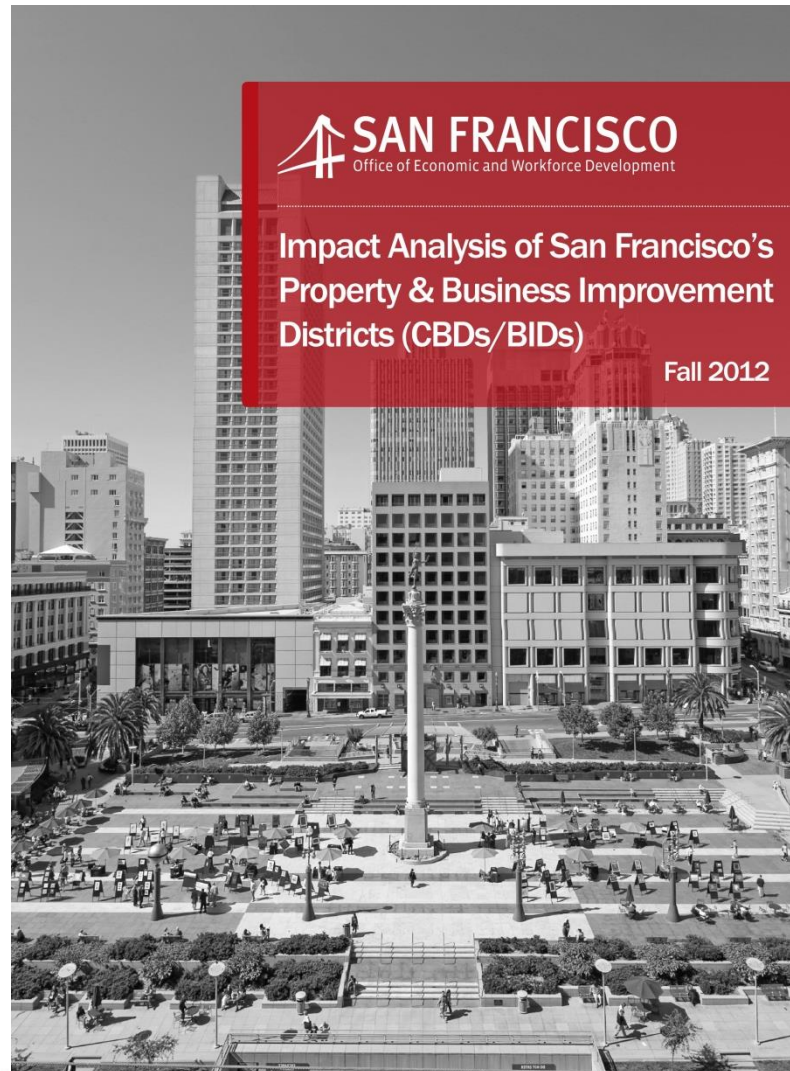


# Article 15

- San Francisco Business and Tax Regulations Code, Article 15 - Business Improvement Districts Procedure Code
  - As a Charter City, the Board of Supervisors is able to augment and modify state legislation. In 2004, under the leadership of Mayor Gavin Newsom, created Article 15 which augmented and modified the CA Streets and Highways PBID Law of 1994 to allow the Board of Supervisors to do any of the following:
    - Reduce the percentage of petitions required from owners in order to initiate formation;
    - Have the district encompass residential property, and to assess residential property;
    - Extend the term of the district to a maximum of 15 years, or such longer term as is authorized by state law;
    - Extend the term of the district to a maximum of 40 years, if all or a portion of the assessments will be pledged or applied to pay any bond, financing lease (including certificates of participation therein), or other similar obligations of the City;
    - Recover through assessments the costs incurred in formation of the district;
    - Disestablish a district upon a supermajority vote of the Board of Supervisors; or,
    - Require a weighted two-thirds (2/3) vote of business owners to be assessed, based on ballots cast, as an alternative or additional procedure for establishing a business improvement district and levying assessments on business owners.



# Are CBDs/PBIDs Effective



# Analysis Findings

- **Following service implementation, on average, CBDs/BIDs outperformed citywide trends on the majority of studied indicators, including public realm cleanliness, public safety, and economic resiliency.**
- **The diversity of positive outcomes and trends, when aggregated, serve as a clear demonstration that CBD/BID services and investments have a measurable impact on higher-level outcomes.**
- **On average, CBD/BID-maintained streets were found to be cleaner than similar commercial streets located in the same Supervisorial District.**
- **During the 07/09 recession, CBDs/BIDs retained more value in their properties, saw less significant reductions in sales tax revenues, and maintained lower commercial vacancy rates.**
- **CBDs/BIDs have raised significant revenues from non-assessment sources.**
- **CBDs/BIDs leverage significant community leadership to support their work.**
- **The scale of CBD/BID operations is correlated with the level of improvement.**





# Current CBD Portfolio

There are currently thirteen (15) Community Benefit Districts. Thirteen (13) are geographic based and two (2) are sector based.

## Geographic Based Districts:

1. Greater Union Square
2. North of Market/Tenderloin
3. Noe Valley
4. Castro/Upper Market
5. Central Market
6. Yerba Buena
7. Fisherman's Wharf (Landside and Portside)
8. Ocean Avenue
9. Civic Center
10. Top of Broadway
11. Lower Polk
12. Greater Rincon Hill/East Cut
13. Japantown

## Sector Based Districts:

1. Tourism Improvement District
2. Moscone Expansion District



# Formation Process

## PHASE 1

- Feasibility and Planning
- (12-18 months)

## PHASE 2

- Outreach
- (4-12 months)

## PHASE 3

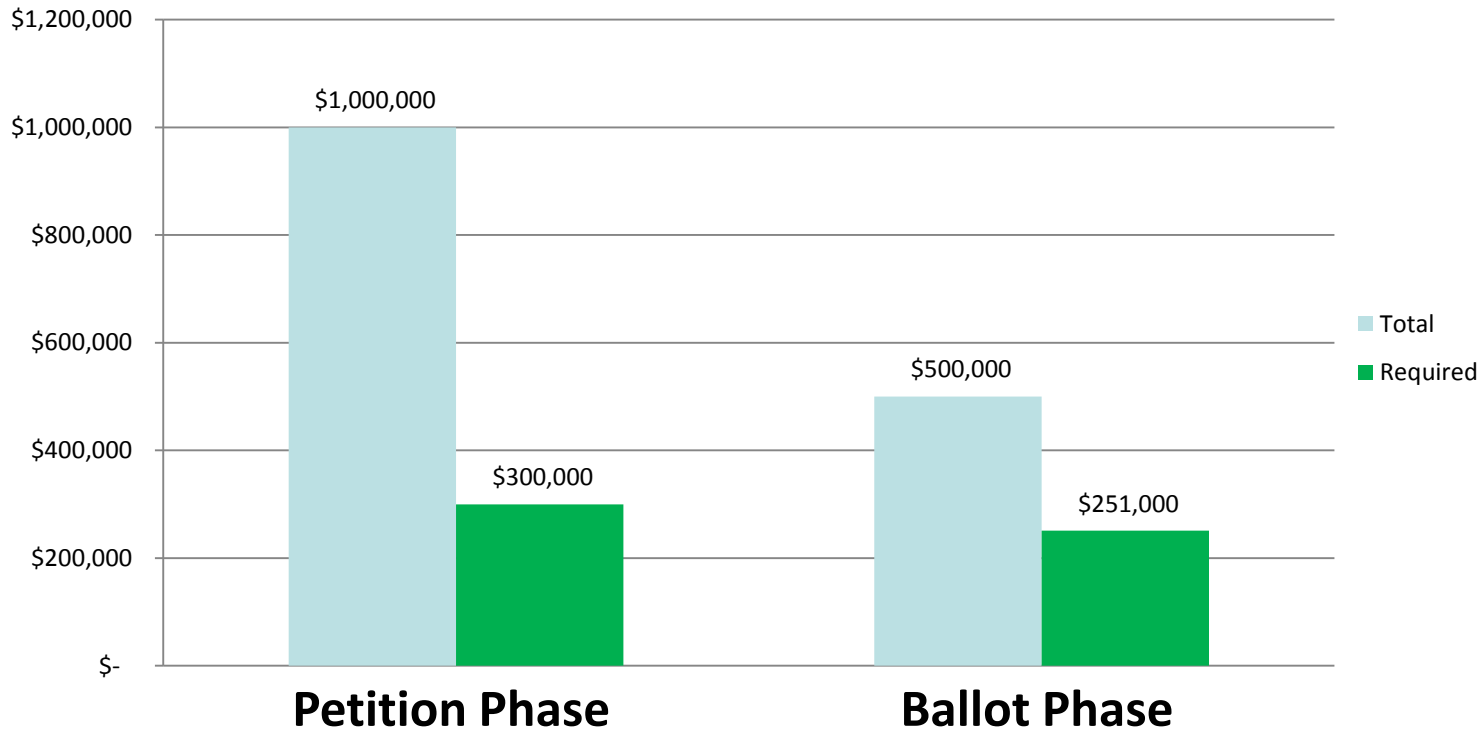
- Legislative Authorization and Balloting
- (3-4 months)

1-2 YEARS



# Key points to forming a district

- Written petition of property owners who will pay more than 30% (50 in other CA Cities) of the proposed assessments is required to initiate balloting
- Of ballots submitted, 50%+1 of the weighted assessments must be in favor of forming the district



# Key points to forming a district



Property Owner and/or Business Owners are the ones who sign petitions and ballots

**Outreach to and involve ALL property owners in the proposed district from the onset**



# Key points to forming a district



The Board of Supervisors/City Council takes a final vote on whether or not to form a district (Resolution to Establish)



# Summary

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