

File No. 200644

Committee Item No. 4

Board Item No. 32

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: Sept. 17, 2020

Board of Supervisors Meeting:

Date: Sept. 29, 2020

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>OEWD Presentation – September 17, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report – FY2018-2019</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CPA Report – FY2018-2019</u>               |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo – June 2, 2020</u>               |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI – June 24, 2020</u>           |

Prepared by: John Carroll

Date: Sept. 11, 2020

Prepared by: John Carroll

Date: Sept. 25, 2020

1 [Ocean Avenue Community Benefit District - FY2018-2019 Annual Report]

2

3 **Resolution receiving and approving an annual report for the Ocean Avenue Community**  
4 **Benefit District for FY2018-2019, 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

25

1           WHEREAS, On September 17, 2019, the Board of Supervisors approved the Ocean  
2 Avenue CBD's annual reports for FY2017-2018 in Resolution No. 401-19; and

3           WHEREAS, The Ocean Avenue CBD has submitted for the Board's receipt and  
4 approval the annual report for FY2018-2019 as required by Section 36650 of the Act and  
5 Section 3.4 of the Management Contract; and

6           WHEREAS, The annual report for FY2018-2019 is on file with the Clerk of the Board of  
7 Supervisors in File No. 200644, 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 June 2, 2020, and documentation from the Ocean Avenue CBD for the FY2018-2019 annual  
12 report are on file with the Clerk of the Board of Supervisors in File No. 200644; now, therefore,  
13 be it

14           RESOLVED, That the Board of Supervisors hereby receives and approves the annual  
15 report for the Ocean Avenue Community Benefit District for FY2018-2019.



# Ocean Avenue Community Benefit District FY 2018-2019 Annual Report



# 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 18-19

- 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*	FY 2018-19 Assessment Roll Submission	Year Established	Expires
	Property-Based	\$ 239,578	\$ 320,436	2010	June 30, 2025

*\*budget identified in management plan*



# OACBD 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. S

- **Beautification**

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

- **Administration and Corporate Operations**

- Admin and operations includes oversight of service contract, implementation of major projects, staffing the Board of Directors and Committees, and general day to day operations.





# 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.**

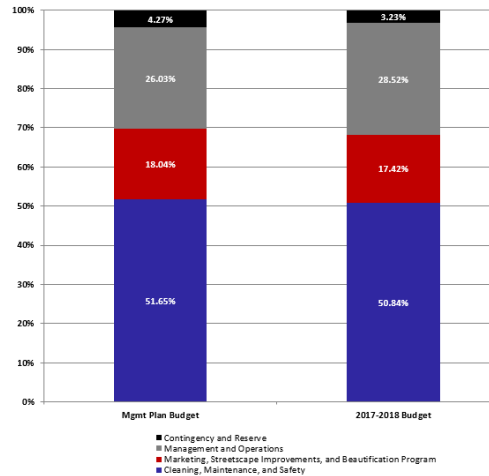
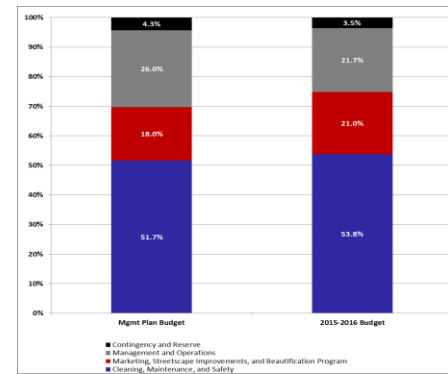
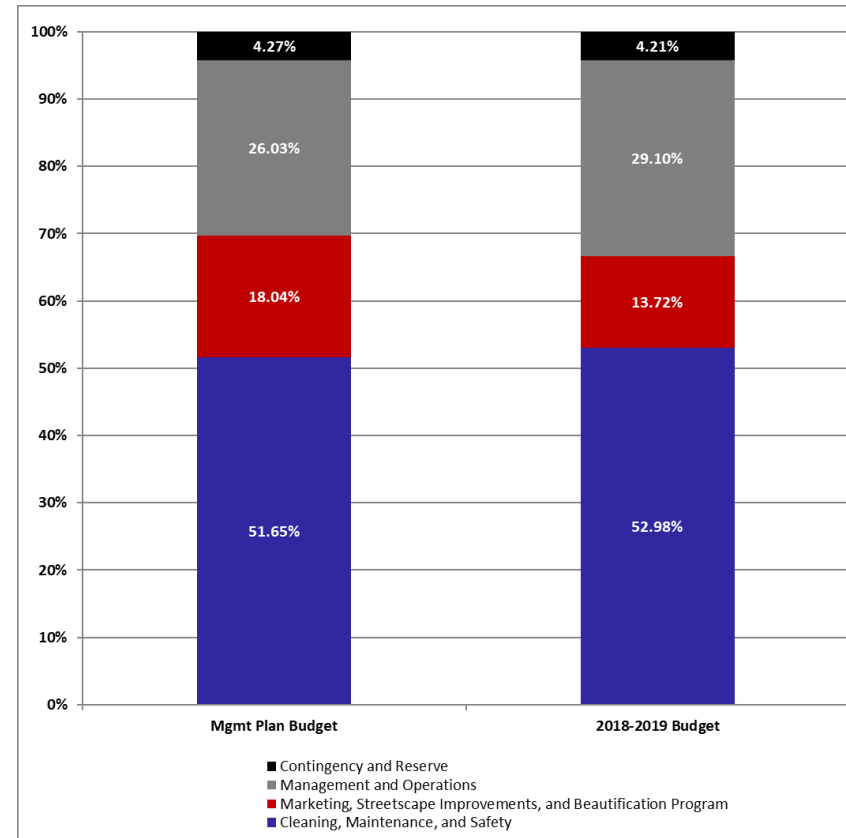
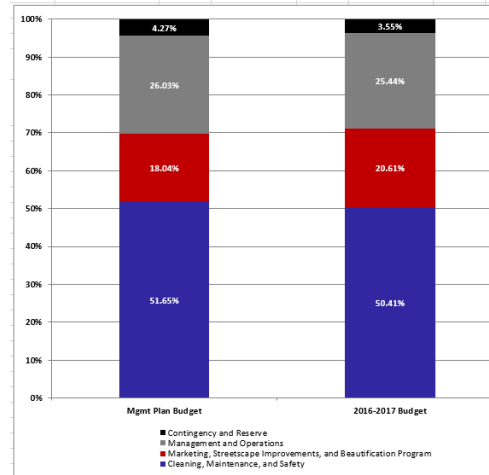
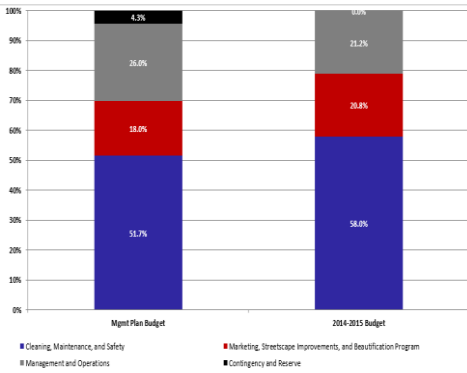
**Benchmark 2 – Whether one percent (1%) of Ocean Ave CBD's actuals came from sources other than assessment revenue.**

**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.**

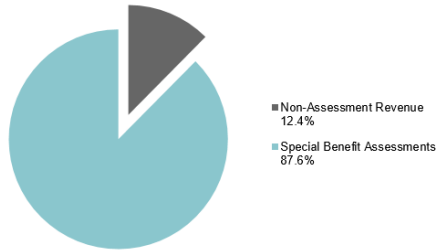


# Management Plan vs. Annual Budgets

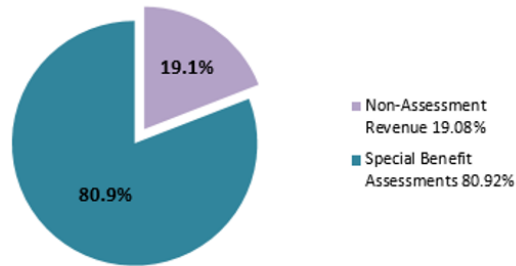


# Assessment Revenue & Other Income

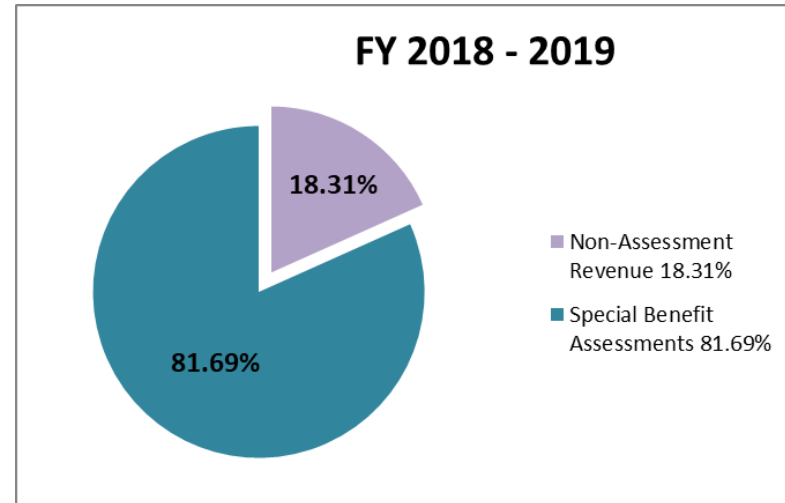
FY 2014 - 2015



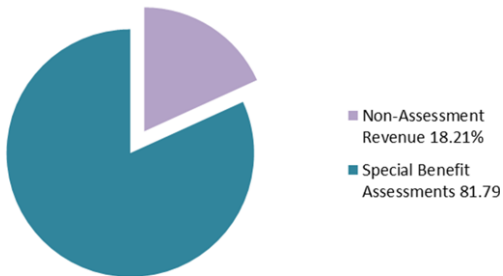
FY 2016 - 2017



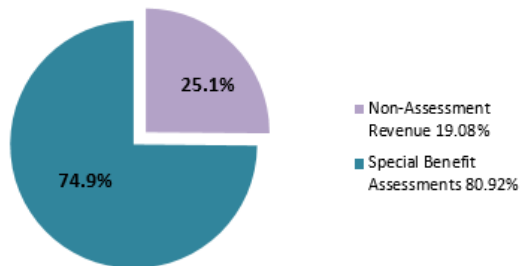
FY 2018 - 2019



FY 2015 - 2016



FY 2017 - 2018



# Budget vs Actuals

Service Category	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points	FY 2017-2018 Variance % Points	FY 2018-2019 Variance % Points
Cleaning, Maintenance, and Safety	+3.70%	+2.28%	+6.18%	-0.09%
Marketing, Streetscape Improvements, and Beautification	-4.74%	-0.02%	+1.13%	+2.59%
Management and Operations	+3.14%	+1.28%	-4.08%	+1.70%
Contingency/Reserve	-2.11%	-3.55%	-3.23%	-4.21%



# Carryover

FY 2018-2019 Carryover Disbursement	
Designated Projects for 2019-2020	
Cleaning, Maintenance, and Safety	\$ 60,174.00
Marketing, Streetscape Improvements, and Beautification	\$ 20,828.00
Management and Operations	\$ 30,085.00
Contingency and Reserves	\$ 4,628.00
<b>Total Designated Amount</b>	<b>\$ 115,715.00</b>



# Findings, Recommendations, and Conclusion

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

- Implemented OEWD recommendations from FY 17-18 Annual Report
- Partnered with District 7 Supervisor Norman Yee to host the first annual Ocean Avenue Lunar New Year Celebration
- OEWD believes the CBD could benefit from an in-depth review to evaluate the overall effectiveness of the organization to ensure it is operating at its highest possible capacity and conduct robust stakeholder outreach to determine the direction of the organization should it be renewed. OEWD believes the organization should develop a strategic plan that will look at short term, mid-term, and long term needs of the district and focus on: 1) ensuring the management structure of the district is effective and what management structure would be the most effective including relating to board/staff relationships, 2) gauging the overall effectiveness of core CBD programs and provide recommendations on how they could be improved, 3) 8 improving the CBD's overall effectiveness and respect in the broader Ocean Avenue community, 4) identify strategies to ensure the long-term financial stability of the organization, especially related to non-assessment resource sources
- The CBD is seeking an early renewal (set to expire in 2025)
  - OEWD recommends that the CBD that the CBD fully explore expansion areas down, including up to Ocean Avenue's intersection with Junipero Serra Boulevard. The Ocean Avenue corridor is incredibly diverse, including many Cantonese speaking businesses. Although the CBD should be commended for increased efforts to provide outreach to monolingual communities, it should continue to build on this especially in respect to a renewal and expansion campaign
- OEWD recommends recommendations from the strategic plan and review be specifically implemented in future management plan for a renewed and expanded district
- The CBD maintained an active board of directors and several sub committees
- OEWD believes the Ocean Avenue CBD is a well-run organization that will continue to carry out its mission.



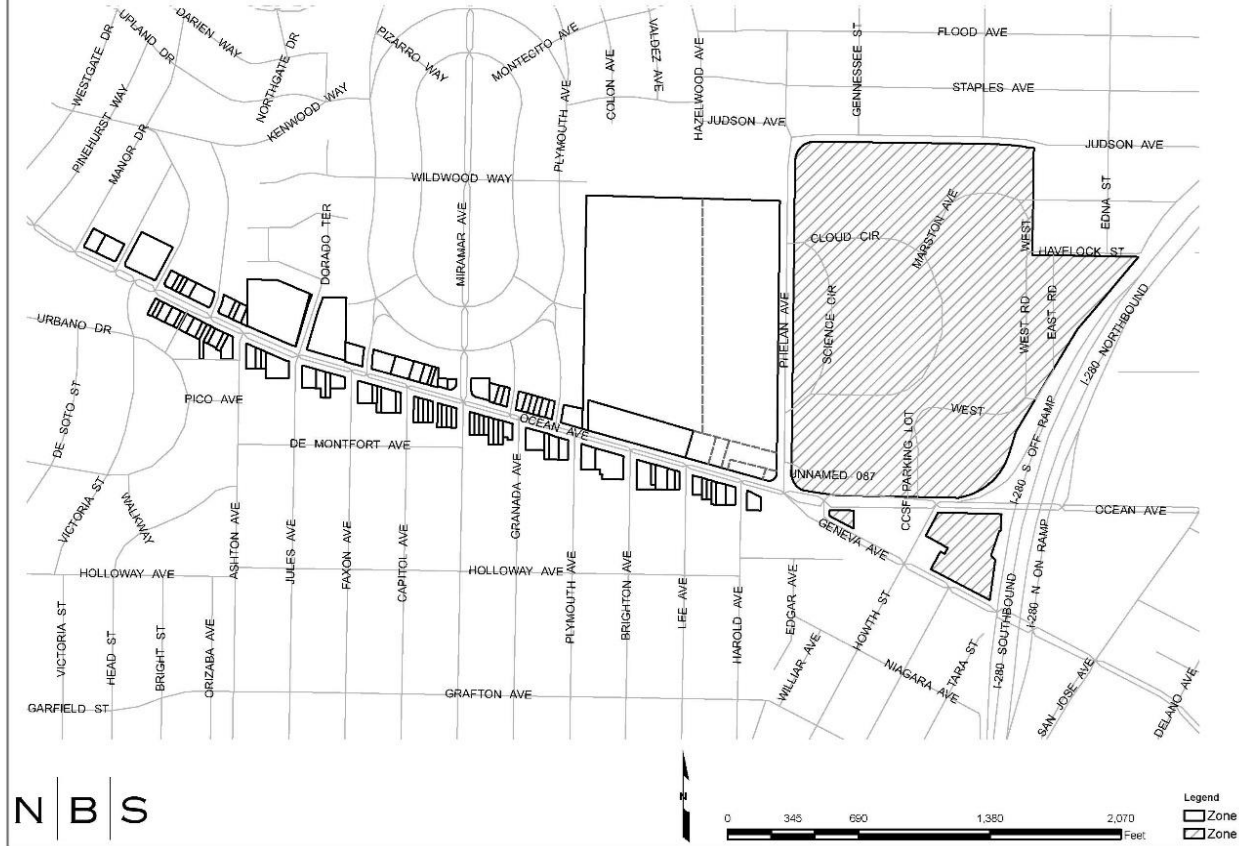
# Ocean Avenue Association



# Area Map of the CBD

Page 1 of 7  
Map Detail Showing Block and Lot Numbers

## BOUNDARY MAP CITY AND COUNTY OF SAN FRANCISCO OCEAN AVENUE COMMUNITY BENEFITS DISTRICT





# Active Committees

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

# Partner Organizations

- Western Neighborhoods Project
- Livable City
- 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
- San Francisco Planning Department
- Bay Area Rapid Transit District
- Ingleside Branch Library
- City College of San Francisco

# Grants (2018-2020)

OAA provides additional services to our assessment payers as well as the surrounding community with grant funded projects. To support our small businesses we employ a coordinator funded by a CDBG grant. To understand the corridor's assets and difficulties we are completing a public life study this year. To plan a possible CBD expansion we have received an organizational support grant. To improve small businesses facades we have applied for and received SF Shines grants.

# Grants (2018-2020) continued

To improve the corridor we have received grants to design and build the Ingleside Library Gateway sculpture. From the District 7 Participatory Budget program we were awarded funds to improve Unity Plaza's lighting a mural grant and crosswalk improvements. For the past two years we have received grant funding to co-sponsor with Supervisor Norman Yee Lunar New Years events. Grants enable us to conduct projects connected to our goals of cleaning, maintenance, promotion and beautification.

# Events + Highlights- Cleaning, Maintenance and Safety

- Cleanscapes provides street/sidewalk maintenance service six days per week 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 maintains sidewalk gardens on Ocean Avenue and on perpendicular side streets visible from Ocean.
- OAA's projects utilize neighborhood volunteers for planting and garden maintenance
- OAA maintains the Ocean-Geneva Green Spaces, which OAA established in 2017.

# Events + Highlights- Marketing

- OAA organized Second Sundays—a music and events series held in small businesses and community spaces—through December 2017.
- Beginning in January 2018, OAA staff organized events in Unity Plaza, establishing a monthly pop-up arts and crafts market with live music.





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

# Challenges

- High rents and design-challenged business spaces lead to long-term vacancies.
- Property owners and business owners underinvest in their storefronts, giving some facades a shopworn appearance.
- Prospective development projects are positioned to displace longtime businesses and replace historic ground floor retail spaces on Ocean Avenue.

# Opportunities

- There is high interest in the neighborhood for public art and music, events and entertainment. OAA is working to program free public events and install new public art works on the corridor.
- New businesses establishing on Ocean Avenue bring the potential for business owners to participate in advocating for the Ocean Avenue community.
- Development projects on Ocean Avenue have the potential to provide new retail spaces in a variety of sizes.

# Projects + Visions

- Promote public programs at Unity Plaza
- Pursue maintenance agreement for Balboa Park BART station area and other transit yards and public lands adjacent
- Successfully raise funds for a new sculptural gateway at Ingleside Library
- Develop and promote projects in the OAA's Fifteen Year Plan for the CBD corridor that focus on the SFMTA transit station area around the Balboa Park BART Station

# Thank You





# OCEAN AVENUE ASSOCIATION

## Community Benefit District



Muralist Amos Goldbaum and Auto 280 owner Gary Ng in front of the "Ocean Avenue North & South."

# 2018-2019

# ANNUAL REPORT

# HELLO, NEIGHBOR!

The Ocean Avenue Association has started its ninth year of providing cleaning, maintenance, beautification, and marketing services to the Ocean Avenue Community Benefits District. Here is a summary of OAA's accomplishments in Fiscal Year 2018-2019.

## **Cleaning and Maintenance**

Recology CleanScapes provides cleaning and maintenance services for the district six days a week and Arborist Now provides tree pruning and maintenance services as needed. In the last year, OAA worked with San Francisco Public Works, the Municipal Transportation Agency, and 311 on issues of trash containers, trash management, and trash on the streets and sidewalks.

OAA advocates for transportation improvements to Ocean Avenue to provide pedestrian and bicyclist safety and landscaping from Geneva to San Jose avenues, including the Interstate-280 Ocean Avenue off-ramp realignment plan. OAA has been working with BART to get better cleaning and maintenance at the Balboa Park BART Station.

We believe that people need more options for getting around the neighborhood, and in 2018 we advocated for e-scooters on Ocean Avenue. In the wake of three pedestrian fatalities on Ocean Avenue in the recent past, OAA has advocated for Vision Zero improvements, worked with the County Transportation Authority, and MTA to improve pedestrian safety conditions along the corridor, particularly for dangerous pedestrian intersections along Ocean Avenue.

Ocean Avenue has two San Francisco Police Department foot beat officers, Officers Drewkai Butler and Mikey Devine, who have developed good working relations with small business own-

ers along the corridor. OAA staff interact with the officers as well about a variety of concerns.

## **Beautification and Promotion**

Public art and gardens make the corridor more attractive to merchants, residents, and visitors alike. OAA is committed to commissioning more public artwork for the corridor as a multi-year effort. In the past year, OAA established the Ingleside Public Art Fund for murals and mosaics as project of the Ingleside Community Fund, the OAA's 501(c)(3) non-profit arm.

Since 2013, OAA has created sidewalk gardens throughout the corridor, in partnership with Public Works and Friends of the Urban Forest. In Fiscal Year 2018-2019, OAA's staff and board of directors continued to plan and design additional landscaped gardens along side streets close to Ocean such as Capitol and Harold avenues. Also we have revitalized small landscaped areas by weeding, watering, and adding new plants along the corridor. Our major sculpture project is a gate at Ingleside Library, which will serve as a connection to the planned pedestrian and bicycle pathway to and from the Balboa Reservoir housing development to the corridor.

We are researching nighttime lighting enhancements for the retail district and Unity Plaza. In this past year we won a participatory budgeting grant to enhance the lighting at Unity Plaza.

OAA received District 7 Participatory Budgeting funding to program Unity Plaza with arts and crafts tabling and music events. OAA has also been working with the new owners of the Timothy Pflueger-designed El Rey theater at 1970 Ocean Avenue, now a city landmark. Besides preserving its unique design, the revitalization of the El Rey Theater offers a great economic development opportunity, bringing attention to the adjacent blocks, long blighted by vacant storefronts, on the Western end of the retail district. OAA also worked with the Office of Economic and Workforce Development's SF Shines to commission a mural by Amos Goldbaum named "Ocean Avenue North & South" at the Auto 280 building.

### Business Services

OAA worked with many business owners to secure beer and wine permits and extend their hours and offerings to purchase their buildings or get free services from nonprofit providers. We have worked with the businesses remaining at the 1601 Ocean development, a project that started in 2009. We also work to fill vacant storefronts with appropriate uses. This past year, OAA conducted an informal survey of Ocean Avenue business patrons to propose types of businesses they want on Ocean Avenue. This helps us to get the right fit for empty storefronts. OAA assisted Ocean Cyclery and Randy's Place in joining the Legacy Business registry.

### Commercial Corridor Planning

OAA continues to guide a multi-year effort to create a Historic Preservation Survey for Ocean Avenue. The survey identifies potential significant historic buildings on the corridor. Small buildings and storefronts allow for small business tenancy and contribute to the neighborhood's walkability and overall character. The survey can also be used in the future to designate a historic district on the corridor. After leading the charge to landmark the former El Rey theater, OAA engaged the owners about revitalizing the storefronts, facade, lobby, and auditorium. Rehabilitating this building would restore retail and



### OAA is working to revitalize the former El Rey theater for the health of the corridor.

cultural life back to the western end of the retail corridor. Residents and merchants have responded positively to this approach.

We believe this arts and landscaping approach along with historic preservation, helps us plan the future of Ocean Avenue and thereby the Ingleside community.

### Moving Forward

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

*Dan Weaver*

Dan Weaver,  
Executive Director



# BUSINESS SERVICES

OAA has a grant-funded small business specialist to assist the avenue's independent businesses grow and tackle the pernicious storefront vacancies. Here's a recap of what the small business specialist achieved in the 2018-2019 fiscal year.

**STOREFRONT ACCESSIBILITY SEMINAR** With the Office of Small Business and the Department of Building Inspection, the OAA organized an Accessible Business Entrance Ordinance Informational Seminar in March for property owners and small businesses to learn about the 2016 law that authorized new timelines for storefronts to become compliant with the Americans with Disabilities Act. OAA reached out to all the property owners by mailing and delivering flyers in both English and Cantonese.

**STOREFRONT VACANCIES** The best way to measure the commercial corridor's economic health is to measure the storefront vacancy rate. Every month, OAA conducts a review of non-performing storefronts and posts a Commercial Space Inventory report. The information is useful to prospective business owners. The reports are available on [www.oceanavenueassociation.org/resources](http://www.oceanavenueassociation.org/resources).

**LEGACY BUSINESSES** The OAA spearheaded the addition of two outstanding Ingleside businesses to San Francisco's Registry of Legacy Businesses. The OAA wrote applications for Randy's Place and Ocean Cyclery. The site of Randy's Place has been a saloon since the 1890s. Owner-operator Sue Castle has been serving affordable drinks in Ingleside since April 1969. Ocean Cyclery was founded in 1996 by Jeff Taliaferro and serves the region with its unique offerings in both retail and repairs. OAA is in the process of submitting three more Legacy Business applications.

**RETAIL DISTRICT SURVEY** In March and April 2019, the OAA conducted a community survey about desired retail experiences on the corridor. Its 260 responses showed that the community desires more full-service restaurants, book and periodical shops, and cafes.

Respondents specifically desire an entertainment venue, wine bars, bakeries, book stores, Italian restaurants, Mexican restaurants, pizzerias, and bars.

There was overwhelming support for allowing more than one business operate out of a storefront and to more easily allow formula retail that was homegrown but not outside chain stores. Strong support was given to pop-ups. Respondents indicated that they want more landscaping, murals, and lighting too.

**LEASE ASSISTANCE** OAA makes it a priority to business obtain new leases or modify existing leases.

- 3 New leases
- 2 Modified leases

**PERMITS AND LICENSES ASSISTANCE** The OAA makes it a priority to assist businesses get through the city bureaucracy to obtain permits.

- 1 Sidewalk Seating
- 1 Limited Live Performance
- 2 Beer and Wine

**BUILDING PURCHASE** OAA assisted Ocean Ale House negotiate a new lease, and then enter a purchasing agreement to buy their building, a move that will secure their business for decades to come.

**BUSINESS ATTRACTION** OAA worked with a dozen prospective businesses to show them vacant storefronts on the corridor and refer them to free services.

# PROMOTING INGLESIDE



The Ocean Avenue Association is committed to activating and marketing the commercial corridor. In the last fiscal year, staff organized or co-organized 11 events and supported 12 events put on by other community organizations.

## OAA EVENTS

- July 21, 2018** Ocean Avenue Arts Bazaar in Unity Plaza
- August 23, 2018** Ocean Avenue Arts Bazaar with City College of San Francisco in Unity Plaza
- September 15, 2018** Ocean Avenue History Bar Crawl with Western Neighborhoods Project at three different small businesses
- October 13, 2018** Unity Plaza Community Clean-Up led by community members
- October 13, 2018** Ocean Avenue Arts Bazaar in Unity Plaza
- October 13, 2018** Taste of Ingleside at six different small businesses
- November 8, 2018** Ocean Avenue Arts Bazaar with Loc-Tham Real Estate Group Children's Book Drive
- December 8, 2018** Ocean Avenue Holiday Arts Bazaar in Unity Plaza
- May 11, 2019** Ocean Avenue Sidewalk Sale with Ingleside Merchants Association
- June 15, 2019** Taste of Ingleside at eight different small businesses
- June 15, 2019** Ocean Avenue Wine Tasting at Fog Lifter Cafe

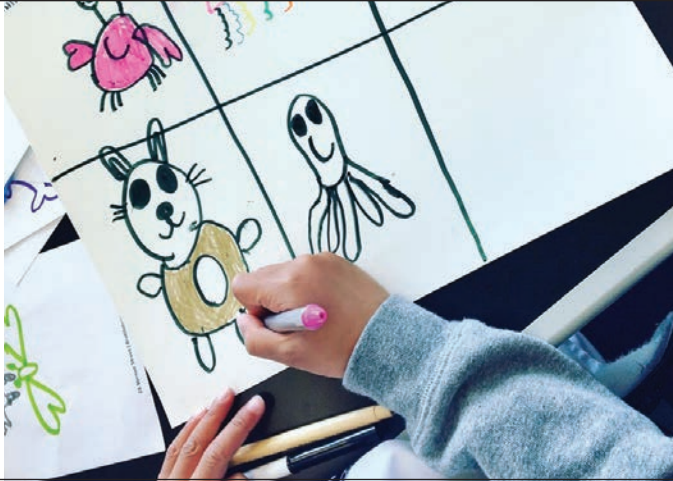
## EVENTS SUPPORTED BY OAA

- October 1, 2018** Ocean Bloom Utility-Box Art Ribbon Cutting hosted by Youth Art Exchange
- October 28, 2018** OMI-CPP's Halloween Block Party on Faxon Avenue
- November 24, 2018** Small Business Saturday Sidewalk Sale with Ingleside Merchants Association
- November 17, 2018** Toy Drive at The Ave Bar with the San Francisco Firefighters Local 798
- February 9, 2018** Supervisor Norman Yee's Lunar New Year Celebration
- March 16, 2019** Ocean Avenue Block Party, hosted by Lick-Wilmerding High School and Youth Art Exchange
- April 4, 2019** Randy's Place 50th Anniversary and Legacy Business Celebration
- April 17, 2019** Munch and Mingle with Taraval Police Station
- April 28, 2019** Drive Electric Earth Day
- May 16, 2019** Film Screening & Discussion of "Demain" (Tomorrow) at Lick-Wilmerding High School
- May 27, 2019** Ingleside Crawfish Cookout at The Ave Bar
- June 22, 2019** OMI-CPP's OMI Antique and Exotic Car Show

# PIVOTAL PROJECTS

Aside from managing the OAA's regular contracts for maintenance, cleaning and administration, OAA staff and board members work on numerous special projects throughout the year.

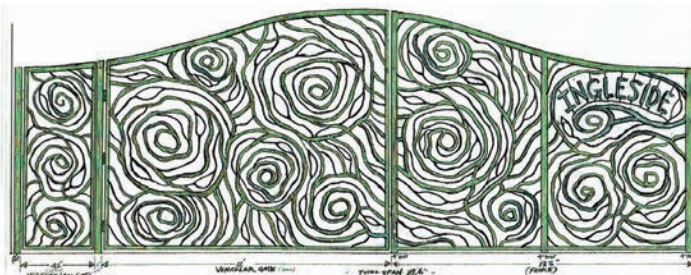
**A CLEANER INGLESIDE** OAA launched an anti-littering education campaign led by Ingleside resident Della Duncan resulting in several unique posters promoting neighborhood cleanliness designed by local children. The posters are currently being posted throughout the neighborhood.



**AUTO 280 MURAL** Last year, OAA and SF Shines had a new mural designed and painted by San Francisco artist Amos Goldbaum on Auto 280.



**PUBLIC LIFE SURVEY** OAA contracted Livable City to do a Public Life Survey to gauge the level of public amenities such as walkability, availability of gathering spaces, and business composition. It will be completed in the Fall of 2019.



Ingleside Gateway, Design #3d (with sign) 6-7-19

**INGLESIDE LIBRARY GATEWAY** OAA has contracted with sculptor Eric Powell to design and fabricate a bold gate for the entrance of the Ingleside Library garden. The grant-funded project is expected to be completed in the winter.

**HISTORIC DISTRICT** OAA's grant-funded historic district survey focusing on Ocean Avenue's historic building's and African American population will be completed in the fall.



# SERVICES RECAP

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

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

## **District Identity and Streetscape Improvements**

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

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

## **Administrative and Corporate Operations**

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

# ASSESSMENT METHODOLOGY + FINANCIALS

## Assessment Methodology

The assessment was raised 3.0% for FY 2019-2020.

The proposed annual budget, including a cost estimate of providing the improvements and activities for FY 2019-2020, 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 \$130,803. The amount of any contributions made other than assessments are discussed in the above section entitled "Fundraising."

## ZONE 1 ASSESSMENT CALCULATION 2019-2020 RATE CHART

Commercial, Residential, & Public Uses & City College Terminal Parcel.....	\$31.79 per Linear Street Foot
Non-Profit Service Organization and Religious Institutional Uses.....	\$25.40 per Linear Street Foot
Commercial Property Use.....	\$0.13 per Building Square Foot
Commercial Property Use.....	\$0.03 per Lot Square Foot
City College Terminal Corner Landscaped Parcel.....	\$1.59 per Lot Square Foot
Frida Kahlo Way Parcels Fronting and Accessed off of Unity Plaza.....	\$0.07 per Lot Square Foot

## ZONE 2 ASSESSMENT CALCULATION 2019-2020 RATE CHART

Educational Institutional Property Use and Public Property Use.....	\$15.78 per Linear Street Foot
---	--------------------------------

## JULY 2018 - JUNE 2019 STATEMENT

Income	Actuals	Budget	Variance
Assessments	\$ 319,731.00	\$ 354,497.00	\$ 34,766.00
Grants	\$ 45,865.00	\$ 150,950.00	\$ 121,245.00
Other	\$ 30,775.00	\$ 30,775.00	\$ --
Operating Reserve	\$ 225,189.00	\$ 225,189.00	\$ --
Total Income	\$ 623,560.00	\$ 761,411.00	\$ 137,851.00
Expenses	Actuals	Budget	Variance
Personnel	\$ 177,658.00	\$ 155,925.00	\$ (21,733.00)
Management & Operations	\$ 67,679.00	\$ 65,165.00	\$ (2,514.00)
Cleaning, Maintenance & Safety	\$ 166,570.00	\$ 173,500.00	\$ 6,930.00
Marketing & Beautification	\$ 41,687.00	\$ 36,050.00	\$ (5,637.00)
Contingency & Reserves	\$ --	\$ 15,000.00	\$ 15,000.00
Grant-Funded Projects	\$ 39,163.00	\$ 149,500.00	\$ 110,337.00
Total Expenses	\$ 492,757.00	\$ 595,140.00	\$ 102,383.00
Net Income	\$ 130,803.00	\$ 166,271.00	\$ 35,468.00

### July 2018 - June 2019 Balance Sheet

	Actuals
Assets	
Cash	\$ 115,715.00
Receivables	\$ 19,292.00
Other	\$ 6,500.00
Total Assets	\$ 141,507.00

Liabilities	Actuals
Accounts Payable	\$ --
Other	\$ --
Total Liabilities	\$ --
Total Net Assets	\$ 141,507.00

## JULY 2019 - JUNE 2020 BUDGET

Assessments	\$ 347,018.00
Grants	\$ 128,824.00
Other	\$ 30,000.00
Operating Reserve	\$ 130,803.00
Total Income	\$ 636,645.00

Expenses	Budget
Personnel	\$ 160,543.00
Management & Operations	\$ 44,290.00
Cleaning, Maintenance & Safety	\$ 180,500.00
Marketing & Beautification	\$ 42,050.00
Contingency & Reserves	\$ 15,000.00
Grant-Funded Projects	\$ 130,824.00
Total Expenses	\$ 573,207.00
Net Income	\$ 63,438.00



### Cleaning and Maintenance

OAA contracts with Recology's Cleanscapes to perform daily maintenance of the corridor.

Below is a breakdown of the work done during the fiscal year.

- 62,570** Pounds of trash removed
- 689** Human and Animal Waste Pickups
- 422** Instances of Graffiti Removal
- 570** Instances of Steam Cleaning
- 27** Needle Pickups
- 174** Illegal Dumping 311 Calls

# DEVELOPMENT

Year after year, OAA is awarded grants to perform necessary projects along Ocean Avenue's commercial corridor. Making the best use of our charitable status is necessary to do this.

## GRANT FUNDING AWARDED

Between July 1, 2018 and June 30, 2019, OAA won three grants totaling \$65,000 that will benefit the neighborhood. That's nearly a quarter of the OAA's annual operating budget.

**\$30,000** In May 2018, OAA secured a Community Development Block Grant for \$30,000 to provide technical assistance to businesses on Ocean Avenue. This money allows for one half-time staff person to connect Ocean Avenue merchants with free resources such as lease negotiation consulting, marketing and promotional efforts and grant and loan opportunities.

**\$25,000** Through District 7 Participatory Budgeting 2018 Cycle, residents of District 7 voted in April 2019 to support OAA's proposal to install decorative lighting at Unity Plaza. The project is expected to begin in the fall of 2019.

**\$5,000** In April 2019, District 7 residents voted to award OAA's proposal for \$5,000 to fund children's programming at Ingleside Library through District 7 Participatory Budgeting.

**\$5,000** In June 2019, the Historic Preservation Fund Committee awarded OAA \$5,000 to complete work on the Ocean Avenue Historic Resource Survey so that the survey can be officially adopted by the Planning Commission.

## 501(c)(3) CONVERSION

In order to more easily raise funds and to be eligible for foundation grants and more government grants, OAA has been working to convert its 501(c)(4) tax status to 501(c)(3) status. OAA has hired nonprofit law firm Adler & Colvin to manage the conversion, which is expected to be completed in 2019.

## FISCAL SPONSORSHIP PROGRAM

OAA is the fiscal sponsor for the Ingleside Merchants Association, which has allowed that organization to secure a grant to create a Discover Ingleside guide to be distributed in local businesses.

Additionally, OAA acted as the fiscal sponsor for Supervisor Norman Yee's Lunar New Year Cele-

bration on Ocean Avenue in February 2019. OAA staff coordinated payment of all expenses related to the event, including food, entertainment and promotion.

## INGLESIDE COMMUNITY FUND

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

In the past fiscal year, Ingleside Community Fund has raised \$3,334 for Public Art on Ocean Avenue by hosting fundraising events.

# WHO WE ARE

## OCEAN AVENUE ASSOCIATION STAFF

EXECUTIVE DIRECTOR

Dan Weaver

ASSOCIATE DIRECTOR

Neil Ballard

## BOARD OFFICERS

CHAIR / PUBLISHER / THIS SAN FRANCISCO

Alexander Mullaney

VICE CHAIR / OWNER / OCEAN ALE HOUSE

Miles Escobedo

TREASURER / ATTORNEY / PACHULSKI STANG ZIEHL  
& JONES LLP

Henry Kevane

SECRETARY / MANAGER / WHOLE FOODS MARKET

Janene Summerland

## BOARD DIRECTORS

PRINCIPAL / CHUNG ENTERPRISES LP

Howard Chung

SENIOR MANAGER / BAMTECH MEDIA

Shirley Lima

DIRECTOR OF CENTER FOR CIVIC ENGAGEMENT /  
LICK-WILMERDING HIGH SCHOOL

Christy Godinez-Jackson

OWNER / FAXON GARAGE

Walee Gon

PUBLIC AFFAIRS OFFICER / CITY COLLEGE OF SAN  
FRANCISCO

Jeff Hamilton

OWNER / THE AVE BAR

Lucia Fuentes-Zarate

OWNER / LOC-THAM REAL ESTATE GROUP

Peter Tham

## STREET LIFE COMMITTEE

CHAIR / OWNER / OCEAN ALE HOUSE

Miles Escobedo

## BUSINESS COMMITTEE

CHAIR / PUBLISHER / THIS SAN FRANCISCO

Alexander Mullaney



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		FY 2018-2019								
Service Category/Budget Line	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2018-2019 Budget	General Benefit Dollars	FY 2018-2019 Assessment Budget	% of Budget	Variance	Source
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 125,000.00	\$ 1,250.00	\$ 123,750.00	51.65%	\$ 188,936.91	\$ -	\$ -	52.98%	1.33%	Assessment Only
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 43,658.00	\$ 436.58	\$ 43,221.42	18.04%	\$ 48,914.09	\$ -	\$ -	13.72%	-4.32%	Assessment and Grants
SA 73 - Ocean Ave CBD - Management and Operations	\$ 63,000.00	\$ 630.00	\$ 62,370.00	26.03%	\$ 103,757.27	\$ -	\$ -	29.10%	3.06%	Assessment and Grants
Contingency and Reserve	\$ 10,340.00	\$ 103.40	\$ 10,236.60	4.27%	\$ 15,000.00	\$ -	\$ -	4.21%	-0.07%	Assessment Only
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
<b>TOTAL</b>	<b>\$ 241,998.00</b>	<b>\$ 2,419.98</b>	<b>\$ 239,578.02</b>	<b>100.00%</b>	<b>\$ 356,608.27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.00%</b>		

**BENCHMARK 2:** General Benefit Requirement

Revenue Sources	FY 2018-2019 Actuals	% of actuals	Source
Assessment Revenue	\$ 320,927.00		
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$ 320,927.00</b>	<b>81.69%</b>	
Contributions and Sponsorships	\$ -	0.00%	
Grants	\$ 57,865.00	14.73%	
Donations	\$ 10,834.00	2.76%	
Interest Earned	\$ 949.00	0.24%	
Earned Revenue	\$ -	0.00%	
Other	\$ 2,275.00	0.58%	
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$ 71,923.00</b>	<b>18.31%</b>	
<b>Total</b>	<b>\$ 392,850.00</b>	<b>100.00%</b>	

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

SA 73 - Ocean Ave		FY 2018 2019											
Service Category/Budget Line	FY 2018-2019 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% Budget (Total Budget)	Actuals	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)	Variance (Assessment)	Variance (Total Budget)	Source
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 188,936.91	\$ -	\$ -	#DIV/0!	52.98%	\$ 193,584.59	\$ -	\$ -	#DIV/0!	52.89%	#DIV/0!	-0.09%	Assessment
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 48,914.09	\$ -	\$ -	#DIV/0!	13.72%	\$ 59,696.72	\$ -	\$ -	#DIV/0!	16.31%	#DIV/0!	2.59%	Assessment and Grants
SA 73 - Ocean Ave CBD - Management and Operations	\$ 103,757.27	\$ -	\$ -	#DIV/0!	29.10%	\$ 112,714.31	\$ -	\$ -	#DIV/0!	30.80%	#DIV/0!	1.70%	Asmt. and Grants
Contingency and Reserve	\$ 15,000.00	\$ -	\$ -	#DIV/0!	4.21%	\$ -	\$ -	\$ -	#DIV/0!	0.00%	#DIV/0!	-4.21%	Assessment
0	\$ -	\$ -	\$ -	#DIV/0!	0.00%	\$ -	\$ -	\$ -	#DIV/0!	0.00%	#DIV/0!	0.00%	
0	\$ -	\$ -	\$ -	#DIV/0!	0.00%	\$ -	\$ -	\$ -	#DIV/0!	0.00%	#DIV/0!	0.00%	
0	\$ -	\$ -	\$ -	#DIV/0!	0.00%	\$ -	\$ -	\$ -	#DIV/0!	0.00%	#DIV/0!	0.00%	
<b>TOTAL</b>	<b>\$ 356,608.27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	<b>100.00%</b>	<b>\$ 365,995.62</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	<b>100.00%</b>			

**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 2018-2019 Carryover Disbursement	\$ 141,506.00	Source	Spenddown Timeline
<b>General Benefit Project</b>			
Grant Receivables	\$ 19,292.00	Invest in Neighborhoods	Dec-19
Ocean Avenue Gateway Sculpture	\$ 6,500.00	Invest in Neighborhoods	Dec-19
\$ -			
\$ -			
\$ -			
\$ -			
\$ -			
<b>General Project Total</b>	<b>\$ 25,792.00</b>		
<b>Special Assessment Project</b>			
SA 73 - Ocean Ave CBD - Cleaning, Maintenance, and Safety Program	\$ 60,174.00	Assessment	To fund final year of operation
SA 73 - Ocean Ave CBD - Marketing, Streetscape Improvements, and Beautification Program	\$ 20,828.00	Assessment	To fund final year of operation
SA 73 - Ocean Ave CBD - Management and Operations	\$ 30,085.00	Assessment	To fund final year of operation
Contingency and Reserve	\$ 4,628.00	Assessment	To fund final year of operation
0	\$ -	Assessment	To fund final year of operation
0	\$ -		
0	\$ -		
<b>Special Project Total</b>	<b>\$ 115,715.00</b>		
<b>Total Designated Amount for FY 2017-18</b>	<b>\$ 141,507.00</b>		

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# **OCEAN AVENUE ASSOCIATION**

## **FINANCIAL STATEMENTS**

**June 30, 2019**

**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2018)**

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**CROSBY & KANEDA**

Certified Public Accountants  
for 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 consolidated financial statements of Ocean Avenue Association (the Organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

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

**Accountants' Responsibility**

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

**Accountants' Conclusion**

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

**Report on Summarized Comparative Information**

The accompanying summarized comparative information as of and for the year ended June 30, 2018 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 May 1, 2019. We have not performed procedures in connection with that review engagement since that date.

  
Oakland, California  
April 14, 2020

**OCEAN AVENUE ASSOCIATION**  
**Consolidated Statement of Financial Position**  
**June 30, 2019**  
**(With Comparative Totals as of June 30, 2018)**

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	2019	2018
<b>Assets</b>		
Assets		
Cash	\$ 127,444	\$ 197,415
Assessments receivable	21,436	9,494
Grants receivable	3,437	35,537
Due from City	1,986	9,798
Total Assets	\$ 154,303	\$ 252,244
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 5,286	\$ 7,763
Deferred revenue	11,550	-
Total Liabilities	16,836	7,763
Net assets without donor restrictions	137,467	244,481
Total Liabilities and Net Assets	\$ 154,303	\$ 252,244

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

**OCEAN AVENUE ASSOCIATION**

**Consolidated Statement of Activities  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

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	<u>2019</u>	<u>2018</u>
<b>Support and Revenue</b>		
Donations	\$ 10,834	\$ -
Government grants	57,865	100,365
Assessment revenue	320,927	311,579
Penalties and interest	949	9,960
Miscellaneous income	2,275	7,607
Total Support and Revenue	<u>392,850</u>	<u>429,511</u>
<b>Expenses</b>		
Program	375,347	352,417
Management and General	96,733	65,005
Fundraising	27,784	25,947
Total Expenses	<u>499,864</u>	<u>443,369</u>
Change in net assets	(107,014)	(13,858)
Net Assets without donor restrictions, beginning of year	<u>244,481</u>	<u>258,339</u>
Net Assets without donor restrictions, end of year	<u>\$ 137,467</u>	<u>\$ 244,481</u>

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

**OCEAN AVENUE ASSOCIATION**

**Consolidated Statement of Cash Flows  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

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	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (107,014)	\$ (13,858)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Assessments receivable	(11,942)	15,427
Grants receivable	32,100	(25,082)
Due from City	7,812	27,924
Accounts payable and accrued expenses	(2,477)	6,145
Deferred revenue	11,550	-
Net cash provided (used) by operating activities	<u>(69,971)</u>	<u>10,556</u>
Net change in cash	(69,971)	10,556
Cash, beginning of year	<u>197,415</u>	<u>186,859</u>
Cash, end of year	<u>\$ 127,444</u>	<u>\$ 197,415</u>

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

**OCEAN AVENUE ASSOCIATION**

**Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

	Program	Management and General	Fundraising	Total	
				2019	2018
Salaries	\$ 104,715	\$ 30,145	\$ 23,799	\$ 158,659	\$ 147,651
Retirement contributions	3,671	1,057	834	5,562	6,232
Employee benefits	847	244	193	1,284	1,375
Payroll taxes	8,868	2,553	2,016	13,437	12,450
Total Personnel	<u>118,101</u>	<u>33,999</u>	<u>26,842</u>	<u>178,942</u>	<u>167,708</u>
Fee for service	230,091	43,604	-	273,695	244,635
Advertising and promotion	14,499	-	-	14,499	14,106
Supplies and office expenses	12,656	1,195	942	14,793	8,161
Travel and meals	-	2,048	-	2,048	1,591
Conferences and meetings	-	972	-	972	545
Insurance	-	10,239	-	10,239	2,240
Licenses, fees and other expense	-	4,676	-	4,676	4,383
Total Expenses	<u>\$ 375,347</u>	<u>\$ 96,733</u>	<u>\$ 27,784</u>	<u>\$ 499,864</u>	<u>\$ 443,369</u>

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



## OCEAN AVENUE ASSOCIATION

### Notes to the Consolidated Financial Statements For the Year Ended June 30, 2019 (With Comparative Totals for the Year Ended June 30, 2018)

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#### 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 including the following activities:

#### **Advocacy**

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.

#### **Sanitation and Cleaning**

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.

#### **Community Activities and Improvements**

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

#### **Ingleside Community Fund**

The Organization controls the Ingleside Community Fund (the Fund), whose mission is to maintain public areas, lessen the burden of government and remedy community deterioration within the boundaries of the Ocean Avenue Community Benefit District ("OACBD") and its surrounding neighborhoods. This Fund will carry out fundraising activities and related events to promote long-term improvement and beautification of the OACBD area and its surrounding neighborhoods.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

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

## OCEAN AVENUE ASSOCIATION

### Notes to the Consolidated Financial Statements For the Year Ended June 30, 2019 (With Comparative Totals for the Year Ended June 30, 2018)

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#### **Basis of Consolidation**

The Organization has the ability to appoint a majority of the board of the Ingleside Community Fund (the Fund), a California nonprofit corporation, and all board members of the Fund must be members of the Organization.

#### **Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; There were no restrictions of this nature as of June 30, 2019.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

#### **Classification of Transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

#### **Accounting for Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly

## OCEAN AVENUE ASSOCIATION

### Notes to the Consolidated Financial Statements For the Year Ended June 30, 2019 (With Comparative Totals for the Year Ended June 30, 2018)

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intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

#### **Accounting for Assessment Revenue**

The Organization recognizes assessment revenue when assessed. Assessment revenue is secured through property tax assessments managed by the City and County of San Francisco. Collection of assessment revenue depends on the City and County of San Francisco, which may assess fines, penalties and interest on delinquent assessments. The Organization recognizes revenue related to fines or penalties when payment is received and such fines or penalties are known.

#### **Assessments Receivable**

Assessments receivable primarily consists of tax assessments owed by property owners. Such assessments are subject to City and County of San Francisco enforcement procedures, and are secured by property located in the City and County of San Francisco. The Organization considers all assessments to be fully collectible at June 30, 2019, though the timing of collection is not under the Organization's control and may be delayed.

#### **Contributions Receivable**

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at June 30, 2019. 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 IRC 501(c)(3) (formerly 501(c)(4)) and California RTC 23701.

The Internal Revenue Service and the California Franchise Tax Board have determined that the Ingleside Community Fund is exempt from federal taxes under IRC 501(c)(3).

The Organization has evaluated its current tax positions as of June 30, 2019 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 Consolidated Financial Statements  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

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**Contributed Services**

Contributed services are reflected in the consolidated financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2019.

**Estimates**

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

**Fair Value Measurements**

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

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

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

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2019.

**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, 2019.

**Deferred Revenue**

Deferred revenue represents funds received in advance of related performance obligations which have not yet been completely fulfilled.

OCEAN AVENUE ASSOCIATION

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

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**Expense Recognition and Allocation**

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on an estimate of staff time allocation calculated on an individual level for each employee.

Office expenses and supplies and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred.

**Changes in Accounting Principles**

The Organization implemented Accounting Standards Update 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The financial statements include a classified statement of position and certain additional disclosures about liquidity and availability of resources.

The changes have the following effect on net assets at June 30, 2018:

Net Asset Class:	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 244,481	\$ -
Net assets without donor restrictions	-	244,481
Net assets with donor restrictions	-	-
Total	<u>\$ 244,481</u>	<u>\$ 244,481</u>

**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

OCEAN AVENUE ASSOCIATION

**Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)**

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be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Reclassifications**

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

**NOTE 3: CONCENTRATIONS**

**Assessment Revenue**

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.

**Geographic**

A majority of the Organizations revenue comes from a group of property owners located in one geographic area. Natural disasters, economic or other local impacts on this area may affect the timing of assessment payments by such property owners.

**NOTE 4: CONTINGENCIES**

**State Taxes**

The Fund is not currently listed as exempt from state taxes with the Franchise Tax Board. The Fund is in the process of applying for such exemption based in part on the determination by the IRS of its exempt status at the federal level. In the event that exemption is not approved or delayed, additional taxes may be owed. The Organization has not accrued for any such amounts as of June 30, 2019.

**Government Funding**

The Organization receives government funding, which includes numerous terms and conditions both directly and by reference and is subject to subsequent audit which may result in disallowed costs or other required adjustments. The Organization believes it has complied with the terms of all such awards.

**NOTE 5: 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 \$5,562 and \$6,232 to the plan during the years ended June 30, 2019 and 2018, respectively.

OCEAN AVENUE ASSOCIATION

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

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**NOTE 6: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ 127,444
Assessments receivable	21,436
Grants receivable	3,437
Due from City	<u>1,986</u>
Total	<u>\$ 154,303</u>

As part of the Organization's liquidity management plan, the Organization monitors cash to confirm it is sufficient for immediate requirements.

**NOTE 7: INGLESIDE COMMUNITY FUND**

Activity of the Ingleside Community Fund (the Fund), reported on a consolidated basis in these financials, consisted of approximately \$12,334 in revenue and \$7,106 in expenses during the year ended June 30, 2019. Net assets of the Fund were \$5,228 as of June 30, 2019.

**NOTE 8: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and has concluded that as of April 14, 2020, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

**Public Health Order - Coronavirus**

The Organization operates in an area which was affected by the COVID-19 coronavirus, and in March 2020 San Francisco was subject to a public health order which may impact activities of the Organization or on the timing of assessment payments in the periods affected.

MEMO

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

CC: San Francisco Board of Supervisors;

From: Chris Corgas; OEWD Senior Program Manager, Community Benefit Districts

RE: Ocean Avenue Community Benefit District

Date: June 2, 2020

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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, 2018, and June 30, 2019.

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 2018-2019
2. CPA Financial Review Reports
  - a. FY 2018-2019
3. Draft resolution from the Office of Economic and Workforce Development





## Background

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

- December 14, 2010: the Board of Supervisors approved the resolution that established the Ocean Avenue Community Benefit District for 15 years (Resolution # 587-10).
- May 24, 2011: the Board of Supervisors approved the contract for the administration and management of the Ocean Avenue Community Benefit District (Resolution #221-11).
- April 19, 2016: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2014 – 2015 (Resolution # 141-16).
- March 21, 2017: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2015 – 2016 (Resolution # 097-17).
- September 25, 2018: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2016 – 2017 (Resolution # 314-18).
- September 17, 2019: the Board of Supervisors approved the annual report for the Ocean Avenue Community Benefit District for FY 2017 – 2018 (Resolution # 401-19).

### 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
FY 2018-19 Assessment Submission	\$320,436
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 ten (10) 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, the board 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 2018-2019**

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

- Removed graffiti within 24 hours of notification
- Scheduled regular steam cleaning of sidewalks and Muni boarding islands
- Painted city light poles
- Topped off city trash cans
- Weeded tree wells, sidewalk gardens and sidewalks

- Watered newly planted trees and landscaping
- Painted city poles
- Removed illegally posted notices on poles and other street furniture
- Wiped down street furniture
- Removed feces and needles from the public right of way

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

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

#### **Management & Operations**

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

#### **Ocean Avenue CBD Annual Budget Analysis**

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the "Ocean Avenue Community Benefit District", Section 3.9 – Budget*)

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

**FY 2018-2019**

**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 2018-2019 Budget	% of Budget	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$125,000.00	51.65%	\$188,936.91	52.98%	+1.33%
Marketing, Streetscape Improvements, and Beautification	\$43,658.00	18.04%	\$48,914.09	13.72%	-4.32%
Management and Operations	\$63,000.00	26.03%	\$103,757.27	29.10%	+3.06%
Contingency and Reserves	\$10,340.00	4.27%	\$15,000.00	4.21%	-0.07%
<b>Total</b>	<b>\$241,998.00</b>	<b>100.00%</b>	<b>\$356,608.27</b>	<b>100.00%</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 \$320,927.00 or 81.69% of actuals and non-assessment revenue was \$71,923.00 or 18.31% of actuals. See table below.*

Revenue Sources	FY 2018-2019 Actuals	% of Actuals
Special Benefit Assessments	\$320,927.00	
<b>Total assessment revenue</b>	<b>\$320,927.00</b>	<b>81.69%</b>

Grants	\$57,865.00	14.73%
Donations	\$10,834.00	2.76%
Interest Earned	\$949.00	0.24%
Other	\$2,275.00	0.58%
<b>Total non-assessment revenue</b>	<b>\$71,923.00</b>	<b>18.31%</b>
Total	\$392,850.00	100%

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

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

Service Category	FY 2018-2019 Budget	% of Budget	FY 2018-2019 Actuals	% of Actuals	Variance Percentage Points
Cleaning, Maintenance, and Safety	\$188,936.91	52.98%	\$193,584.59	52.89%	-0.09%
Marketing, Streetscape Improvements, and Beautification	\$48,914.09	13.72%	\$59,696.72	16.31%	2.59%
Management and Operations	\$103,757.27	29.10%	\$112,714.31	30.80%	1.70%
Contingency Reserve	\$15,000.00	4.21%	\$0.00	0%	-4.21%
<b>TOTAL</b>	<b>\$356,608.27</b>	<b>100.00%</b>	<b>\$365,995.62</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 2018-19 Carryover Disbursement</b>	<b>\$115,715.00</b>
Designated Projects for 2019-2020	

Cleaning, Maintenance and Safety	\$60,174.00
Marketing, Streetscape Improvements and Beautification	\$20,828.00
Management and Operations	\$30,085.00
Contingency and Reserves	\$4,628.00
<b>Total Designated Amount for Future Years</b>	<b>\$115,715.00</b>

**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 18% 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 17-18 annual report.

Ocean Avenue reached out to OEWD in FY 18-19 to begin discussing an early renewal and expansion of the District. The current iteration of the CBD will sunset on December 31, 2025.

In February 2019, the Ocean Avenue Association, thanks to the leadership and partnership of District 7 Supervisor and Board of Supervisors President Norman Yee, hosted the first annual Ocean Avenue Lunar New Year Celebration. The event saw lion dancing along the Ocean Avenue corridor until a rain storm forced an early cancellation of the dance. The rest of the event was primarily held in the Ingleside Presbyterian Church and was a resounding success. OEWD encourages the CBD to continue building on this effort as a way to bring people out to the Ocean Avenue business corridor. The event was held again February 2020.

As the CBD prepares for an early renewal and expansion campaign OEWD recommends that the CBD fully explore expansion areas down, including up to Ocean Avenue’s intersection with Junipero Serra Boulevard. The Ocean Avenue corridor is incredibly diverse, including a large number of Cantonese speaking businesses. Although the CBD should be commended for increased efforts to provide outreach to monolingual communities, it should continue to build on this especially in respect to a renewal and expansion campaign.

Mr. Weaver has been the executive director of the Ocean Avenue CBD since shortly after its formation in 2010. Although Mr. Weaver has done a good job of steering the organization, OEWD believes the CBD could benefit from an in-depth CBD review to evaluate the overall effectiveness of the organization to ensure it is operating at its highest possible capacity and conduct robust stakeholder outreach to determine the direction of the organization should it be renewed. OEWD believes the organization should develop a strategic plan that will look at short term, mid-term, and long term needs of the district and focus on: 1) ensuring the management structure of the district is effective and what management structure would be the most effective including relating to board/staff relationships, 2) gauging the overall effectiveness of core CBD programs and provide recommendations on how they could be improved, 3)

improving the CBD's overall effectiveness and respect in the broader Ocean Avenue community, 4) identify strategies to ensure the long-term financial stability of the organization, especially related to non-assessment resource sources. This strategic plan would be incredibly helpful to the organization as it works with its property owners, business owners, and other stakeholders on a renewal and expansion to ensure the next iteration of the district is well placed to succeed over its next duration. OEWD will provide support and guidance to the CBD through this process.

### **Conclusion**

The Ocean Avenue CBD has performed well in implementing its service plan. 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 CBD has increased its efforts aimed at monolingual speakers within their district and adding new cultural celebration to the area. 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: Ben Rosenfield, City Controller, Office of the Controller  
Joaquin Torres, Director, Office of Economic and Workforce Development

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

DATE: June 24, 2020

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 June 16, 2020:

**File No. 200644**

**Resolution receiving and approving an annual report for the Ocean Avenue Community Benefit District for FY2018-2019, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.**

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

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



Print Form

## Introduction Form

By a Member of the Board of Supervisors or Mayor

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 [ ] 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):

Yee

Subject:

Ocean Avenue Community Benefit District – FY 2018-2019 Annual Report

The text is listed:

Resolution receiving and approving annual report for the Ocean Avenue Community Benefit District for fiscal year 2018-2019, 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.

Signature of Sponsoring Supervisor: /s/Norman Yee

For Clerk's Use Only