

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller
Joaquin Torres, Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: June 12, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Yee on June 4, 2019:

File No. 190664

Resolution receiving and approving the annual report for the Ocean Avenue Community Benefit District for FY2017-2018, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Office of the Controller
Ken Rich, Office of Economic and Workforce Development
J'Wel Vaughan, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development

1 [Ocean Avenue Community Benefit District - Annual Report - FY2017-2018]

2
3 **Resolution receiving and approving the annual report for the Ocean Avenue**
4 **Community Benefit District for FY2017-2018, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, *et seq.*), Section 36650, and the District's management agreement with**
7 **the City, Section 3.4.**

8
9 WHEREAS, On September 28, 2010, pursuant to the Property and Business
10 Improvement District Law of 1994 (the "Act"), California Streets and Highways Code,
11 Sections 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
12 Regulations Code, the Board of Supervisors adopted Resolution No. 437-10, expressing the
13 City's intention to establish the Ocean Avenue Community Benefit District (the "Ocean
14 Avenue CBD"); and

15 WHEREAS, On December 14, 2010, the Board of Supervisors adopted Resolution
16 No. 587-10 establishing the Ocean Avenue CBD ("Resolution to Establish") for a period of 15
17 years, commencing FY2010-2011; and

18 WHEREAS, On May 24, 2011, the Board of Supervisors adopted Resolution
19 No. 221-11, authorizing an agreement with the owners' association for the
20 administration/management of the Ocean Avenue CBD, and a management agreement (the
21 "Management Contract") with the owners' association, the Ocean Avenue Association, was
22 executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 110438 and

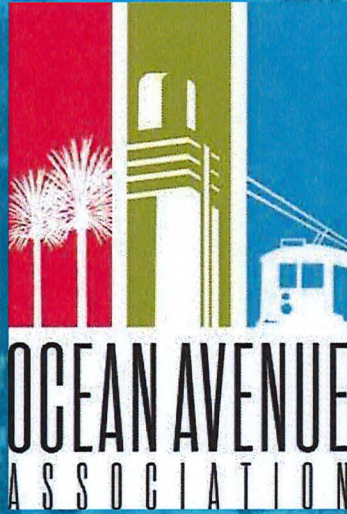
1 WHEREAS, On September 25, 2018, the Board of Supervisors approved the Ocean
2 Avenue CBD's annual reports for FY2016-2017 in Resolution No. 314-18; and

3 WHEREAS, The Ocean Avenue CBD has submitted for the Board's receipt and
4 approval the annual report for FY2017-2018 as required by Section 36650 of the Act and
5 Section 3.4 of the Management Contract; and

6 WHEREAS, The annual report for FY2017-2018 is on file with the Clerk of the Board of
7 Supervisors in File No. 190664, and is incorporated herein by reference as though fully set
8 forth; and

9 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
10 memorandum report from the City's Office of Economic and Workforce Development, dated
11 May 15, 2019, and documentation from the Ocean Avenue CBD for the FY2017-2018 annual
12 report are on file with the Clerk of the Board of Supervisors in File No. 190664; now, therefore,
13 be it

14 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
15 report for the Ocean Avenue Community Benefit District for FY2017-2018.



**OCEAN AVENUE ASSOCIATION
COMMUNITY BENEFIT DISTRICT**

2017-2018

ANNUAL REPORT

HELLO, NEIGHBOR!

The Ocean Avenue Association has started its eighth year of providing cleaning, maintenance, beautification, and marketing services to the Ocean Avenue Community Benefits District. This letter contains the highlights of our current work projects.

Cleaning and Maintenance

Cleanscapes SF, under contract with OAA, provides cleaning and maintenance services to Ocean Avenue six days per week while Arborist Now provides tree pruning and maintenance services as needed.

In the last year, OAA worked with the Mayor's Fix-It team, Public Works, and the Municipal Transportation Agency on issues of trash containers and trash management on the CBD corridor. Most of the sidewalk trash receptacles have been replaced. OAA also provided input to Public Works staff to better manage the corridor's private newspaper boxes.

Transportation

OAA is tracking the SF Park and Residential Permit Parking pilot programs, which will impact parking availability on and around Ocean Avenue. OAA advocates for transportation improvements to Ocean Avenue to provide pedestrian and bicyclist safety and landscaping from Geneva to San Jose Avenues, including the I-280 Ocean Avenue off-ramp realignment plan.

We believe that bikeshare provides an attractive transit option for commuters and shoppers, and in the past year, OAA advocated for stationed and stationless bikeshare to serve Ocean Avenue, City College of San Francisco, San Francisco State University, and the Balboa Park station area.

Safety

In the wake of three pedestrian fatalities on Ocean Avenue in the past year, OAA has advocated for Vision Zero improvements, worked with the County Transportation Authority and SFMTA to improve pedestrian safety conditions along the corridor, particularly for dangerous pedestrian intersections on the Western end of Ocean Avenue. This past year, OAA was awarded a District 7 Participatory Budgeting grant for SFMTA to install a flashing pedestrian beacon at the crosswalk of Granada and Ocean avenues.

Ocean Avenue has two new beat officers. Officers Keyon Watson and Mark Pineda have developed good working relationships with merchants and residents. OAA's staff interact with the officers daily about a variety of concerns.

Following two random shooting incidents early in 2017, SF SAFE — a nonprofit provider of public safety education — provided a Business Security Survey of Ocean Avenue and the intersection of Brighton and Holloway avenues. The report suggested improvements such as increased lighting and business security cameras.

Arts and Culture

Public art makes the corridor more attractive to residents, merchants and visitors. OAA is committed to commissioning more public art work in the corridor as a multi-year effort.

Since 2013 OAA has been creating sidewalk gardens throughout the corridor, in partnership with San Francisco Public Works and Friends of the Urban Forest. In June of 2017 OAA completed the landscaping and mural installation of two major public parcels at Geneva and Ocean avenues.

Our next major project is a gateway sculpture on Ocean Avenue at Ingleside library, which will serve as a sculptural arch to the planned pedestrian and bicycle pathway to the Balboa Reservoir housing development. OAA has also set up a mural and mosaic fund with grant funding, and we are researching nighttime lighting enhancements for the retail district and Unity Plaza.

In 2017-18 and ongoing, OAA received District 7 Participatory Budgeting funding to program Unity Plaza with arts and crafts tabling and music events. OAA has also been working with the new owners of the Timothy Pflueger-designed El Rey theater at 1970 Ocean Avenue, now a city landmark. Besides preserving its unique design, the revitalization of the El Rey Theater offers a great economic development opportunity to bring attention to the adjacent blocks, long blighted by vacant storefronts, on the Western end of the retail district.

Business Services

OAA has supported Happy Vape, one of the Avenue's small businesses, to change operations to a hookah lounge and secure permission to extend their business hours. OAA worked with new business owners at Kaisen Don and the Fog Lifter Cafe to secure beer and wine permits and extend their hours and offerings. We also work to fill vacant storefronts with appropriate uses. This past year, OAA conducted an informal survey of Ocean Avenue business patrons to propose types of businesses they want on Ocean Avenue. This helps us to get the right fit for empty storefronts.

This past year OAA worked with the SF Shines program to re-do the front facade of Quickly and Auto 280. OAA has helped to qualify four of our

oldest businesses for a new city Legacy Business program: Beep's Burgers, Faxon Garage, Ocean Hair Design, and The Ave Bar. During Small Business Week the OAA and the Ingleside Merchants Association honored these businesses at The Ave Bar.

Commercial Corridor Planning

OAA has made input into the land use plan and buildings design of the Balboa Reservoir housing project, particularly in regard to the Ocean Avenue commercial district.

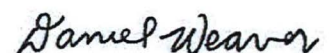
In 2017, OAA completed a multi-year effort to create a Historic Preservation Survey for Ocean Avenue. The survey identifies potential significant historic buildings on the CBD corridor, which allow for small business tenancy and contribute to the neighborhood's overall character. The survey can also be used in the future to designate a historic district in the corridor.

After leading the charge to landmark the former El Rey theater, OAA engaged the owners about revitalizing the storefronts, facade, lobby, and auditorium. Rehabilitating this building would restore retail and cultural life back to the western end of the retail corridor.

Residents and merchants have responded positively to this approach. We believe this arts and landscaping approach helps us plan the future of Ocean Avenue and the Ingleside community.

Moving Forward

OAA staff, board of directors, and stakeholders look forward to working with the City of San Francisco to improve the quality of life for those who live, work, and visit Ingleside.



Dan Weaver,
Executive Director

PUTTING PEOPLE IN UNITY PLAZA



PARTY PEOPLE Lick-Wilmerding High School and Youth Art Exchange held their annual Block Party at Unity Plaza in April 2018, in partnership with OAA. Young artists and musicians performed and displayed their work during an afternoon of fun.



MAKING MUSIC The Tod Dickow Trio played standards at the June 23 Ocean Avenue Arts Bazaar, where local artists sell their wares.



SOLID SUPPORT Richard Kurylo participated at an Ocean Avenue Arts Bazaar in January 2018, selling bookmarks of the Arts Alive Ingleside banner designs.

PROMOTING OUR SMALL BUSINESSES

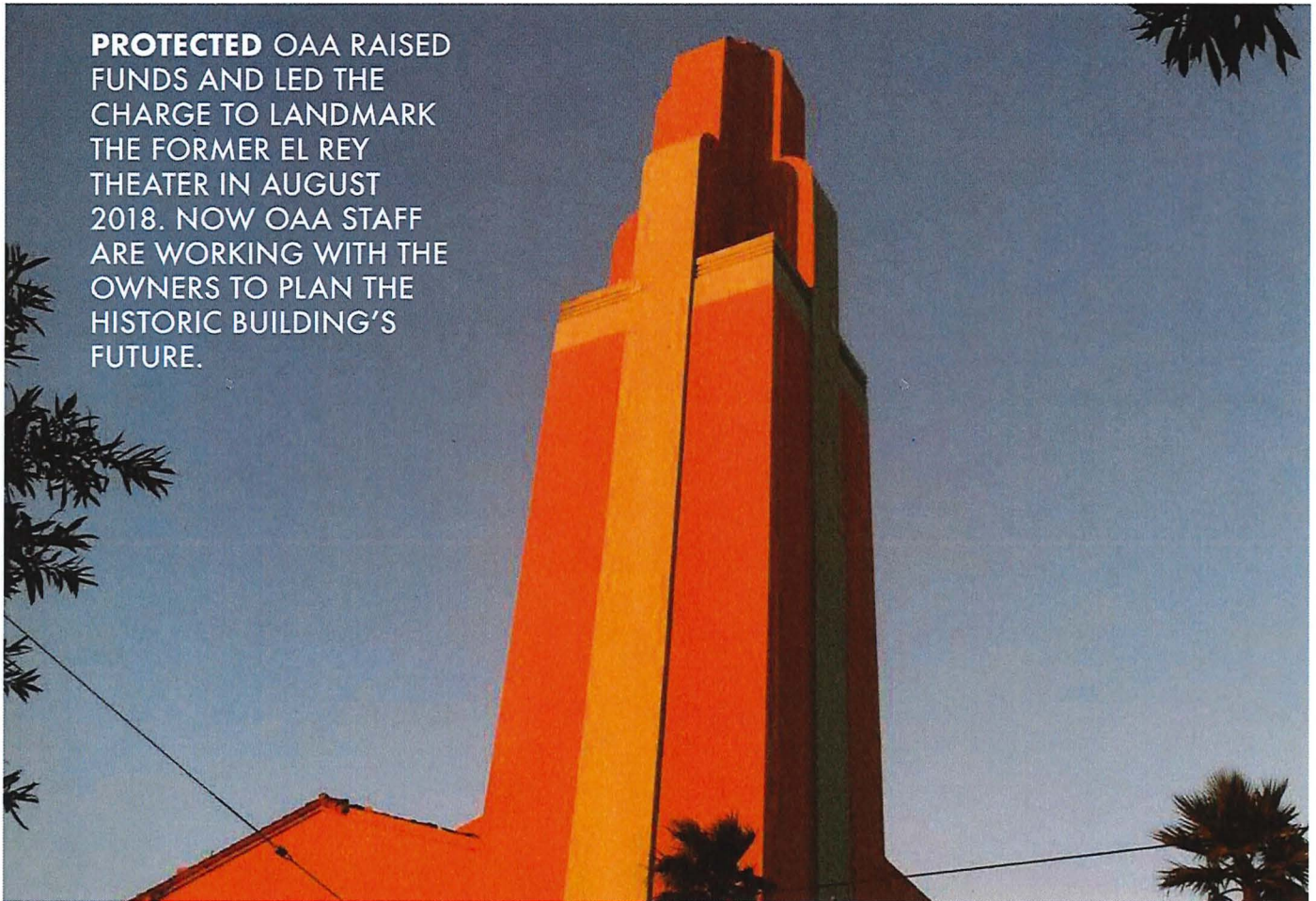


KUDOS

In May 2018, the Ocean Avenue Association along with the Ingleside Merchants Association, held a celebration for the neighborhood's four Legacy Businesses: Ave Bar and Lounge, Beep's Burgers, Faxon Garage, and Ocean Hair Design. OAA assisted these four businesses with obtaining legacy status and is working with others as well. Counter-clockwise from the top left: Beep's Burgers' manager Giselda Perez, Ocean Hair Design owners Allen Dang and Cindy Huynh, Faxon Garage owner Walee Gon, and Ave Bar owners Lucia Fuentes Zarate and Bomani Cuangula.

HONORING OUR HERITAGE

PROTECTED OAA RAISED FUNDS AND LED THE CHARGE TO LANDMARK THE FORMER EL REY THEATER IN AUGUST 2018. NOW OAA STAFF ARE WORKING WITH THE OWNERS TO PLAN THE HISTORIC BUILDING'S FUTURE.



ARTS ALIVE INGLESIDE

In June of 2018, OAA installed permanent banners featuring designs by San Francisco artists Ekevara Kitpowsong and Pixelstud™. Both works of art prominently feature the former El Rey theater. The banners' original art was initially displayed on Ocean Avenue along with 72 other artists' work as part of Arts Alive Ingleside.

SERVICES RECAP

Public Rights of Way, Sidewalk Operations and Public Safety

- Sweeping sidewalks
- Emptying trashcans on Muni boarding islands
- Graffiti removal within 24 hours of notification
- Regularly scheduled steam cleaning of sidewalks and Muni boarding islands
- Spot pressure washing as needed
- Emptying overfilled city trash cans
- Weeding tree wells and sidewalks
- Watering newly planted trees and landscaping
- Painting city light poles
- Removal of illegally posted notices on poles and other street furniture
- Wiping down street furniture
- Removing trash and bulk items from the public right of way
- Remove feces and needles from the public right of way

District Identity and Streetscape Improvements

- Continued to work with San Francisco Public Works for maintenance of its open space property, newspaper rack problems, sidewalk maintenance, etc. and the Planning Department on rezoning and the Ocean Avenue Corridor Study implementation.
- Worked with a core group of neighborhood-based volunteers and Lick-Wilmerding High School students to hang holiday decorations on the Ocean Avenue palm trees.
- OAA began a monthly event series at Unity Plaza, called the Ocean Avenue Arts Bazaar, in partnership with San Francisco Arts Commission, OMI Cultural Participation Project, Lick-Wilmerding High School
- The Street Life Committee meets monthly to discuss and plan streetscape improvements

and marketing events focused primarily at Unity Plaza

- The Business Committee continues to meet to discuss ways to support small businesses and fill retail vacancies on the Ocean Avenue corridor.
- OAA engaged with the Office of Economic and Workforce Development's SF Shines small business facade improvement program to make over two storefronts
- Arts Alive Ingleside Banner project continued for corridor marketing of the retail district

Administrative and Corporate Operations

- Ensure functioning of CBD and compliance with City contract and management plan.
- Apply for grants to bring additional resources to the CBD.
- Ensure compliance with California's Brown Act in noticing and conducting our meetings.
- Continue to recruit a variety of board members representing Ocean Avenue property owners, businesses and community members.
- Communicate with residential and other community organizations to address issues in the community and raise awareness about Ocean Avenue.
- Monitor contracts and services. Assist contractors and developers and new businesses in problem solving as necessary.
- Continue our promotion and marketing program with free events at Unity Plaza and at Ocean Avenue businesses.
- Increase and improve upon communication between CBD Board and property owners.
- Publish Mid Year and Annual Reports.
- Continue as active participants of the San Francisco CBD / BID Consortium.
- Support all committees of the Board of Directors including the Street Life and Business Committees.

ASSESSMENT METHODOLOGY + FINANCIALS

ASSESSMENT METHODOLOGY

The assessment was raised 3.0% for FY 2017-2018.

The proposed annual budget, including a cost estimate of providing the improvements and activities for 2017-2018 FY, is shown on the following pages.

There are no proposed changes in the boundaries of the improvement district or in any benefit zones or classification of property or businesses within the district.

The method and basis of levying the assessment in sufficient detail to allow each real property or business owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year is presented below.

The amount of surplus or deficit revenues to be carried over from a previous fiscal year is \$28,353 from unpaid assessments for years I-VII.

The amount of any contributions made other than assessments are discussed in the above section entitled "Fundraising."

ZONE 1 ASSESSMENT CALCULATION 2018-19 RATE CHART

Commercial, Residential, and Public Uses and Phelan Loop Parcel.....	\$30.86 per Linear Street Foot
Non-Profit Service Organization and Religious Institutional Uses.....	\$24.66 per Linear Street Foot
Commercial Property Use.....	\$0.1304 per Building Square Foot
Commercial Property Use.....	\$0.0324 per Lot Square Foot
Phelan Loop Corner Landscaped Parcel.....	\$1.54 per Lot Square Foot
Phelan Parcels Fronting and Accessed off of the Phelan Plaza.....	\$0.0674 per Lot Square Foot

ZONE 2 ASSESSMENT CALCULATION 2018-19 RATE CHART

Educational Institutional Property Use and Public Property Use.....	\$15.32 per Linear Street Foot
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JULY 2017 - JUNE 2018 STATEMENT

Income	Actuals	Budget	Variance
Assessments	\$ 364,890.00	\$ 377,654.00	\$ 12,764.00
Grants	\$ 45,784.00	\$ 167,029.00	\$ 121,245.00
Other	\$ 37,107.00	\$ 34,167.00	\$ (2,940.00)
Operating Reserve	\$ 185,242.00	\$ 185,242.00	\$ -
Total Income	\$ 633,023.00	\$ 764,092.00	\$ 131,069.00

Expenses	Actuals	Budget	Variance
Personnel	\$ 166,334.00	\$ 151,440.00	\$ (14,894.00)
Management & Operations	\$ 29,761.00	\$ 60,665.00	\$ 30,904.00
Cleaning, Maintenance & Safety	\$ 152,250.00	\$ 160,300.00	\$ 8,050.00
Marketing & Beautification	\$ 16,511.00	\$ 30,425.00	\$ 13,914.00
Contingency & Reserves	\$ -	\$ 12,500.00	\$ 12,500.00
Grant-Funded Projects	\$ 75,527.00	\$ 162,667.00	\$ 87,140.00
Total Expenses	\$ 440,383.00	\$ 577,997.00	\$ 137,614.00
Net Income	\$ 192,640.00	\$ 186,095.00	\$ (6,545.00)

July 2017 - June 2018 Balance Sheet

Assets	Actuals
Cash	\$ 200,864.00
Receivables	\$ 28,353.00
Other	\$ -
Total Assets	\$ 229,217.00

Liabilities	Actuals
Accounts Payable	\$ 7,368.59
Other	\$ -
Total Liabilities	\$ 7,368.59
Total Net Assets	\$ 221,848.41

JULY 2018 - JUNE 2019 BUDGET

Assessments	\$ 349,279.00
Grants	\$ 161,043.00
Other	\$ 34,927.00
Operating Reserve	\$ 191,668.00
Total Income	\$ 736,917.00

Expenses	Budget
Personnel	\$ 155,925.00
Management & Operations	\$ 65,165.00
Cleaning, Maintenance & Safety	\$ 173,500.00
Marketing & Beautification	\$ 36,050.00
Contingency & Reserves	\$ 15,000.00
Grant-Funded Projects	\$ 152,138.00
Total Expenses	\$ 597,778.00
Net Income	\$ 139,139.00

FUNDRAISING

Total funds raised through outside dollars, in kind services and volunteer services since the last report:

In kind donations of meeting space from Lick Wilmerding High School at totaling \$900.

Holiday decorations: total of 4 hours of volunteer service provided by 15 volunteers at a value of \$28.46/hour and 30 Lick-Wilmerding High School volunteers for 3 hours at \$15/hour. Total is \$3,057.60.

FY 2018-2019 Grants to the CBD include \$30,000 from the Mayor's Office of Housing and Community Development for staff payroll, benefits and accounting costs; \$40,000 from the Office of Economic and Workforce Development for a Public Life Study of Ocean Avenue and Corridor Activation; \$5,000 from OMI Community Collaborative for Ocean View Library programming; \$15,400 for Mural and Mosaic Fund from District 7 Participatory Budgeting; and \$25,000 for a Granada Crosswalk Beacon from District 7 Participatory Budgeting. Total new grants: \$115,400. (OAA also has an unspent \$40,500 grant for public art from the Mayor's Office of Housing.)

CHARITY STATUS

Since establishing in 2011, OAA has been a 501(c)(4) nonprofit, which restricts our fundraising activities to seeking grant awards. In 2018, we are working with an attorney consultant to secure 501(c)(3) public charity status, which will allow us to solicit tax-exempt donations and conduct public fundraising campaigns.



FUNDRAISING FOR GATEWAY SCULPTURE

Sculptor Eric Powell has designed a bold vision for a new sculptural gateway at Ingleside Library. OAA has secured grant funding to build the sculpture, but we need the community's help to make this vision a reality. In 2019, OAA will conduct a fundraising campaign to raise money for this sculpture and other public art projects in the neighborhood.

WHO WE ARE

OCEAN AVENUE ASSOCIATION STAFF

EXECUTIVE DIRECTOR

Dan Weaver

ASSOCIATE DIRECTOR

Neil Ballard

BOARD OFFICERS

CHAIR / PUBLISHER / INGLESIDE-EXCELSIOR LIGHT

Alexander Mullaney

VICE CHAIR / OWNER / OCEAN ALE HOUSE

Miles Escobedo

TREASURER / ATTORNEY / PACHULSKI STANG ZIEHL
& JONES LLP

Henry Kevane

SECRETARY / SENIOR MANAGER / BAMTECH MEDIA

Shirley Lima

BOARD DIRECTORS

PRINCIPAL / CHUNG ENTERPRISES LP

Howard Chung

MANAGER / WHOLE FOODS MARKET

Janene Summerland

DIRECTOR / LICK-WILMERDING HIGH SCHOOL

Christy Godinez

OWNER / FAXON GARAGE

Walee Gon

PUBLIC AFFAIRS OFFICER / CITY COLLEGE OF SAN
FRANCISCO

Jeff Hamilton

OWNER / AVE BAR AND LOUNGE

Lucia Fuentes Zarate

STREET LIFE COMMITTEE

CHAIR / OWNER / OCEAN ALE HOUSE

Miles Escobedo

BUSINESS COMMITTEE

CHAIR / PUBLISHER / INGLESIDE-EXCELSIOR LIGHT

Alexander Mullaney

SMALL BUSINESS SERVICES AVAILABLE!

REFERRALS AND CONSULTATIONS FREE FOR OCEAN AVENUE SMALL BUSINESSES



Counterclockwise from top left: Ave Bar owners Lucia Fuentes Zarate and Bomani Cuangula, Faxon Garage owner Walee Gon, Beep's Burgers owner Samantha Wong, and Ocean Hair Design owner Cindy Huynh.

The Ocean Avenue Association offers a range of services to all small businesses operating along Ocean Avenue between Manor Drive and Howth Street. Over the years, OAA has assisted small business owners with lease negotiation, compliance and applying for the San Francisco Legacy Business registry.

The OAA presently offers referral and consultation

for Business Planning; Marketing Plan (Advertising and Marketing Assistance); Financial Projections / Analysis; Loan Packaging; Lease Negotiation / Commercial Ownership Feasibility or Acquisition; Bookkeeping / Budgeting / Accounting; Retail Merchandising; Location / Site Identification; and San Francisco Legacy Business Application.

The OAA is pleased to serve so many businesses.

Ready for assistance?
Contact Alexander Mullaney
(415) 215-4246
amullaney@gmail.com



Financial Reporting

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

SA 73 - Ocean Ave		2017-2018								
Service Category/Budget Line	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2017-18 Budget	General Benefit Dollars	FY 2017-18 Assessment Budget	% of Budget	Variance	Source
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 125,000.00	\$ 1,250.00	\$ 123,750.00	51.65%	\$ 196,902.00	\$ -	\$ 196,902.00	37.58%	-14.08%	Assessment Only
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 43,658.00	\$ 436.58	\$ 43,221.42	18.04%	\$ 174,124.00	\$ 106,667.00	\$ 67,457.00	33.23%	15.19%	Assessment and Grants
SA 73 - Ocean Ave CBD - Management and Operations	\$ 63,000.00	\$ 630.00	\$ 62,370.00	26.03%	\$ 140,471.00	\$ 30,000.00	\$ 110,471.00	26.81%	0.77%	Assessment and Grants
Contingency and Reserve	\$ 10,340.00	\$ 103.40	\$ 10,236.60	4.27%	\$ 12,500.00	\$ -	\$ 12,500.00	2.39%	-1.89%	Assessment Only
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
TOTAL	\$ 241,998.00	\$ 2,419.98	\$ 239,578.02	100.00%	\$ 523,997.00	\$ 136,667.00	\$ 387,330.00	100.00%		

BENCHMARK 2: General Benefit Requirement

Revenue Sources	FY 2017-2018 Actuals	% of actuals	Source
Assessment Revenue	\$ 321,539.00		CPA Financial AUDIT
Total Assessment (Special Benefit) Revenue	\$ 321,539.00	74.86%	
Contributions and Sponsorships	\$ -	0.00%	
Grants	\$ 100,365.00	23.37%	CPA Financial AUDIT
Donations	\$ -	0.00%	
Interest Earned	\$ -	0.00%	
Earned Revenue	\$ -	0.00%	
Other	\$ 7,607.00	1.77%	CPA Financial AUDIT
Total Non-Assessment (General Benefit) Revenue	\$ 107,972.00	25.14%	
Total	\$ 429,511.00	100.00%	

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

SA 73 - Ocean Ave		FY 2017-18											
Service Category/Budget Line	FY 2017-18 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% Budget (Total Budget)	Actuals	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)	Variance (Assessment)	Variance (Total Budget)	Source
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 196,902.00	\$ 196,902.00	\$ -	50.84%	37.58%	\$ 192,544.00	\$ 192,544.00	\$ -	57.01%	43.44%	6.18%	5.86%	Assessment
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 174,124.00	\$ 67,457.00	\$ 106,667.00	17.42%	33.23%	\$ 138,156.00	\$ 62,619.00	\$ 75,527.00	18.55%	31.17%	1.13%	-2.06%	Assessment and Grants
SA 73 - Ocean Ave CBD - Management and Operations	\$ 140,471.00	\$ 110,471.00	\$ 30,000.00	28.52%	26.81%	\$ 112,535.00	\$ 82,535.00	\$ 30,000.00	24.44%	25.39%	-4.08%	-1.42%	Assmt. and Grants
Contingency and Reserve	\$ 12,500.00	\$ 12,500.00	\$ -	3.23%	2.39%	\$ -	\$ -	\$ -	0.00%	0.00%	-3.23%	-2.39%	Assessment
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
TOTAL	\$ 523,997.00	\$ 387,330.00	\$ 136,667.00	100.00%	100.00%	\$ 443,235.00	\$ 337,708.00	\$ 105,527.00	100.00%	100.00%			

BENCHMARK 4: Whether CBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

FY 2017-2018 Carryover Disbursement	Amount	Source	Spenddown Timeline
General Benefit Project			
Unity Plaza Activation & Organization Support	\$ 15,734.00	Invest in Neighborhoods	Dec-19
Ocean Avenue Gateway Sculpture	\$ 17,550.00	Invest in Neighborhoods	Dec-19
	\$ -		
	\$ -		
	\$ -		
	\$ -		
General Project Total	\$ 33,284.00		
Special Assessment Project			
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 100,030.68	Assessment	To fund final year of operation
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 38,900.82	Assessment	To fund final year of operation
SA 73 - Ocean Ave CBD - Management and Operations	\$ 40,753.24	Assessment	To fund final year of operation
Contingency and Reserve	\$ 5,557.26	Assessment	To fund final year of operation
0	\$ -		
0	\$ -		
0	\$ -		
Special Project Total	\$ 185,242.00		
Total Designated Amount for FY 2017-18	\$ 218,526.00		

OCEAN AVENUE ASSOCIATION

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2018

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

OCEAN AVENUE ASSOCIATION

Independent Accountants' Review Report	1-2
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Functional Expenses	6
Notes to the Consolidated Financial Statements	7-10

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Ocean Avenue Association
San Francisco, California

We have reviewed the accompanying consolidated financial statements of Ocean Avenue Association (the Organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The accompanying summarized comparative information as of and for the year ended June 30, 2017 is derived from financials that were previously reviewed by us and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated February 16, 2018. We have not performed procedures in connection with that review engagement since that date.

Crosby & Lanida CPAs LLP

Oakland, California

May 1, 2019

OCEAN AVENUE ASSOCIATION
Consolidated Statement of Financial Position
June 30, 2018
(With Comparative Totals as of June 30, 2017)

	2018	2017
Assets		
Current Assets		
Cash	\$ 197,415	\$ 186,859
Assessments receivable	9,494	24,921
Grants receivable	35,537	10,455
Due from City	9,798	37,722
Total Assets	\$ 252,244	\$ 259,957
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	\$ 7,763	\$ 1,618
Unrestricted net assets	244,481	258,339
Total Liabilities and Net Assets	\$ 252,244	\$ 259,957

See Independent Accountants' Review Report
and Notes to the Financial Statements

OCEAN AVENUE ASSOCIATION

Consolidated Statement of Activities
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Support and Revenue		
Government grants	\$ 100,365	\$ 71,763
Assessment revenue	321,539	321,231
Miscellaneous income	7,607	4,001
Total Support and Revenue	<u>429,511</u>	<u>396,995</u>
Expenses		
Program	352,417	337,921
Management and General	65,005	59,520
Fundraising	25,947	23,874
Total Expenses	<u>443,369</u>	<u>421,315</u>
Change in net assets	(13,858)	(24,320)
Unrestricted Net Assets, beginning of year	<u>258,339</u>	<u>282,659</u>
Unrestricted Net Assets, end of year	<u>\$ 244,481</u>	<u>\$ 258,339</u>

See Independent Accountants' Review Report
and Notes to the Financial Statements

OCEAN AVENUE ASSOCIATION

Consolidated Statement of Cash Flows
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (13,858)	\$ (24,320)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Assessments receivable	15,427	49,785
Grants receivable	(25,082)	(7,255)
Due from City	27,924	(31,605)
Accrued liabilities	6,145	1,150
Net cash provided (used) by operating activities	<u>10,556</u>	<u>(12,245)</u>
Net change in cash	10,556	(12,245)
Cash, beginning of year	<u>186,859</u>	<u>199,104</u>
Cash, end of year	<u>\$ 197,415</u>	<u>\$ 186,859</u>

See Independent Accountants' Review Report
and Notes to the Financial Statements

OCEAN AVENUE ASSOCIATION

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Program	Management and General	Fundraising	Total	
				2018	2017
Salaries	\$ 98,926	\$ 26,577	\$ 22,148	\$ 147,651	\$ 143,198
Retirement contributions	4,175	1,122	935	6,232	4,222
Employee benefits	921	248	206	1,375	1,351
Payroll taxes	8,341	2,241	1,868	12,450	11,746
Total Personnel	<u>112,363</u>	<u>30,188</u>	<u>25,157</u>	<u>167,708</u>	<u>160,517</u>
Fee for service	225,948	18,687	-	244,635	240,321
Advertising and promotion	14,106	-	-	14,106	4,550
Supplies and office expenses	-	7,771	390	8,161	2,320
Travel and meals	-	1,591	-	1,591	-
Conferences and meetings	-	545	-	545	831
Insurance	-	2,240	-	2,240	6,947
Licenses, fees and other expense	-	3,983	400	4,383	5,829
Total Expenses	<u>\$ 352,417</u>	<u>\$ 65,005</u>	<u>\$ 25,947</u>	<u>\$ 443,369</u>	<u>\$ 421,315</u>

See Independent Accountants' Review Report
and Notes to the Financial Statements

OCEAN AVENUE ASSOCIATION

**Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

NOTE 1: NATURE OF ACTIVITIES

The Ocean Avenue Association (the Organization) is a California nonprofit corporation that manages the Community Benefit District (CBD) established in December of 2010. Services began in July 2011 along the Ocean Avenue corridor in the Oceanview-Merced-Ingleside neighborhood. The Organization's mission is to revitalize the Ocean Avenue corridor from Interstate 280 to Manor Drive through sanitation, safety programs, marketing, promotion and advocacy for property and business owners.

The Organization is committed to making the Ocean Avenue corridor a vibrant and safe place by providing programs and services that improve the quality of life for those who live and work in the community. Entrepreneurs, merchants and neighborhood stakeholders benefit from the Organization in numerous ways. The Organization advocates for local businesses by reaching out to elected officials and City agencies on topics such as zoning, urban design, and tax policy. The Organization also serves as an ombudsman, helping members to access public services.

The Organization provides supplemental sanitation services 6 days a week, inclusive of sidewalk sweeping, reporting incidents to 311, graffiti removal from private and public property and power washing sidewalks and transit boarding islands.

The Organization also promotes the district through publications, programs, and advertising by supporting a range of community events, from holiday decorations to summer events.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Consolidation

The Organization has the ability to appoint a majority of the board of the Ingleside Community Fund (the Fund), a California nonprofit corporation. The Fund had no income, expenses or net assets during the year ended June 30, 2018. For presentation, GAAP requires that activities of entities that have a majority of their board controlled by another entity be consolidated / combined.

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

OCEAN AVENUE ASSOCIATION

**Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

Temporarily restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets at June 30, 2018.

Permanently restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of June 30, 2018.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Assessments and Grants Receivable

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible at June 30, 2018.

Although delinquent assessments are subject to penalties and fines, the Organization believes that these amounts will be offset by delays in collections. Accordingly, no receivable has been recognized for penalties and fines and the Organization has not calculated the present value of this receivable.

The Organization considers all grants receivable to be fully collectible at June 30, 2018. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

OCEAN AVENUE ASSOCIATION

**Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(4) and the California Revenue and Taxation Code Section 23701(f). The Organization has evaluated its current tax positions as of June 30, 2018 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the consolidated financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2018.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2018.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives

OCEAN AVENUE ASSOCIATION

**Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no property and equipment that met this capitalization policy at June 30, 2018.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of May 1, 2019 the date that the consolidated financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONCENTRATIONS

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 75% of the Organization's total revenue. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the district or fails to perform other responsibilities. The contract expires on June 30, 2025 and could be terminated at an earlier date if the Organization is disestablished by a vote of more than 50% of the assessed owners.

NOTE 4: RETIREMENT PLAN

The Organization sponsors a Simple IRA retirement plan for employees. The Organization contributes 3% of gross salary for each eligible employee. The Organization contributed \$6,232 and \$4,222 to the plan during the years ended June 30, 2018 and 2017, respectively.

MEMO

To: President Norman Yee; District 7 Supervisor and President of the Board of Supervisors

CC: San Francisco Board of Supervisors;
Chris Corgas, OEWD Senior Program Manager

From: Helen Mar, OEWD Project Manager

RE: Ocean Avenue Community Benefit District

Date: May 15, 2019

This is a memo summarizing the accomplishments of the Ocean Avenue Community Benefit District ("Ocean Avenue CBD" or "CBD") and an analysis of its financial statements (based on their audit) for the period between July 1, 2017, and June 30, 2018.

Each year, the CBD is required to submit a mid-year report, an annual report and a CPA financial review or audit. Ocean Avenue CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Ocean Avenue CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2010.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2017-2018
2. CPA Financial Review Reports
 - a. FY 2017 - 2018
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Ocean Avenue CBD includes both privately- and publicly-owned properties. The district covers 12 blocks and includes approximately 151 parcels.

- December 14, 2010: the Board of Supervisors approved the resolution that established the Ocean Avenue Community Benefit District for 15 years (Resolution # 587-10).
- May 24, 2011: the Board of Supervisors approved the contract for the administration and management of the Ocean Avenue Community Benefit District (Resolution #221-11).
- April 19, 2016: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2014 – 2015 (Resolution # 141-16).
- March 21, 2017: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2015 – 2016 (Resolution # 097-17).
- September 25, 2018: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2016 – 2017 (Resolution # 314-18)

Basic Information about the Ocean Avenue Community Benefit District:

Year Established	December 2010
Assessment Collection Period	FY 2010-2011 to FY 2024-2025 (July 1, 2010 to June 30, 2025)
Services Start and End Date	July 1, 2011 – December 31, 2025
Initial Estimated Annual Budget	\$239,578
Fiscal Year	July 1 – June 30
Executive Director	Daniel Weaver
Name of Nonprofit Owners' Entity	Ocean Avenue Association ("OAA")

The current CBD website www.oceanavenueassociation.org includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

Summary of Program Areas

Cleaning, Maintenance, and Safety

The Ocean Avenue Management Plan calls for approximately 52% of the budget to be spent on Cleaning, Safety, and Maintenance. OAA contracts with CleanScapes to provide cleaning and maintenance. Two workers are employed who clean and maintain the public realm six days a week. These services include sweeping and steam cleaning sidewalks and Muni boarding islands; removing graffiti within 24 hours; topping off city trash cans; spot pressure washing; reporting and monitoring of illegal dumping of small and large items in the public right-of-way; wiping down furniture; removing weeds from tree wells; removing posted notices on city poles and other street furniture; and painting city poles.

Marketing, Streetscape Improvements, and Beautification

Approximately 18% of the annual budget is allocated for public space development and streetscape improvements. This program area includes but is not limited to promoting the district through a website that includes information about their purpose and accomplishments, sponsoring special events such as holiday events and monthly concerts, and developing marketing activities that support efforts to recruit and retain businesses.

Management & Operations

The Ocean Avenue CBD is staffed by a full-time Executive Director who (1) performs the day-to-day management of the organization, (2) serves at the focal point person for the district, (3) advocates for city funds and services and (4) ensures that the organization is in compliance with their Management Plan and City contract. The CBD Management Plan calls for approximately 26% of the budget to be spent on management and operations.

The Ocean Avenue CBD board has eleven (11) members represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. The Board shall include no less than five and no more than eleven members, and be composed of at least 50% of property owners, or property owners' designated representatives, who are paying the CBD assessment. In addition to the property owners, at least 20 percent of the Board shall be representatives of non-property-owning businesses within the CBD boundaries. The Board also includes representatives from neighborhood organizations. Currently, board composition is 50% property owners, 30% non-property owning businesses, and 20% residents. This structure complies with Article 15 of the San Francisco Business and Tax Regulations Code. The full board meets monthly. The committees are detailed below:

- **Executive Committee** – oversees central operations of the organization and ensures the functioning of key areas: staff and contracts; corporate finances; insurance; grants; development of budget; board agendas and meetings; correspondence; outreach; bylaws and policies; public relations; and newsletters.
- **Street Life Committee** – composed of corridor business representatives.
- **Business Committee** – composed of corridor business representatives.
- **Public Safety Committee** – works with San Francisco Safe to address safety issues impacting businesses within the district and continued the formation work for an Ocean Avenue Business Watch.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2017-2018

Cleaning, Maintenance, and Safety

- Removed approximately 1,500 instances of graffiti
- Collected approximately 63,500 pounds of litter
- Completed 2 safety walks/initiatives
- Removed graffiti within 24 hours of notification
- Scheduled regular steam cleaning of sidewalks and Muni boarding islands

- Painted city light poles
- Topped off city trash cans
- Weeded tree wells, sidewalk gardens and sidewalks
- Watered newly planted trees and landscaping
- Painted city poles
- Removed illegally posted notices on poles and other street furniture
- Wiped down street furniture
- Removed feces and needles from the public right of way

Marketing, Streetscape Improvements, and Beautification

- Continued to work with SF Public Works for maintenance of its open space property, newspaper rack problems, sidewalk maintenance
- Continued to work with the Planning Department on rezoning the Ocean Avenue Corridor Study Implementation
- Worked with a core group of neighborhood-based volunteers and Lick-Wilmerding High School students to hand holiday decorations on the Ocean Avenue palm trees
- Partnered with San Francisco Arts Commission, OMI Cultural Participation Project, Lick-and Wilmerding High School to begin a monthly event series at Unity Plaza, called the Ocean Avenue Arts Bazaar
- Continued Arts Alive Ingleside Banner project for corridor marketing of the retail district

Management & Operations

- Ensured functioning of CBD and compliance with City contract and management plan requirements.
- Applied for grants to bring additional resources to the CBD
- Continued to recruit a variety of board members representing Ocean Avenue property owners, businesses and community members
- Communicated with residential and other community organizations to address issues in the community and raise awareness about Ocean Avenue
- Continued with promotion and marketing program with free events at Unity Plaza and at Ocean Avenue businesses
- Continued to actively participate in the San Francisco CBD/BID consortium
- Ensure compliance with the California Brown Act
- Monitor contracts and services. Assist contractors in problem solving as necessary
- Increased and improved upon communication between CBD Board and property owners
- Published Mid-Year and Annual Reports.
- Supported all working committees of the Board of Directors including: Street Life, Business, Public Safety committees, and Board Development

Ocean Avenue CBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for the Ocean Avenue CBD:

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the "Ocean Avenue Community Benefit District", Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Ocean Avenue Community Benefit District", Section A - Annual Reports*)
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the "Ocean Avenue Community Benefit District", Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues (*CA Streets & Highways Code, Section 36650(B)(5)*).

FY 2017-2018

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Ocean Avenue CBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2017-2018 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000.00	51.65%	\$196,902.00	50.84%	-0.82%
Marketing, Streetscape Improvements, and Beautification	\$43,658.00	18.04%	\$67,457.00	17.42%	-0.62%
Management and Operations	\$63,000.00	26.03%	\$110,471.00	28.52%	+2.49%
Contingency and Reserves	\$10,340.00	4.27%	\$12,500.00	3.23%	-1.05%
Total	\$241,998.00	100.00%	\$387,330.00	100.00%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Ocean Avenue CBD met this requirement. Assessment revenue was \$321,539.00 or 74.86% of actuals and non-assessment revenue was \$107,972.00 or 25.14% of actuals. See table below.*

Revenue Sources	FY 2017-2018 Actuals	% of Actuals
-----------------	----------------------	--------------

Special Benefit Assessments	\$321,539.00	
Total assessment revenue	\$321,539.00	74.86%
Grants	\$100,365.00	23.37%
Other	\$7,607.00	1.77%
Total non-assessment revenue	\$107,972.00	25.14%
Total	\$429,511.00	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Ocean Avenue CBD met this requirement. See Table below.*

Service Category	FY 2017-2018 Budget	% of Budget	FY 2017 -2018 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$196,902.00	50.84%	\$192,544.00	57.01%	+6.18%
Marketing, Streetscape Improvements, and Beautification	\$67,457.00	17.42%	\$62,629.00	18.55%	+1.13%
Management and Operations	\$110,471.00	28.52%	\$82,535.00	24.44%	-4.08%
Contingency Reserve	\$12,500.00	3.23%	\$0.00	0%	-3.23%
TOTAL	\$387,330.00	100.00%	\$337,708.00	100%	

BENCHMARK 4: Whether the Ocean Avenue CBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Ocean Avenue CBD met this requirement. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2017-18 Carryover Disbursement	\$185,242.00
Designated Projects for 2017-2018	

Cleaning, Maintenance and Safety	\$100,030.68
Marketing, Streetscape Improvements and Beautification	\$38,900.82
Management and Operations	\$40,753.24
Contingency and Reserves	\$5,557.26
Total Designated Amount for Future Years	\$185,242.00

Findings and Recommendations

The Ocean Avenue CBD met all benchmarks as defined on pages 4 and 5 of this memo. For the year in review, the Ocean Avenue CBD has well exceeded its general benefit requirement of one percent (1%) by raising approximately 25% in general benefit dollars. The CBD has acquired a significant amount of funding in the form of grant dollars, in-kind services and volunteer services.

Ocean Avenue CBD has implemented all OEWD recommendations from the FY 16-17 annual report.

The CBD Partnered with San Francisco Arts Commission, OMI Cultural Participation Project, Lick-Wilmerding High School to begin a monthly event series at Unity Plaza, called the Ocean Avenue Arts Bazaar.

Ocean Avenue CBD worked with OEWD's SF Shines small business façade improvement program to make-over two storefronts.

Conclusion


The Ocean Avenue CBD has performed well in implementing its service plan. The CBD has continued their promotion and marketing program with free events at Unity Plaza and at Ocean Avenue businesses. The CBD also continued with the Arts Alive Ingleside Banner project for corridor marketing of the retail district, the Second Sunday events, large graffiti abatement efforts, and efforts to beautify the Ocean Avenue corridor. The CBD has done a great job in partnering with community stakeholders and numerous municipal agencies for small business technical assistance, business attraction, and façade improvement along the commercial corridor. The Ocean Avenue Association is a well-run organization with active board and committee members that will continue to successfully carry out its mission in managing the Community Benefit District.

Introduction Form

By a Member of the Board of Supervisors or Mayor

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BOARD OF SUPERVISORS
SAN FRANCISCO

2019 MAY 22 PM 12:17
Time stamp

BY  or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

