

File No. 180628

Committee Item No. 4

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: Sept. 19, 2018

Board of Supervisors Meeting:

Date: _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <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 type="checkbox"/> | <input 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CBD Annual Report - September 1, 2017</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CPA Financial Statements - June 30, 2017</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>OEWD Letter - March 26, 2018</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI - June 12, 2018</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: John Carroll

Date: Sept. 14, 2018

Prepared by: John Carroll

Date: _____

1 [Ocean Avenue Community Benefit District - Annual Report - FY2016-2017]

2
3 **Resolution receiving and approving an annual report for the Ocean Avenue Community**
4 **Benefit District for FY2016-2017, submitted as required by the Property and Business**
5 **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 March 21, 2017, the Board of Supervisors approved the Ocean
2 Avenue CBD's annual reports for FY2015-2016 in Resolution No. 097-17; and

3 WHEREAS, The Ocean Avenue CBD has submitted for the Board's receipt and
4 approval the annual report for FY2016-2017 as required by Section 36650 of the Act and
5 Section 3.4 of the Management Contract; and

6 WHEREAS, The annual report for FY2016-2017 is on file with the Clerk of the Board of
7 Supervisors in File No 180628, 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 March 26, 2018, and documentation from the Ocean Avenue CBD for the FY2016-2017
12 annual report are on file with the Clerk of the Board of Supervisors in File No. 180628; 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 FY2016-2017.



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

September 1, 2017

Dear Ocean Avenue CBD Property and Business Owners,

The Ocean Avenue Association's 6th Annual Report is attached.

OAA is pleased to report that in the 2016-2017 Fiscal Year we brought to the organization and the community \$154,468 in grants to augment the \$302,504 in assessment income.

The OAA's Annual Meeting and social event will be held on **Wednesday, September 20th at 5:30 to 7:00 p.m.** at the Fog Lifter Cafe, Ashton at Ocean Avenues. At the meeting, we will provide information about the ways OAA serves Ocean Avenue commercial corridor, and we will hear comments and suggestions from community members to provide feedback to our organization.

OAA can provide help for small businesses in accessing city programs:

- Funding available for business façade improvements
- Lease negotiations expertise
- Assistance for qualified small businesses to apply for the Legacy Business Program
- ADA accessibility services 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 backside of this letter.**

We hope to see you at our annual meeting on the 20th at the Fog Lifter.

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

Does Your Business Need Assistance? Free Services Are Available!

The OAA is proud to support the businesses of Ocean Avenue by offering free services to help your 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 support in the following areas

- Interpretation and translation in languages including English, Spanish and Chinese.
- 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 investment funds
- Zero-fee, zero-interest loans to rebuild or establish credit
- Legal help
- Lease negotiations assistance
- ADA Compliance
- Zoning and land use information

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

Ocean Avenue Association



Ocean Avenue Association led a beautification project at the publicly-owned triangles of land at Ocean and Geneva avenues. The newly-landscaped area includes native plants, boulders and a unique log retaining wall.

Sixth Annual Report

July 1, 2016 – June 30, 2017

OCEAN AVENUE ASSOCIATION (OAA)
SERVICES PLAN WITH ANNUAL REPORT FY 2016-2017

Narrative of Work Performed FY 2016-2017

This is the 6th 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 this first fiscal year, it did not commence active operations until July 2011, and did not submit an annual report for its first fiscal year because it provided no services.

Public Rights of Way, Sidewalk Operations and Public Safety

Cleaning and Public Realm Management services are provided by two CleanScapes staff members five days a week, one staff member on Saturdays and a bi-weekly walk through with the CleanScapes 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 and sidewalks
- Watering newly planted trees and landscaping
- Painting city 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 in the first half of this fiscal year to remove 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 San Francisco Public Works and the Planning Department on streetscape improvements.
- In the retail district from Manor/Victoria to Phelan/Geneva, OAA worked with Public Works to maintain the newly landscaped areas.
- For the area East of Geneva Avenue, two City-owned triangular areas were landscaped and modified for sitting by passers-by. A large mural was also painted at this area to make it more attractive to pedestrians and drivers.
- Continued to maintain and update the OAA website by making it more accessible to mobile phone users.
- Maintained the Ocean Avenue mobile parklet currently positioned outside the Ingleside Branch Library.
- 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.

- Continued the Second Sundays district promotion and entertainment program whereby participating businesses have offered live music and other entertainment on a monthly basis. At the end of the year OAA began a series of events at Unity Plaza to activate the area.
- 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 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.
- 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 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 Second Sundays promotion and marketing program via print and internet communications as well as social media.
- 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 Public Safety, Street Life and Business Committees.
- Work with the City on quality of life issues.
- Apply for grants to continue and expand improvements of the CBD corridor.

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 31 Howth Street = \$750.
- Holiday decorations: total of 6 hours of volunteer service provided by 15 volunteers in 2016 at a value of \$28.46/hour and 30 Lick volunteers for 3 hours. Total is \$5,123.
- Grants and services to the CBD, including \$15,000 for Second Sundays activation and \$20,500 Ocean Avenue Banners from Invest in Neighborhoods, \$37,968 for historic preservation district evaluation from Historic Preservation Fund Committee, \$25,000 for Unity Plaza programming from the District 7 Participatory Budgeting process/IIN, a \$20,000 grant for a public art project on the corridor from IIN, \$30,000 in Community Development Block Grant funding for small business support services, \$6,000 for OAA capacity building from IIN and continued SF Shines funding for business facade improvements awarded in the previous FY. Total new grants: \$154,468. (OAA also has an unspent \$40,500 grant for public art from the Mayor's Office of Housing.)

Services Plan for FY 2017-18

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 trashcans.
- 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 organize Ocean Avenue Business Safe, working with SF SAFE and continue to work with 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 corridor improvement plan, working with Public Works, San Francisco City College and San Francisco Planning as appropriate.
- Continue to work with Public Works on the installation of pedestal news racks throughout the district to replace the existing private news racks.
- Replace existing OAA banners on street light poles along Ocean Avenue.
- Encourage, help to fund and participate in marketing and promotion efforts to develop district identity such as Second Sundays, tree and garden volunteer planting and maintenance 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 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 2017-18 by the OAA board to account for cost of living increases allowed 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 discussed in the above section entitled "Fundraising."

Assessment Calculations

Zone 1 Fiscal Year 2017/18 Assessment Calculation Rates

Zone 1 – Assessment Category Description	2010/11 Original Rate	2017/18 Escalated Rate
Linear Street Foot for Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel	\$26.28 per linear street foot	\$29.97 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	\$23.95 per linear street foot
Building Square Foot for Commercial Property Use	\$0.1110 per building square foot	\$0.1266 per building square foot
Lot Square Foot for Commercial Property Use	\$0.0276 per lot square foot	\$0.0315 per lot square foot
Lot Square Foot for Phelan Loop Corner Landscaped Parcel	\$1.31 per lot square foot	\$1.49 per lot square foot
Lot Square Foot for Phelan Parcels Fronting and Accessed off of the Phelan Plaza	\$0.0574 per lot square foot	\$0.0655 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	2015 Escalated Rate
Linear Street Foot for Educational Institutional Property Use and Public Property Use	\$13.90 per Linear Street Foot	\$15.85 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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Year VIII Budget, Rev 1 (7/1/17)

Item	Amount
INCOME	
Assessment Revenue	
Assessment Revenue (current year)	\$ 311,579
Assessment Revenue (prior year(s))	\$ 74,969
Prior Year(s) Assessment Refund	\$ -
Prior Year(s) Assessment Bad Debt	\$ -
Subtotal Assessment Revenue	\$ 386,548
Other Revenue- Current Year	
Other Revenue (current year)	\$ -
Subtotal Other Revenue	\$ -
Grants- Current Year	
Staff Payroll (CDBG)	\$ 30,000
Historic Preservation Grant (16-18)	\$ 24,704
IIN Grant (Banners 16-18)	\$ 20,102
IIN Grant (Gateway Sculpture 16-18)	\$ 20,000
IIN Grant (Second Sundays 16-18)	\$ 15,000
Participatory Budgeting (Unity Plaza 2017)	\$ 25,000
Grants- Prior Year(s)	
MOH Public Art Grant (SFPW Triangles)	\$ 44,550
Park Merced Library Programming Grant	\$ 1,861
Subtotal Grants	\$ 181,218
Operating Reserve	
Carryover Net Income from FY 16-17	\$ 198,636
Subtotal Operating Reserve	\$ 198,636
Total Income	\$ 766,402

Item	Amount	Cleaning, Maintenance, & Safety	Marketing & Beautification	Management & Operations	Contingency & Reserves	Non-Assessment
EXPENSES						
Personnel*:						
<i>Full Time</i>						
Salary (Executive Director)	\$ 77,221	\$ 23,166	\$ 23,166	\$ 30,889		
Payroll Tax	\$ 5,907	\$ 1,772	\$ 1,772	\$ 2,363		
IRA Contribution	\$ 3,342	\$ 1,003	\$ 1,003	\$ 1,337		
<i>Part Time</i>						
Salary-Assessment (Small Business Program Manager)	\$ 15,114	\$ 4,534	\$ 4,534	\$ 6,046		
Salary-CDBG (Small Business Program Manager)	\$ 13,000					\$ 13,000
IRA Contribution-Assessment (Small Business Program Mgr)	\$ 1,220	\$ 366	\$ 366	\$ 488		
IRA Contribution-CDBG (Small Business Program Mgr)	\$ 1,000					\$ 1,000
Payroll Tax (Small Business Program Mgr)	\$ 2,151	\$ 430	\$ 645	\$ 1,075		
Salary-Assessment (Associate Director)	\$ 15,114	\$ 4,534	\$ 4,534	\$ 6,046		
Salary-CDBG (Associate Director)	\$ 13,000					\$ 13,000
IRA Contribution (Associate Director)	\$ 1,220	\$ 366	\$ 366	\$ 488		
IRA Contribution-CDBG (Associate Director)	\$ 1,000					\$ 1,000
Payroll Tax (Associate Director)	\$ 2,151	\$ 430	\$ 645	\$ 1,075		
Subtotal Personnel (Assessment)	\$ 123,441	\$ 36,602	\$ 37,032	\$ 49,806		
Subtotal Personnel (Non-Assessment)	\$ 28,000					\$ 28,000
Personnel Ratios	100%	24%	24%	33%		18%
Cleaning, Maintenance and Safety						
Landscape & Maintenance (Arborist Now)	\$ 31,000	\$ 31,000				
Safety and Security	\$ 2,800	\$ 2,800				
Sanitation and Graffiti Removal (Cleancescapes)	\$ 120,000	\$ 120,000				
Supplies and Materials	\$ 1,500	\$ 1,500				
Subtotal Cleaning, Maintenance & Safety	\$ 155,300	\$ 155,300				
Marketing and Beautification						
Advertising	\$ 5,000		\$ 5,000			
Beautification- Tree Planting and Landscaping	\$ 7,500		\$ 7,500			
Holiday Decorations	\$ 1,000		\$ 1,000			
Marketing - Events	\$ 4,000		\$ 4,000			
Ocean Avenue Mural Maintenance	\$ 2,500		\$ 2,500			
Professional Services	\$ 8,000		\$ 8,000			
Refreshments- Meetings and Volunteers	\$ 250		\$ 250			
Live Entertainment/Events	\$ 2,000		\$ 2,000			
Watering/gardening (plants and trees)	\$ 5,000		\$ 5,000			
Webhosting	\$ 175		\$ 175			
Subtotal Marketing & Beautification	\$ 35,425		\$ 35,425			
Management and Operations						
501(c)(3) Application	\$ 1,000			\$ 1,000		
Accounting Fees	\$ 6,550			\$ 6,550		
Annual Report and Meeting Expenses	\$ 1,500			\$ 1,500		
Assessment Roll Updating	\$ 2,000			\$ 2,000		
Banking Fees	\$ 100			\$ 100		
Bookkeeping Fees	\$ 6,000			\$ 6,000		
Dues, Subscriptions, Workshops	\$ 3,000			\$ 3,000		
Insurance - Liability, D&O	\$ 5,700			\$ 5,700		
Insurance - Parklet	\$ 825			\$ 825		
Legal Fees	\$ 10,000			\$ 10,000		
Licenses, Permits, Filing Fees	\$ 250			\$ 250		
Office Space Rental	\$ 15,000			\$ 15,000		
Office Supplies & Equipment	\$ 2,500			\$ 2,500		
Payroll Processing Fees	\$ 1,240			\$ 1,240		
Printing, Copying, Postage & Mailing Services	\$ 1,000			\$ 1,000		
Telephone, Telecom, Meeting Expense, Other	\$ 2,500			\$ 2,500		
Workers Compensation Insurance	\$ 1,500			\$ 1,500		
Subtotal Management and Operations	\$ 60,665			\$ 60,665		
Contingency & Reserves						
Contingency & Reserves - General	\$ 12,500				\$ 12,500	
Subtotal Contingency & Reserves	\$ 12,500				\$ 12,500	
Subtotal Non-Personnel Assessment Expenses	\$ 263,890	\$ 155,300	\$ 35,425	\$ 60,665	\$ 12,500	
Total Assessment Expenses	\$ 387,331	\$ 191,902	\$ 72,457	\$ 110,471	\$ 12,500	

Item	Amount	Cleaning, Maintenance, & Safety	Marketing & Beautification	Management & Operations	Contingency & Reserves	Non-Assessment
Non-Assessment Expenses						
Accounting Fees (CDBG)	\$ 2,000					\$ 2,000
Historic Preservation Grant (16-18)	\$ 24,704					\$ 24,704
IIN Grant (Banners 16-18)	\$ 20,102					\$ 20,102
IIN Grant (Gateway Sculpture 16-18)	\$ 20,000					\$ 20,000
IIN Grant (Second Sundays 16-18)	\$ 15,000					\$ 15,000
MOH Public Art Grant (SFPW Triangles)	\$ 44,550					\$ 44,550
Park Merced Library Programming Grant	\$ 1,861					\$ 1,861
Participatory Budgeting (Unity Plaza 2017)	\$ 25,000					\$ 25,000
Subtotal Non-Assessment Expenses	\$ 153,218					\$ 153,218
Total Non-Assessment Expenses (Including Payroll)	\$ 181,218					\$ 181,218
Total OAA Expenses	\$ 568,548					
Net Income/Cash Balance**	\$ 197,853					

Year VIII Budgeted Ratios	100%	50%	19%	29%	3%
Year VII Final Ratios (Will update 6/30/17)	100%	51%	21%	26%	3%
MDP Targets- 2010	100%	52%	18%	26%	4%

*Personnel expenses have increased by 3% from FY16-17 budget to account for cost of living increase

** Total Income less Total OAA Expenses. [Bank balance on 7/1/17 is \$198,636.34]

Grants Overview

OAA has secured \$181,218 in grant money to spend during the 2017-2018 fiscal year. This represents 46% of OAA's total assessment income (\$384,262). For every assessment dollar received, OAA staff has secured 46 cents in grant money. The following is a summary of grants awarded to date:

1. The Community Development Block Grant (CDBG) totals \$26,000 and contributes to staff wages for the Small Business Program Manager and Associate Director positions. OAA also receives \$4,000 in fees from CDBG, \$2,000 of which is for accounting support and \$2,000 for employee retirement accounts. CDBG is a three-year grant awarded for 2016-2019.
2. The Historic Preservation Grant from the Historic Preservation Funding Committee has \$24,704 remaining and will be spent by the fall of 2017 when OAA's historic preservation consultants finish their survey and report.
3. OAA currently has three active Invest In Neighborhoods grants from the Office of Economic and Workforce Development—Ocean Avenue Banners for \$20,102, Gateway Sculpture for \$20,000, and Second Sundays for \$15,000. These grants expire in June 2018.
4. District 7 Supervisor Norman Yee's Participatory Budgeting process awarded OAA \$25,000 to program events in Unity Plaza.
5. OAA has two prior-year grants—\$44,550 from the Mayor's Office of Housing and Community Development for the Ocean Avenue Gateway Sculpture, and \$1,861 from Park Merced (secured by Supervisor Yee) for Ingleside Library Movie Nights.

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 Service Category/Budget Line	2016-2017				2016-2017				Variance	Source
	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2017-18 Budget	General Benefit Dollars	FY 2016-17 Assessment Budget	% of Budget		
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 125,000.00	\$ 1,250.00	\$ 123,750.00	51.65%	\$ 177,733.00	\$ -	\$ 177,733.00	34.71%	-16.94%	Assessment Only
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 43,658.00	\$ 436.58	\$ 43,221.42	18.94%	\$ 158,451.00	\$ 85,500.00	\$ 72,951.00	30.89%	12.85%	Assessment and Grants
SA 73 - Ocean Ave CBD - Management and Operations	\$ 63,000.00	\$ 630.00	\$ 62,370.00	26.03%	\$ 163,652.00	\$ 73,968.00	\$ 89,684.00	31.90%	5.93%	Assessment and Grants
Contingency and Reserve	\$ 10,340.00	\$ 103.40	\$ 10,236.60	4.27%	\$ 12,500.00	\$ -	\$ 12,500.00	2.44%	-1.83%	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%	\$ 512,036.00	\$ 159,468.00	\$ 352,568.00	100.00%		

% Budget Assessment	Assessment Variance
50.41%	-1.24%
29.61%	2.57%
25.44%	-0.60%
3.55%	-0.73%

BENCHMARK 2: General Benefit Requirement

Revenue Sources	FY 2016-2017 Actuals	% of actuals	Source
Assessment Revenue	\$ 335,129.21		
Total Assessment (Special Benefit) Revenue	\$ 335,129.21	55.00%	
Contributions and Sponsorships	\$ -	0.00%	
Grants	\$ 73,510.31	12.00%	Grants secured by OAA
Donations	\$ -	0.00%	
Interest Earned	\$ -	0.00%	
Earned Revenue	\$ -	0.00%	
Other	\$ 209,716.85	32.94%	Carryover net income and other prior year income
Total Non-Assessment (General Benefit) Revenue	\$ 274,227.16	45.00%	
Total	\$ 609,356.37	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 Service Category/Budget Line	FY 2016-17 Budget					FY 2016-17					Variance (Assessment)	Variance (Total Budget)	Source
	FY 2016-17 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)			
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 177,733.00	\$ 177,733.00	\$ -	50.41%	34.71%	\$ 173,813.47	\$ 173,813.47	\$ -	52.69%	45.26%	2.28%	10.55%	Assessment
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 158,451.00	\$ 72,651.00	\$ 85,500.00	20.61%	30.89%	\$ 79,442.86	\$ 67,849.12	\$ 11,593.74	20.58%	20.69%	-0.02%	-10.20%	Assessment & Grants
SA 73 - Ocean Ave CBD - Management and Operations	\$ 163,652.00	\$ 89,684.00	\$ 73,968.00	25.44%	31.56%	\$ 130,766.49	\$ 88,149.53	\$ 42,616.96	26.72%	34.05%	1.29%	2.09%	Assessment & Grants
Contingency and Reserve	\$ 12,500.00	\$ 12,500.00	\$ -	3.55%	2.44%	\$ -	\$ -	\$ -	0.00%	0.00%	-3.55%	-2.44%	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	\$ 512,036.00	\$ 352,568.00	\$ 159,468.00	100.00%	100.00%	\$ 384,022.82	\$ 329,852.12	\$ 54,170.70	100.00%	100.00%	0.00%	0.00%	

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 2016-2010 Carryover Disbursement	Source	Spenddown Timeline
General Benefit Project		
Historic Preservation Survey	Historic Preservation Fund	Jun-18
Ocean Avenue Second Sundays 2017	Invest in Neighborhoods	Jun-18
Ocean Avenue Gateway Sculpture	Invest in Neighborhoods	Jun-18
Ocean Avenue Banners	Invest in Neighborhoods	Jun-18
Unity Plaza Activation & Org. Support	Invest in Neighborhoods	Dec-18
0		
0		
0		
General Project Total		
Special Assessment Project		
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	Assessment	To fund final year of operation
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	Assessment	To fund final year of operation
SA 73 - Ocean Ave CBD - Management and Operations	Assessment	To fund final year of operation
Contingency and Reserve	Assessment	To fund final year of operation
0		
0		
0		
Special Project Total		
Total Designated Amount for FY 2016-17		

OCEAN AVENUE ASSOCIATION

FINANCIAL STATEMENTS

June 30, 2017

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2016)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

OCEAN AVENUE ASSOCIATION

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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, 2017, 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, 2016 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 January 26, 2017. We have not performed procedures in connection with that review engagement since that date.

Croody & Lameda CPAs LLP

Oakland, California
February 16, 2018

OCEAN AVENUE ASSOCIATION
Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

	2017	2016
Assets		
Current Assets		
Cash	\$ 186,859	\$ 199,104
Assessments receivable	24,921	74,706
Grants receivable	10,455	3,200
Due from City	37,722	6,117
Total Assets	\$ 259,957	\$ 283,127
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	\$ 1,618	\$ 468
Unrestricted net assets	258,339	282,659
Total Liabilities and Net Assets	\$ 259,957	\$ 283,127

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

OCEAN AVENUE ASSOCIATION

Statement of Activities
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Support and Revenue		
Government grants	\$ 71,763	\$ 60,838
Assessment revenue	321,231	299,940
Miscellaneous income	4,001	5,950
Total Support and Revenue	<u>396,995</u>	<u>366,728</u>
Expenses		
Program	337,921	289,417
Management and General	59,520	72,188
Fundraising	23,874	-
Total Expenses	<u>421,315</u>	<u>361,605</u>
Change in net assets	(24,320)	5,123
Unrestricted Net Assets, beginning of year	<u>282,659</u>	<u>277,536</u>
Unrestricted Net Assets, end of year	<u>\$ 258,339</u>	<u>\$ 282,659</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (24,320)	\$ 5,123
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Assessments receivable	49,785	(29,055)
Grants receivable	(7,255)	(3,200)
Due from City	(31,605)	39,352
Accrued liabilities	1,150	468
Net cash provided (used) by operating activities	<u>(12,245)</u>	<u>12,688</u>
Net change in cash	(12,245)	12,688
Cash, beginning of year	<u>199,104</u>	<u>186,416</u>
Cash, end of year	<u>\$ 186,859</u>	<u>\$ 199,104</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	Program	Management and General	Fundraising	Total	
				2017	2016
Salaries	\$ 93,628	\$ 28,639	\$ 20,931	\$ 143,198	\$ 129,677
Retirement contributions	2,745	844	633	4,222	3,824
Employee benefits	883	270	198	1,351	1,044
Payroll taxes	7,679	2,349	1,718	11,746	11,355
Total Personnel	<u>104,935</u>	<u>32,102</u>	<u>23,480</u>	<u>160,517</u>	<u>145,900</u>
Grants	-	-	-	-	5,000
Accounting	-	11,620	-	11,620	11,560
Fee for service	228,436	265	-	228,701	163,921
Advertising and promotion	4,550	-	-	4,550	20,821
Supplies	-	2,204	116	2,320	2,995
Printing and publication	-	558	-	558	1,209
Information technology	-	1,863	98	1,961	890
Conferences and meetings	-	831	-	831	717
Dues, licenses, other fees	-	2,520	-	2,520	130
Insurance	-	6,947	-	6,947	6,462
Miscellaneous	-	610	180	790	2,000
Total Expenses	<u>\$ 337,921</u>	<u>\$ 59,520</u>	<u>\$ 23,874</u>	<u>\$ 421,315</u>	<u>\$ 361,605</u>

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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

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 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, 2017.

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

OCEAN AVENUE ASSOCIATION

Notes to the Financial Statements
For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

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, 2017.

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 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, 2017.

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, 2017. 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.

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, 2017 and is not aware of any significant uncertain tax positions for which a reserve would be necessary.

OCEAN AVENUE ASSOCIATION

**Notes to the Financial Statements
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

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 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, 2017.

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, 2017.

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, 2017.

OCEAN AVENUE ASSOCIATION

**Notes to the Financial Statements
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

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, 2016, 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 February 16, 2018 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 80% 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 \$4,222 and \$3,824 to the plan during the years ended June 30, 2017 and 2016, respectively.

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: March 26, 2018

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, 2016, and June 30, 2017.

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 2016-2017
2. CPA Financial Review Reports
 - a. FY 2016 - 2017
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 Supervisor approved the annual report for the Ocean Avenue Community Benefit District for FY 2014 – 2015 (Resolution # 141-16).
- March 21, 2017: the Board of Supervisor approved the annual report for the Ocean Avenue Community Benefit District for FY 2015 – 2016 (Resolution # 097-17).

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 as 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 2016-2017

Cleaning, Maintenance, and Safety

- Removed 520 instances of graffiti
- Collected 260 bags of compost
- Removed 2,496 bags or 62,400 pounds of litter
- 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 landscaping

- Painting city 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, OAA worked with Public Works to maintain the newly landscaped areas
- For the area East of Geneva Avenue, two City-owned triangular areas were landscaped and modified for sitting by passers-by. A large mural was also painted at this area to make it more attractive to pedestrians and drivers
- Continued to maintain and update the OAA website by making it more accessible to mobile phone users
- Maintained the Ocean Avenue mobile parklet currently positioned outside the Ingleside Library
- 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.
- 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.
- 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 necessary.
- Continue to update website
- Continue as an active member of the CBD/BID Consortium
- 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.
- 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

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 2016-2017

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 2016-2017 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000	51.65%	\$177,733.00	50.41%	-1.24%
Marketing, Streetscape Improvements, and Beautification	\$43,658	18.04%	\$72,651.00	20.61%	+2.57%
Management and Operations	\$63,000	26.03%	\$89,684.00	25.44%	-0.60%
Contingency and Reserves	\$10,340	4.27%	\$12,500	3.55%	-0.73%
TOTAL	\$241,998	100%	\$352,568.00	100%	

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 \$321,231 or 80.92% of actuals and non-assessment revenue was \$75,764 or 19.08% of actuals. See table below.*

Revenue Sources	FY 2016-2017 Actuals	% of Actuals
Special Benefit Assessments	\$321,231	
Total assessment revenue	\$321,231	80.92%
Grants	\$73,510.31	18.08%
Other	\$4,001	1.01%
Total non-assessment revenue	\$75,764	19.08%
Total	\$396,995	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 2016-2017 Budget	% of Budget	FY 2016 - 2017 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$177,733.00	50.41%	\$173,813.47	52.69%	+2.28%
Marketing, Streetscape Improvements, and Beautification	\$72,651.00	20.61%	\$67,889.12	20.58%	-0.02%
Management and Operations	\$89,684.00	25.44%	\$88,149.53	26.72%	+1.28%
Contingency Reserve	\$12,500	3.55%	\$0.00	0%	-3.55%
TOTAL	\$352,568.00	100%	\$329,852.12	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 2016-17 Carryover Disbursement	\$198,636
--	------------------

Designated Projects for 2016-2017	
Cleaning, Maintenance and Safety	\$107,263.62
Marketing, Streetscape Improvements and Beautification	\$41,713.63
Management and Operations	\$43,699.99
Contingency and Reserves	\$5,959.09
Total Designated Amount for Future Years	\$198,636.34

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 19% 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 15-16 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.

Ocean Avenue CBD worked with the SF Shines program to improve the storefront appearance of small businesses on Ocean Avenue and worked with RapidRenu in the first half of FY 16-17 to remove glass graffiti at a number of Ocean Avenue business.

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 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.

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: Ken Rich, Acting Co-Director, Office of Economic and Workforce Development
Joaquin Torres, Acting Co-Director, Office of Economic and Workforce Development
Ben Rosenfield, City Controller, Office of the Controller

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

DATE: June 12, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Yee on June 5, 2018:

File No. 180628

Resolution receiving and approving an annual report for the Ocean Avenue Community Benefit District for FY2016-2017, 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: Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development
J'Wel Vaughan, Office of Economic and Workforce Development
Todd Rydstrom, Office of the Controller
Michelle Allersma, Office of the Controller
Carol Lu, Office of the Controller

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

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2010 JUN -5 PM 3:51

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or meeting date

BY

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:

For Clerk's Use Only