

File No. 160160

Committee Item No. 2

Board Item No. 16

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date March 10, 2016

Board of Supervisors Meeting

Date MARCH 22, 2016

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

Office of Economic & Workforce Development (OEWD) Memo - 02.16.2016

- Community Benefit District (CBD) Annual Report - FY2014-2015
- CBD CPA Report - FY2014-2015
- Referral FYI - 03.01.2016
- OEWD VPT - 3.10.2016
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Completed by: Erica Major

Date March 4, 2016

Completed by: JAM

Date 3/14/2016

1 [Noe Valley Community Benefit District - Annual Reports to the City - FY2014-2015]

2
3 **Resolution receiving and approving annual report for the Noe Valley Community**
4 **Benefit District for FY2014-2015, submitted as required by the Property and Business**
5 **Improvement District Law of 1994 (California Streets and Highways Code, Sections**
6 **36600, et seq.), Section 36650, and the District's management agreement with the City,**
7 **Section 3.4.**

8
9 WHEREAS, On June 7, 2005, 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. 420-05, expressing the City's intention to
13 establish the Noe Valley Community Benefit District (the "Noe Valley CBD"); and

14 WHEREAS, On August 2, 2005, the Board of Supervisors adopted Resolution
15 No. 583-05 establishing the Noe Valley CBD ("Resolution to Establish") for a period of 15
16 years, commencing FY2005-2006; and

17 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
18 No. 13-06, authorizing an agreement with the owners' association for the
19 administration/management of the Noe Valley CBD, and a management agreement (the
20 "Management Contract") with the owners' association, the Noe Valley Association, A
21 Community Benefit District, 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. 051967; and

1 WHEREAS, On July 12, 2011, the Board of Supervisors approved the Noe Valley
2 CBD's annual reports for FYs 2009-2010, 2010-2011, 2011-2012, 2012-2013, and 2013-2014
3 in Resolution No. 62-15; and

4 WHEREAS, The Noe Valley CBD has submitted for the Board's receipt and approval
5 the annual report for FY2014-2015 as required by Section 36650 of the Act and Section 3.4 of
6 the Management Contract; and

7 WHEREAS, The annual report for FY2014-2015 is on file with the Clerk of the Board of
8 Supervisors in File No. 160160, and is incorporated herein by reference as though fully set
9 forth; and

10 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
11 memorandum report from the City's Office of Economic and Workforce Development, dated
12 February 16, 2016, and documentation from the Noe Valley CBD for the FY2014-2015 annual
13 report are on file with the Clerk of the Board of Supervisors in File No. 160160; now, therefore,
14 be it

15 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
16 report for the Noe Valley Community Benefit District for FY2014-2015.

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(REVISION)

City and County of San Francisco :: Edwin M. Lee, Mayor
Economic and Workforce Development :: Todd Rufo, Director

MEMO

To: Supervisor Scott Wiener, District 8
CC: San Francisco Board of Supervisors
From: Chris Corgas, OEWD Project Manager
RE: Noe Valley Community Benefit District
Date: February 16, 2016

This is a memo summarizing the accomplishments of the Noe Valley Community Benefit District and an analysis of its financial statements (based on their audit) for the period between July 1, 2014, and June 30, 2015.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Noe Valley 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 Noe Valley CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2014-2015
2. CPA Financial Review Reports
 - a. FY 2014-2015
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Noe Valley Community Benefit District (Noe Valley CBD) was formed to clean, beautify, and improve public space within the district. Noe Valley CBD includes both privately and publicly owned properties. The district is 8 square blocks and includes 211 parcels. The main commercial street that services Noe Valley is 24th Street between Church and Douglass Streets.

- August 2, 2005: the Board of Supervisors approved the resolution that established the Noe Valley Community Benefit District for 15 years (Resolution # 583-05).
- January 10, 2006: the Board approved the contract for the administration and management of the Noe Valley Community Benefit District (Resolution # 13-06).
- March 3, 2015: the Board of Supervisors approved the Annual Reports for FYs 2009-2010, 2010-2011, 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 062-15).

Basic Info about Noe Valley Community Benefit District:

Year Established	August 2005
Assessment Collection Period	FY 2005-2006 to FY 2019-2020 (July 1, 2005 to June 30, 2020)
Services Start and End Date	January 1, 2006 – December 31, 2020
Initial Estimated Annual Budget	\$230,138
Fiscal Year	July 1 – June 30
Executive Director	Debra Niemann
Name of Nonprofit Owners' Entity	Noe Valley Association

The current CBD website www.noevalleyassociation.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

Public Rights of Way and Sidewalk Operations

The Noe Valley Management Plan calls for 70% of the budget to be spent on Public Rights of Way and Sidewalk Operations. This program area includes maintenance of trees, planters and flower baskets; and systematic sidewalk cleaning. Noe Valley CBD contracts with Curb Appeal to provide daily sidewalk and gutter sweeping as well as removal of excess trash, leaves and debris, graffiti removal within 24 hours, ten monthly hot steam cleanings and as needed spot cleaning are services that are covered by this program area. Curb Appeal is also responsible for watering 24 hanging flower baskets, 148 neighborhood trees, and 22 open ground or planter boxes.

District Identity and Streetscape Improvements

Approximately 9% 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 street festivals, and developing plans that outline the long term goals of the district. In addition, the Noe Valley Association serves as the fiscal agent and or co-producer with the Noe Valley Merchants Association of four seasonal major events in the neighborhood including Harvest Festival in October; Spring/Easter Egg Hunt in April; SummerFest in June; 24 HoliDAYS on 24th Street in December.

Management & Operations

Noe Valley CBD is staffed by a part-time Executive Director who 1) performs the day-to-day management of the organization, 2) works with various city departments, 3) advocates for city funds and services, and 4) ensures that the organization is in compliance with their Management Plan and City contract. The Noe Valley CBD Management Plan calls for 14% of the budget to be spent on management and operations.

The remaining 7% of annual budget is to be allocated to a contingency fund.

The Noe Valley CBD board has eight (8) members, represented by residents, property owners, merchants, and community organizations. Board member seats are determined using the following guidelines: property owners (63%), two seats (25%) are set aside for non-property owning merchants with a preference for existing small businesses operating retail, restaurant and service, and one seat (12%) is reserved for Community Based Organizations and residents. This structure complies with Article 15 of the San Francisco Business and Tax Regulations Code. The full board meets quarterly. The committees and meeting times are detailed below:

- **Executive Committee** – The 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; newsletters. The Executive Committee meets on an as needed basis.
- **Streetscape Committee** – The Streetscape Committee is in charge of overseeing the greening and creation of public space and ensuring the success and efficiency of these services. The Streetscape Committee meets as needed.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2014-2015

Public Right of Way and Sidewalk Operations

- Removed 242 graffiti marks, stickers, and improper signage; removed 178 pieces of bulky and illegal trash (boxes, furniture, yard debris, bags of garbage, etc.), and repainted all trashcans and MTA guardrails on Church Street (as needed), weeded and watered 227 trees,

District Identity and Streetscape Improvements

- Produced events including SummerFEST and 24 HoliDAYS on 24th Street to attract local and citywide residents, as well as city visitors. Installed 24 flower baskets and 32 new bike racks.

Management & Operations

- Advocated for 24th Street with all departments of SF City government and presented work to the Board of Supervisors and the Government Oversight Committee. Managed finances and reporting to the City and State offices; wrote grant applications to bring additional resources to the CBD; monitored contracts and services; published Mid-Year and Annual Reports, managed webpage updates, and responded to all community inquiries.

NVCBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for Noe Valley 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 "Noe Valley Community Benefit District," Section 3.9 – Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Noe Valley 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 "Noe Valley Community Benefit District," Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether Noe Valley 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 2014-2015

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: *Noe Valley CBD met this requirement. See Table Below*

Service Category	Management Plan Budget	% of Management Plan	FY 2014-2015 Budget	% of Budget	Variance Percentage Points
Public Rights of Way and Sidewalk Operations 82%	\$160,000	70%	\$167,743.58	63%	-7%
District Identity and Streetscape Improvements 18%	\$22,000	9%	\$37,467.42	14%	+5%
Administrative/Corporate Operations	\$32,000	14%	\$36,000	14%	0%
Contingency Reserve	\$16,128	7%	\$24,974	9%	+2%
TOTAL	\$230,128	100%	\$266,185	100%	0.0%

BENCHMARK 2: Whether five percent (5%) of Noe Valley CBD's actuals came from sources other than assessment revenue

ANALYSIS: *Noe Valley CBD met this requirement. Assessment revenue was \$252,532 or 90% of actuals and non-assessment revenue was \$28,331 or 10% of actuals. See table below.*

Revenue Sources	FY 2014-2015 Actuals	% of Actuals
Special Benefit Assessments	\$252,532	

Total assessment revenue	\$252,532	90%
Contributions/Grants	\$20,000	7 %
Donations	\$7,687	3%
Interest Earned	\$644	.2%
Earned Revenue	\$0	0%
Total non-assessment revenue	\$28,331	10%
TOTAL	\$280,863	100%

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

ANALYSIS: *Noe Valley CBD met this requirement. See table below.*

Service Category	FY 2014-2015 Budget	% of Budget	FY 2014-2015 Actuals	% of Actuals	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$167,743	63%	\$166,417	62%	-1%
District Identity and Streetscape Improvements	\$37,467	14%	\$37,276	14%	0%
Administrative/Corporate Operations	\$36,000	14%	\$47,445	18%	+4%
Contingency Reserve	\$24,974	9%	\$17,500	7%	-3%
TOTAL	\$266,184	100%	\$268,638	100%	

BENCHMARK 4: Whether Noe Valley 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: *Noe Valley CBD met this requirement. Noe Valley CBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that Noe Valley CBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Noe Valley CBD dated January 16, 2015. 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 2014-2015 Carryover Disbursement	\$254,000
--	------------------

Designated Projects for FY 2014-15	
PROW	\$165,000
DISI	\$22,000
Admin	\$67,000
Total Designated amount for FY 2014-15	\$254,000

Findings and Recommendations

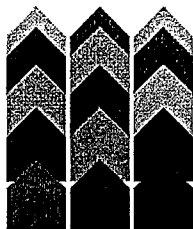
Of note: The Noe Valley CBD advocated for and with the support of Supervisor Wiener received in excess of \$1 million in Proposition B funding to create six major projects outlined in the long-term streetscape plan for the district as approved by the community. These projects include installing duratherm product at the four major intersections to create high visibility crosswalks as well as two bulb-outs at the intersection of Castro and 24th streets. These bulb-outs included the installation of eight new benches and eight new planter boxes, which the CBD will maintain.

Within the review period of FY 2014-2015, the Noe Valley CBD met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Noe Valley Community Benefit District.

Per their management plans, Noe Valley CBD's budget allocation should be 70% for Public Rights of Way and Sidewalk Operations, 9% for District Identity and Streetscape Improvements, 14% for Administrative and Corporate Operations, and 7 % for Contingency and Reserves. Prevailing law allows for a 10% variance on these budget allocations per service areas.

Conclusion

Noe Valley CBD has performed well in implementing the service plan. The CBD has continued to successfully sponsor and help promote events in Noe Valley, including the Harvest Festival, the Easter Egg Hunt, SummerFEST, and 24 HOLIDAYS, driving hundreds of visitors to the district. Noe Valley CBD has done an outstanding job in partnering with the community stakeholders and numerous municipal agencies for the activation and improvement 24th at Noe and at Church streets. Noe Valley CBD is a well-run organization with active board and committee members and will continue to successfully carryout its mission as a community benefit district.



The Noe Valley Association was established in August 2005 as a fifteen-year Community Benefit District (CBD), which receives an annual special assessment from the 211 properties in the district. The first assessments were received by the NVA in January 2006. The NVA consists of roughly six city blocks, including the side streets of corner buildings, along 24th Street between Church & Douglass Streets.

Assessment Methodology

The Noe Valley Association Community Benefit District is funded through an annual assessment from businesses and property owners in the district. The CBD initially assessed properties according to variables as follows: \$0.164 per square foot of lot size + \$8.83 per linear foot of lot frontage + \$0.170 per square foot of non-exempted building square footage. The NVA Board may increase the CBD fees between 1.9% and 3% annually; the increases are never more than the Consumer Price Index (CPI) as determined by the U.S. Department of Labor.

The NVA did not increase CBD fees for the first six years of operation. Recent fee increases have been within the Consumer Price Index (CPI). The funds generated from the increase are placed in a contingency fund and will be used for renewal in 2019/20, when the NVA will have to renew the district through a petition and ballot process with all property owners.

Financial Position as of June 30, 2015

The annual operating budget for the year July 1, 2014 to June 30, 2015 was \$230,000. The proposed budget was developed based on the management plan approved by property owners in 2005 and expressed through surveys and BOD meetings. These figures have not been audited as of 8/30/15. An audited statement will appear on the NVA website before the NVA Board & Property Owner meeting on September 21, 2015.

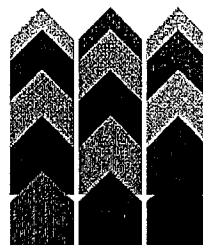
BUDGET July 1, 2014 - June 30, 2015

REVENUE	
Assessments	\$241,559
Grants	15,000
Fees/Donations	9,057
Interest	569
Total Revenue	\$266,185
DISBURSEMENTS	
Sidewalk Operations	\$142,636
Streetscape	31,956
Administration	66,619
Total Disbursements	\$241,211
Contingency Fund	\$24,974

BUDGET July 1, 2015 - June 30, 2016

REVENUE	
Assessments	\$248,000
Interest	500
Total Revenue	\$248,500
DISBURSEMENTS	
Sidewalk Operations	\$145,000
Streetscape	16,000
Administration	65,000
Total Disbursements	\$226,000
Contingency Fund	\$22,500

As provided by the Property and Business Improvement District Law of 1994, the CBD's assessment shall appear as a separate line item called special assessment on the annual property bill prepared by the City and County of San Francisco. For a complete listing of 2014-2015 NVA property assessments, please visit www.noevalleyassociation.org



Noe Valley Association Community Benefit District



Celebrating our 10th Anniversary!
**Annual Report
2014-2015**

The Noe Valley Association welcomes your questions & feedback.














Noe Valley Association • 1330 Castro Street • SF • CA • 94114

Please direct any questions to info@noevalleyassociation.org or call Debra Niemann at 415-519-0093.

Visit our website for updates about our neighborhood: www.noevalleyassociation.org

The Noe Valley Association is a registered 501(c)(3) organization. All contributions are tax-deductible to the extent allowed by law.

Public Rights of Way and Sidewalk Operations

	Monthly sidewalk steam cleanings	Feb - Nov
	Calls to 311 for pick-up of large items, i.e. furniture, mattresses and to report illegal dumping	144
	Removal of graffiti marks, stickers and improper signage	242
	Removal of dog feces and spilled litter from food, drink and other liquids	Daily
	Repainted all trashcans and MTA guardrails on Church Street	As needed
	Bulky/illegal trash items removed from sidewalks by NVA staff (boxes, yard debris, clothing, bags of garbage, etc.)	178
	With Arborist Now, evaluated CBD trees and recommended a program to maintain their health and well-being	As needed
	Added decomposed granite to existing tree wells, reducing the accumulation of dog feces and easing sweeping	As needed
	Trees watered and weeded by Chief Gardener Mara	227
	Planter boxes, sidewalk gardens watered and maintained	27
	Flower baskets watered and renewed	24
	Public parklets maintained year-round with flowers/plants and required SFDPH parklet cleaning reports	2
	Visitor Directions – because NVA porters are on the street everyday many visitors to Noe Valley ask them for assistance	101

NVA Board
+ Property Owner Meeting
& 10th Anniversary Celebration!
 Monday, September 21, 5:00 - 7:00pm

5:00 pm: NVA Board & Property Owner Meeting

Toast 10 years of the NVA!
Wine & hors d'oeuvres following meeting

Le Zinc Restaurant, 4063 24th St.
 R.S.V.P. to noevalleyassociation.org

???

If you have any concerns about Noe Valley street cleaning, the removal of graffiti or large bulk items, etc., please contact Randy of Curb Appeal at 415 574-5015.

Accomplishments 2014-2015

New Street Improvements: Many thanks to Supervisor Scott Wiener who obtained over a million dollars in Prop B funding towards the NVA's installation of three new bulb-outs, new street furniture and four high-visibility sidewalks at Castro, Noe, Sanchez and Church Streets. A special shout out goes to him and to DPW for helping the NVA manifest our long-term strategic plan, drafted in 2008 with the Noe Valley Community.

Bike Racks: The NVA was successful in acquiring a

\$15,000 grant from the City of SF to purchase and install 32 new bike racks, which compliment the district village identity. We also won \$5,000 dollars from AT&T for new bike racks. **Success.** Our work was noticed by members of the community who freely donated over \$4,000 this year to the NVA citing "our good work on 24th Street". It was a banner year with a considerable line-up of street improvements, all funded through grants, donations and advocacy. **Happy 10th Anniversary Noe Valley Association!**



Services Plan 2015-2016

Public Rights of Way: Our street porters will continue to work every day to make the neighborhood an even more attractive place for people to live, work and explore. They will continue with daily cleaning and ten monthly steam washings. Two street porters focus on sidewalk and gutter sweeping; graffiti abatement; painting poles, trash cans and curbs; cleaning, weeding and watering tree wells, flower baskets, planter boxes and open planting areas; sidewalk steam cleaning ten times per year; monitoring public trash can overflow, and reporting large bulky items for removal by the City.

Streetscape: Continue gardening and maintenance of all the greening projects completed in the district: 227 trees, 24 flower baskets, 20 planter boxes, four open gardens as well as maintenance of all 20 street benches, two community parklets and over 40 bicycle racks. Additionally the street porters report on matters concerning the new crosswalks.

District Identity/Marketing: The NVA will continue to produce events including SummerFEST & 24 HOLIDAYS on 24th Street to attract local and city-wide residents as well as San Francisco visitors. The NVA will continue to refine and update its website with information about the CBD, its meeting times, agenda, notices and minutes.

Administrative and Corporate Operations

Keeps the NVA running day-to-day and oversees 501(c)(3) financial & insurance requirements as well as contract requirements with the City of San Francisco.

The NVA advocates for 24th Street with all departments of SF City government and presents work to the Board of Supervisors and Government Oversight Committee. Board meetings are held every quarter and committees meet as needed. The NVA participates in the CBD Council meetings every other month and presents a collective voice to the City on matters relating to CBD contributions towards improving the pedestrian experience on 24th street.

The NVA also manages the following: finances and reporting to City and State offices; grant applications to bring additional resources to the CBD; monitoring contracts and services; publishing Mid-Year and Annual Reports; supporting all committees of the Board of Directors; insurance requirements; NVA website updates to www.noevalleyassociation.org; database of CBD property owners for email and regular mailing lists; all community inquiries.



Randy & Brian of Curb Appeal



The NVA clean team works seven days a week to provide daily sidewalk/gutter sweeping and to remove graffiti, wash down the sidewalk or pick up debris on the sidewalk, including large objects such as furniture, appliances, etc. They are aided by 311 calls to the City's Department of Public Works (DPW). They work for Curb Appeal, a company whose services are paid for by the NVA.

Stop and say hello the next time you see them!

NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT

FINANCIAL STATEMENTS

June 30, 2015

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2014)

CROSBY & KANEDA
Certified Public Accountants

Noe Valley Association, a Community Benefit District

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Dedicated to Nonprofit Organizations

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Noe Valley Association, a Community Benefit District
San Francisco, California


We have reviewed the accompanying statements of financial position of Noe Valley Association, a Community Benefit District (a nonprofit organization) as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

We previously reviewed Noe Valley Association, a Community Benefit District's 2014 financial statements and in our reported dated October 13, 2014, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2014 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2014, for it to be consistent with the reviewed financial statements from which it has been derived.


Certified Public Accountants
Oakland, California
November 23, 2015

Noe Valley Association, a Community Benefit District

Statement of Financial Position

June 30, 2015

(With Comparative Totals as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Cash	\$ 259,106	\$ 231,438
Assessment receivable	11,455	3,334
Due from City	<u>2,851</u>	<u>2,179</u>
Total Assets	<u>\$ 273,412</u>	<u>\$ 236,951</u>
Liabilities and Net Assets		
Liabilities	\$ -	\$ -
Concentrations and contingencies (Notes 3 and 4)		
Unrestricted net assets	271,912	233,693
Temporarily restricted net assets (Note 5)	<u>1,500</u>	<u>3,258</u>
Total Net Assets	<u>273,412</u>	<u>236,951</u>
Total Liabilities and Net Assets	<u>\$ 273,412</u>	<u>\$ 236,951</u>

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

Noe Valley Association, a Community Benefit District

Statement of Activities
 For the Year Ended June 30, 2015
 (With Comparative Totals for the Year Ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Total	
			2015	2014
Support and Revenue				
Assessment revenue	\$ 252,532	\$	\$ 252,532	\$ 247,526
Government grant	15,000		15,000	-
Corporate grant	5,000		5,000	-
Harvest festival	10,814	10,500	21,314	30,299
Donations	7,687		7,687	2,000
Interest	644		644	629
Net assets released from donor restriction (Note 5)	12,258	(12,258)	-	-
Total Support and Revenue	303,935	(1,758)	302,177	280,454
Expenses				
Program	227,682		227,682	222,017
General and administrative	26,676		26,676	23,681
Fundraising	11,358		11,358	11,436
Total Expenses	265,716	-	265,716	257,134
Change in net assets	38,219	(1,758)	36,461	23,320
Net Assets, beginning of year	233,693	3,258	236,951	213,631
Net Assets, end of year	\$ 271,912	\$ 1,500	\$ 273,412	\$ 236,951

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

Noe Valley Association, a Community Benefit District

Statement of Cash Flows
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 36,461	\$ 23,320
Change in assets and liabilities:		
Assessment receivable	(8,121)	(435)
Due from City	(672)	(2,179)
Prepaid expenses	-	100
Net cash provided by operating activities	<u>27,668</u>	<u>20,806</u>
Change in cash	<u>27,668</u>	<u>20,806</u>
Cash, beginning of year	<u>231,438</u>	<u>210,632</u>
Cash, end of year	<u>\$ 259,106</u>	<u>\$ 231,438</u>

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

Noe Valley Association, a Community Benefit District

Statement of Functional Expenses

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

1706

	Programs		Total Program	General and Administrative	Fundraising	Total	
	Cleaning and Greening	Harvest Festival				2015	2014
Salaries	\$ 18,000	\$	\$ 18,000	\$ 10,800	\$ 7,200	\$ 36,000	\$ 36,000
Payroll taxes	1,482		1,482	889	593	2,964	3,069
Accounting			-	8,851	-	8,851	6,525
Fee for service	2,350	17,816	20,166	1,410	940	22,516	22,198
Advertising and promotions	2,858	926	3,784	1,714	1,143	6,641	6,945
Supplies	604	954	1,558	362	241	2,161	2,501
Postage	9		9	5	4	18	9
Telephone	225		225	135	90	450	450
Insurance	2,314	646	2,960	1,388	926	5,274	4,341
Street maintenance	142,637	818	143,455	-	-	143,455	148,376
Streetscape improvement	31,956		31,956	-	-	31,956	14,506
Payroll service			-	791	-	791	692
Meetings	287		287	172	115	574	724
Miscellaneous	600	1,480	2,080	-	-	2,080	7,246
Dues, permits and fees	266	287	553	159	106	818	3,551
Donations		1,167	1,167	-	-	1,167	-
Total Expenses	\$ 203,588	\$ 24,094	\$ 227,682	\$ 26,676	\$ 11,358	\$ 265,716	\$ 257,133

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

NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 1: NATURE OF ACTIVITIES

The Noe Valley Association, a Community Benefit District (the Organization) is a nonprofit organization founded by property owners, merchants and community members in the Noe Valley neighborhood of San Francisco, California.

The Organization receives community benefit district assessment funds from taxes paid by property owners and merchants.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

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

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

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

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2015.

Contributions

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

NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

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

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

Assessments Receivable

Assessments receivable primarily consists of delinquent tax assessments owed by property owners. Since the taxpayers will be subject to City enforcement procedures, all assessments are considered to be fully collectible at June 30, 2015.

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

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the 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, 2015.

Estimates

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

NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

The Organization had no assets or liabilities recorded at fair value on June 30, 2015.

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 \$1,000 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, 2015.

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.

NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, 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 to the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of November 23, 2015 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONCENTRATIONS

Revenue

For the year ended June 30, 2015 the Organization received 84% of its revenue from community benefit district assessments on property owners in the Noe Valley Community Benefit District. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

NOTE 4: CONTINGENCIES

Community benefit district assessments are received under agreement with the City and County of San Francisco and assessments have been currently authorized through December 2020. The assessments and related revenue to the Organization may be terminated at an earlier date if the community benefit district which funds the Organization's operations is disestablished by a vote of the assessed property owners or in certain other circumstances.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

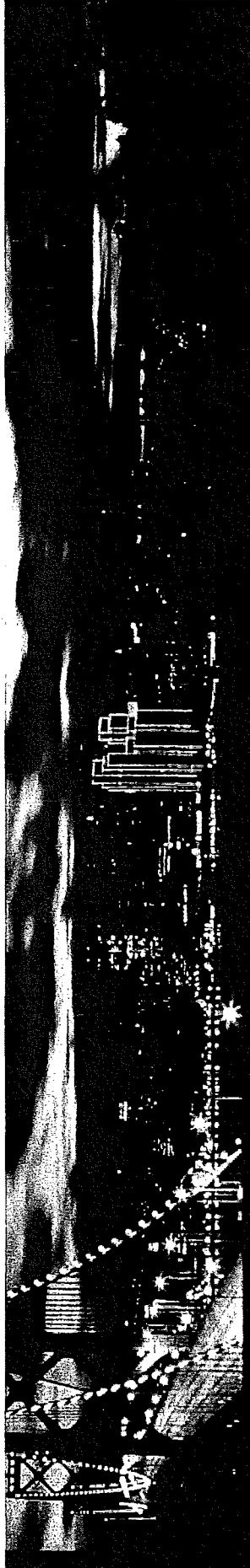
Temporarily restricted net assets were available as follows as of June 30:

	<u>2015</u>	<u>2014</u>
West Portal	\$ -	\$ 1,758
Photo archiving	<u>1,500</u>	<u>1,500</u>
Total	<u>\$ 1,500</u>	<u>\$ 3,258</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses as follows for the years ended June 30:

	<u>2015</u>	<u>2014</u>
West Portal	\$ 1,758	\$ -
Harvest Festival	<u>10,500</u>	<u>15,250</u>
Total	<u>\$ 12,258</u>	<u>\$ 15,250</u>

16060
3/16/16
SUBMITTED + PRESENTED



Noe Valley Community Benefit District

SAN FRANCISCO
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

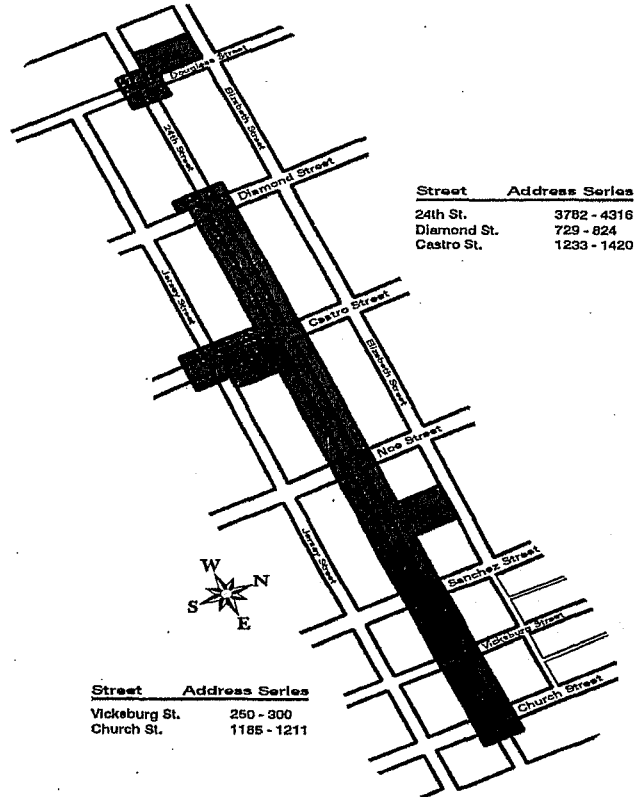
This resolution covers the Annual Report for FY 2014-2015

- 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.

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Parcel Map

Noe Valley Association- A Community Benefits District
Address Range Map



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NVCBD Formation

YBCBD	Type	Assessment Budget*	Year Established	Expires
	Property-Based	\$ 230,138	2005	June 30, 2020

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**budget identified in management plan*

NVCBD Operations

- **Staff**

- Executive Director – Debra Niemann

- **Service Areas**

- **Public Rights of Way and Sidewalk Operations (PROWSO)**

- This program includes street maintenance, beautification, and safety services.
 - Contracts with Curb Appeal to provide sidewalk cleaning and beautification services.
 - During the holiday seasons, NVA hires San Francisco Patrol Special

- **District Identity and Street Improvements (DISI)**

- This program area is allocated for public space development.
 - Promote the district through a strategic marketing materials.
 - Sponsor special events in the district such as farmer's markets and street festivals.

- **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.

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BENCHMARKS

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

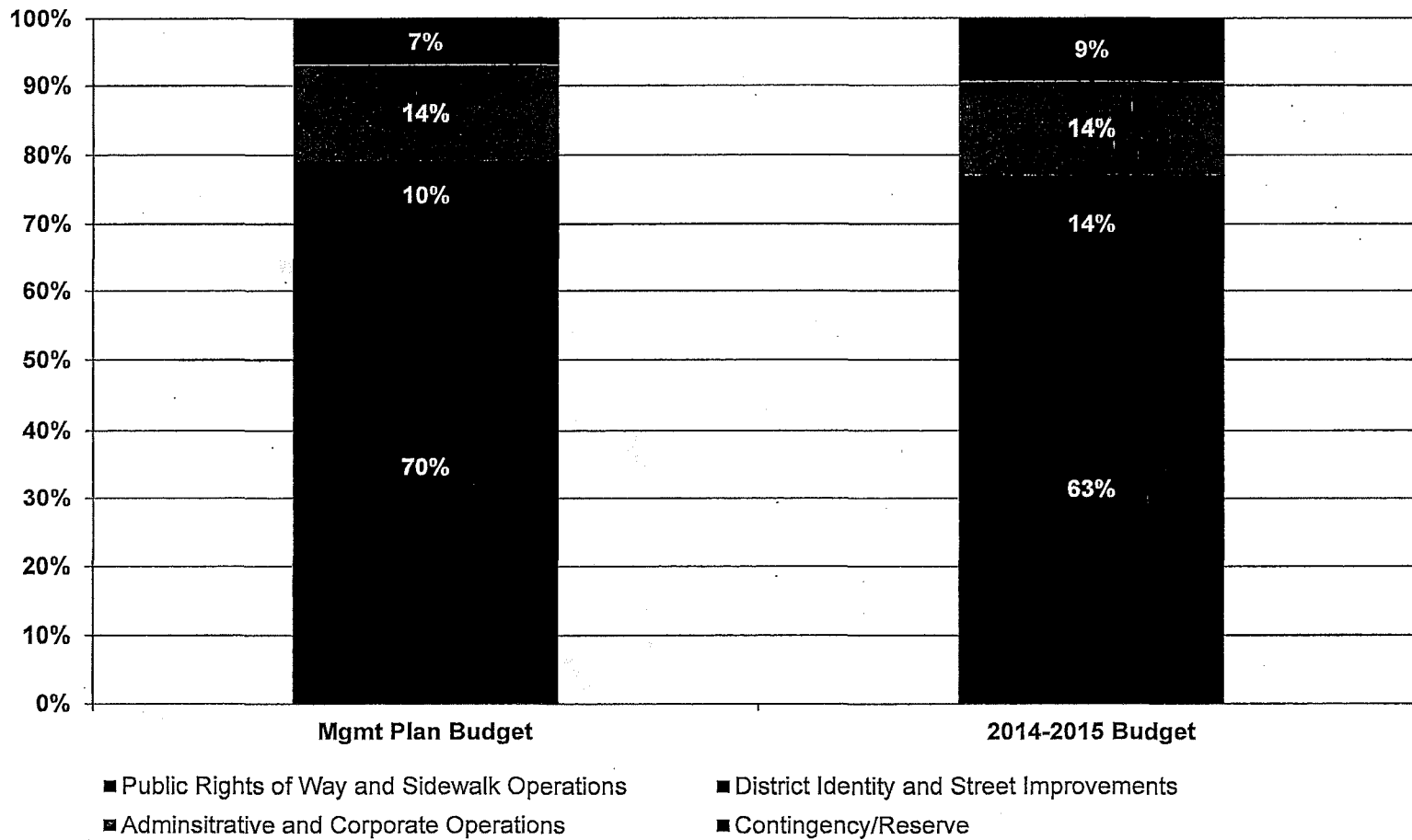
Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

Benchmark 2 – Whether five percent (5%) of NVCBD'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.

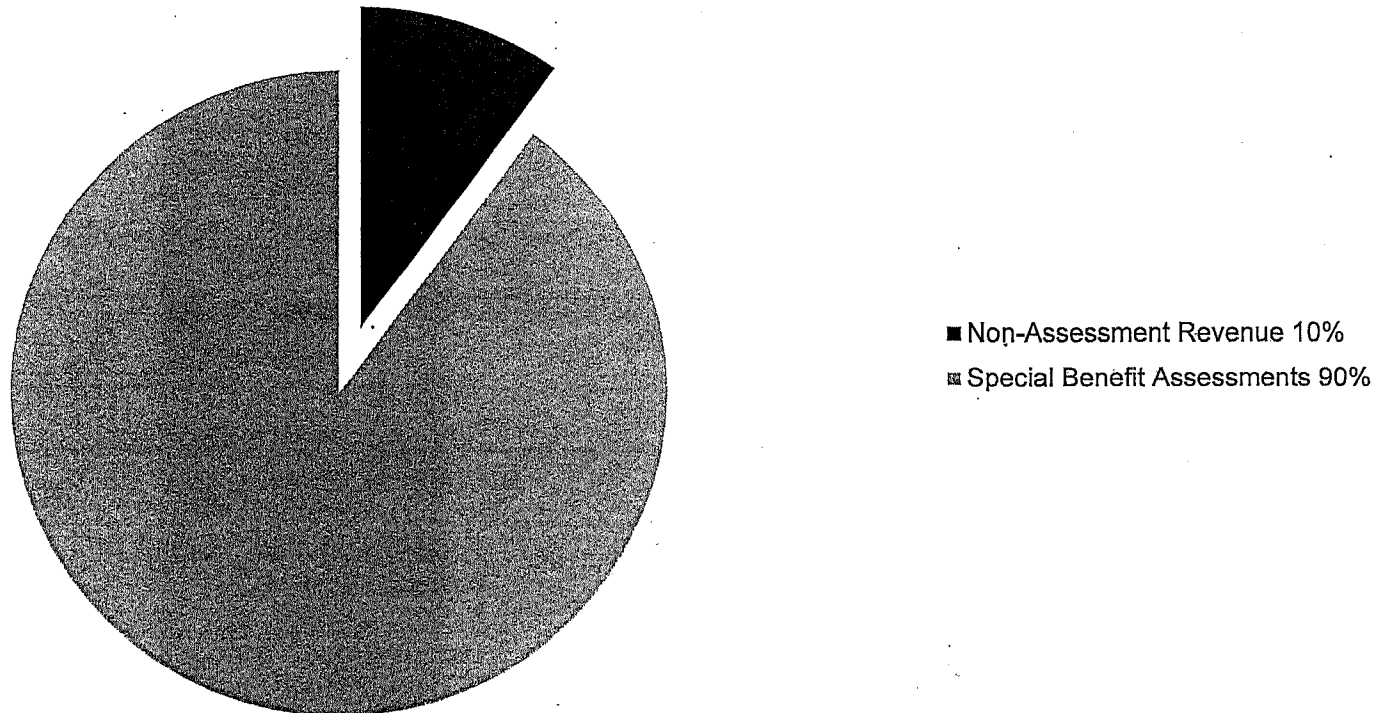
Management Plan vs. Annual Budgets



1719

Assessment Revenue & Other Income

FY 2014 - 2015



1720

Budget vs Actuals

Service Category	FY 2014-15 Variance % Points
Public Rights of Way and Sidewalk Operations	-1%
District Identity and Street Improvements	0%
Administrative Expenses	+4%
Contingency/ Reserve	-2%

Carryover

Designated Projects

FY 2014-15

PROWSO

\$165,000

DISI

\$22,000

ADMIN

\$67,000

Total Designated Amount

\$254,000

1722

Findings/Recommendations for NVCBD

In completing the review of the NVCBD's annual reports and financials, OEWD sets forth the following recommendations:

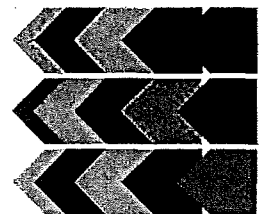
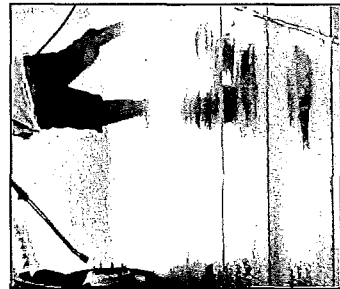
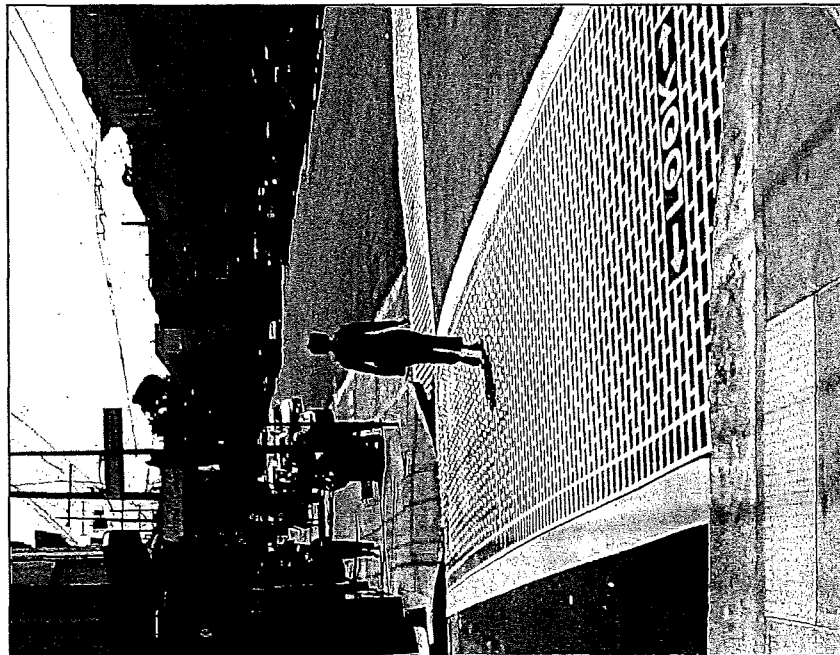
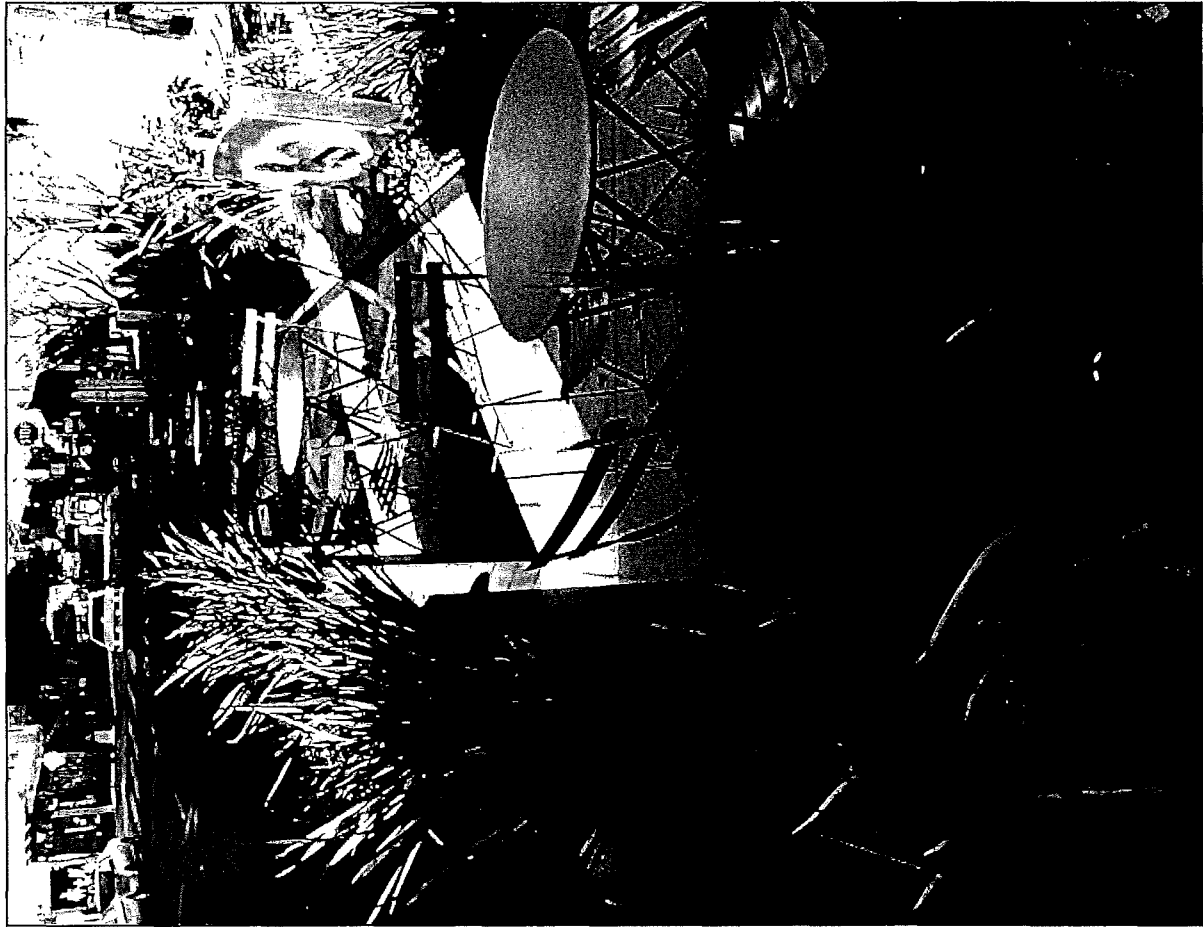
- NVCBD met all expectations and requirements placed on it by the state code and its administration agreement
- Successfully advocated for Prop. B funding for NVCBD long-term streetscape plan
- Performed well in providing events to identify the neighborhood and in attracting visitors to patronize district merchants
- Implemented OEWD recommendation from FY 2009-2014 Annual Reports

Conclusion

Noe Valley CBD has performed well in implementing the service plan in the district

- **Marketed and produced neighborhood events – Harvest Festival, the Easter Egg Hung, SummerFEST and 24 HoliDAYS.**
- **Increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the activation and improvement 24th at Noe and at Church Streets.**
- **Maintained an active board of directors and several sub committees**

1724

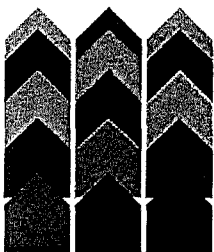
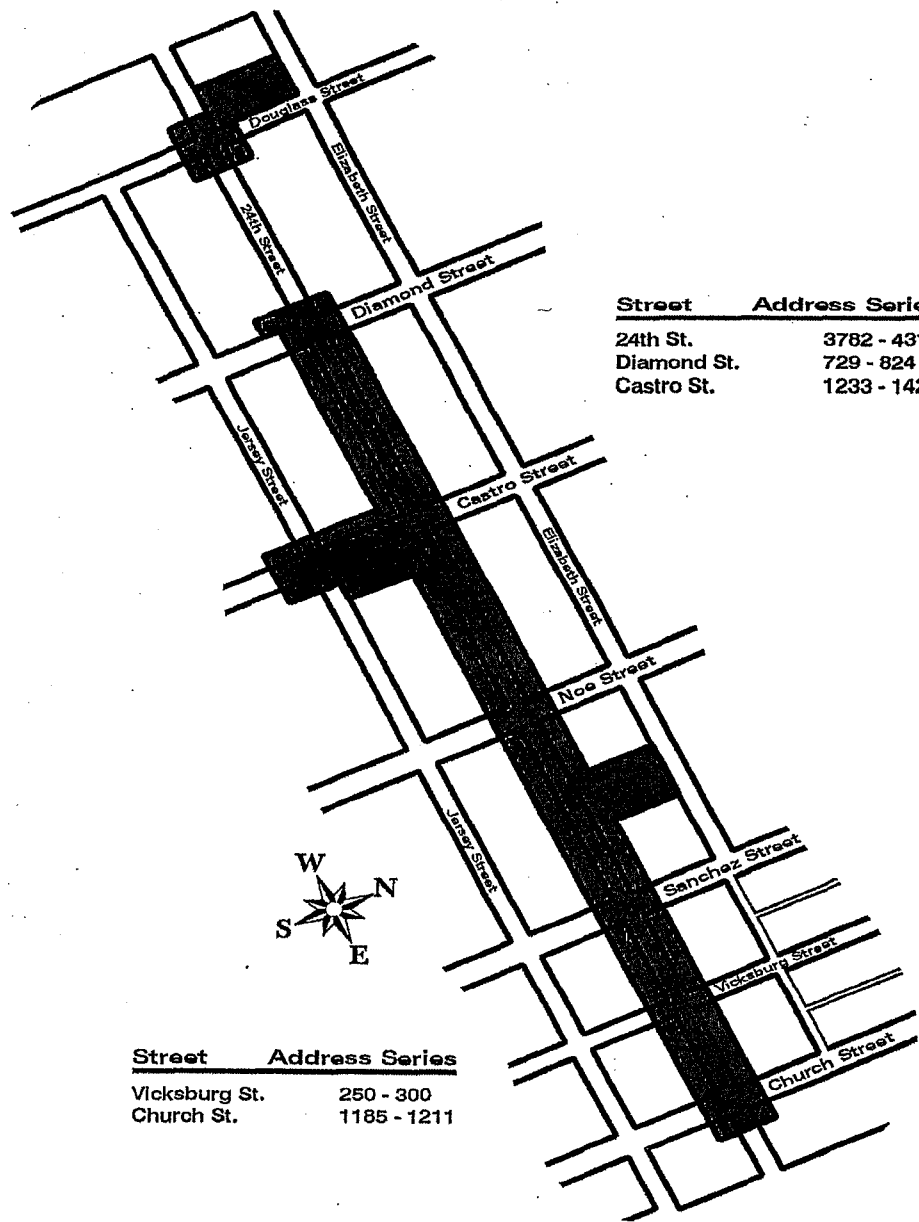


Noe Valley Association
A Community Benefit District
noevalleyassociation.org

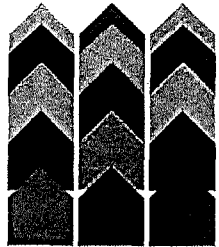
**Noe Valley Association- A Community Benefits District
Address Range Map**

Noe Valley CBD Area Map

1726



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noevalleyassociation.org



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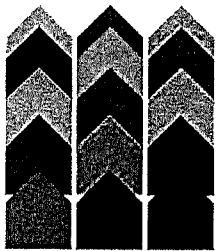
Full time street porters Randy & Brian.

The NVA clean team works seven days a week.
Stop and say hello to the next time you see them!

10 steam
cleanings per year
of the sidewalks in
the entire district

1728

Spot cleaning as
needed

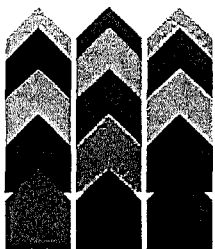


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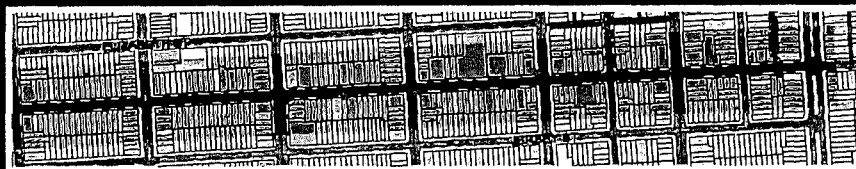
Applying for grants
based on the Long
Term Strategic Plan
for Noe Valley,
created in 2006

1729



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Noe Valley's 24th Street
...An Urban Village



Plan prepared for

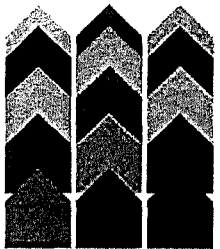


Plan prepared by
URBAN ECOLOGY

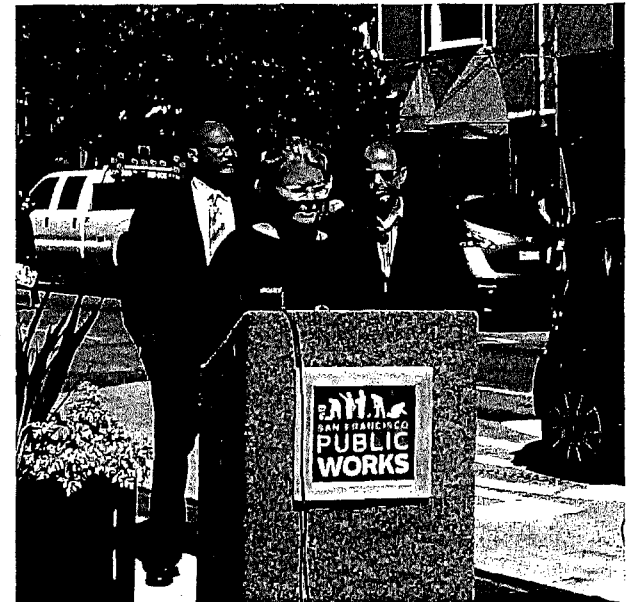


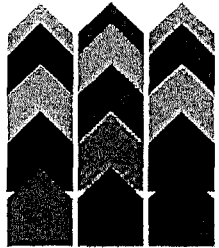
Advocacy takes Vision & Writing for Grant Funding to Create Street Improvements

1730



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noevalleyassociation.org





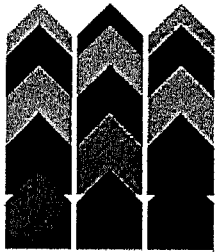
Noe Valley Association
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noevalleyassociation.org

137 new trees planted
and thriving in the community

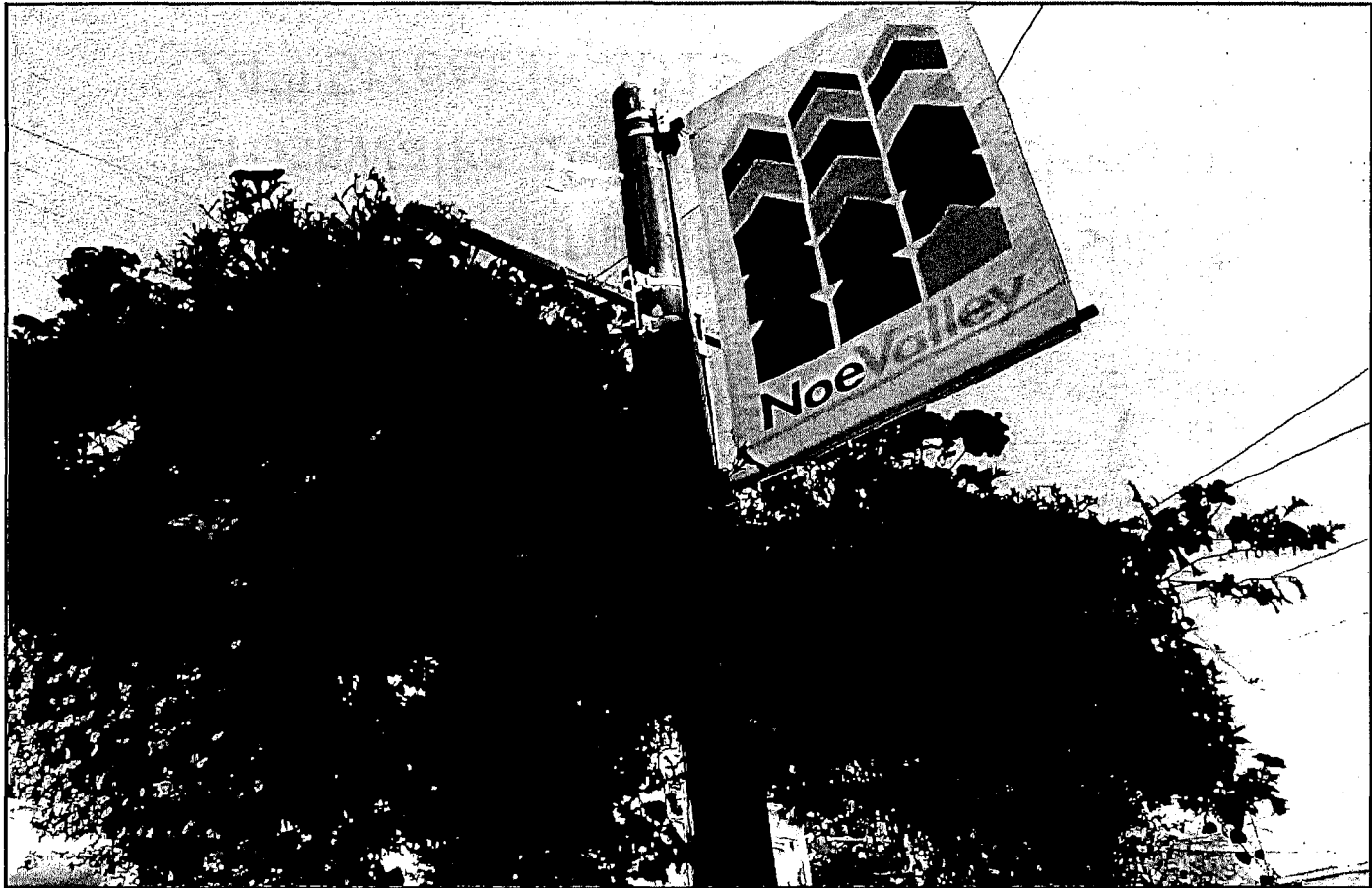
4 sidewalk gardens,
16 planter boxes
& 2 parklets added
to the neighborhood



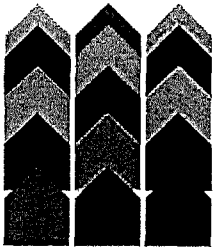
1732



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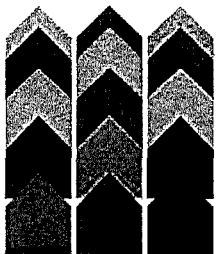


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24 flower baskets hang
throughout the CBD



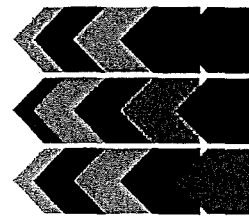
Prop B funding of new high-visibility
crosswalks at three intersections on
24th Street in 2015



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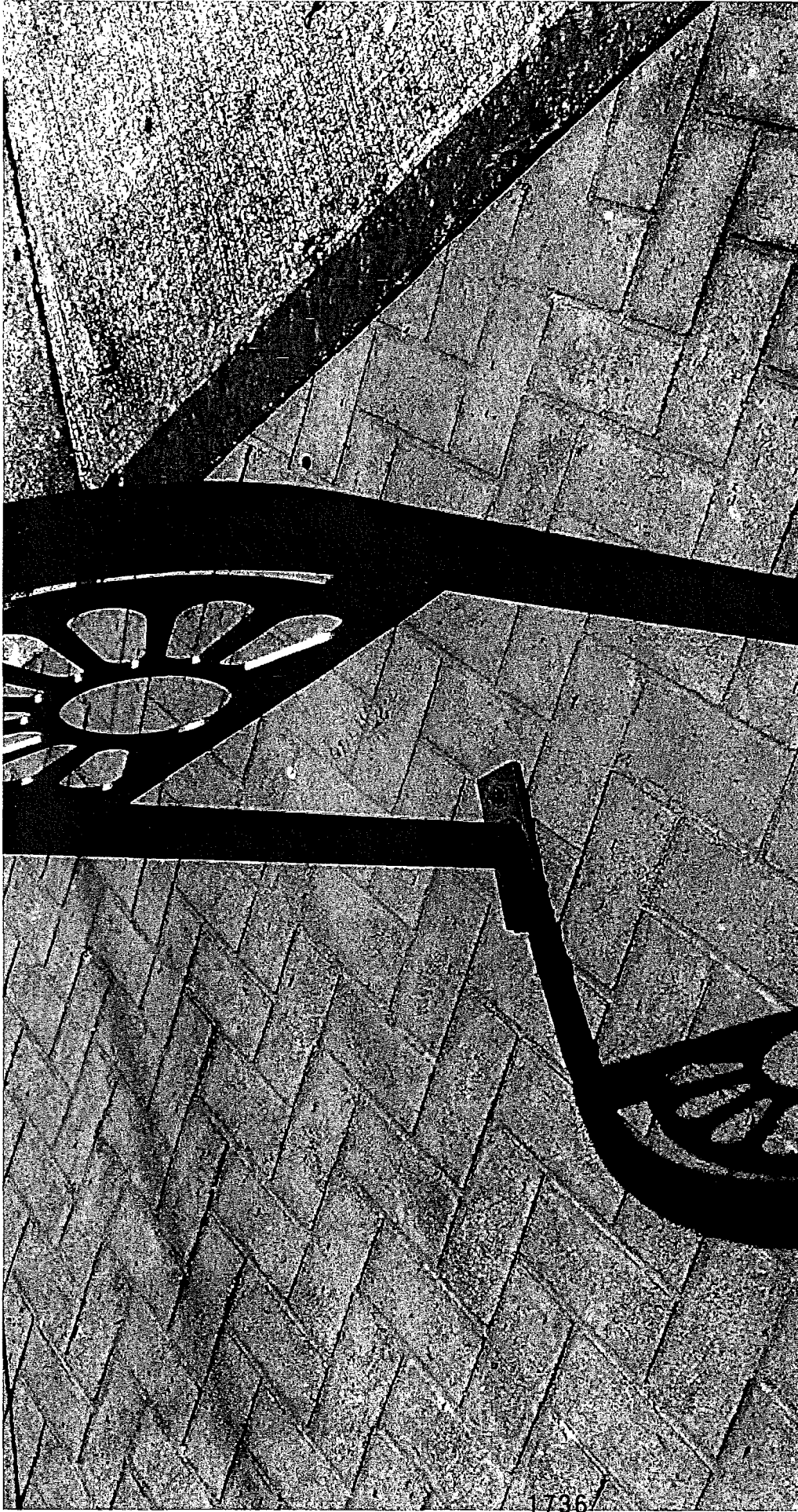


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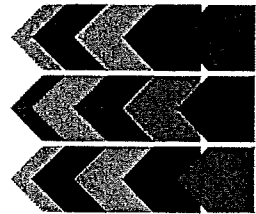


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Prop B funding of three bus bulb-outs



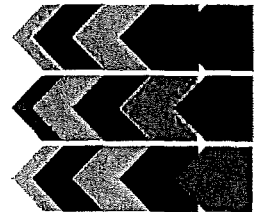
32 new bike racks



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17 new benches along 24th Street

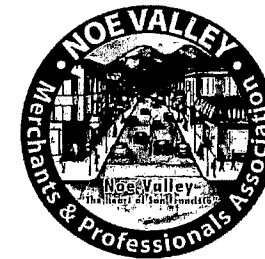


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NVA Partner Organizations

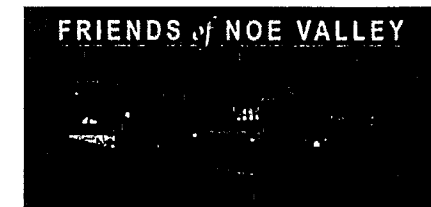
Noe Valley Merchants &
Professionals Association

<http://www.noevalleymerchants.com>



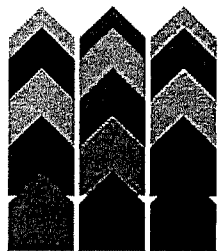
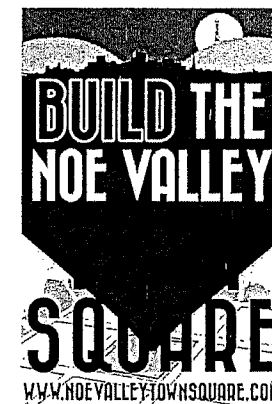
Friends of Noe Valley

<http://friendsofnoevalley.com>



Residents for
Noe Valley Town Square

<http://noevalleytownsquare.com>



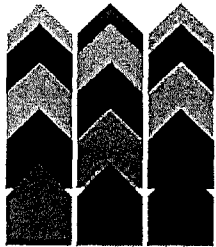
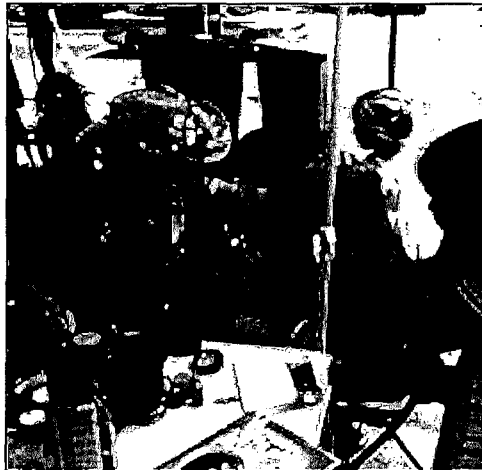
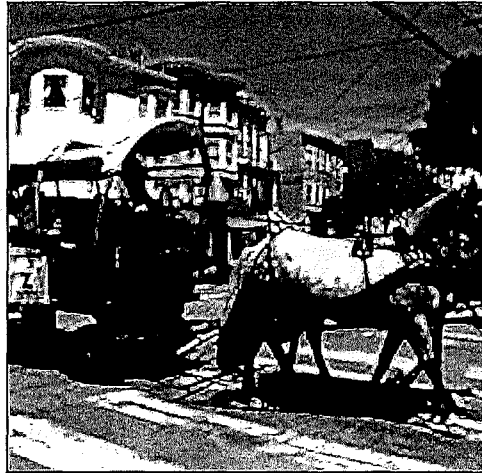
Noe Valley Association
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noevalleyassociation.org

Events + Highlights

June: SummerFEST - the day before Father's Day

www.noevalleysummerfest.com

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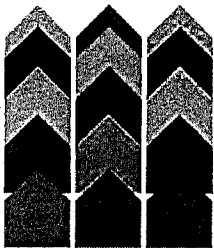
Noe Valley Association
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Events + Highlights

October: Noe Valley Harvest Festival - The NVA works with community volunteers to produce this family-friendly annual event.

www.noevalleyharvestfestival.com

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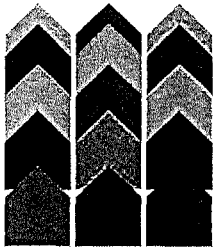
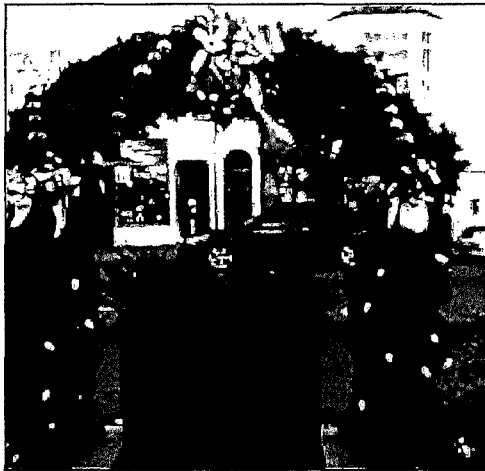


Events + Highlights

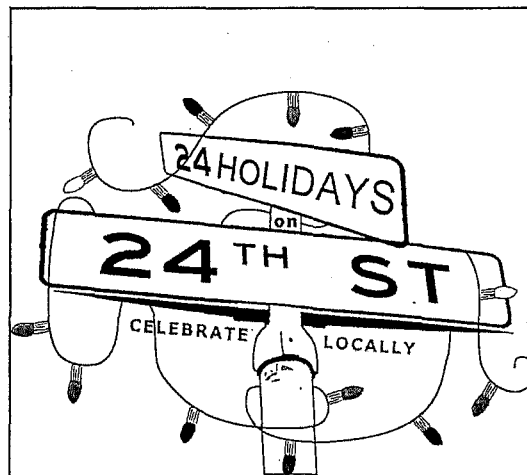
December: 24 HoliDAYS on 24th Street - NVA Lights the Trees!

24 days of festive music and events to attract holiday shoppers to Noe Valley - www.24on24th.com

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A Community Benefit District
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BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: March 1, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Wiener on February 23, 2016:

File No. 160160

Resolution receiving and approving annual report for the Noe Valley Community Benefit District for FY2014-2015, 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 additional 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

Introduction Form

By a Member of the Board of Supervisors or the 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 [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

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

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

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

Sponsor(s):

Supervisor Wiener

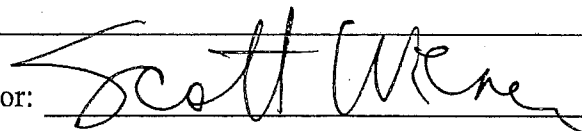
Subject:

Noe Valley Community Benefit District – FY 2014-2015 Annual Report

The text is listed below or attached:

Resolution receiving and approving annual report for the Noe Valley Community Benefit District for fiscal year 2014-2015, 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:



For Clerk's Use Only:

