

File No. 180430

Committee Item No. 5

Board Item No. 27

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: May 16, 2018

Board of Supervisors Meeting:

Date: May 22, 2018

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 |
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OTHER

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Presentation - May 16, 2018</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Report - FY2016-2017</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Financial Reports - June 30, 2017</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Letter - April 17, 2018</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - May 2, 2018</u> |

Prepared by: John Carroll

Date: May 11, 2018

Prepared by: John Carroll

Date: May 17, 2018

1 [Top of Broadway Community Benefit District - Annual Report - FY2016-2017]

2
3 **Resolution receiving and approving an annual report for the Top of Broadway**
4 **Community Benefit District for FY2016-2017, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, *et seq.*), Section 36650, and the District's management agreement with**
7 **the City, Section 3.4.**

8
9 WHEREAS, On June 4, 2013, pursuant to the Property and Business Improvement
10 District Law of 1994 (the "Act"), California Streets and Highways Code, Sections 36600 *et*
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,
12 the Board of Supervisors adopted Resolution No. 165-13, expressing the City's intention to
13 establish the Top of Broadway Community Benefit District (the "Top of Broadway CBD"); and

14 WHEREAS, On July 23, 2013, the Board of Supervisors adopted Resolution
15 No. 263-13 establishing the Top of Broadway CBD ("Resolution to Establish") for a period of
16 eight years, commencing FY2013-2014; and

17 WHEREAS, On February 25, 2014, the Board of Supervisors adopted Resolution
18 No. 52-14, authorizing an agreement with the owners' association for the
19 administration/management of the Top of Broadway CBD, and a management agreement (the
20 "Management Contract") with the owners' association, the Top of Broadway Community
21 Benefit District, Inc., was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
23 of Supervisors in File No. 140100; and

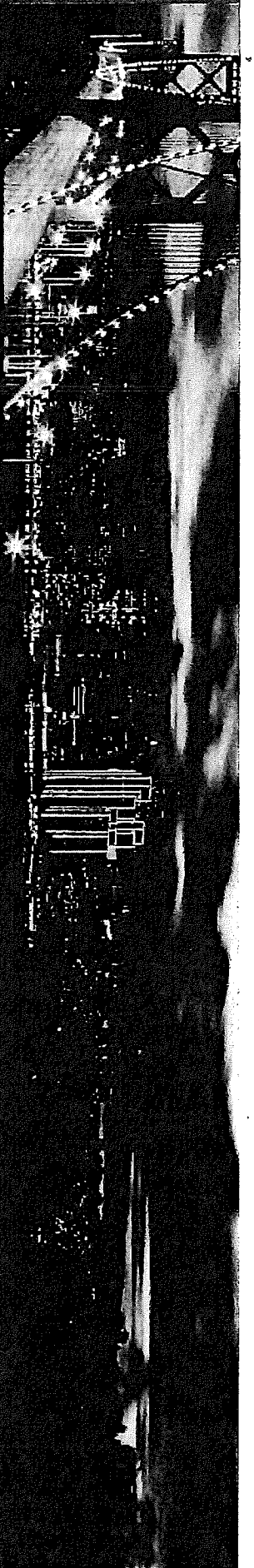
1 WHEREAS, On September 9, 2017, the Board of Supervisors approved the Top of
2 Broadway CBD's annual report for FY2015-2016 in Resolution No. 331-17; and

3 WHEREAS, The Top of Broadway CBD has submitted for the Board's receipt and
4 approval the Top of Broadway annual report for FY2016-2017 ("the Annual Report") as
5 required by Section 36650 of the Act and Section 3.4 of the Management Contract; and

6 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
7 File No. 180430, and is incorporated herein by reference as though fully set forth; and

8 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
9 memorandum report from the City's Office of Economic and Workforce Development, dated
10 April 17, 2018, and documentation from the Top of Broadway CBD for the Annual Report is on
11 file with the Clerk of the Board of Supervisors in File No. 180430; now, therefore, be it

12 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
13 report for the Top of Broadway Community Benefit District for FY2016-2017.



Presented in Committee - May 16, 2018

Top of Broadway Community Benefit District



Office of Economic and Workforce Development

Legislative Overview

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

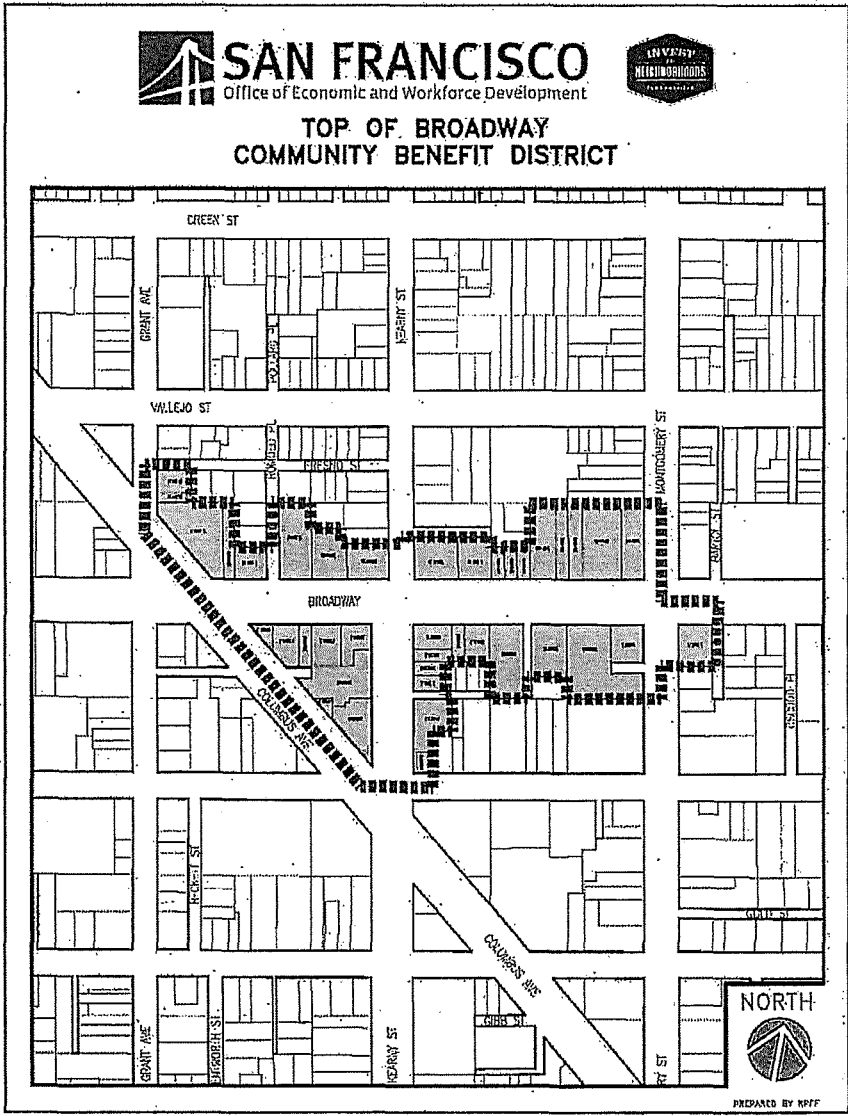
- **State law**
 - “1994 Act”
- **Local law**
 - “Article 15”

Review Process

This resolution covers the Annual Report for FY 2016-2017

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

Parcel Map



ToBCBD Formation

ToBCBD	Type	Assessment Budget*	Year Established	Expires
	Property-Based	\$ 106,567	2013	June 30, 2021

**budget identified in management plan*

ToB Operations

- **Staff**

- Executive Director – Marco Li Mandri
- District Director – Dominic Li Mandri

- **Service Areas**

- **District Identity**

- This program includes marketing, public relations, special events, and street enhancements, such as signage, historical markers, and banners, for the district.

- **Street Operations, Beautification and Order (SOBO)**

- This service area includes street maintenance and beautification – including but not limited to graffiti removal, sidewalk cleaning, periodic steam cleaning, trimming trees, and cleaning tree wells.

- **Administration, Organization 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 ToB:

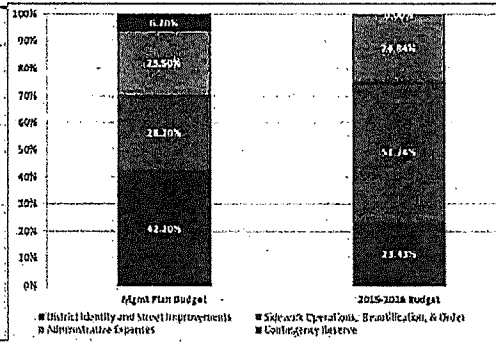
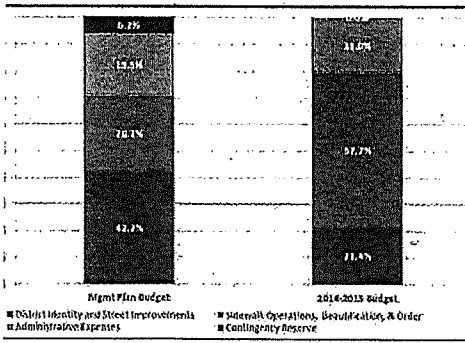
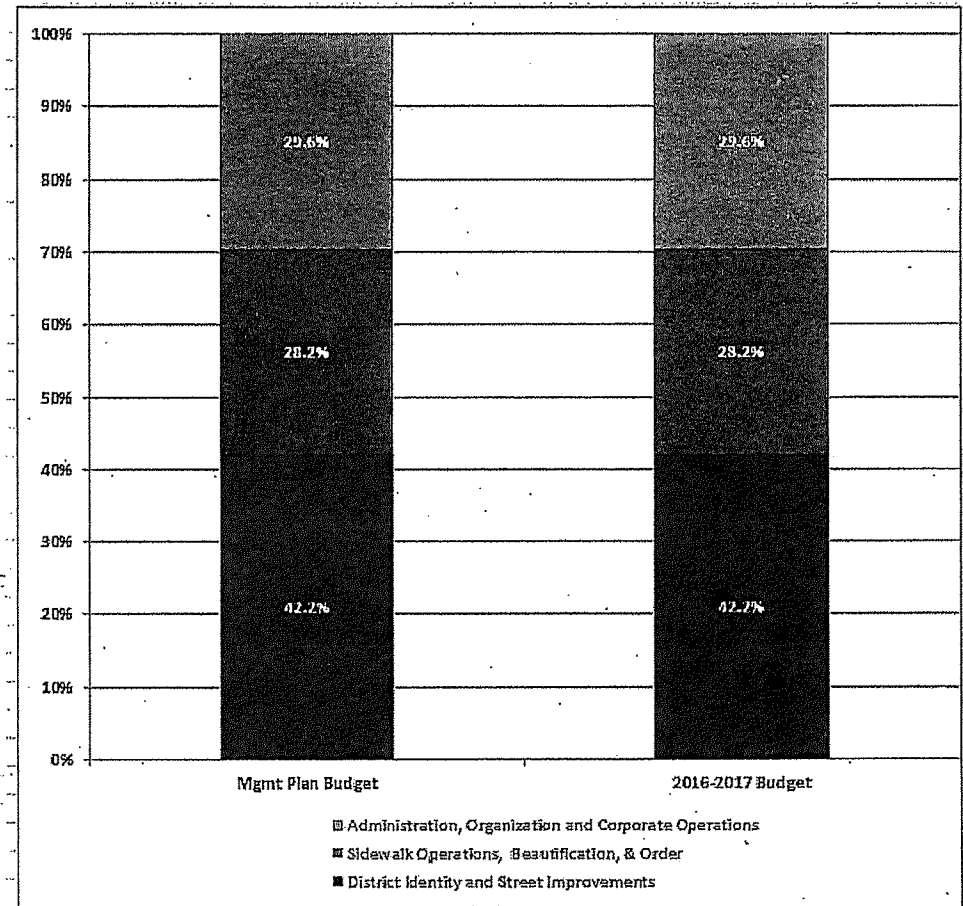
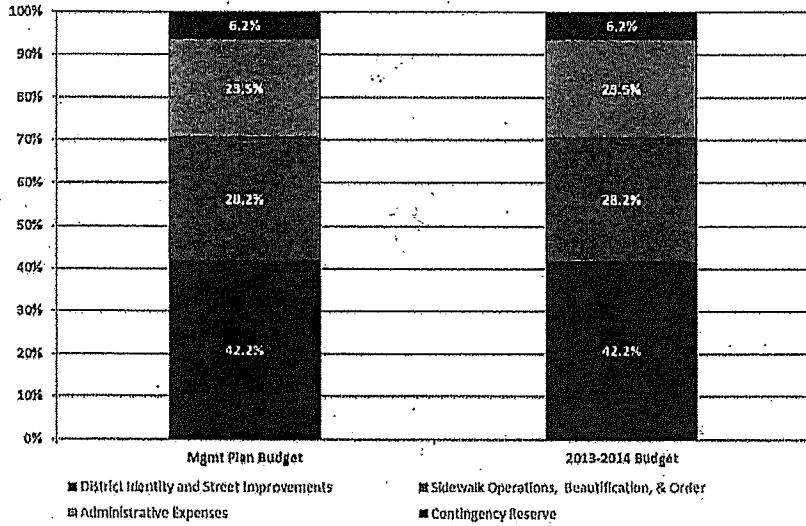
Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

Benchmark 2 – Whether one percent (1%) of ToB'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.

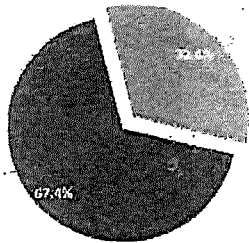
Management Plan vs. Annual Budgets



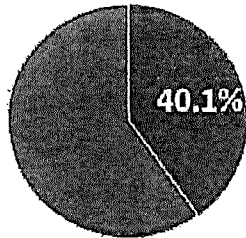
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Assessment Revenue & Other Income

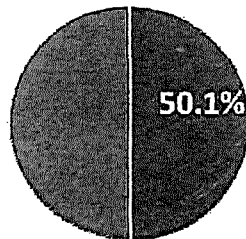
FY 2013 - 2014



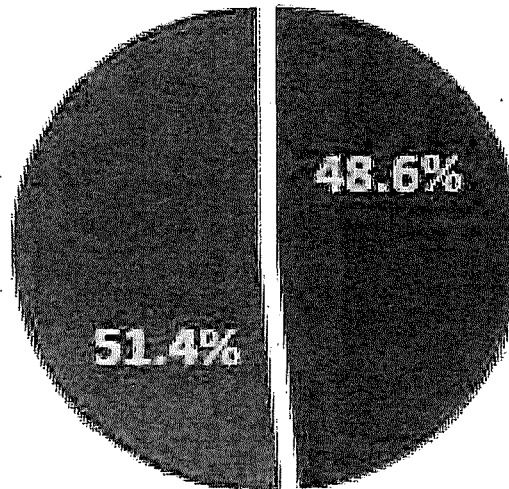
FY 2014 - 2015



FY 2015 - 2016



FY 2016 - 2017



■ Non-Assessment Revenue 48.65%

■ Special Benefit Assessments 51.35%

Budget vs Actuals

Service Category	FY 2013-2014 Variance % Points	FY 2014-2015 Variance % Points	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points
District Identity	-6.9	+4.89	-0.02%	0%
Sidewalk Operations, Beautification & Order	+16.7	-7.25	-7.11%	0%
Administration, Organization & Corporate Operations	-3.7	+2.36	+7.13%	0%
Contingency Reserve	-6.2%	0%	0%	0%

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FY 16-17 Carryover

Designated Projects for FY 16-17	Amount	Spenddown Timeline
District Identity and Streetscape Improvement	\$47,500.00	FY 2017 -18
Sidewalk Operations, Beautification, and Order	\$142,000.00	FY 2017 -18
Administration, Organization, and Corporate Operations	\$57,900.00	FY 2017 -18
Total Designated Amount	\$247,400.00	

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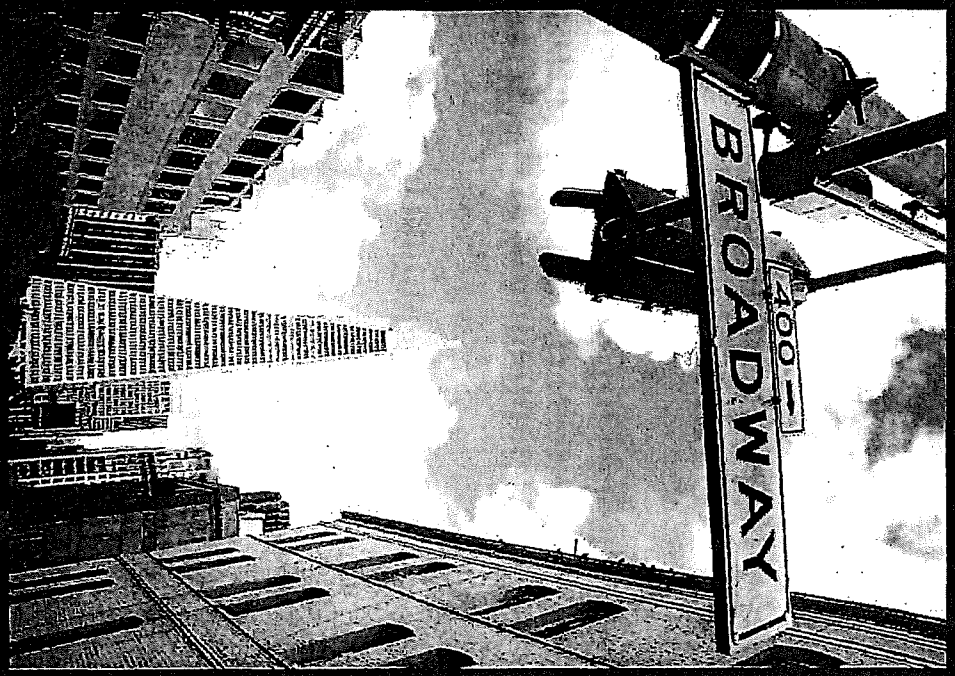
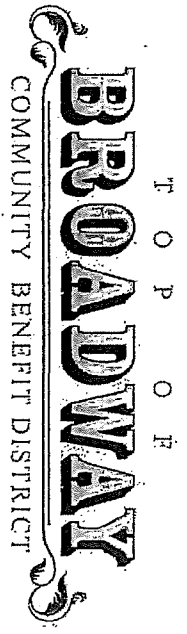
Findings and Recommendations for ToB

In completing the review of the ToB CBD's annual report and financials, OEWD sets forth the following findings and recommendations:

- ToB CBD met all 4 benchmarks
- OEWD reviewed district website and found it to be in compliance
- In early FY 16-17, CBD webpage went down – OEWD recommended the CBD determine if these web issues were caused by internal errors, if so OEWD recommended hiring a web page manager to ensure the site is constantly reachable. These issues were addressed and fixed by the CBD
- ToB CBD was successful in obtaining approximately 49% of total budget from non-assessment sources
- Maintained an active board of directors and committee members

**Top of Broadway
Community Benefit
District (TOBCBD)**

**Presentation to San
Francisco
Government Audit
& Oversight
Committee
Fiscal Year 2016-
2017**



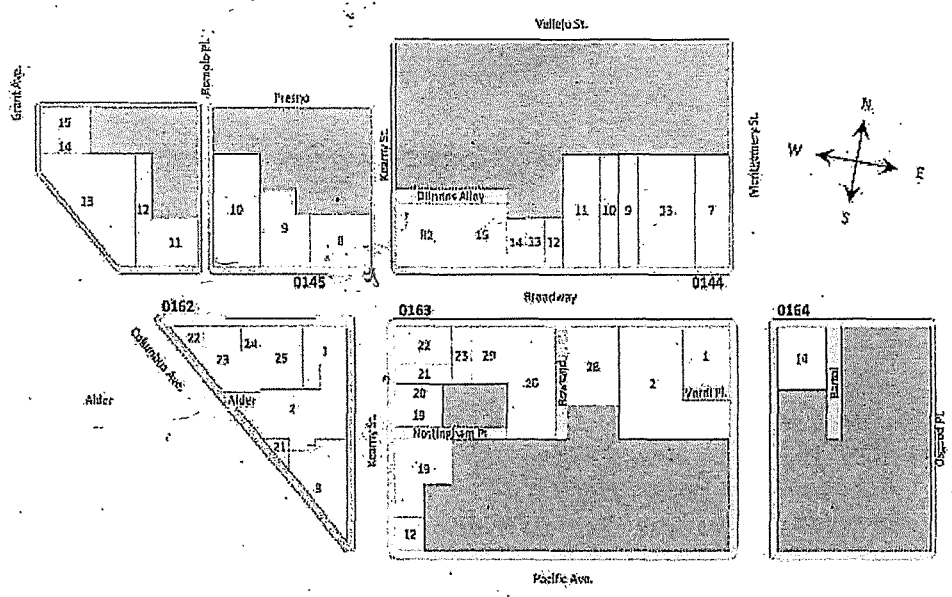
May 16th, 2018

Top of Broadway, CBD

ToBCBD District Boundary and Information

Top of Broadway CBD Map

May 2012

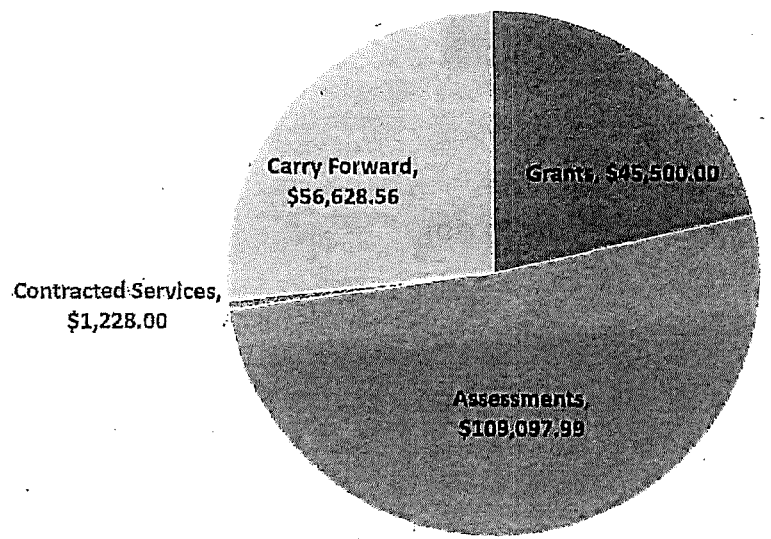


ToBCBD Info (16-17FY)

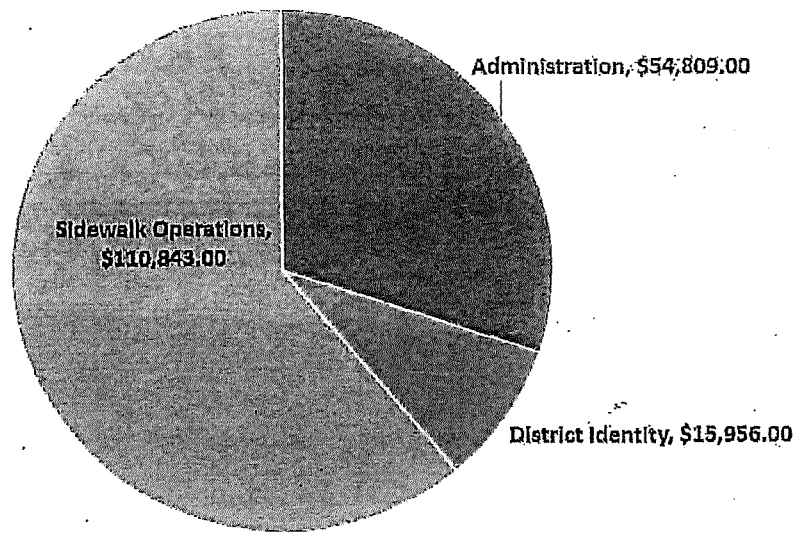
- Organization formed Nov 2013; Started Services Jan 2014.
- 39 Parcels, 100+ businesses
- \$212K Operating Budget, \$110K spent on cleaning and public safety
- Provides 7 day/week sidewalk cleaning and monthly pressure washing services
- Continued to collaborate with local agencies to administer the area and audit bad actors.

FY 16-17 Budget Breakdown

TOP OF BROADWAY CBD
INCOME \$212,454.55



EXPENSES
\$185,277.00



Mission

The Top of Broadway CBD mission statement is quite simple:

“To make the area around Broadway a safe, beautiful, diverse, and enjoyable place to live, work and visit; with a commitment to promoting economic vitality, improving livability and promoting area identity and history.”

To this end, ToBCBD directors and members deliberate and strategize initiatives via three advisory committees; endorsing directives which are then facilitated by staff.



Advisory Committees

- ▶ Sidewalk Operations, Beautification & Order (SOBO) Committee
- ▶ District Identity & Streetscape Improvement (DISI) Committee
- ▶ Land Use Committee

SOBO Committee Highlights

Sidewalk Operations, Beautification & Order (SOBO)

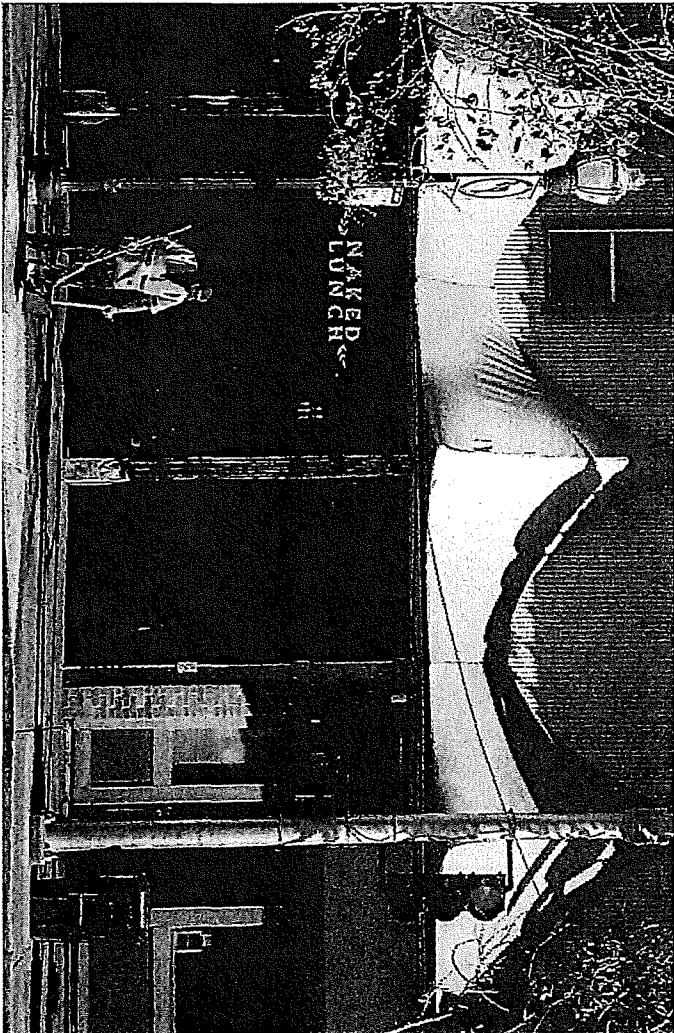
Provided sidewalk
maintenance
services 379 days out
of the year

Removed approx.
8,225 lbs. of litter
from the gutters and
public rights-of-way.

Removed 1,078
incidences of graffiti.

Reported over 4,000
incidences of illegal
dumping (52%
decrease)

Pressured Washed
Entire District 1 times



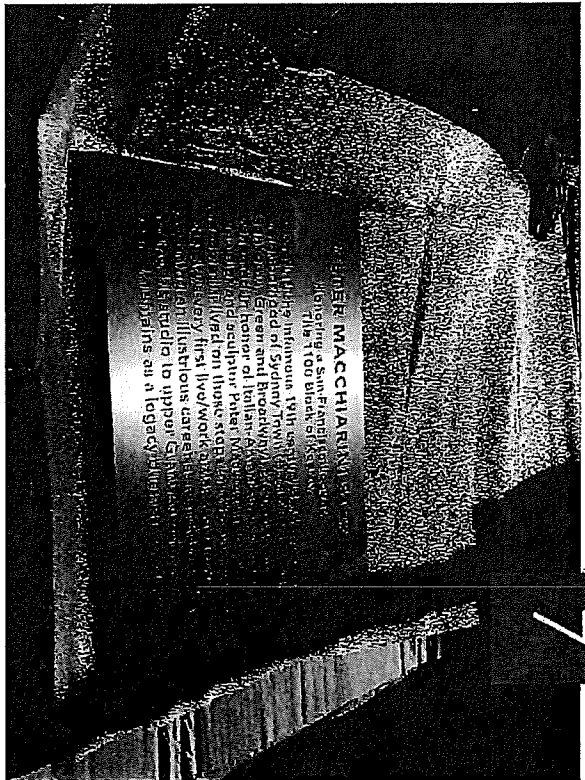
DISI Committee Highlights

District Identity & Streetscape Improvement (DISI)

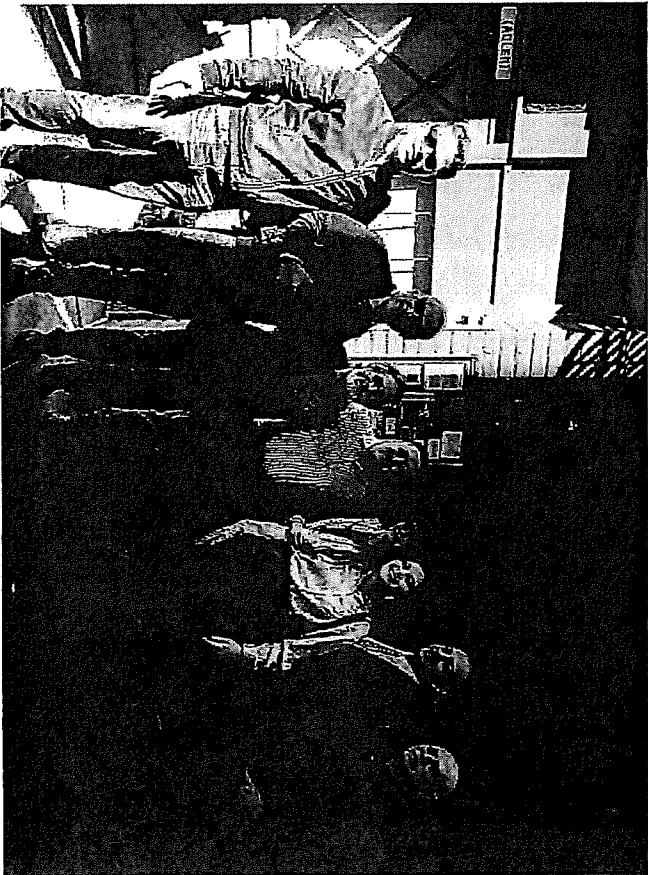
Resolution to approve
historical marker project script
passed Board of Supervisors.

Conceptualized and
contracted with an SF LED
design vendor to install a
temporary art installation over
the Peter Macchiarini Steps in
Spring 2018.

Developed new branding
strategies for expansion bid.



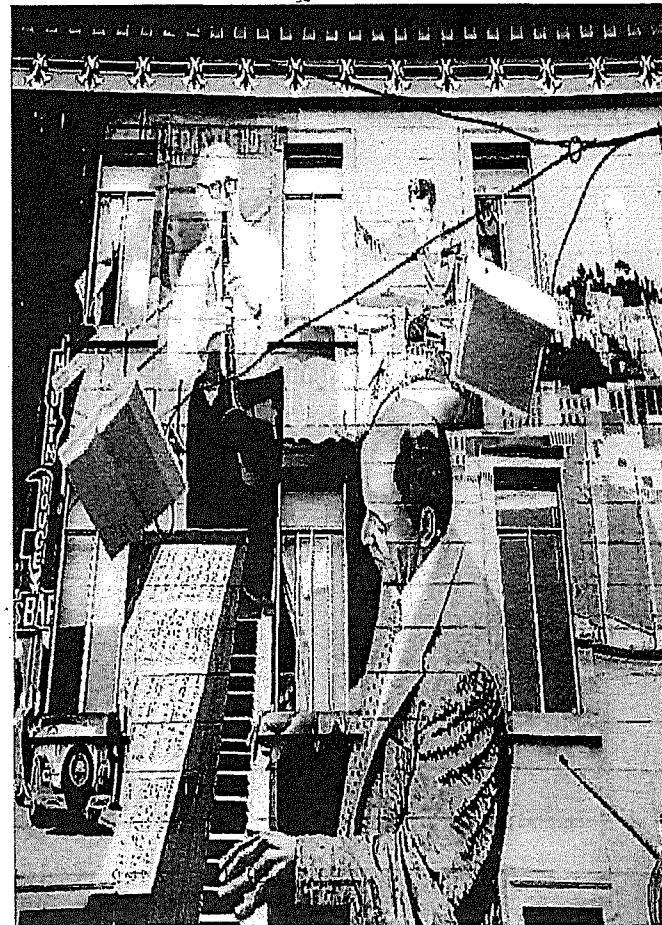
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Vision & Plan

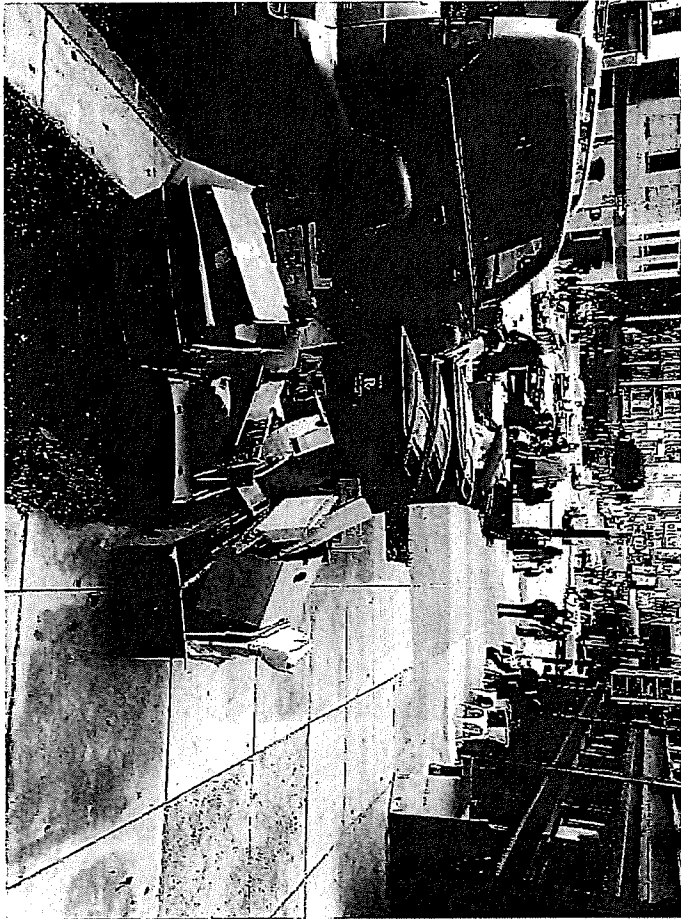
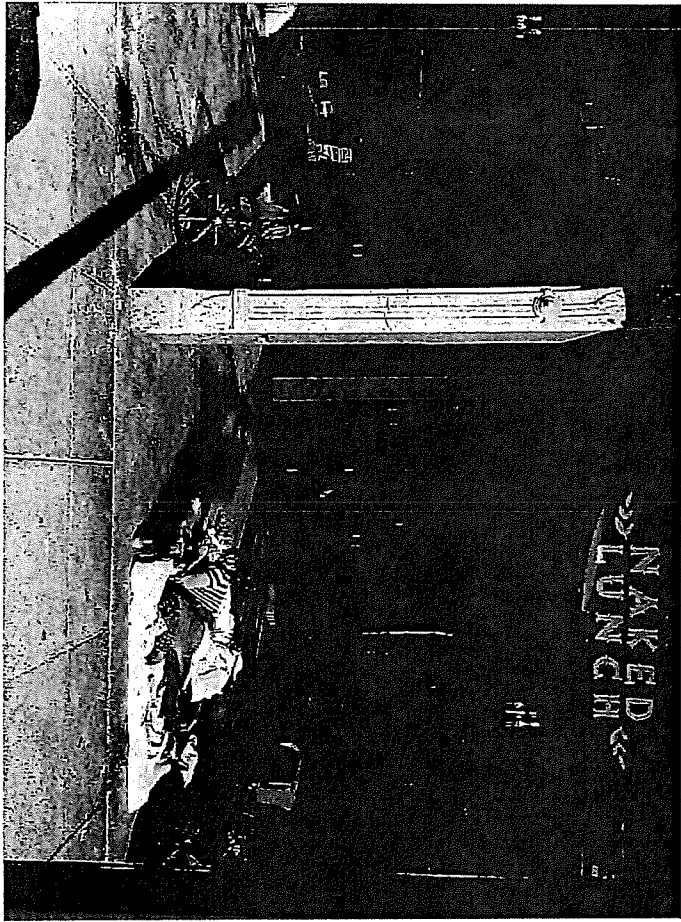
The Top of Broadway CBD strategic plan and vision going forward will emphasize the following directives:

- ▶ Expand district to have larger mission impact and financially sustainable organization
- ▶ Further integrate into the surrounding community and coordinate resources among the various local entities
- ▶ Create a safe atmosphere for locals, residents and business owners alike
- ▶ Promote the diversity of the district brand and cultural history of the area
- ▶ Increase the walkability of the district through further streetscape enhancements and cleanliness/safety initiatives.



District Challenges

9



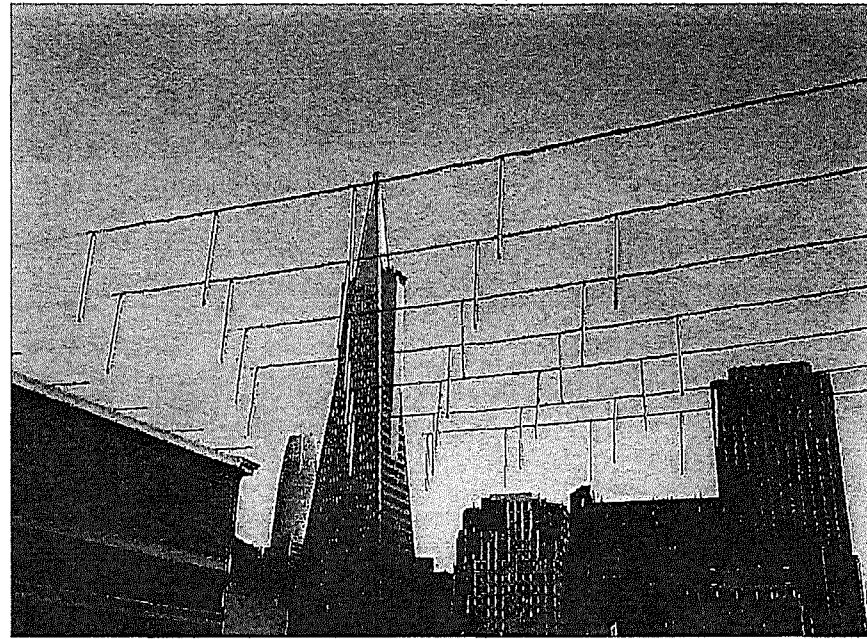
Potential Projects/Events

Kearny Steps
Lighting Project
(KSLP)

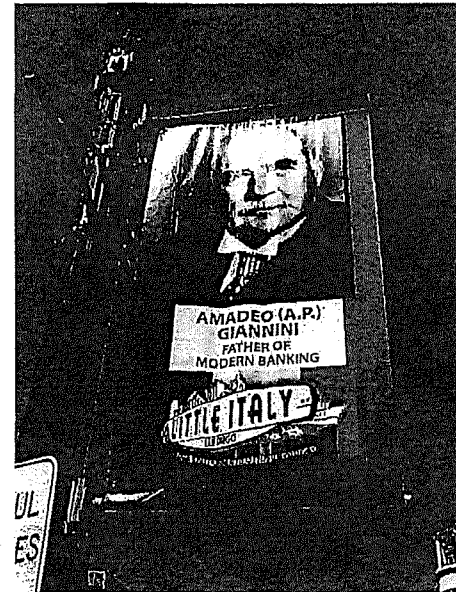
Supplemental
Historical
Markers

North Beach
Legends Banner
Project

District Jazz
Walk

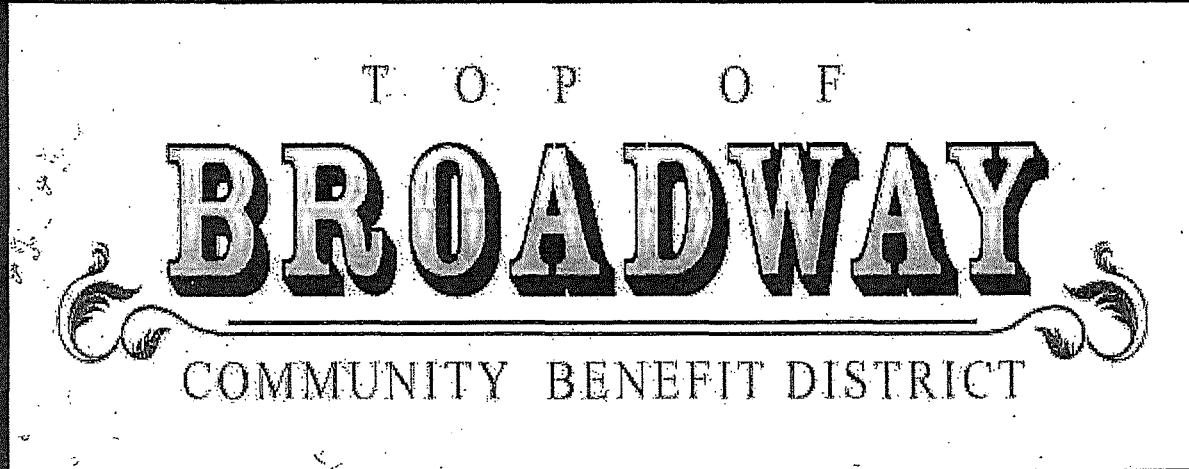


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Partner Organizations

- ▶ OEWD
- ▶ SFDPW
- ▶ SFPD—Central Station
- ▶ Broadway Entertainment & Cultural Association (BECA)
- ▶ North Beach Citizens
- ▶ District 3 Supervisor's Office



Thank You

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Top of Broadway Community Benefit District Annual Report – 2017

A Rich History in the Process of Being Re-Invented, Top of Broadway is the Heart of North Beach

Message from the President, Oliver Mar

As one of the oldest, continuous business districts in the City of San Francisco, the Top of Broadway is undergoing a reinvention. Great cities all throughout the world are successful and dynamic because they are constantly re-inventing themselves – San Francisco is one of the best examples of this in the US today. From the Gold Rush, to a major port and manufacturing center in the 1800s, to a center of major real estate development at the beginning based upon access to a reliable water supply in the early 20th century; to the west coast financial center and cultural icon in the mid-20th century, evolving into the dot com and social media capital of the world over the last 30 years, this City has constantly been a state of social, technological and cultural change since its inception.

Our Top of Broadway Community Benefit District is based at the intersection of Broadway and Columbus, which is the heart of North Beach. Though it has taken a few years to get our bearings straight, the district is poised for great things in the next few years. We have turned the corner of problem businesses, crime and cleanliness and our new emphasis will be on having people understand the historical significance of the piece of land at the top of Broadway and Columbus.

Taking a passage from “Broadway, North Beach, the Golden Years”, written by Dick Boyd, we find the following description of this district.....

“The forties and fifties were heady times in San Francisco. It was a different time, a different era. The euphoria of winning WWII was still in the air....The Cold War was heating up but was glossed over in typical San Francisco style, alcoholic denial. Sputnik! So what? Let’s have a drink! Party time!.....North Beach was unique. In North Beach the beatniks still ruled from Vesuvio’s Café and across Broadway and along Grant Avenue to Union. Lesbian bar ‘Twelve Adler’ was in full swing. Along Broadway from Columbus to Montgomery there were an abundance of quality family restaurants. People came from all over the Bay Area to eat and wander the streets....Within a four block stretch of Broadway there was something for everyone.”

Whether it be the adult nightclubs, iconic bars like Vesuvio’s, family restaurants like Tommaso’s, City Lights Books, Vesuvio’s, Tosca’s, Enrico’s, later the Beat Museum and the various coffee shops and espresso cafes – North Beach in general and the businesses within the Top of Broadway CBD in particular have been the heart and soul of much of the City’s cultural and entertainment foundation for the last 50 years.

So here we are in the 21st century and where do we go from here?

Your CBD Board has many new projects underway to promote the re-invention of this heart of North Beach. They include:

- *Improvements and new lighting at the foot of the Macchiarini (Kearney) steps next to Broadway;*
- *Installation of historical markers throughout the district telling the story of this great area;*
- *Attraction of more restaurants to the area, particularly to some of the vacant storefronts near Montgomery and Broadway;*
- *Promotion of new public spaces and parklets to take advantage of the areas great views and historic buildings;*
- *Contracting with SFPD 10 B officers to promote safety and order particularly on Friday and Saturday nights along Broadway;*
- *Installation of pedestrian amenities in-district for customers, visitors and surrounding residents alike;*
- *Investigation to expand the district services to the Greater North Beach businesses heading east on Broadway to the Embarcadero and south on Columbus to Pacific Ave.;*

We have a very ambitious budget and our district consists of only 39 property owners. With our ongoing funding from the CBD assessments and the ongoing generosity of the Broadway Economic and Cultural District non-profit (BSC Management), we have faith that this district will again become the heart of North Beach and the focal point of our historic community.

Oliver Mar
 President
 Top of Broadway CBD

Board Members for 2017:

The following Board members have been elected to run the CBD Board for 2017.

<i>Person</i>	<i>Type of Seat</i>
Oliver Mar, President	Property owner seat Mar Family Trust
Joe Carouba, Vice President	Property Owner seat BSC Management
Carmen Crotti, Secretary	Property Owner seat Tommaso's
Calvin Louie, Treasurer	Property owner seat 440 Broadway
Payam Arvin	Property owner designate Monroe
Samson Shirakhon	Business owner seat

Matias Drago	Property owner designate 222 Columbus Ave.
Ryan Maxey	Business owner seat Naked Lunch
Jerry Cimino	Business owner seat The Beat Museum
Gordon Leung	Property Owner seat Chinatown Community Development Center (CCDC)

The district is staffed and managed by New City America, Inc.

Marco Li Mandri/Executive Director
Dominic Li Mandri/District Manager
Shirley Zawadzki/Finances

SOBO FY16-17 Review

Highlights

In FY 16-17, the Top of Broadway SOBO Committee furthered its campaign for a cleaner, safer, and more vibrant Broadway district, accomplishing much through collaborative, coordinated efforts with our community contacts and City agencies. Clean and safe continue to be a top priority for the voluntary Committee as we look to build upon the progress we've made over the last year, developing strategies and relationships intended to further enhance the quality of life and economic vitality around the Broadway/Columbus corridor. Some highlights of this past year's maintenance and safety services include:

- Provided sidewalk maintenance services 349 days out of the year, collecting and removing approximately 8,725 lbs. of litter from the gutters and public rights-of-way.
- Removed 1,078 incidences of graffiti from the public rights-of-way, a modest 3.7% increase from last fiscal year.
- Removed 580 incidences of Human/Animal Waste in-district, a minimal 1% increase from last fiscal year.
- Reported and facilitated the removal of over 400 incidences of illegal dumping in the district, a substantial 52% decrease from last fiscal year.
- Conducted Monthly District-Wide Inspections with SFDPW personnel and coordinated resources among multiple agencies to ensure collaborative coverage of the Broadway corridor.
- Hosted Monthly Sidewalk Operations Committee Meetings

Cleaning & Maintenance—Dome Cleaning

- District cleaning and litter removal.....349 days (~8,725 lbs. removed)
- Illegal Dumping Reports 404 (-52%)
- Human/Animal Waste clean-up..... 580 (+1%)

- Graffiti Incidents Removed..... 1078 (+3.7%)
- Pressure Washing of District.....13 times (42,545.75 total linear footage)

DISI FY16-17 Review

Highlights

In FY16-17, the Top of Broadway DISI Committee took on a notably different role than it had in previous years, gravitating towards more collaborative, local partnerships that concentrated on more acute marketing strategies and beautification projects that are expected to see fruition in 2018. Encapsulating the historic and cultural diversity of the area has been a mainstay of the Committee’s deliberations on programs and projects over the past year, with a qualitative emphasis on neighborhood versatility informing our path forward. Some highlights of this past year’s progress and projects include:

- Continued work and refinement of the Historical Marker Project, expected to be installed in and around the Broadway corridor in February 2018.
- Proposed, conceptualized and contracted with a design vendor to install a temporary art installation over the Kearny Street Steps in Spring 2018.
- Developed new directions for district-wide ornamental landscaping expected to be exhibited in Spring 2018.
- Collaborated with OEWD, SFDPW, and the CBD Consortium to draft policy to secure a more autonomous, expeditious process of deployment for pedestrian amenities (themed banners, sidewalk seating, decorative lighting, etc.).
- Continued developing strategic partnerships in and around the North Beach, both with community members and organizations alike.

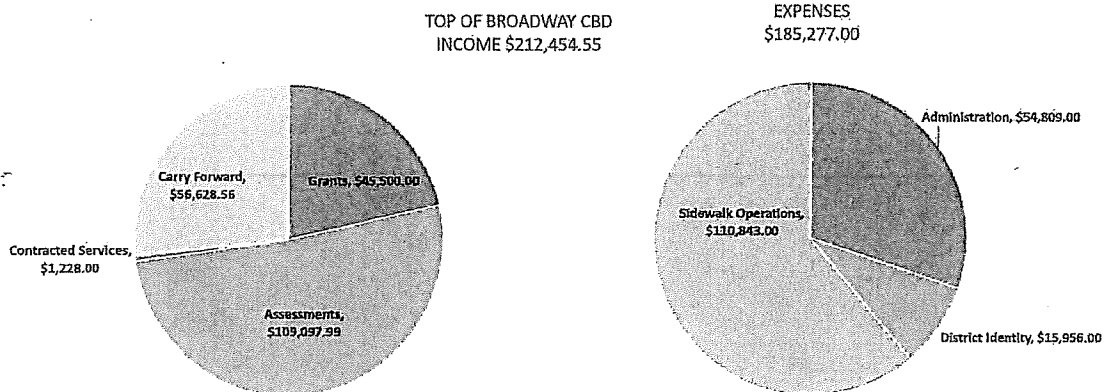
Active Committees Allow Us to Make Changes:

In early 2016, the Board restructured its Committee system to accommodate more ideas and implement projects more quickly. We have 3 standing committees: Executive, Sidewalk Operations, and District Identity and occasionally the Land Use Committee. All CBD property owners and business tenants are encouraged to work on one or more of the committees.

<i>TOBCBD Committee</i>	<i>Functions and Duties</i>
-----------------------------	-----------------------------

<p>Executive/ Organization Committee Chair: Oliver Mar, President of the Corporation</p>	<p>Oversees staff and district administration and consulting contracts, corporate finances, insurance, grants, development of budget, Board agendas and meetings, correspondences, outreach, bylaws and Board policies, relations with the Board of Supervisor's office, political reps and public agencies, Board elections, fundraising, etc. Oversees annual election of Board members. Consists of all of the officers of the corporation.</p>
<p>Sidewalk Operations, Beautification and Order (SOBO) Chair: Payam Arvin</p>	<p>Oversees maintenance and security service provider contracts involved in the improvement of the public rights of way, including sidewalk sweeping, steam cleaning, landscaping, personnel and non-personnel expenses. Coordinates with existing private security companies hired by private property owners within the district. Relations with SFPD and contracting with 10B officers</p>
<p>District Identity and Streetscape Improvements (DISI) Chair: Jerry Cimino</p>	<p>Projects would include those that market and promote the District or promote positive aspects of the Top of Broadway. Those issues may include: branding of the district, new International Settlement sign (if expansion occurs), Kearney Steps project, public relations, website maintenance, streetscape issues including landscaping <i>design</i>, tree selection, street light standards, festival poles, visual linkages, new public spaces projects, improvements to public spaces in the district, social media, twitter and facebook management,</p>
<p>Land Use Chair: Joe Carouba</p>	<p>Parking, transportation, mobility, planning, zoning, code enforcement, new developments, Entertainment Commission, alcohol permits and outdoor dining encroachments, review of new tenant improvements and their impact, etc.</p>
<p>Expansion Task Force: Chair: Joe Carouba</p>	<p>Oversees the boundaries, survey and other steps involved in the possible expansion of the Top of Broadway CBD. This Task Force will advise the Executive Committee on the results of its finding and the Executive Committee will bring the issues to the Board for review and concurrence. Created by Board action and advisory to the Executive Committee.</p>

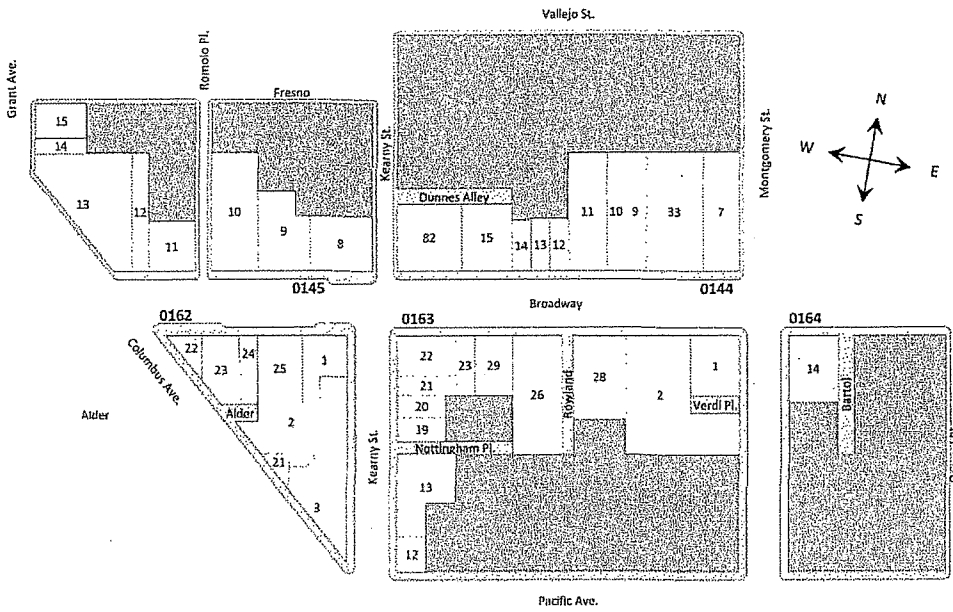
Pie Chart:



Map

Top of Broadway CBD Map

May 2012



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

Service Category/Budget Line	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2016-17					
					FY 2016-17 Budget	General Benefit Dollars	FY 2016-17 Assessment Budget	% of Budget	Variance	Note
SA 76 - Top of Broadway CBD - District Identity and Activities	\$ 45,000.00	\$ 450.00	\$ 44,550.00	42.23%	\$ 47,500.00	\$ 457.00	\$ 45,000.00	19.20%	-23.03%	0% Variance Change for assessment dollars
SA 76 - Top of Broadway CBD - Sidewalk Operations, Beautification, and Order	\$ 30,000.00	\$ 300.00	\$ 29,700.00	28.15%	\$ 142,000.00	\$ 300.00	\$ 30,000.00	57.40%	29.25%	0% Variance Change for assessment dollars
SA 76 - Top of Broadway CBD - Administration, Organization, and Corporate Operations	\$ 31,567.31	\$ 315.67	\$ 31,251.64	29.62%	\$ 57,900.00	\$ 315.67	\$ 31,567.31	23.40%	-6.22%	0% Variance Change for assessment dollars
Contingency and Reserve	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	
TOTAL	\$ 106,567.31	\$ 1,065.67	\$ 105,501.64	100.00%	\$ 247,400.00	\$ 1,065.67	\$ 106,567.31	100.00%		

42.23%
28.15%
29.62%

BENCHMARK 2: General Benefit Requirement

1.00%

Revenue Sources	FY 2016-2017 Actuals	% of actuals	Source
Assessment Revenue	\$ 109,097.99		
Total Assessment (Special Benefit) Revenue	\$ 109,097.99	51.35%	
Contributions and Sponsorships	\$ -	0.00%	
Grants	\$ 20,600.00	9.65%	
Donations	\$ 21,000.00	11.77%	
Interest Earned	\$ -	0.00%	
Earned Revenue	\$ 1,220.00	0.58%	
Other	\$ 56,628.56	26.65%	
Total Non-Assessment (General Benefit) Revenue	\$ 109,356.56	48.65%	
Total	\$ 212,454.55	100.00%	

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

Service Category/Budget Line	FY 2016-17 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% Budget (Total Budget)	FY 2016-17					Variance (Assessment)	Variance (Total Budget)	Source
						Actuals	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)			
SA 76 - Top of Broadway CBD - District Identity and Activities	\$ 47,500.00	\$ 45,000.00	\$ 450.00	42.23%	19.20%	\$ 14,068.32	\$ 45,000.00	\$ 450.00	42.23%	7.59%	0.00%	-11.61%	
SA 76 - Top of Broadway CBD - Sidewalk Operations, Beautification, and Order	\$ 142,000.00	\$ 30,000.00	\$ 300.00	28.15%	57.40%	\$ 112,731.41	\$ 30,000.00	\$ 300.00	28.15%	60.84%	0.00%	3.45%	
SA 76 - Top of Broadway CBD - Administration, Organization, and Corporate Operations	\$ 57,900.00	\$ 31,567.31	\$ 315.67	29.62%	23.40%	\$ 58,477.17	\$ 31,567.31	\$ 315.67	29.62%	31.55%	0.00%	8.16%	
Contingency and Reserve	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
0	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
TOTAL	\$ 247,400.00	\$ 106,567.31	\$ 1,065.67	100.00%	100.00%	\$ 185,276.90	\$ 106,567.31	\$ 1,065.67	100.00%	100.00%			

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

FY 2016-2017 Carryover Disbursement	Source	Spenddown Timeline
General Benefit Project		
General Benefit Project 1	\$ -	
General Benefit Project 2	\$ -	
General Benefit Project 3	\$ -	
General Benefit Project 4	\$ -	
General Project Total	\$ -	
Special Assessment Project		
SA 76 - Top of Broadway CBD - District Identity and Activities	\$ 12,000.00	
SA 76 - Top of Broadway CBD - Sidewalk Operations, Beautification, and Order	\$ 142,000.00	
SA 76 - Top of Broadway CBD - Administration, Organization, and Corporate Operations	\$ 17,400.00	
Contingency and Reserve	\$ -	
0	\$ -	
0	\$ -	

0	\$		
Special Project Total	\$	247,400.00	
Total Designated Amount for FY 2016-17	\$	247,400.00	

**TOP OF BROADWAY COMMUNITY
BENEFIT DISTRICT, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017**

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

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Statement of Cash Flows	5
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CHEK TAN AND COMPANY, LLP

A CERTIFIED PUBLIC ACCOUNTING FIRM

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Top of Broadway Community Benefit District, Inc.

We have reviewed the accompanying financial statement of Top of Broadway Community Benefit District, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Chek Tan & Co. LLP

San Francisco, California
November 1, 2017

///
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TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS.

Current assets		
Cash	\$	60,980
Grant Receivable		23,490
Prepaid expense		1,180
Property and equipment, at cost (net of accumulated depreciation of \$4,032)		<u>6,077</u>
Total assets	\$	<u><u>91,727</u></u>

LIABILITIES AND NET ASSETS

Net assets		
Unrestricted net assets		68,237
Temporarily restricted net assets		<u>23,490</u>
Total net assets		<u>91,727</u>
Total liabilities and net assets	\$	<u><u>91,727</u></u>

See independent accountant's review report and accompanying notes.

(2)

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Support and revenue	
Assessment revenue	\$ 108,731
Affiliate member dues	1,740
Contributions	<u>45,500</u>
Total support and revenue	<u>155,971</u>
Expenses	
Program services	126,799
Supporting services	
Management and general	<u>58,990</u>
Total expenses	<u>185,789</u>
Changes in net assets	(29,818)
Net assets, beginning of year	<u>121,545</u>
Net assets, end of year	<u><u>\$ 91,727</u></u>

See independent accountant's review report and accompanying notes.

(3)

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services	Supporting Services- Management and General	Total
	<u> </u>	<u> </u>	<u> </u>
Security and safety	\$ 38,774	0	\$ 38,774
Sidewalk cleaning and maintenance	67,740	0	67,740
Depreciation	2,016	0	2,016
District Identity	9,446	0	9,446
Insurance	0	2,615	2,615
Landscaping and streetscapes	8,510	0	8,510
License and Permits	0	50	50
Printing and copying	0	113	113
Bank Service	0	84	84
Supplies	313	807	1,120
Support and professional services fees	<u>0</u>	<u>55,321</u>	<u>55,321</u>
 Total functional expenses	 <u>\$ 126,799</u>	 <u>\$ 58,990</u>	 <u>\$ 185,789</u>

See independent accountant's review report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017

Cash flows from operating activities:	
Decrease in net assets	\$ (29,818)
Adjustments to reconcile the decrease in net assets to net cash used in operating activities:	
Depreciation	<u>2,016</u>
Net cash used by operating activities before changes in operating assets and liabilities	<u>(27,802)</u>
Change in operating assets and liabilities:	
Assessments receivable	879
Grants Receivable	6,510
Prepaid expenses	(224)
Accrued expenses and other payable	<u>(512)</u>
Net cash provided by operating assets and liabilities	<u>6,653</u>
Net cash used in operating activities	<u>(21,149)</u>
Net decrease in cash	<u>(21,149)</u>
Cash at beginning of year	<u>82,129</u>
Cash at end of year	<u><u>\$ 60,980</u></u>

See independent accountant's review report and accompanying notes.

(5)

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 - Nature of Activities

a. Organization

The Top of Broadway Community Benefit District, Inc. ('Organization'), was incorporated in California on October 18, 2013 as a non-profit public benefit corporation. Its mission is to make the area around Broadway a safe, beautiful, diverse and enjoyable place to live, work and visit with a commitment to promote economic vitality, improve livability and advocate area history and identity. All property owners whose parcels of land fall within the Organization's geographic area fund the Organization through a special assessment fee, as established after a majority of property owners voted and legislation adopted by the Board of Supervisors, and signed by the Mayor of the City and County of San Francisco ('City').

Upon formation of the district in 2013, its members (property owners) were assessed an annual special tax assessment levied by the City under the Property and Business Improvement District Law of 1994. The term of the district will expire (unless renewed) on June 30, 2021. Under a contract with the City and a Management Plan, the Organization receives these special tax assessments and, in exchange, provides certain services to the members of the District. The services include, but are not limited to, supplemental regular cleaning of the sidewalks and curb gutters (sweeping/pressure washing), graffiti removal, security, marketing, greening and landscaping services, public space management, and promotional activities, and management and corporate operations.

Note 2 - Significant Accounting Policies

a. Basis of accounting

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

b. Basis of presentation

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

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

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 2 - Significant Accounting Policies (continued)

b. Basis of presentation (continued)

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets.

c. Contribution

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

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

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

d. Assessments receivable

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible at June 30, 2017.

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

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

e. Grants receivable

Grants receivable consists of amounts due from governmental agencies.

f. Income taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2017 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. 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.

g. Donated services and materials

Donated services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated property is recognized as contribution in the accompanying financial statements at its estimated fair market value at date of gift.

h. Use of accounting estimates

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

i. Concentration of credit risk

The Organization places its cash with financial institutions and its balances are insured by the Federal Deposit Insurance Corporation. At June 30, 2017, there was no uninsured balance.

j. Deferred revenue

Deferred revenue consists of payments received in advance from property owners who are outside the district to receive same types of community services provided to the members of the district.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

k. Property and equipment

All acquisitions of property and equipment in excess of \$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. Maintenance and repairs, which are not considered betterments and do not extend the useful life of property and equipment, are charged to expense as incurred. When property and equipment are retired or disposed of, their cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in net assets.

l. Functional allocation of expenses

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

m. Date of Management Review

The Company has evaluated subsequent events through November 1, 2017, the date which the financial statements were available to be issued.

Note 3 - Property and Equipment

At June 30, 2017, property and equipment consisted of the following:

		Estimated Useful Lives (years)
Equipment	\$ 10,109	5
	10,109	
Less: Accumulated depreciation	(4,032)	
Net property and equipment	\$ 6,077	

For the year ended June 30, 2017, depreciation expense amounted to \$2,016.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 4 - Concentration of Support and Revenue

The Organization received special benefit assessments under a contract with the City and County of San Francisco, which represents approximately 70% of the Organization's total revenue.

The Organization also received grant and contribution from two donors in the total amount of \$45,500, which represents 29% of the Organization's total revenue.

Note 5 - Net Assets

Unrestricted net assets	
Designated by the Board for	
District identity activities	\$ 15,695
General and administration	4,777
Undesignated	<u>47,765</u>
Total unrestricted net assets	<u>68,237</u>
Temporarily restricted net assets	
Restricted for CCGP - Historical Markers Project	<u>23,490</u>
Temporarily restricted net assets	<u>23,490</u>
Total net assets	<u><u>\$ 91,727</u></u>

MEMO

To: Supervisor Aaron Peskin, District 3
CC: San Francisco Board of Supervisors
From: Chris Corgas, OEWD Senior Program Manager
RE: Top of Broadway Community Benefit District
Date: April 17, 2018

This is a memo summarizing the performance of the Top of Broadway Community Benefit District (ToBCBD) and an analysis of their financial statement (based on their audit) for the period between July 1, 2016, and June 30, 2017.

In the first year of operation, the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Top of Broadway CBD has complied with the submission of all these requirements. OEWD staff reviewed these 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 Top of Broadway Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2013.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2016-2017
2. CPA Financial Review Report
 - a. FY 2016-2017
3. Memo explaining carryover spenddown plan
4. Draft resolution from the Office of Economic and Workforce Development

Background



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[Company Name]

[Date]

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The Top of Broadway Community Benefit District includes 39 property-based parcels.

- July 23, 2013: the Board of Supervisors approved the resolution that established the property-based district called the Top of Broadway Community Benefit District for 8 years (Resolution # 263-13).
- November 5, 2013: Organization formed and incorporated; first meeting of the Board of Directors.
- February 25, 2014: the Board approved the contract for the administration and management of the Top of Broadway Community Benefit District (Resolution # 52-14)
- March 17, 2014: CBD received first assessment payment.
- September 5, 2017: the Board approved the Top of Broadway CBD's annual report for FY 2015 – 2016 (Resolution #331-17).

Basic Info about Top of Broadway CBD

Year Established	July 2013
Assessment Collection Period	FY 2013-14 to FY 2020-21 (July 1, 2013 to June 30, 2021)
Services Start and End Date	January 1, 2014 – December 31, 2021
Initial Estimated Annual Budget	\$106,567
Fiscal Year	July 1 – June 30
Executive Director	Marco LiMandri
District Director	Dominic LiMandri
Name of Nonprofit Owners'	Top of Broadway Community Benefit District Association

The current CBD website <http://topofbroadwaycbd.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 Service Area Goals

District Identity

District Identity program area includes marketing, public relations, special events, and street enhancements, such as signage, historical markers, and banners, for the district. ToBCBD Management Plan calls for approximately 42% of the budget to be spent in this service area.

Sidewalk Operations, Beautification and Order (SOBO)

Sidewalk Operations, Beautification and Order service area includes sidewalk and public rights of way maintenance and beautification. This service area calls for one person at 20 hours, 5 days per week to remove graffiti and stickers from street fixtures and sidewalk cleaning. In addition, the program provides periodic steam cleaning (each Friday; district-wide monthly), trimming trees, and cleaning tree wells. The ToBCBD Management Plan calls for approximately 28% of the budget to be spent on SOBO.

Administration, Organization and Corporate Operations

The ToBCBD Management Plan calls for approximately 30% of the budget to be spent on administration, organization, and corporate operations. In FY 16-17, ToBCBD was staffed by a part-time Executive Director who serves as the focal point person and advocate for Top of Broadway CBD. ToBCBD board has up to ten (10) board members that represent the diverse property owners and businesses in the district. Notice of meetings of the CBD's Board of Directors and CBD Advisory *Committees will be posted to the website calendar and at the SF Main Library. All Board of Directors and Committee meetings are open to the public, and public comment is welcome.* There are five advisory committees:

- **Executive/Organization Committee** – The Executive/Organization Committee oversees staff and district administration and consulting contracts, corporate finances, insurance, grants, development of budget, board agendas and meetings, correspondences, outreach, bylaws and Board policies, relationships with the Board of Supervisor's office, political representatives and public agencies, board elections, fundraising, etc. Oversees annual election of board members. Consists all of the officers of the corporation.
- **District Identity and Streetscape Improvement (DISI)** - The District Identity & Streetscape Improvement Committee is responsible for activities associated with area marketing and identity management, and will make related strategy and option recommendations for consideration by the Board of Directors. The Committee will propose and manage advocacy of area businesses and activities/events, and will promote area identity and manage branding efforts. The Committee meets monthly (at the option of the Committee Chair).
- **Sidewalk Operations, Beautification and Order Committee Meeting (SOBO)** - The Sidewalk Operations, Beautification and Order Committee is responsible for Services & Safety programs, including the coordination of services, activities and improvements related to sidewalk operations, beautification and safety. The Committee will evaluate programs and initiatives, and advise the Board on issues that impact safety, and quality of life and experience of area residents, businesses and visitors. The Committee meets monthly on the 2nd Wednesday of the month and is often joined by the SFPD Central Station Captain.
- **Land Use** – The Land Use Committee is responsible for areas involving parking, transportation, mobility, planning, zoning, code enforcement, new developments, Entertainment Commission, alcohol permits and outdoor dining encroachments, review of new tenant improvements and their impact, etc.
- **Expansion Task Force** – The Expansion Task Force oversees the boundaries, survey and other steps involved in the possible expansion of the Top of Broadway CBD. This task force will advise the Executive Committee on the results of its findings and the Executive Committee will bring the issues to the Board for review and concurrence. Crated by board action and advisory to the Executive Committee.
- **Finance Advisory Committee** – The Finance Advisory Committee is responsible for monitoring the financial and operating condition of the Organization as well as managing banking and insurance related matters. The Committee reviews all financial reports and oversees the CPA Review. The

Committee provides counsel and administrative advice to the Executive Director and Board of Directors as needed. The Committee meets quarterly and as needed. This committee serves in the capacity of the Executive Committee of the Organization.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2016-2017

District Identity – Marketing and Identity

- Continued work and refinement of the Historical Marker Project, expected to be installed in and around the Broadway corridor in February of 2018
- Proposed, conceptualized and contracted with a design vendor to install a temporary art installation over the Kearny Street Steps in Spring 2018
- Developed new direction for district-wide ornamental landscaping expected to be exhibited in Spring 2018
- Collaborated with OEWD, SFPDW, and the CBD Consortium to draft policy to secure a more autonomous, expeditious process of deployment for pedestrian amenities (themed banners, sidewalk seating, decorative lighting, etc.).
- Continued developing strategic partnerships in and around the North Beach with community members and organizations alike

Safety and Services Committee/Sidewalk Operations, Beautification and Order (SOBO)

- Provided sidewalk maintenance services 349 days out of the year, collecting and removing approximately 8,725 lbs. of litter from the gutters and public right-of-way.
- Removed 1,078 incidences of graffiti from the public rights-of-way, a 3.7% increase from last fiscal year
- Removed 580 incidences of human/animal waste in-district, a 1% increase from last fiscal year
- Reported and facilitated the removal of over 400 incidences of illegal dumping in the district, a substantial 52% decrease from last fiscal year
- Conducted monthly district-wide inspections with SFPDW personnel and coordinated resources among multiple agencies to ensure collaborative coverage of the Broadway corridor
- Hosted monthly Sidewalk Operations Committee Meetings

Administration, Organization and Corporate Operations

- Began work on a formal district expansion project with the City (OEWD)
- Continued fundraising and grant applications to supplement District assessment dollars
- Held regularly scheduled board and committee meetings

ToBCBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for ToBCBD:

- **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 “Top of Broadway 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 “Top of Broadway Community Benefit District”, Section 3.4 - 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 “Top of Broadway Community Benefit District”, Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether ToBCBD is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating projects to be funded by any surplus revenues (*CA Streets & Highways Code, Section 36650(B)(5)*)

FY 2016-2017

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

ANALYSIS: *ToBCBD met this requirement. ToBCBD was incredibly successful at obtaining grants, sponsorships, and donations to fund the District’s activities. Separating the non-assessment dollars from the review of this benchmark, demonstrates that the amount of assessment dollars allocated to each program is, in fact, appropriate. ToBCBD accounting changes allowed OEWD to determine budget and assessment expenditures from those that were paid for from non-assessment funds. See tables below.*

Service Category	Management Plan Budget	% of Budget	FY 2016-2017 Budget	% of Budget	Variance Percentage Points
District Identity Activities	\$45,000	42.23%	\$45,000	42.23%	0%
Sidewalk Operations, Beautification, & Order	\$30,000	28.15%	\$30,000	28.15%	0%
Administration, Organization and Corporate Operations	\$31,567.31	29.62%	\$31,567.31	29.62%	0%
TOTAL	\$106,567.31	100%	\$106,567.31	100%	

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

ANALYSIS: *ToBCBD met this requirement. Assessment revenue was \$109,097.99 or 51.35% of actuals and non-assessment revenue was \$103,356.56 or 48.65% of actuals. See table below.*

[Company Name]

[Date]

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Revenue Sources	FY 2016-2017 Actuals	% of Actuals
Special Benefit Assessments	\$ 109,097.99	
Total assessment revenue	\$ 109,097.99	51.35%
Grants	\$20,500	9.65%
Donations	\$25,000	11.77%
Earned Revenue	\$1,228	0.58%
Other	\$56,628.56	26.65%
Total non-assessment revenue	\$103,356.56	48.65%
Total	\$212,454.55	100%

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

ANALYSIS: ToBCBD met this requirement. See table below.

Service Category	FY 2016-2017 Budget	% of Budget	FY 2016-2017 Actuals	% of Budget	Variance Percentage Points
District Identity	\$45,000	42.23%	\$45,000	42.23%	0%
Sidewalk Operations, Beautification, & Order	\$30,000	28.15%	\$30,000	28.15%	0%
Administration, Organization, and Corporate Operations	\$31,567.31	29.62%	\$31,567.31	29.62%	0%
TOTAL	\$106,567.31	100%	\$106,567.31	100.0%	

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

ANALYSIS: ToBCBD met this requirement, they did include non-assessment revenue in their totals. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.

FY 2016-17 Carryover Disbursement	Spended Timeline
Designated Projects for FY 2016-17	

[Company Name]

[Date]

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District Identity and Streetscape Improvement	\$47,500.00	FY 2017-2018
Sidewalk Operations, Beautification, and Order	\$142,000.00	FY 2017-2018
Administration, Organization, and Corporate Operations	\$57,900.00	FY 2017-2018
Total Designated amount for FY 2016-2017	\$247,400.00	

Findings and Recommendations

ToBCBD has met all of the benchmarks as defined on page 5 of this memo. The CBD worked closely with OEWD to ensure their budgeting separated assessment dollars from non-assessment dollars to provide a more accurate picture of how assessment dollars were budgeted and spent.

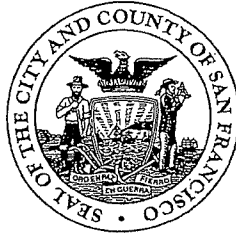
As illustrated in Benchmark 2, approximately 49% of the CBD's budget was composed of non-assessment monies. These monies must be allocated according to parameters set forth by donors, grantors, and contributors. The CBD does an excellent job of obtaining non-assessment revenue sources.

OEWD reviewed the CBD's website periodically in FY 16-17 and found that the district did post meeting agendas in compliance with The Brown Act. Furthermore, the website was routinely updated. OEWD alerted ToBCBD to a web issue for the CBD web page early in FY 16-17. ToBCBD needed to hire outside contractors to rectify the error. The website was non-functional for a period of two months. ToBCBD successfully rectified the situation and the website has been working well since.

Conclusion

The Top of Broadway CBD was formed through an open community based process, developed governance policies and procedures and implemented its services. Top of Broadway CBD has performed well in implementing its service plan and successfully meeting most benchmarks set forth by governing statute. ToBCBD successfully worked with OEWD in order to better articulate finances from previous years.

BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: May 2, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on April 24, 2018:

File No. 180430

Resolution receiving and approving an annual report for the Top of Broadway Community Benefit District for FY2016-2017, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

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

c: Todd Rydstrom, Office of the Controller
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2010 APR 24 PM 3:08

Time stamp

BY _____ or meeting date *Pz*

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. Question(s) submitted for Mayoral Appearance before the BOS on []

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

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

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

Sponsor(s):

Peskin

Subject:

[Top of Broadway Community Benefit District – Annual Report for FY 2016-2017]

The text is listed:

Resolution receiving and approving annual report for the Top of Broadway Community Benefit District for fiscal year 2016-2017, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: *[Signature]*

For Clerk's Use Only