

Board of Directors Meeting
May 28, 2025, 5:00 pm
48 Golden Gate Avenue, San Francisco, CA
Meeting Minutes
FINAL/APPROVED 6/25

Present:

- Naomi Maisel, President, Business Owner Seat (La Cocina on Hyde)
- Isabel Manchester, Vice President, Property Owner Seat (The Phoenix Hotel)
- Brennan Foley, Treasurer/Chair–Finance, Admin & Fund Development Committee, Property Owner Seat (Hilton)
- Diana Pang, Secretary, Property Owner Seat (Chinatown Community Development Center)
- Rhiannon Bailard, Property Owner (UC Law, San Francisco)
- Paula Hendricks, Resident Seat
- Geoffrey McFarland, Chair–Operations & Stewardship Committee, Business Owner Seat (St. Anthony Foundation)
- Mark Puchalski, Property Owner Seat (Tenderloin Neighborhood Development Corporation)
- Patricia Tu, Business Owner Seat (Quoc Long Jewelry)
- Kristen Villalobos, Chair–Policy & Voice Committee, Property Owner Seat (San Francisco Community Land Trust)

TLCBD Staff:

- Esan Looper, TLCBD Staff
- Enrique Ovando, TLCBD Staff
- Kate Robinson, TLCBD Staff
- Eric Rozell, TLCBD Staff
- Isis Sainz, TLCBD Staff
- Alicia Seleska, TLCBD Staff
- Robert Singer, TLCBD Staff
- Frank Turbeville, TLCBD Staff

Absent:

- Nafy Flatley, At Large Seat, (Teranga)

Guest:

- Suzanne Brown, ECB
- Noa Kornbluh, OEWD
- Kacee Ochalek, OEWD

1. Call to Order. Welcome

N. Maisel called the meeting to order at 5:00 pm.

2. Action: Approve Minutes of Previous Meeting

MOTION: Review and approve the draft minutes of the March Meeting of the Board of Directors.

Moved by: K. Villalobos

Seconded by: M. Puchalski

Abstained: B. Foley, G. McFarland, K. Villalobos

Passed: Yes

3. Action: Presentation and Motion to Approve of the FY26 Budget

F. Turbeville presented the FY26 Budget/Plan:

The budget revenue is up. In a period of City budget cuts, our outlook is looking strong from San Francisco Public Works (DPW), Office of Economic Development (OEWD), Department of Children, Youth and Families (DCYF), and Parks in existing annual grants. The Tenderloin Camera Network transfer was completed as of May 8th, 2025, creating a reserve. Additionally, we have received donations from the Pisces Foundation, Campbell Foundation, and Sutter Foundation. We have been maintaining a steady upward revenue trend and a consistent program revenue. The majority of our expenses are personnel costs, including payroll, taxes, salary benefits, and workers' compensation.

M. Puchalski: What is the greatest risk to the budget?

K. Robinson: The first risk is the possibility of the DPW clean grant not being renewed. The second risk is with Parks, due to timing. Our procurement period is ending, and we cannot amend the contract again; it must go out to RFP. The Mayor's office, the Director of OEWD, and our supervisor are aware of this. It could have a huge impact on our Parks staff. Without the contract, we cannot maintain the program alone, and we have no guarantee that it will go to RFP.

M. Puchalski: Is anyone else running for the contract?

K. Robinson: There is no one we're aware of. However, it should be noted that CBDs are doing critical work aligned with the City's goals. We need to change the procurement process for CBDs and advocate for a special designation to be sole-sourced.

E. Ovando: The feedback we've received from DPW has been positive. We've picked up 1.6 million pounds of trash during this fiscal year. Additionally, 74% of our workforce has moved on to permanent positions. Every metric the City has given us, we not only hit but exceed.

G. McFarland: Regarding Parks, do Parks not have any operating expenses?

F. Turbeville: Parks' operating expenses are low. Moving into the budget and plan preview for cash flow everything is aligned with the budget and plan preview for the capital campaign. Everything is progressing according to plan.

MOTION: Approve the FY26 budget as presented.

Moved by: N. Maisel

Seconded by: M. Puchalski

Abstained: G. McFarland

Passed: Yes

G. McFarland: For future reference, we at St. Anthony's would like to receive the budget at least 24 hours prior to the budget meeting.

4. Action: Conversation and Motion to Authorize the Process of Creating a Second Entity to Oversee/Operate 200 Leavenworth

S. Brown from Equity Community Builders (ECB) shared a presentation on the New Market and Historic Tax credits:

S. Brown: The New Market Tax Credit (NMTC) requires that a special-purpose entity (SPE), called a QALICB (Qualified Active Low-Income Community Business), established to own 200 Leavenworth and receive NMTC financing. TLCBD will create this special-purpose entity and set up a board under TLCBD's control. TLCBD will manage and operate the property. The TLCBD Board will need to approve resolutions authorizing the NMTC financing. The QALICB Board will be distinct and separate from the current TLCBD Board.

K. Robinson: Can you explain the NMTC 24-month look-back period and how it relates to including the purchase price?

S. Brown: The NMTC has a 24-month period after closing in which the purchase price can be included as part of the tax credit basis. The net benefit is about 20%. For example, if the property is purchased for \$3 million, the net benefit would be \$600,000 in tax credit equity. If the closing happens outside the 24-month period, the 20% tax credit is forfeited.

B. Foley: What is the risk of oversight from the Board if we create two entities with separate boards?

S. Brown: The QALICB Board will be distinct and separate from the current TLCBD Board. However, there can be overlap. For example, if the QALICB Board has five members, three can be TLCBD Board members, and two must be outside the organization. Former TLCBD Board members are acceptable.

K. Robinson: The Executive Director and Chief Financial Officer will lead the QALICB Board, with the Chair of the TLCBD Board.

K. Villalobos: Why do we need to create a nonprofit foundation?

K. Robinson: We do not have to but it would be best for the operation future of 200 Leavenworth. The operation of the building will have fewer limitations.

B. Foley: I have concerns about forming this other entity and the potential for it to shift our focus away from the district.

K. Robinson: This is a valid concern. However, we would establish guardrails through the bylaws to ensure that the focus remains on the Tenderloin community. The new entity will be called the Tenderloin Community Foundation, and its goal will be to benefit the neighborhood and bring money into the community.

D. Phang: Will our tax assessment be at risk if we do not have the LLC?

S. Brown: No, it will not be affected.

E. Looper: If the LLC owns the building, does the LLC pay the tax to TLCBD because they own the building?

S. Brown: TLCBD is the sole member of the LLC. TLCBD does not pay property taxes.

MOTION: Authorize the process of creating a second entity responsible for overseeing and operating 200 Leavenworth.

Moved by: N. Maisel

Seconded by: K. Villalobos

Against: B. Foley

Passed: Yes

5. Action: Approve 5 Year Strategic Plan

MOTION: Approve the 5-year strategic plan as presented.

Moved by: N. Maisel

Seconded by: P. Hendricks

Passed: Yes

6. Closed Session: Board to Discuss Personnel Matters relating to the Executive Director's Review

The meeting was adjourned at 7:00 pm.

Next Board of Directors Meeting

Wednesday, June 25th, 5:00 pm | 48 Golden Gate Avenue