

File No. 170220

Committee Item No. 2

Board Item No. 15

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date March 15, 2017

Board of Supervisors Meeting

Date MARCH 21, 2017

Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo 02/01/17</u>          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD Annual Rpt 09/01/16</u>     |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CPA Rpt 06/30/16</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI 03/06/17</u>       |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>OOEHW RVE CBP PPT 3/15/2017</u> |
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Completed by: Erica Major

Date March 9, 2017

Completed by: [Signature]

Date 3/16/2017

1 [Ocean Avenue Community Benefit District - Annual Report to the City - FY2015-2016]

2  
3 **Resolution receiving and approving the annual report for the Ocean Avenue**  
4 **Community Benefit District for FY2015-2016, 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 Sections  
11 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 April 19, 2016, the Board of Supervisors approved the Ocean Avenue  
2 CBD's annual reports for FY2014-2015 in Resolution No. 141-16; and

3           WHEREAS, The Ocean Avenue CBD has submitted for the Board's receipt and  
4 approval the annual report for FY2015-2016 as required by Section 36650 of the Act and  
5 Section 3.4 of the Management Contract; and

6           WHEREAS, The annual report for FY2015-2016 is on file with the Clerk of the Board of  
7 Supervisors in File No. 170220, 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 February 1, 2017, and documentation from the Ocean Avenue CBD for the FY2015-2016  
12 annual report are on file with the Clerk of the Board of Supervisors in File No. 170220; now,  
13 therefore, 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 FY2015-2016.

MEMO

To: Supervisor Norman Yee, District 7  
CC: San Francisco Board of Supervisors  
From: Chris Corgas, OEWD Senior Program Manager  
RE: Ocean Avenue Community Benefit District  
Date: February 1, 2017

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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, 2015, and June 30, 2016.

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 2015-2016
2. CPA Financial Review Reports
  - a. FY 2015 - 2016
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 211 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 Supervisor approved the annual report for the Ocean Avenue Community Benefit District for FY 2014 – 2015 (Resolution # 141-16).

**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](http://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 2015-2016**

#### **Cleaning, Maintenance, and Safety**

- Sweeping sidewalks and 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
- Topping off city trash cans
- Weeding tree wells, sidewalk gardens and sidewalks
- Watering newly planted trees and sidewalk gardens
- Painting city utility poles
- Removal of illegally posted notices on poles and other street furniture

- Wiping down street furniture
- Reporting to 311 and monitoring removal or removing items illegally deposited on the public right of way

#### **Marketing, Streetscape Improvements, and Beautification**

- Continued to work with SF Public Works and the Planning department on streetscape improvements.
- In the retail district from Manor/Victoria to Phelan/Geneva, the planned landscaping improvements on and close to Ocean Ave. were installed in June of 2016.
- For the area East of Geneva Avenue, the Ocean Avenue Corridor Design Plan, a multiagency effort led by the Planning Department, was released and aspects of the plan were implemented.
- Maintained the Ocean Avenue mobile parklet currently positioned outside the Ingleside Library.
- Worked with a core group of neighborhood based volunteers to hang holiday decorations on the Ocean Avenue palm trees and to accomplish landscaping maintenance along the corridor.
- Continued the Second Sundays district promotion and entertainment program where participating businesses have offered live music and other entertainment on a monthly basis.

#### **Management & Operations**

- Ensure functioning of CBD and compliance with City contract and management plan requirements.
- Work on organizational development issues including long term goals for the CBD.
- Apply for grants to bring additional resources to the CBD.
- 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.
- Continue our Second Sundays promotion and marketing program via print and internet communications.
- Apply for grants to continue and expand improvements to the CBD corridor.
- Increase and improve upon communication between CBD Board and property owners.
- Publish Annual Reports.

#### **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 2015-2016**

**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 2015-2016 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000	51.65%	\$174,835.00	53.80%	2.14%
Marketing, Streetscape Improvements, and Beautification	\$43,658	18.0%	\$68,314.00	21.02%	2.98%
Management and Operations	\$63,000	26.0%	\$70,422.00	21.67%	-4.36%
Contingency and Reserves	\$10,340	4.3%	\$11,429.00	3.52%	-0.76%
<b>TOTAL</b>	<b>\$241,998</b>	<b>100%</b>	<b>\$325,000.00</b>	<b>100%</b>	

**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 \$299,940.00 or 81.79% of actuals and non-assessment revenue was \$66,788.00 or 18.21% of actuals. See table below.*

Revenue Sources	FY 2015-2016 Actuals	% of Actuals
Special Benefit Assessments	\$299,940.00	
<b>Total assessment revenue</b>	<b>\$415,545.54</b>	<b>81.79%</b>
Grants	\$60,838	
Other	\$5,950	
<b>Total non-assessment revenue</b>	<b>\$66,788.00</b>	<b>18.21</b>
<b>Total</b>	<b>\$366,728.00</b>	<b>100%</b>



**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 2015-2016 Budget	% of Budget	FY 2015 - 2016 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$174,835.00	53.80%	\$175,580.43	57.50%	3.70%
Marketing, Streetscape Improvements, and Beautification	\$68,314.00	21.02%	\$49,721.99	16.28%	-4.74%
Management and Operations	\$70,422.00	21.67%	\$107,376.5	24.81%	3.14%
Contingency Reserve	\$11,429.00	3.52%	\$4,300.00	1.41%	-2.11%
<b>TOTAL</b>	<b>\$325,000.00</b>	<b>100%</b>	<b>\$361,604.75</b>	<b>100%</b>	

**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.*

<b>FY 2015-16 Carryover Disbursement</b>	<b>\$198,069.81</b>
Designated Projects for 2015-2016	
Cleaning, Maintenance and Safety	\$106,957.70
Marketing, Streetscape Improvements and Beautification	\$41,594.66
Management and Operations	\$43,575.36
Contingency and Reserves	\$5,942.09
<b>Total Designated Amount for Future Years</b>	<b>\$198,069.81</b>

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### 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 30% 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 14-15 annual report.

The CBD continues to attract visitors to Ocean Avenue via its Second Sunday events and has shown tremendous ingenuity in working to bring unique programming and events to Ocean Avenue – this can be seen through projects like the Ocean Avenue Banner Project.

### Conclusion

The Ocean Avenue CBD has performed well in implementing its service plan. The CBD has continued to successfully sponsor and help implement events and programs in Ocean Avenue, including the community-wide banner initiative, the Sunday Streets 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.



Ocean Avenue Association  
1728 Ocean Ave PMB 154  
San Francisco, CA 94112

September 1, 2016

Dear Ocean Avenue CBD Business and Property Owners,

The Ocean Avenue Association's 5th Annual Report is enclosed.

OAA is pleased to report that in the 2015-2016 Fiscal Year we brought to the organization and the community \$172,468 in grants to augment \$293,097 in assessment income. For every assessment dollar, OAA raised \$0.59 in new grant funding to improve our commercial district. Also, OAA brought more than \$200,000 in City funding for new trees, street furniture and sidewalk gardens to improve the corridor.

The OAA's Annual Meeting and social event will be held on **Wednesday, September 21st at 5:30 p.m.** at Ocean Ale House, 1314 Ocean Avenue. At the meeting, we will provide information about the ways OAA serves Ocean Avenue commercial corridor. Community members are also welcome to make comments and suggestions. OAA will be recognizing Richard Kurylo of the Office of Economic and Workforce Development for his work with the Ocean Avenue Community Benefits District and the Ingleside neighborhood.

Items of interest to OAA property and small business owners include:

- Funding is available for small business façade improvements
- Funding is available to repair and prevent glass graffiti
- ADA free surveys are available for small businesses
- OAA, in conjunction with the Office of Economic and Workforce Development, connects businesses to a **variety of free assistance programs, detailed on the back side of this letter.**

We hope to see you at our annual meeting on the 21st!

*Daniel Weaver*

Daniel J Weaver, Executive Director  
650.273.6223 info.oacbd@gmail.com  
www.oceanavenueassociation.org

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## **Does Your Small Business Need Assistance? Free Services Are Available!**

The OAA is proud to support the small businesses of Ocean Avenue by offering free services to help business grow and flourish in today's competitive market. Take a look at the list below to see if any of the services we offer are right for your business.

### **We offer FREE small business support in the following areas**

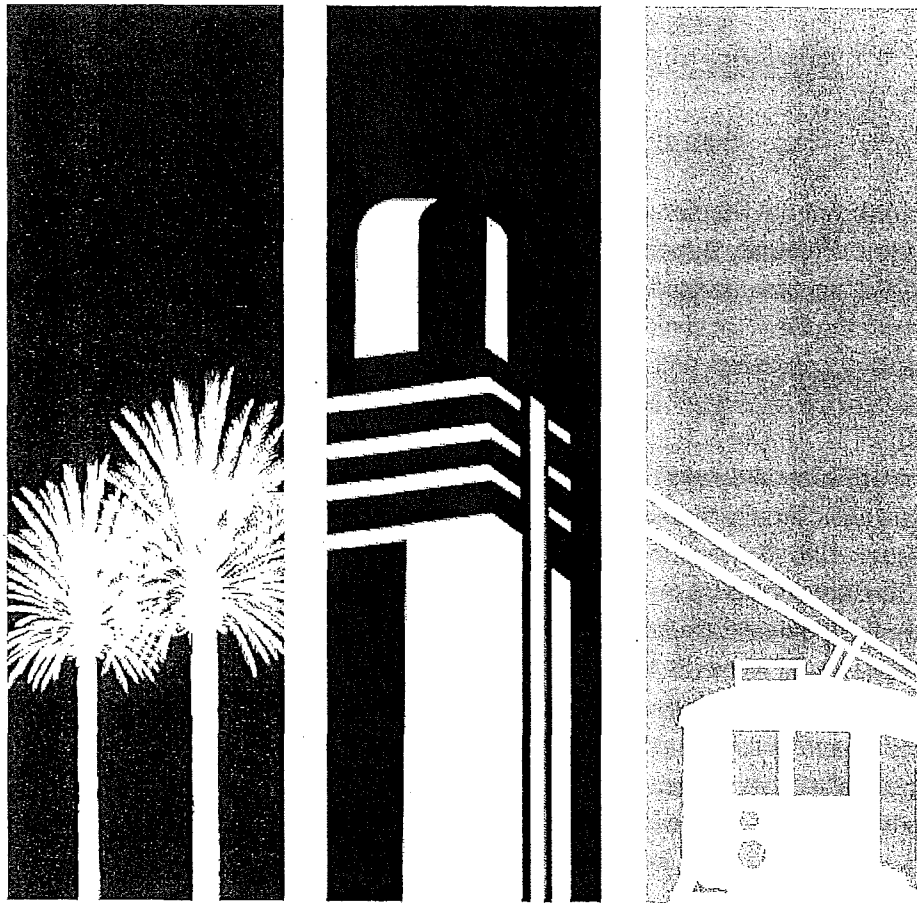
- ADA compliance
- Storefront facade improvements
- Cost-saving energy-use evaluations
- Classes on starting and growing your business- topics include finances, sales, legal issues, human resources, and more
- Personalized consulting to grow your business, including financial management, bookkeeping, marketing, sales, technology, web design
- Access to business improvement loans
- Zero-fee, low interest loans to rebuild or establish credit
- Legal help
- Lease negotiations assistance

Do not hesitate to contact us, as all services are available on a first-come-first-served basis. To get started, please contact:

**Luis Licea**  
Small Business Program Manager  
Ocean Avenue Association  
415.691.5117  
[luis.oacbd@gmail.com](mailto:luis.oacbd@gmail.com)

For help with marketing/promoting your business and to get involved with the Second Sundays events program, please contact:

**Neil Ballard**  
Associate Director  
Ocean Avenue Association  
707.889.4837  
[neil.oacbd@gmail.com](mailto:neil.oacbd@gmail.com)



# OCEAN AVENUE ASSOCIATION

**Fifth Annual Report**  
**July 1, 2015 – June 30, 2016**

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**OCEAN AVENUE ASSOCIATION (OAA)**  
**SERVICES PLAN WITH ANNUAL REPORT FY 2015-2016**

**Narrative of Work Performed FY 2015-16**

This is the fourth Annual Report submitted by the Ocean Avenue Association, manager of the Ocean Avenue Community Benefits District. The community benefits district was formed in December 2010. Its first full fiscal year was for the period from July 1, 2010, through June 30, 2011. Although the OAA received assessment revenue for the first fiscal year, it did not commence active operations until July 2011, and did not submit an annual report for the first fiscal year because it expended no money and provided no services.

**Public Rights of Way, Sidewalk Operations and Public Safety**

Cleaning and Public Realm Management services includes two CleanScapes staff members five days a week, one staff member on Saturdays and a bi-weekly walk through with the Supervisor. The services performed include:

- Sweeping sidewalks and 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
- Topping off city trash cans
- Weeding tree wells, sidewalk gardens and sidewalks
- Watering newly planted trees and sidewalk gardens
- Painting city utility poles
- Removal of illegally posted notices on poles and other street furniture
- Wiping down street furniture
- Reporting to 311 and monitoring removal or removing items illegally deposited on the public right of way

The OAA worked with the SF Shines program to improve the storefront appearance of small businesses on Ocean Avenue. We also worked with RapidRenu to repair and abate glass graffiti at a number of Ocean Avenue businesses, using grant funding from the Office of Economic and Workforce Development's Invest In Neighborhoods program.

**District Identity and Streetscape Improvements**

- Continued to work with SF Public Works and the Planning department on streetscape improvements.
- In the retail district from Manor/Victoria to Phelan/Geneva, the planned landscaping improvements on and close to Ocean Ave. were installed in June of 2016.
- For the area East of Geneva Avenue, the Ocean Avenue Corridor Design Plan, a multi-agency effort led by the Planning Department, was released and aspects of the plan were implemented.
- Continued to maintain and update the OAA website.

- Maintained the Ocean Avenue mobile parklet currently positioned outside the Ingleside Library.
- Worked with a core group of neighborhood-based volunteers to hang holiday decorations on the Ocean Avenue palm trees and to accomplish landscaping maintenance along the corridor.
- Continued the Second Sundays district promotion and entertainment program where participating businesses have offered live music and other entertainment on a monthly basis.
- The Street Life Committee meets monthly to discuss and plan streetscape improvements and marketing events in the district, as well as planning Second Sundays events.
- The Business Committee continues to meet monthly to discuss ways to support small businesses and fill retail vacancies on the Ocean Avenue corridor.

#### **Administrative and Corporate Operations**

- Ensure functioning of CBD and compliance with City contract and management plan requirements.
- Work on organizational development issues including long term goals for the CBD.
- Apply for grants to bring additional resources to the CBD.
- Ensure compliance with the California 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 in problem solving as necessary.
- Continue our Second Sundays promotion and marketing program via print and internet communications.
- Increase and improve upon communication between CBD Board and property owners.
- Publish 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.
- Work with the City on quality of life issues.
- Apply for grants to continue and expand improvements to the CBD corridor.

#### **Fundraising**

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

- In kind donations include office, storage and meeting space from Lick Wilmerding High School at 31 Howth Street = \$2,500.

- Holiday decorations: total of 6 hrs of volunteer service provided by 15 volunteers in 2015 at a value of \$14/hr. = \$1,260.
- Grants to the CBD in 2015-16 include \$34,500 from the Mayor's Challenge Grant program, \$25,000 for Ocean-Geneva activation and beautification from Invest in Neighborhoods, \$15,000 for Ocean-Geneva activation from the District 7 Participatory Budgeting process, and \$30,000 in Community Development Block Grant funding for small business support services, \$37,968 for a historic preservation survey of the Ocean Ave. commercial district, \$20,000 from D7 add-back budget, \$5,000 from the OMI CAG, Park Merced for Ingleside Library programming, \$5,000= \$172,468 in new grants.

### **Services Plan for FY 2015-16**

#### **Public Rights of Way and Sidewalk Operations**

CleanScapesSF will continue to provide cleaning and graffiti removal services for the OAA. Services provided include two CleanScapes workers covering the district five days a week and one worker on Saturday. The services they perform include:

- Sweeping sidewalks and public plazas and maintaining an inviting environment in the district.
- Graffiti removal within 24 hours of notification.
- Regularly scheduled pressure washing of sidewalks and Muni boarding islands.
- Spot pressure washing.
- Topping off city trash cans.
- Weeding tree wells.
- Painting city poles and other street furniture.
- Reporting and monitoring pickup large items deposited on the sidewalk as trash.
- Watering and maintaining district sidewalk landscaped areas.

#### **Public Safety Services**

- The OAA will continue to work on Ocean Avenue public safety issues with SF SAFE and the San Francisco Police Department.
- OAA will address other security/safety issues that may arise.

#### **District Identity and Streetscape Improvements**

- OAA Board will continue to develop its fifteen year improvement plan, working with DPW and SFMTA.
- Continue to work with DPW on the installation of pedestal news racks throughout the district to replace the existing news racks.
- Provide new OAA banners on street light poles along Ocean Avenue.
- Encourage, help to fund and participate in marketing efforts to develop district identity such as Second Sundays, tree and garden volunteer planting events, and so forth.



**Administrative and Corporate Operations**

- Ensure functioning of CBD and compliance with City contracts and the Management Plan.
- Work on organizational development issues including long term goals for the CBD. Work on fundraising activities that bring additional outside resources to the CBD.
- Ensure compliance with the California Brown Act.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Continue to update website.
- Increase and improve upon communication between CBD Board and property owners.
- Publish CBD Annual Report.
- Continue as active member of CBD/BID Consortium.
- Support all working committees of the Board of Directors including: Street Life, Business, Public Safety committees, and Board Development.
- Work with the City on quality of life issues.

**Description of Changes to the District Boundaries, Parcels or Assessment Calculations**

- The assessment was raised 3.0% for FY 2016-17 to account for cost of living increases calculated by the City, and applied by OAA.
- The proposed annual budget, including a cost estimate of providing the improvements and activities for 2016/17 Fiscal Year, 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 \$122,448.54 from unpaid assessments for years I-VI.
- The amount of any contributions made other than assessments are \$34,500 from the Mayor's Challenge Grant program, \$25,000 for Ocean-Geneva activation and beautification from Invest in Neighborhoods, \$15,000 for Ocean-Geneva activation from the District 7 Participatory Budgeting process, and \$30,000 in Community Development Block Grant funding for small business support services, \$37,968 for a historic preservation survey of the Ocean Ave. commercial district, \$20,000 from D7 add-back budget, \$5,000 from the OMI CAG, Park Merced for Ingleside Library programming, \$5,000= \$172,468 in grants.

**Assessment Calculations**

Zone 1 Fiscal Year 2016/17 Assessment Calculation Rates

Zone 1 – Assessment Category Description	2010/11 Original Rate	2016 Escalated Rate
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Linear Street Foot for Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel	\$26.28 per linear street foot	\$29.09 per linear street foot
Linear Street Foot for Non-Profit Service Organization Property Use, and Religious Institutional Property Use	\$21.00 per linear street foot	\$23.25 per linear street foot
Building Square Foot for Commercial Property Use	\$0.1110 per building square foot	\$0.1228 per building square foot
Lot Square Foot for Commercial Property Use	\$0.0276 per lot square foot	\$0.0304 per lot square foot
Lot Square Foot for Phelan Loop Corner Landscaped Parcel	\$1.31 per lot lot square foot	\$1.45 per lot square foot
Lot Square Foot for Phelan Parcels Fronting and Accessed off of the Phelan Plaza	\$0.0574 per lot square foot	\$0.0634 per lot square foot

**Zone 1 Annual Assessment Calculation:**

Linear Street Frontage Assessment	=	Assigned Linear Street Frontage	x	Linear Street Frontage Assessment Rate
Building Square Footage Assessment	=	Commercial Property Use Building Square Footage	x	Building Square Footage Assessment Rate
Lot Square Foot Assessment	=	Commercial Property Use Lot Square Footage	x	Lot Square Footage Assessment Rate

**Zone 1 Assessor's Parcel Annual Assessment:**

Assessor's Parcel Annual Assessment	=	Linear Street Frontage Assessment	+	Building Square Footage Assessment	+	Lot Square Footage Assessment
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**Zone 1 Phelan Loop Parcel Annual Assessment:**

Phelan Loop Parcel Annual Assessment	=	Assigned Linear Street Frontage	x	Linear Street Frontage Assessment Rate	+	Assigned Lot Square Footage	x	Lot Square Footage Assessment Rate
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**Zone 2 Fiscal Year 2015-2016 Assessment Calculation Rates**

Zone 2- Assessment Category Description	2010/11 Original Rate	2016 Escalated Rate
Linear Street Foot for Educational Institutional Property Use and Public Property Use	\$13.90 per Linear Street Foot	\$15.39 per Linear Street Foot

**Zone 2 Annual Assessment Calculation:**

Linear Street Frontage Assessment	=	Linear Street Frontage	x.	Linear Street Frontage Assessment Rate
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**Zone 2 Assessor's Parcel Annual Assessment:**

Assessor's Parcel Annual Assessment	=	Linear Street Frontage Assessment
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**Maximum Annual Assessments**

The Zone 1 Fiscal Year 2016/17 maximum annual assessment rates are as follows:

- Per Linear Street Foot (Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel): \$29.09
- Per Linear Street Foot for (NonProfit Service Organization Property Use, and Religious and Institutional Property Use): \$23.25
- Per Commercial Property Use Building Square Foot: \$0.1228
- Per Commercial Property Use Lot Square Foot: \$0.0304
- Per Phelan Loop Parcel Lot Square Foot: \$1.45
- Per Phelan Parcels Fronting and Accessed off of the Phelan Plaza Square Foot: \$0.0634

The Zone 2 Fiscal Year 2016/17 maximum annual assessment rate is as follows:

- Per Linear Street Foot (Educational Institutional Property Use and Public Property Use): \$15.39

**Year VII Budget, Rev 1 (7/15/16)**

Item	Amount
<b>INCOME</b>	
<b>Assessment Revenue</b>	
Assessment Revenue (current year)	\$ 302,504.00
Assessment Revenue (prior year[s])	\$ 105,308.00
Prior Year(s) Assessment Refund	\$ -
Prior Year(s) Assessment Bad Debt	\$ -
Subtotal Assessment Revenue	\$ 407,812.00
<b>Other Revenue- Current Year</b>	
Fees (CDBG)	\$ 4,000.00
<b>Other Revenue- Prior Years(s)</b>	
Fees (IIN Ocean Avenue Design)	\$ 750.00
Subtotal Other Revenue	\$ 4,750.00
<b>Grants- Current Year</b>	
Staff Payroll (CDBG)	\$ 26,000.00
OMI CC Library Grant	\$ 5,000.00
Hist. Pres. Fund Committee Grant (2016)	\$ 37,968.00
Participatory Budgeting (2016)	\$ 15,000.00
<b>Grants- Prior Year(s)</b>	
IIN Grant (Second Sundays 14-15)	\$ 6,582.39
IIN Grant (Activation 15-16)	\$ 25,000.00
IIN Grant (Design 13-14)	\$ 8,837.00
Park Merced Library Programming Grant	\$ 3,297.35
MOH Mural Grant (SFPW Triangles)	\$ 45,500.00
Subtotal Grants	\$ 173,184.74
<b>Operating Reserve</b>	
Carryover Net Income from FY 15-16	\$ 194,297.00
<b>Total Income</b>	<b>\$ 780,043.74</b>

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Item	Amount	Cleaning Maintenance & Safety	Marketing & Beautification	Management & Operations	Contingency & Reserves	Non-Assessment
<b>EXPENSES</b>						
<b>Personnel:</b>						
<b>Full Time</b>						
Salary (Executive Director)	\$ 74,972.27	\$ 14,994.45	\$ 22,491.68	\$ 37,486.14		
Payroll Tax	\$ 5,735.38	\$ 1,147.08	\$ 1,720.61	\$ 2,867.69		
IRA Contribution	\$ 3,244.50	\$ 648.90	\$ 973.35	\$ 1,622.25		
<b>Part Time</b>						
Salary-Assessment (Small Business Program Manager)	\$ 14,295.48	\$ 2,859.10	\$ 4,288.64	\$ 7,147.74		
Salary-CDBG (Small Business Program Manager)	\$ 13,000.00					\$ 13,000.00
IRA Contribution-Assessment (Small Business Program Mgr)	\$ 1,184.50	\$ 236.90	\$ 355.35	\$ 592.25		
IRA Contribution-CDBG (Small Business Program Mgr)	\$ 1,000.00					\$ 1,000.00
Payroll Tax (Small Business Program Mgr)	\$ 2,088.07	\$ 417.61	\$ 626.42	\$ 1,044.03		
Salary-Assessment (Associate Director)	\$ 14,295.48	\$ 2,859.10	\$ 4,288.64	\$ 7,147.74		
Salary-CDBG (Associate Director)	\$ 13,000.00					\$ 13,000.00
IRA Contribution (Associate Director)	\$ 1,184.50	\$ 236.90	\$ 355.35	\$ 592.25		
IRA Contribution-CDBG (Associate Director)	\$ 1,000.00					\$ 1,000.00
Payroll Tax (Associate Director)	\$ 2,088.07	\$ 417.61	\$ 626.42	\$ 1,044.03		

<b>Subtotal Personnel (Assessment)</b>	\$ 119,088.25	\$ 23,817.65	\$ 35,726.48	\$ 59,544.13		
<b>Subtotal Personnel (Non-Assessment)</b>	\$ 28,000.00					\$ 28,000.00
<b>Personnel Ratios</b>	100%	16%	24%	40%		19%
<b>Management and Operations</b>						
Payroll Processing Fees	\$ 1,240.00			\$ 1,240.00		
Accounting Fees	\$ 6,550.00			\$ 6,550.00		
Bookkeeping Fees	\$ 4,000.00			\$ 4,000.00		
Legal Fees (Gin)	\$ 1,000.00			\$ 1,000.00		
Banking Fees	\$ 100.00			\$ 100.00		
Office Supplies & Equipment	\$ 1,000.00			\$ 1,000.00		
Printing, Copying, Postage & Mailing Services	\$ 500.00			\$ 500.00		
Telephone, Telecom, Meeting Expense, Other	\$ 1,100.00			\$ 1,100.00		
Licenses, Permits, Filing Fees	\$ 125.00			\$ 125.00		
Insurance - Liability, D&O	\$ 5,500.00			\$ 5,500.00		
Workers Compensation Insurance	\$ 1,700.00			\$ 1,700.00		
Parklet Insurance	\$ 825.00			\$ 825.00		
Dues, Subscriptions, Workshops	\$ 2,000.00			\$ 2,000.00		
Annual Report and Meeting Expenses	\$ 2,500.00			\$ 2,500.00		
Assessment Roll Updating	\$ 2,000.00			\$ 2,000.00		
<b>Subtotal Management and Operations</b>	\$ 30,140.00			\$ 30,140.00		
<b>Cleaning, Maintenance and Safety</b>						
Sanitation and Graffiti Removal	\$ 116,215.00	\$ 116,215.00				
Tree Maintenance	\$ 31,000.00	\$ 31,000.00				
Safety and Security	\$ 300.00	\$ 300.00				
Watering/maintenance (plants and trees)	\$ 3,400.00	\$ 3,400.00				
Supplies and Materials	\$ 3,000.00	\$ 3,000.00				
<b>Subtotal Cleaning, Maintenance &amp; Safety</b>	\$ 153,915.00	\$ 153,915.00				
<b>Marketing and Beautification</b>						
Webhosting	\$ 175.00		\$ 175.00			
Professional Services	\$ 1,000.00		\$ 1,000.00			
Beautification- Tree Planting and Landscaping	\$ 7,500.00		\$ 7,500.00			
Holiday Decorations	\$ 1,000.00		\$ 1,000.00			
Second Sundays	\$ 2,000.00		\$ 2,000.00			
Advertising	\$ 5,000.00		\$ 5,000.00			
Marketing - Events (inc. Farmers Market)	\$ 7,000.00		\$ 7,000.00			
Refreshments- Meetings and Volunteers	\$ 250.00		\$ 250.00			
Ocean Geneva Mural Cost Share	\$ 5,500.00		\$ 5,500.00			
Ocean-Geneva Bench and Sculpture Projects	\$ 7,500.00		\$ 7,500.00			
<b>Subtotal Marketing &amp; Beautification</b>	\$ 36,925.00		\$ 36,925.00			
<b>Contingency &amp; Reserves</b>						
Contingency and Reserves	\$ 10,000.00				\$ 10,000.00	
<b>Subtotal Contingency &amp; Reserves</b>	\$ 10,000.00				\$ 10,000.00	
<b>Subtotal Non-Personnel Assessment Expenses</b>	\$ 230,980.00	\$ 153,915.00	\$ 36,925.00	\$ 30,140.00	\$ 10,000.00	
<b>Item</b>	<b>Amount</b>	<b>Cleaning, Maintenance &amp; Safety</b>	<b>Marketing &amp; Beautification</b>	<b>Management &amp; Operations</b>	<b>Contingency &amp; Reserves</b>	<b>Non-Assessment</b>
<b>Supplemental Non-Assessment Expenses</b>						
Accounting Fees (CDBG)	\$ 2,000.00					\$ 2,000.00
Fees (IIN Ocean Avenue Design)	\$ 750.00					\$ 750.00
OMI CC Library Grant	\$ 5,000.00					\$ 5,000.00

Hist. Pres. Fund Committee Grant (2016)	\$ 37,968.00					\$ 37,968.00
Participatory Budgeting (2016)	\$ 15,000.00					\$ 15,000.00
IIN Grant (Second Sundays 14-15)	\$ 6,582.39					\$ 6,582.39
IIN Grant (Activation 15-16)	\$ 25,000.00					\$ 25,000.00
IIN Grant (Design 13-14)	\$ 8,837.00					\$ 8,837.00
Park Merced Library Programming Grant	\$ 3,297.35					\$ 3,297.35
MOH Mural Grant (SFPW Triangles)	\$ 45,500.00					\$ 45,500.00
<b>Subtotal Supplemental Non-Assessment Expenses*</b>	<b>\$ 149,934.74</b>					<b>\$ 149,934.74</b>
<b>Total Non-Assessment Expenses (Including Payroll)</b>	<b>\$ 1,777,934.74</b>					<b>\$ 1,777,935</b>
<b>Total Assessment Expenses</b>	<b>\$ 350,068.25</b>	<b>\$ 177,733</b>	<b>\$ 72,651</b>	<b>\$ 89,684</b>	<b>\$ 10,000</b>	
<b>Total OAA Income**</b>	<b>\$ 429,975.49</b>					
<b>Net Income/Cash Balance***</b>	<b>\$ 252,040.75</b>					

<b>Year VII Budgeted Ratios</b>	<b>100%</b>	<b>51%</b>	<b>21%</b>	<b>26%</b>	<b>3%</b>
<b>Year VI Final Ratios</b>	<b>100%</b>	<b>54%</b>	<b>21%</b>	<b>22%</b>	<b>3%</b>
<b>MDP Targets 2010</b>	<b>100%</b>	<b>52%</b>	<b>18%</b>	<b>26%</b>	<b>4%</b>

\* Not including grants awarded to OAA and administered by third party fiscal sponsors. Those are: Ocean-Geneva Triangles Community Challenge Grant totaling \$105,871

\*\* Total Income less Total OAA Expenses

\*\*\* Total Income less the sum of Total Assessment Expenses and Total Non-Assessment Expenses (Including Personnel). Bank balance on 7/1/16 is \$194,297.

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# **OCEAN AVENUE ASSOCIATION**

## **FINANCIAL STATEMENTS**

**June 30, 2016**

**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015)**

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**CROSBY & KANEDA**  
Certified Public Accountants

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Dedicated to Nonprofit Organizations

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OCEAN AVENUE ASSOCIATION

Independent Accountants' Review Report	1-2
Financial Statements:	
Statement of Financial Position	3
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Statement of Cash Flows	5
Statement of Functional Expenses	6
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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Ocean Avenue Association  
San Francisco, California

We have reviewed the accompanying financial statements of Ocean Avenue Association (the Organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the 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 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 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 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 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 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, 2015 is derived from financials that were previously reviewed by us and we stated that we were not aware of any

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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 4, 2016. We have not performed procedures in connection with that review engagement since that date.

*Crosby + Kane*

Certified Public Accountants  
Oakland, California  
January 26, 2017

OCEAN AVENUE ASSOCIATION

Statement of Financial Position  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 199,104	\$ 186,416
Assessments receivable	74,706	45,651
Grants receivable	3,200	-
Due from City	6,117	45,469
	<u>6,117</u>	<u>45,469</u>
Total Assets	<u>\$ 283,127</u>	<u>\$ 277,536</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accrued liabilities	\$ 468	\$ -
Total Liabilities	<u>468</u>	<u>-</u>
Unrestricted net assets	<u>282,659</u>	<u>277,536</u>
Total Liabilities and Net Assets	<u>\$ 283,127</u>	<u>\$ 277,536</u>

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

OCEAN AVENUE ASSOCIATION

Statement of Activities  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
<b>Support and Revenue</b>		
Government grants	\$ 60,838	\$ 37,272
Assessment revenue	299,940	266,998
Miscellaneous income	5,950	641
Total Support and Revenue	<u>366,728</u>	<u>304,911</u>
<b>Expenses</b>		
Program	289,417	229,452
Management and General	72,188	72,844
Total Expenses	<u>361,605</u>	<u>302,296</u>
Change in net assets	5,123	2,615
Unrestricted Net Assets, beginning of year	<u>277,536</u>	<u>274,921</u>
Unrestricted Net Assets, end of year	<u>\$ 282,659</u>	<u>\$ 277,536</u>

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

OCEAN AVENUE ASSOCIATION

Statement of Cash Flows  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)

	2016	2015
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,123	\$ 2,615
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Assessments receivable	(29,055)	1,961
Grants receivable	(3,200)	-
Due from City	39,352	(24,122)
Accrued vacation	468	(1,346)
Net cash provided (used) by operating activities	<u>12,688</u>	<u>(20,892)</u>
Net change in cash	12,688	(20,892)
Cash, beginning of year	<u>186,416</u>	<u>207,308</u>
Cash, end of year	<u>\$ 199,104</u>	<u>\$ 186,416</u>

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

OCEAN AVENUE ASSOCIATION

Statement of Functional Expenses  
 For the Year Ended June 30, 2016  
 (With Comparative Totals for the Year Ended June 30, 2015)

	Program	Management and General	Total	
			2016	2015
Salaries	\$ 89,237	\$ 38,245	\$ 127,482	\$ 72,834
Employee benefits	4,213	2,850	7,063	3,405
Payroll taxes	7,949	3,406	11,355	6,109
Total Personnel	101,399	44,501	145,900	82,348
Grants	5,000	-	5,000	5,000
Accounting	-	11,560	11,560	10,950
Fee for service	162,444	1,477	163,921	183,489
Advertising and promotion	18,871	1,950	20,821	3,688
Supplies	1,703	1,292	2,995	6,965
Printing and publication	-	1,209	1,209	631
Information technology	-	890	890	628
Conferences and meetings	-	717	717	1,094
Dues, licenses, other fees	-	130	130	709
Insurance	-	6,462	6,462	6,294
Miscellaneous	-	2,000	2,000	500
Total Expenses	\$ 289,417	\$ 72,188	\$ 361,605	\$ 302,296

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

OCEAN AVENUE ASSOCIATION

Notes to the Financial Statements  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)

**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 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 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.

*Temporarily restricted net assets* – represent contributions 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. Temporarily restricted net assets may also include accumulated appreciation of permanently restricted endowment funds that have not been appropriated by the Organization. There were no temporarily restricted net assets at June 30, 2016.

OCEAN AVENUE ASSOCIATION

**Notes to the Financial Statements  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

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*Permanently restricted net assets* – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2016.

**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 statement of activities as net assets released from restrictions.

**Assessments 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, 2016.

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.

**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, 2016 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.



OCEAN AVENUE ASSOCIATION

Notes to the Financial Statements  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)

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**Contributed Services**

Contributed services are reflected in the 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, 2016.

**Estimates**

The preparation of 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 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, 2016.

**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 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, 2016.

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OCEAN AVENUE ASSOCIATION

Notes to the Financial Statements  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)

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**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the 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, 2015, from which the summarized information was derived.

**Reclassifications**

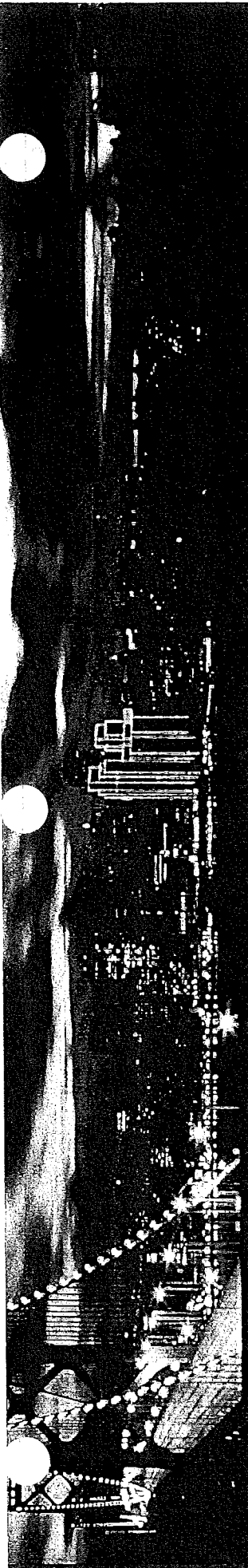
Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events and has concluded that as of January 26, 2017 the date that the 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 82% 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.



# Ocean Avenue Community Benefit District



170220

# Legislative Overview

**Community Benefit Districts (CBDs) /  
Business Improvement Districts (BIDs) are  
governed by:**

- State law**
  - “1994 Act”
- Local law**
  - “Article 15”

# Review Process

## This resolution covers Annual Report for FY 15-16

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of Annual Reports and CPA Financial Reviews.
- OEWD provides the Board Supervisors with a summary memo.

# OAACBD Formation

OAACBD	Type	Assessment Budget*	Year Established	Expires
528	Property-Based	\$ 239,578	2010	June 30, 2025

*\*budget identified in management plan*

# OAACBD Operations

- **Staff**

- Executive Director – Daniel Weaver

- **Service Areas**

- **Safety and Community Service Ambassadors (CSAs)**

- This program supports both uniformed Ambassadors and activates the sidewalks and open-space.
  - Contracts with MJM Management Group to staff a team of Community Safety Ambassadors

- **Cleaning Program**

- This program area is allocated for cleaning and on-call graffiti removal.
  - Provides a uniformed maintenance worker to respond to maintenance calls to remove graffiti, wash down the sidewalk or pick up an accumulation of debris on the sidewalk 20 hours/week. 5

- **Beautification**

- This program area includes streetscape improvements such as way finding signage and sidewalk lighting and capital enhancements.

- **Activation of Public Space (Zone 2)**

- This service area implements programs that support Civic Center Plaza's night time activation.

# BENCHMARKS

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

**Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.**

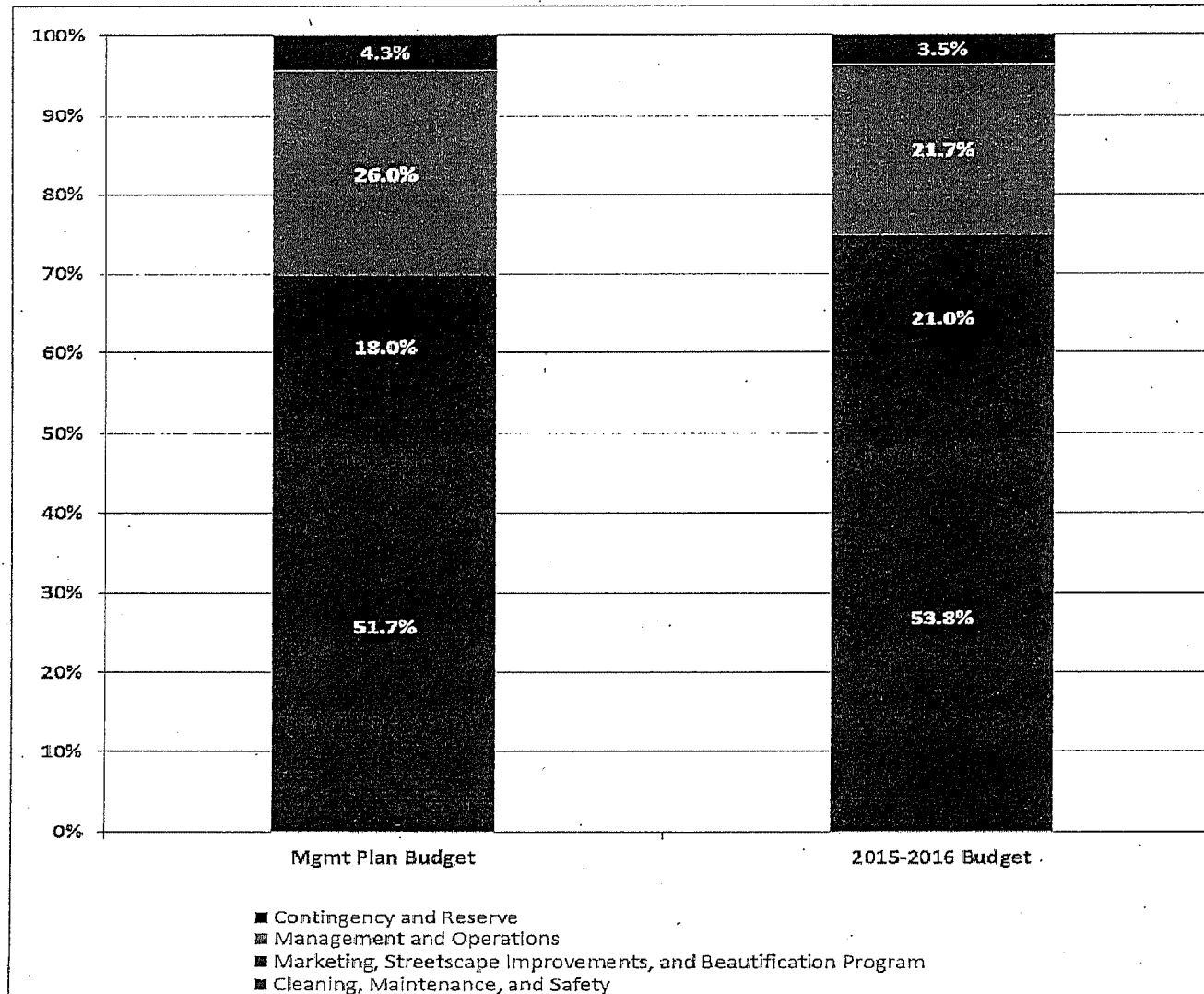
**Benchmark 2 – Whether one percent (1%) of Ocean Ave CBD's actuals came from sources other than assessment revenue.**

**Benchmark 3 - Whether the variance between the budget amounts for each service category was within 10 percentage points from the actuals.**

**Benchmark 4 - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.**

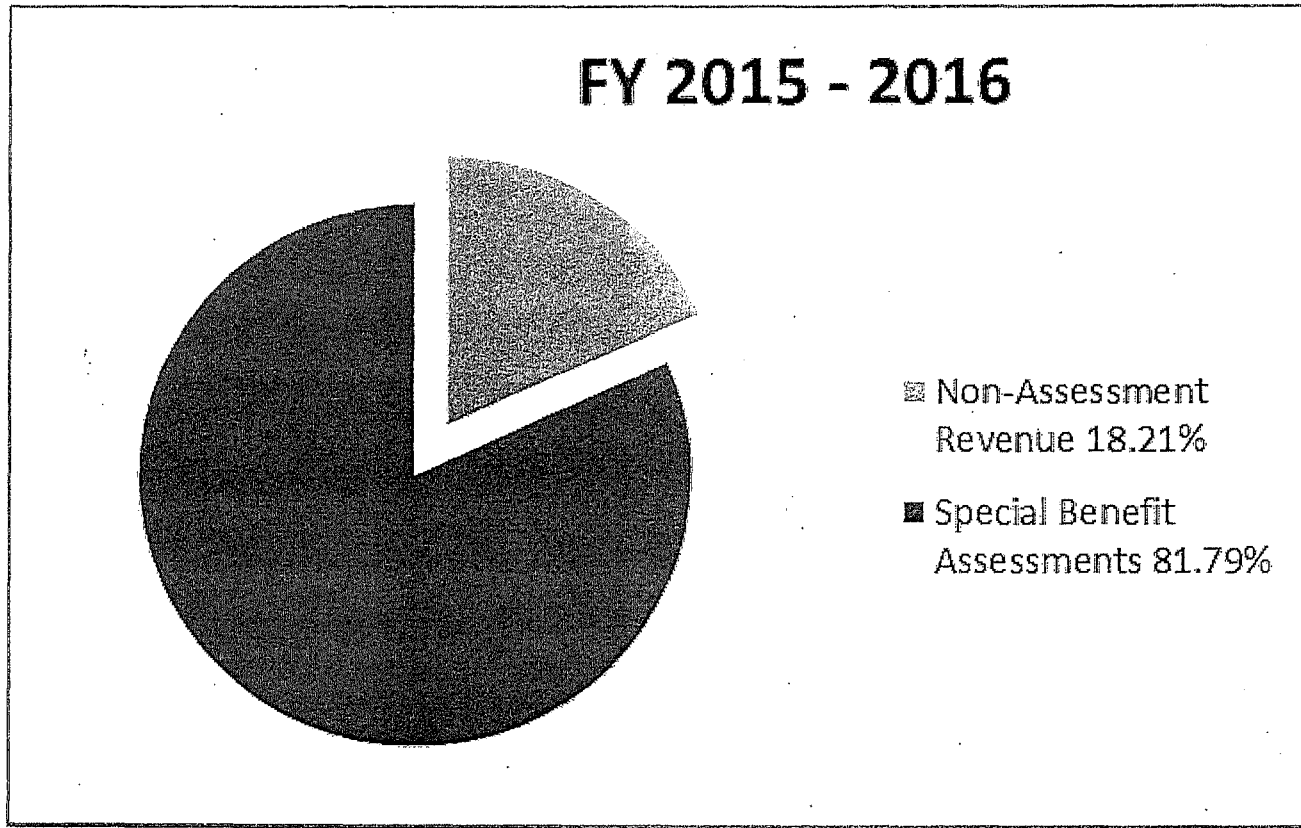


# Management Plan vs. Annual Budgets



531

# Assessment Revenue & Other Income



532

# Budget vs Actuals

<b>Service Category</b>	<b>FY 2015-2016 Variance % Points</b>
<b>Cleaning, Maintenance, and Safety</b>	+3.70%
<b>Marketing, Streetscape Improvements, and Beautification</b>	-4.74%
<b>Management and Operations</b>	+3.14%
<b>Contingency/Reserve</b>	-2.11%

533

# Carryover

## FY 2015-16 Carryover Disbursement

### Designated Projects for 2015-2016

- Cleaning, Maintenance, and Safety	\$106,957.70
Marketing, Streetscape Improvements, and Beautification	\$41,594.66
Management and Operations	\$43,575.36
Contingency and Reserves	\$5,942.09

**Total Designated Amount** **\$198,069.81**

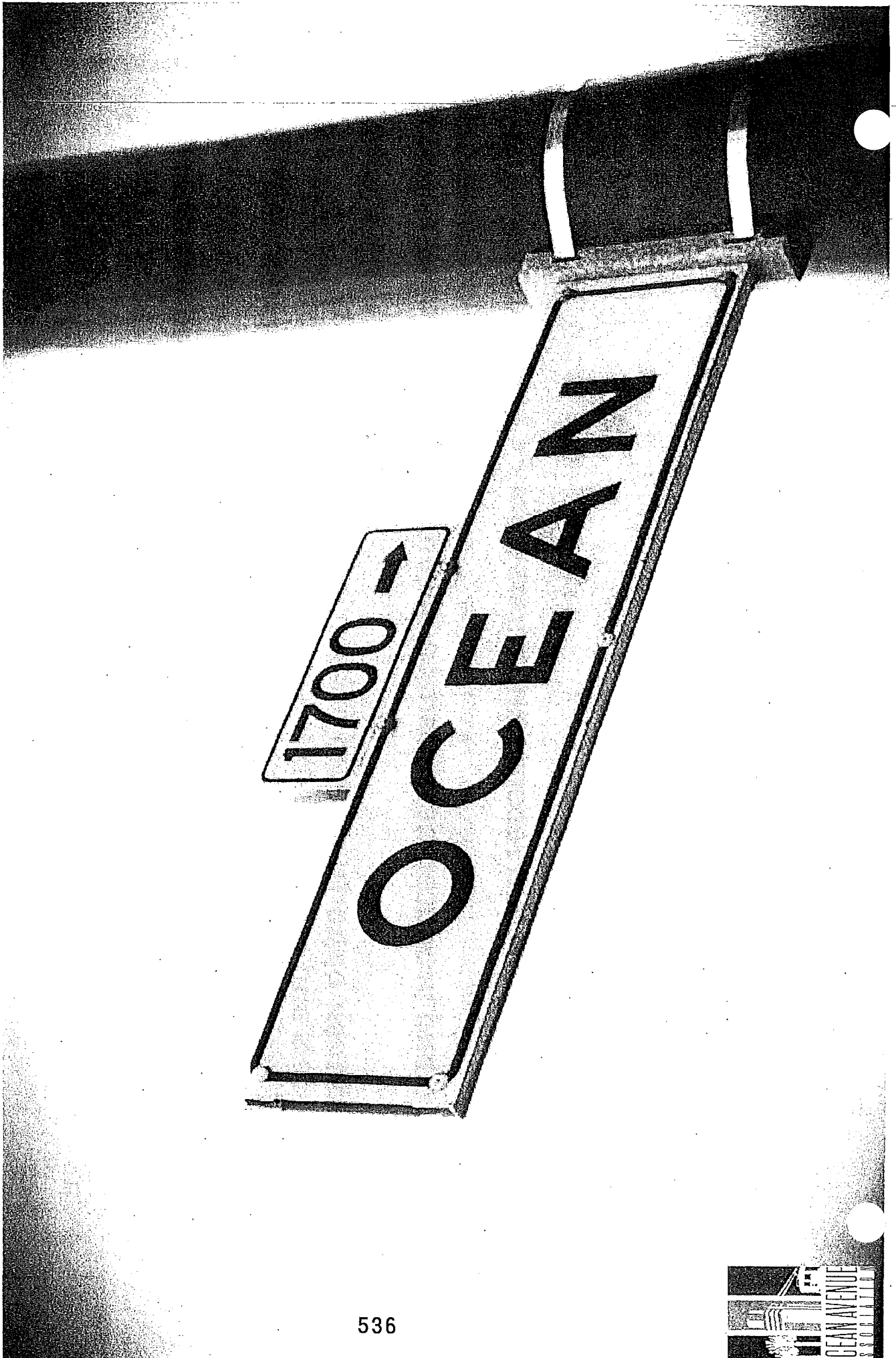
534

# Conclusion

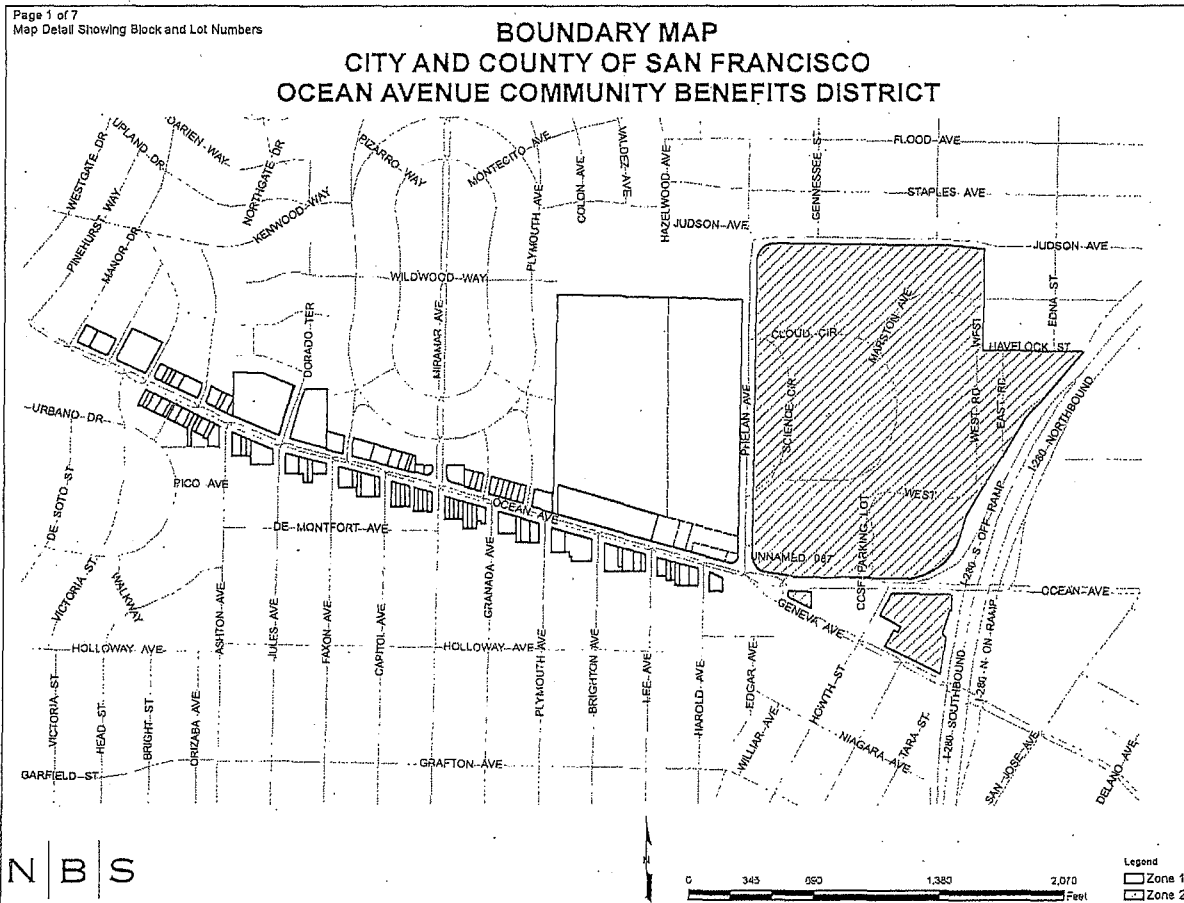
Ocean Ave CBD has performed well in implementing the service plan in the district:

- Implemented all OEWD recommendations from FY 14-15 Annual Report
- Marketed and produced neighborhood events, including Sunday Streets
- Increased their opportunities in partnering with community stakeholders and numerous municipal agencies for small business technical assistance, business attraction, and façade improvement.
- Maintained an active board of directors and several sub committees

# Ocean Avenue Association



# Area Map of the CBD



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# Active Committees

- Street Life Committee: Focused on the activation of the CBD retail district through public art, entertainment and design. Chaired by Alexander Mullaney.
- Business Committee: Concerned with business growth and retention. Chaired by Janene Summerland.



# Partner Organizations

- Western Neighborhoods Project
- Livable City
- Friends of the Urban Forest
- OMI Cultural Participation Project
- OMI Neighbors in Action
- Westwood Park Association
- Ingleside Terraces Homes Association

# Partner Organizations (Government)

- Office of Economic and Workforce Development
- San Francisco Public Works
- Department of City Planning
- Bay Area Rapid Transit District
- Ingleside Branch Library
- City College of San Francisco

# Grants (2015-2016)

In FY 2015-2016, OAA has secured \$224,438 in non-assessment grant funding from a variety of public agencies. This augments our assessment revenue of \$302,504 and enables us to conduct projects connected to our goals of marketing, maintenance and beautification.

# Events + Highlights- Cleaning, Maintenance and Safety

- Cleanscapes provides daily street maintenance service including sidewalk and gutter trash pickup, pressure-washing and graffiti removal where needed
- Arborist Now maintains trees on and near Ocean Avenue, including 65 Washingtonia Palms

# Events + Highlights- Beautification

- OAA's large-scale landscaping project to beautify two SFPW-owned triangles of land at Ocean-Geneva will be completed within the coming months
- OAA maintains sidewalk gardens on Ocean Avenue and on perpendicular side streets
- OAA's projects utilize neighborhood volunteers for planting and garden maintenance
- Corridor Design Process with the Planning Department includes planning Ocean Avenue transportation and landscape improvements from Phelan-Geneva to San Jose Avenue

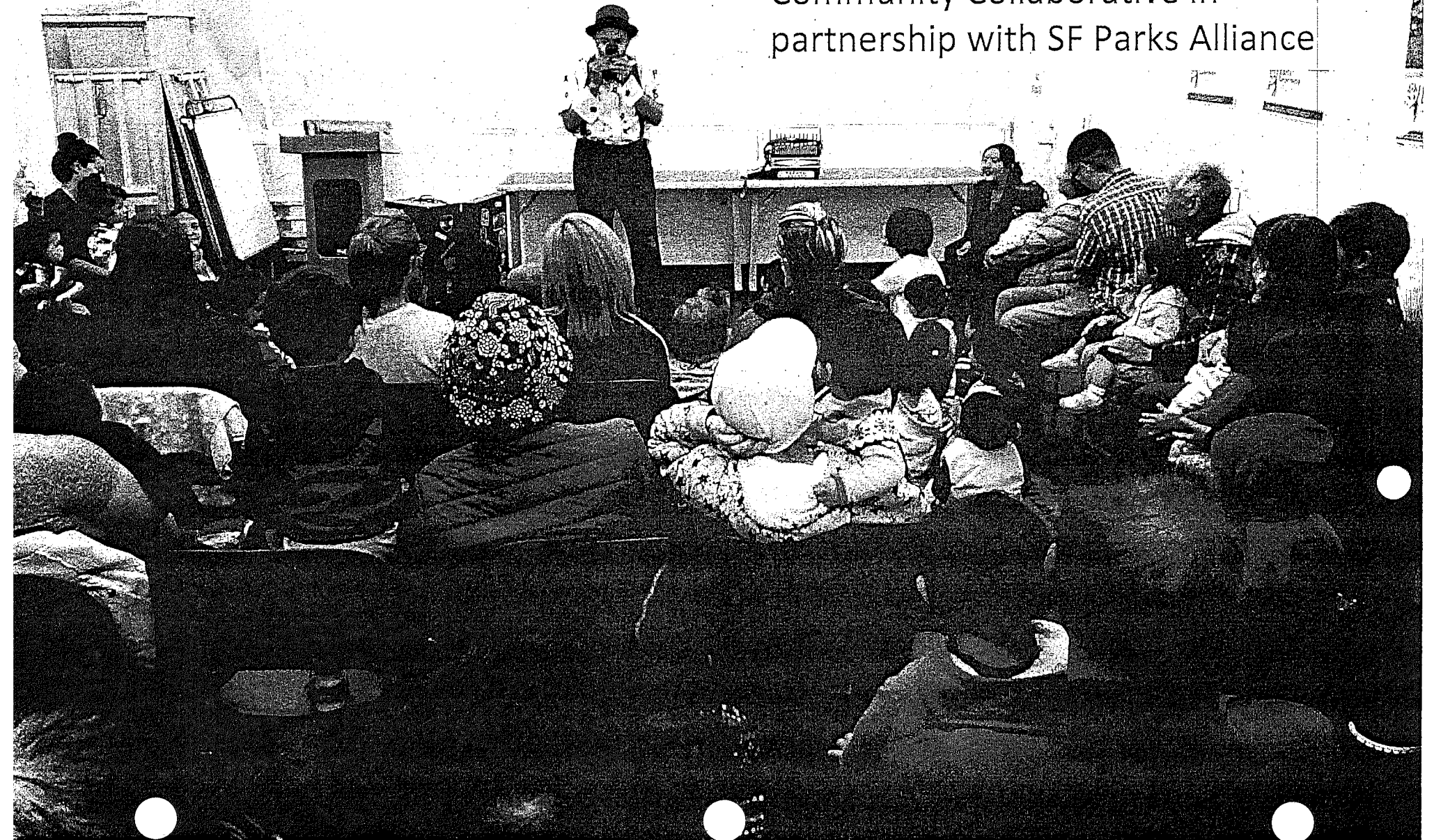
# Events + Highlights- Marketing

- OAA continues to organize Second Sundays, a music and events corridor marketing program held in small businesses and community spaces
- OAA plans to grow Second Sundays to activate the newly-completed Unity Plaza

Ocean Avenue Oktoberfest, 2016  
The Ave Bar, 1607 Ocean  
Avenue



Children's entertainment at  
Ingleside Library, funded by a  
Community Action Grant from OMI  
Community Collaborative in  
partnership with SF Parks Alliance





# Challenges

- Expanding volunteer base and retaining volunteer interest
- Dealing with vacancies to provide desired services as opposed to saturation of business types
- Development pressure on existing small business and mid-century small retail buildings
- Under-investment in upkeep and maintenance of existing retail buildings

# Opportunities

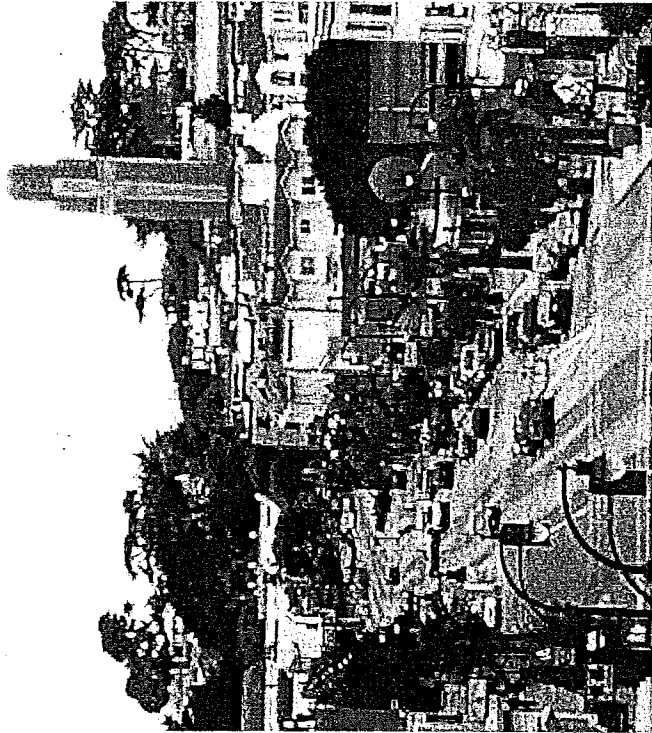
- Continued interest in a cleaner and greener corridor with more trees, sidewalk gardens, art and attractive pedestrian scale open spaces.
- Now that we have a grocery store, bank and hardware store, there is interest in managing the mix of businesses to better serve the needs of residents. This is an opportunity for the CBD.

# Projects + Visions

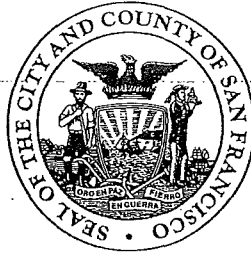
- Grow Second Sundays corridor marketing
- Program Ingleside Library Garden, Unity Plaza, and the El Rey theater building. Establish a Farmers Market at Unity Plaza
- Explore maintenance agreement for Balboa Park BART station area
- Successfully raise funds for a new sculpture at Ocean and Phelan avenues
- Work with city staff and City College to implement the Ocean Avenue Corridor Development Plan
- Develop and promote projects in the OAA's Fifteen Year Plan for the CBD corridor

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# Thank You



BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller  
Todd Rufo, Director, Office of Economic and Workforce Development

FROM: Erica Major, Assistant Clerk, Government Audit and Oversight Committee,  
Board of Supervisors

DATE: March 6, 2017

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Yee on February 28, 2017:

**File No. 170220**

**Resolution receiving and approving the annual report for the Ocean Avenue Community Benefit District for FY2015-2016, 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 the 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  
Lisa Pagan, Office of Economic and Workforce Development


Print Form

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

2017 FEB 28 PM 4:45

BY  Time stamp  
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  inquires"
- 5. City Attorney request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Question(s) 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

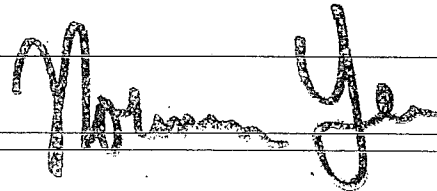
**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.**

Sponsor(s):

Subject:

The text is listed below or attached:

Signature of Sponsoring Supervisor:



For Clerk's Use Only:

170220