

File No. 170610

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: August 1, 2017

Board of Supervisors Meeting:

Date: _____

Cmte Board

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

OTHER

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|-------------------------------------|--------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>OEWD Letter - May 12, 2017</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CBD Annual Report - 2016</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CBD CPT Report - June 30, 2016</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CBD Memo - April 18, 2017</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI - May 24, 2017</u> |

Prepared by: John Carroll

Date: July 28, 2017

Prepared by: _____

Date: _____

1 [Top of Broadway Community Benefit District - Annual Report for FY2015-2016]

2
3 **Resolution receiving and approving an annual report for the Top of Broadway**
4 **Community Benefit District for FY2015-2016, submitted as required by the Property and**
5 **Business Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, *et seq.*), Section 36650, and the District's management agreement with**
7 **the City, Section 3.4.**

8
9 WHEREAS, On 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

24 WHEREAS, On March 8, 2016, the Board of Supervisors approved the Top of
25 Broadway CBD's annual report for FY2014-2015 in Resolution No. 083-16; and

1 WHEREAS, The Top of Broadway CBD has submitted for the Board's receipt and
2 approval the Top of Broadway annual report for FY2015-2016 ("the Annual Report") as
3 required by Section 36650 of the Act and Section 3.4 of the Management Contract; and

4 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
5 File No. 170610, and is incorporated herein by reference as though fully set forth; and

6 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
7 memorandum report from the City's Office of Economic and Workforce Development, dated
8 May 12, 2017, and documentation from the Top of Broadway CBD for the Annual Report is on
9 file with the Clerk of the Board of Supervisors in File No. 170610; now, therefore, be it

10 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
11 report for the Top of Broadway Community Benefit District for FY2015-2016.

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: May 12, 2017

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, 2015, and June 30, 2016.

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 2015-2016
2. CPA Financial Review Report
 - a. FY 2015-2016
3. Memo explaining carryover spenddown plan
4. Draft resolution from the Office of Economic and Workforce Development



Background

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.
- March 8, 2016: the Board approved the Top of Broadway CBD's annual report for FY 2014-2015 (Resolution # 083-16).

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 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 28% of the budget to be spent on SOBO.

Administration, Organization and Corporate Operations

The ToBCBD Management Plan calls for 24% of the budget to be spent on administration, organization, and corporate operations. In FY 14-15, 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 eleven (11) 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 three advisory committees:

- **Marketing and Identity Advisory Committee** – The Marketing & Identity Advisory Committee is responsible for activities associated with area marketing and identity management, and makes related strategy and option recommendations for consideration by the Board of Directors. The Committee which is funded from the “District Identity” special benefit funds in the Management District Plan, proposes and manages promotion of CBD businesses and activities/events, and promotes area identity and manage branding efforts. The Committee meets monthly (at the option of the Committee Chair).
- **Services and Safety Advisory Committee** – The Services & Safety Advisory Committee is responsible for Services & Safety programs, including the coordination of services, activities and improvements related to sidewalk operations, beautification and safety. This is the equivalent of the SOBO allocation of funds as written in the Management District Plan. The Committee evaluates programs and initiatives, and advises the Board on issues that impact safety and quality of life and experience of CBD residents, businesses, property owners and visitors. The Committee meets monthly on the 3rd Thursday of the month and is often joined by the San Francisco Police Department (SFPD) Central Station Captain.
- **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.

Contingency and Reserve

The Management Plan calls for 6% of the budget to be spent on the Contingency and Reserves category.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2015-2016

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 Spring 2017.

- Advanced numerous beautification project plans intended to accentuate the scheduled improvements to Kearny Street i.e. the Kearny Streetscape Improvement Project. Projects are expected to deploy in Spring 2017.
- Developed new directions for district-wide ornamental landscaping expected to be exhibited in Spring 2017.

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

- Cleaning and litter removal – 6,650 lbs
- Graffiti incidents removal – 1,040
- Pressure washing entire district – 42,545.75 linear feet, does not include individual instances
- Illegal Dumping Reports – 902
- Human/Animal Waste clean-up – 574
- Graffiti Incidents Removed – 1,040
- Merchant Check-ins – 8,867
- Calls for Service – 17
- Loitering – 1,227

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 2015-2016

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

ANALYSIS: *ToBCBD did not meet 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. The basic allocation of funds ad outlined in the Management District plan have not only been reached, but greatly exceeded. The percentages have been altered due to the great success in collecting grants that nearly double the CBD assessment collection. Since these funds are not generated from property assessments, they become "Board revenues" that allow the Board to fund services over and above the service levels and frequencies outlined in the original management district plan. See tables below.

Service Category	Management Plan Budget	% of Budget	FY 2015-2016 Budget	% of Budget	Variance Percentage Points
District Identity Activities	\$45,000	42.23%	\$50,042.26	23.43%	-18.80%
Sidewalk Operations, Beautification, & Order	\$30,000	28.15%	\$110,517.12	51.74%	+23.59%
Administration, Organization and Corporate Operations	\$25,000	23.46%	\$53,055.00	24.84%	+1.38%
Contingency and Reserves	\$6,567	6.16%	\$0	0%	-6.16%
TOTAL	\$106,567	100%	\$213,614.38	100%	

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

ANALYSIS: ToBCBD met this requirement. Assessment revenue was \$108,667 or 49.92% of actuals and non-assessment revenue was \$109,017 or 50.08% of actuals. See table below.

Revenue Sources	FY 2015-2016 Actuals	% of Actuals
Special Benefit Assessments	\$ 108,667	
Total assessment revenue	\$108,667.00	49.08%
Affiliate Member Dues	\$307	6.10%
Contributions	\$75,000	11.48%
Fundraising	\$12,965	22.97%
In-Kind	\$20,745	.84%
Total non-assessment revenue	\$109,017.00	50.08%
Total	\$217,684.00	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 2015-2016 Budget	% of Budget	FY 2015-2016 Actuals	% of Budget	Variance Percentage Points
District Identity	\$50,042.26	23.43%	\$50,042.26	22.87%	-.02%
Sidewalk Operations, Beautification, & Order	\$110,517.12	51.74%	\$110,517.12	50.51%	-7.11%
Administration, Organization, and Corporate Operations	\$53,055.00	24.84%	\$58,222.00	26.61%	+7.13%
Contingency and Reserves	\$0	0%	\$0	0%	0
TOTAL	\$213,614.38	100%	\$218,781.38	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 did not meet this requirement. Although, ToBCBD did indicate their carryforward amount, but they did not indicate a spenddown plan. OEWD requested and was provided with a supplementary memo detailing the District's spenddown plan. A copy of which can be found in your legislative packet. 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 2015-16 Carryover Disbursement	\$82,129.00	Spenddown Timeline
Designated Projects for FY 2015-16		
District Identity and Streetscape Improvement (Streetscape Projects)	\$15,000.00	FY 2016-2017
District Identity and Streetscape Improvement (Events)	\$5,000.00	FY 2016-2017
Sidewalk Operations, Beautification, and Order (Security)	\$35,000.00	FY 2016-2017
Sidewalk Operations, Beautification, and Order (Cleaning Services)	\$20,000.00	FY 2016-2017
Administration	\$7,129.00	FY 2016-2017

Total Designated amount for FY 2016-2017	\$82,129.00	
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Findings and Recommendations

ToBCBD has met 2 of the benchmarks as defined on page 4 of this memo and did not meet Benchmarks 1 and 2, based upon the significant contribution of non-assessment district revenues to the annual CBD operations and not providing a spenddown plan in their annual report.

The SOBO and DISI percentage points exceed the allowable 10 percentage points from the budget identified in the Management Plan. As illustrated in Benchmark 2, over 50% 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. As a result of these high non-assessment revenues, the percentages do not provide an accurate assessment of fund allocation. Separating the non-assessment dollars from the review of those benchmarks, the amount allocated to each program year is in fact appropriate, and meet the benchmarks.

The CBD clearly states what the carryforward amount is within their annual report, but does not provide a spenddown plan for that amount. OEWD requested and received a memo from the CBD indicating the spenddown plan for this amount. OEWD is currently testing a new format for annual reports which would ensure compliance with this benchmark. OEWD will implement this for the FY 16-17 annual report.

The Top of Broadway CBD was awarded an OEWD Invest in Neighborhood’s grant to pursue CBD expansion feasibility in some surrounding areas. At the end of FY 2016 the grant was in the process of being executed. Top of Broadway CBD began work on CBD expansion feasibility in FY 2016-2017. As of this point the CBD has not provided the City with any deliverables.

OEWD reviewed the CBD’s website routinely in FY 15-16 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. This will be expanded upon in the FY 16-17 annual report, but, as of now, all website issues have been resolved.

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 needs to provide more specification within their management plan to meet their Benchmark 4 requirement.



A view from top of Kearny Street

T O P O F

BROADWAY

COMMUNITY BENEFIT DISTRICT

ANNUAL REPORT
2016

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 the redefinition trend in the United States. This City has constantly been a beacon for social, economic, technological, and cultural change since its inception.

The 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 its bearings straight, the District is poised for great things in the next few years. We have evolved from problem businesses and crime into a clean and historically significance community at the top of Broadway and Columbus, with renewed emphasis on our contributions to San Francisco.

Taking a passage from **"Broadway, North Beach, the Golden Years,"** written by Dick Boyd, we embrace 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."



Busy sidewalks of Columbus Avenue

Whether it be iconic bars like Vesuvio's; family restaurants like Tommaso's, Tosca's and Enrico's; City Lights Books; the Beat Museum; the adult nightclubs; or the various coffee shops and espresso cafes— North Beach and the businesses in the Top of Broadway CBD in particular, still have something for everyone. The area is the heart and soul of much of the City's culture and entertainment, as it has been 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 the 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;
- Efforts to attract more restaurants to the area, particularly to some of the vacant storefronts near Montgomery and Broadway;
- Promoting 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;
- Beautification of the district for customers, visitors and surrounding residents alike;
- Investigating the expansion of district services to the Greater North Beach businesses heading east on Broadway to the Embarcadero and south on Columbus to Washington street.

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 nonprofit (BSC Management), we believe that this district will again be the heart of North Beach and the focal point of our historic community revitalization.

2017 TOP OF THE BAY CBD BOARD OF DIRECTORS

PROPERTY DIRECTORS

Oliver Mar
President

Joe Carouba
Vice President

Carmen Crotti
Secretary

Calvin Louie
Treasurer

Payam Arvin

BUSINESS DIRECTORS

Samson Shirakhon

Matias Drago

Ryan Maxey

Jerry Cimino

Gordon Leung

TOP OF THE BAY CBD STAFF

Marco Li Mandri
Executive Director

Dominic Li Mandri
District Manager

Shirley Zawadzki
Financial Manager



- Altercations: 34 (-15%)
- Loitering: 1227 (+124%)
- Consumption: 154 (-17%)
- Parking Lot: 8 (+33%)
- SFPD: 55 (-42%)
- Agencies: 53 (-33%)

District Identity/Marketing FY15 - 16 Review

Highlights
 In FY15-16, 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 2017. 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

Sidewalk Operations FY15 - 16 Review

Highlights
 In FY 15-16, 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. The Clean and Safe Program continues to be a top priority for the voluntary Committee as we work 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 outcomes of this past year's maintenance and safety services include:

- Graffiti incidents removed: 1040 (-18%)
- Pressure-washing of District: 13.25 times (42,545.75 total linear footage)

Security Patrol Services—Security Intelligence Specialists (SIS)

- Merchant Check-ins: 8,867 (+346%)
- Calls for Service: 17 (-79%)

Cleaning & Maintenance — Dome Cleaning

- District cleaning and litter removal: 266 days (~6650 lbs. removed)
- Illegal dumping reports: 902 (+49%)
- Human/animal waste clean-up: 574 (+492%)



Famous Beat Museum in the heart of the District



Looking east on Broadway

Spring 2017.

- Advanced numerous beatification project plans intended to accentuate the scheduled improvements to Kearny Street i.e. the Kearny Streetscape Improvement Project. Projects are expected to be deployed in Spring 2017.
- Developed new directions for district-wide ornamental landscaping expected to be exhibited in Spring 2017.
- Collaborated with the Office of Economic Workforce Development, SF Department of Public Works, 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 community, both with community members and organizations alike.

In early 2016, the Board restructured its Committee system to accommodate more ideas and implement projects more quickly. We have three standing committees: Executive, Sidewalk Operations, and District Identity and a fourth, as-needed, Land Use Committee. All

CBD property owners and business tenants are encouraged to work on one or more of the committees.



Top of Broadway - Home of the first pizza on the West coast

Active Committees Allow Us to Make Changes

TOBCBD Committee Name

Functions and Duties

Executive & Organization Committee

Chair: Oliver Mar, President

Oversees staff, district administration and consulting contracts; corporate budget and finances; insurance; grants and fundraising; Board agendas and meeting; correspondences and outreach; bylaws and Board policies; public relations with the Board of Supervisor's office, political reps and government agencies. Oversees annual election of Board members. Consists of all of the officers of the corporation.

Sidewalk Operations, Beautification and Order (SOBO)

Chair: Payam Arvin

Oversees maintenance and security service provider contracts involved in the improvement of the public rights-of-way, including sidewalk sweeping, steam cleaning, landscaping expenses. Coordinates with existing private security companies hired by private property owners within the district. Maintains relations with SFPD and contracting with 10B officers.

District Identity and Streetscape Improvements (DISI)

Chair: Jerry Cimino

Oversees the projects that market and promote the District or promote positive aspects of the Top of Broadway. Projects may include: branding of the district, Macchiarini Steps project, public relations, website maintenance, streetscape issues related to landscaping design, street light standards, visual linkages, new public-space projects, improvements to public spaces in the district, social media, Twitter and Facebook management.

Land Use

Chair: Joe Carouba

Oversees parking; transportation and mobility; planning and zoning; code enforcement; new developments, Entertainment Commission; alcohol permits and outdoor dining encroachments; review of new tenant improvements and their impacts; etc.

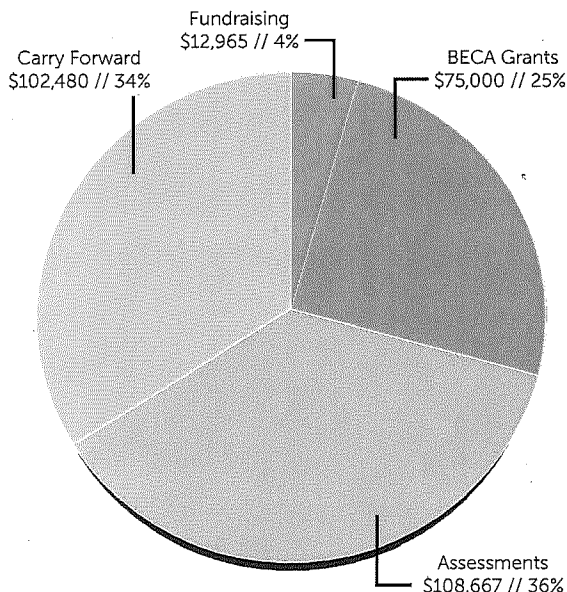
Expansion Task Force

Chair: Joe Carouba

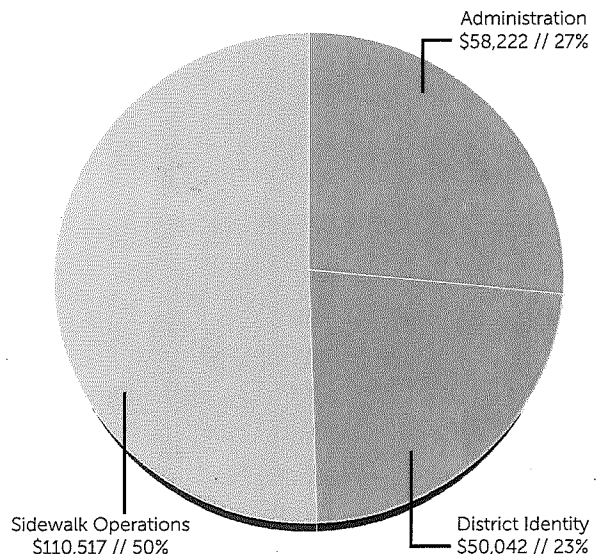
Oversees the boundaries, survey and other steps involved in the possible expansion of the Top of Broadway CBD. This Task Force will advise the Executive Committee on the results of its finding and the Executive Committee will bring the issues to the Board for review and concurrence. Created by Board action and advisory to the Executive Committee.

FY15-16 TOP OF BROADWAY CBD BUDGET

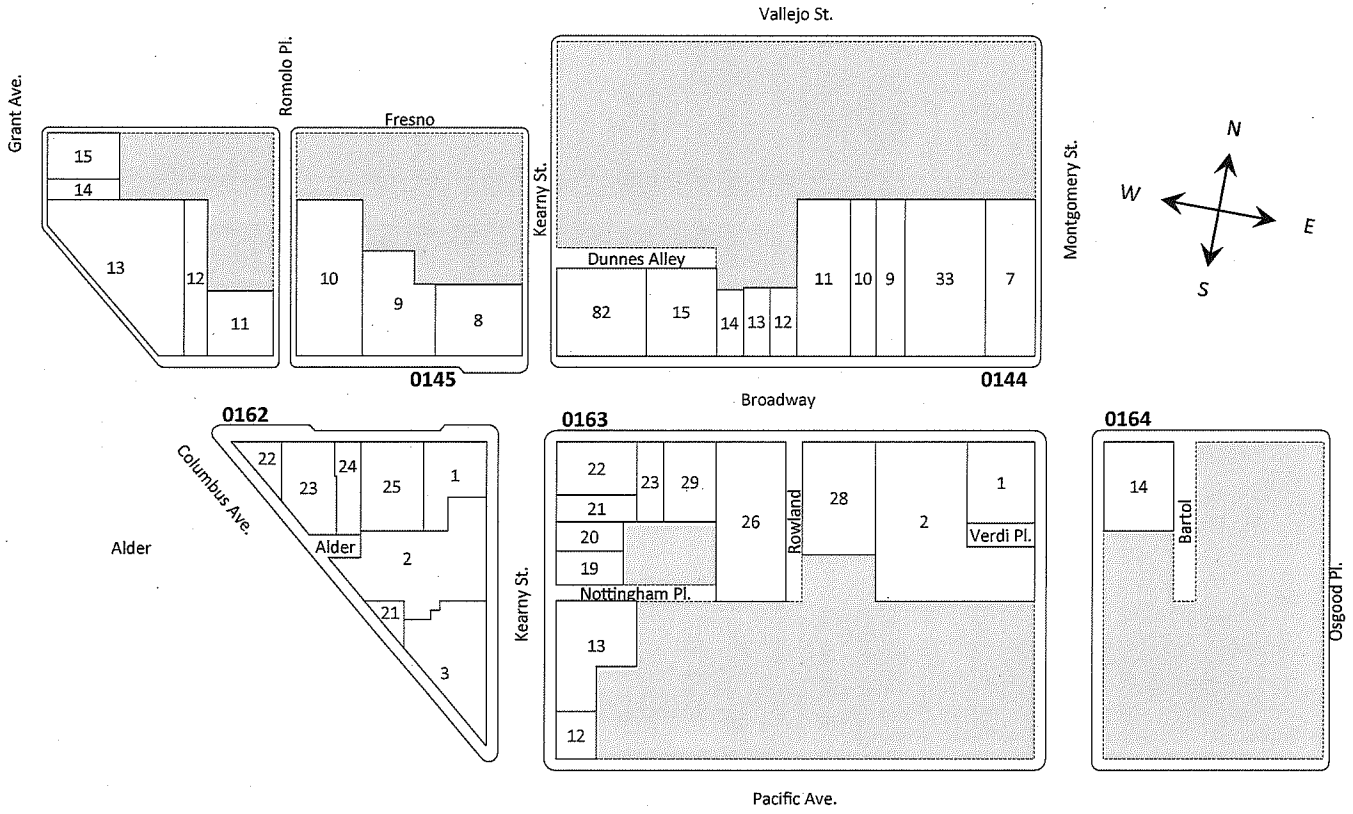
Income: \$299,112



Expense: \$218,781



TOP OF BROADWAY CBD BOUNDARIES



250 Columbus Avenue
 Suite 207
 San Francisco, CA 94133

**TOP OF BROADWAY COMMUNITY
BENEFIT DISTRICT, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016**

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016

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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.
San Francisco, California

We have reviewed the accompanying financial statement of Top of Broadway Community Benefit District, Inc. (a nonprofit organization), which comprise the statement of position as of June 30, 2016, 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 and Company, LLP

San Francisco, California
November 7, 2016

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309 4TH AVENUE #300
SAN FRANCISCO, CALIFORNIA 94118
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TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

ASSETS

Current assets		
Cash	\$	82,129
Assessments receivable		879
Grants receivable		30,000
Prepaid expense		956
Property and equipment, at cost (net of accumulated depreciation of \$2,016)		<u>8,093</u>
Total assets	\$	<u><u>122,057</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Deferred revenue	\$	<u>512</u>
Total liabilities		<u>512</u>
Net assets		
Unrestricted net assets		91,545
Temporarily restricted net assets		<u>30,000</u>
Total net assets		<u>121,545</u>
Total liabilities and net assets	\$	<u><u>122,057</u></u>

See independent accountant's review report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Support and revenue	
Assessment revenue	\$ 108,667
Affiliate member dues	307
Contributions	75,000
Fundraising	12,965
In-kind rent and facility use	1,200
In-kind event expense	14,733
In-kind materials and supplies	125
In-kind service	4,687
	<u>217,684</u>
Total support and revenue	
Expenses	
Program services	174,238
Supporting services	
Management and general	49,161
Fundraising	16,533
	<u>239,932</u>
Total expenses	
Changes in net assets	(22,248)
Net assets, beginning of year	<u>143,793</u>
Net assets, end of year	<u>\$ 121,545</u>

See independent accountant's review report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Security and safety	\$ 58,125	\$ 0	\$ 0	\$ 0	\$ 58,125
Sidewalk cleaning and maintenance	45,627	0	0	0	45,627
Consultant	11,538	38,612	0	38,612	50,150
Consultant (in-kind)	0	2,812	0	2,812	2,812
Depreciation	2,016	0	0	0	2,016
District identity	38,273	0	3,000	3,000	41,273
Event (in-kind)	1,200	0	13,533	13,533	14,733
Insurance	0	2,911	0	2,911	2,911
Landscaping and streetscapes	13,982	0	0	0	13,982
License and permits	0	310	0	310	310
Postage	421	27	0	27	448
Printing and copying	451	599	0	599	1,050
Printing (in-kind)	125	0	0	0	125
Rent and facilities use (in-kind)	0	1,200	0	1,200	1,200
Supplies	370	20	0	20	390
Support and professional services fees	235	2,670	0	2,670	2,905
Website and related costs (in-kind)	1,875	0	0	0	1,875
 Total functional expenses	 <u>\$ 174,238</u>	 <u>\$ 49,161</u>	 <u>\$ 16,533</u>	 <u>\$ 65,694</u>	 <u>\$ 239,932</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, 2016

Cash flows from operating activities:	
Decrease in net assets	\$ (22,248)
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	<u>2,016</u>
Net cash provided by operating activities before changes in operating assets and liabilities	<u>(20,232)</u>
Change in operating assets and liabilities:	
Assessments receivable	8,347
Pledge Receivable	25,000
Prepaid expenses	(228)
Accounts payable	(28,376)
Accrued expenses and other payable	<u>(307)</u>
Net cash provided by operating assets and liabilities	<u>4,436</u>
Net cash used in operating activities	<u>(15,796)</u>
Cash flow from investing activity	
Purchases of fixed assets	<u>(5,055)</u>
Net cash used in investing activity	<u>(5,055)</u>
Net decrease in cash	<u>(20,851)</u>
Cash at beginning of year	<u>102,980</u>
Cash at end of year	<u>\$ 82,129</u>

See independent accountant's review report and accompanying notes.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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 vote 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, 2016

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, 2016.

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

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 2 - Summary of Significant Accounting Policies (continued)

e. Grants receivable

Grants receivable consists of amounts due from governmental agencies. As of June 30, 2016, they are considered to be fully collectible by the management.

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, 2016 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

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, 2016, 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, 2016

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.

Note 3 - Property and Equipment

At June 30, 2016, property and equipment consisted of the following:

		Estimated Useful Lives (years)
Equipment	\$ <u>10,109</u>	5
Less: Accumulated depreciation	10,109 <u>(2,016)</u>	
Net property and equipment	\$ <u><u>8,093</u></u>	

For the year ended June 30, 2016, depreciation expense amounted to \$2,016.

TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4 - Contributed Services

The Organization recognized contribution revenue in the year ended June 30, 2016 for contributed services related to both program services and supporting services. Contribution revenue from services were measured based on the fair value of those services, and the amounts recognized were as follows:

	<u>June 30, 2016</u>
Program services:	
District identity program - Web design services	\$ 1,875
Supporting services:	
Management and general	<u>2,812</u>
	<u>\$ 4,687</u>

Note 5 - 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 50% of the Organization's total revenue.

The Organization also received grant and contribution from two donors in the total amount of \$75,000, which represents 35% of the Organization's total revenue.

Note 6 - Net Assets

Unrestricted net assets	
Designated by the Board for	
District identity activities	\$ 21,153
General and administration	6,160
Undesignated	<u>64,232</u>
Total unrestricted net assets	<u>91,545</u>
Temporarily restricted net assets	
Restricted for CCGP - Historical Markers Project	<u>30,000</u>
Temporarily restricted net assets	<u>30,000</u>
Total net assets	<u>\$ 121,545</u>

Note 7 - Subsequent Events

The Company has evaluated subsequent events through Noember 7, 2016, the date which the financial statements were available to be issued.



MEMO 4|18|2017

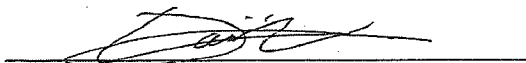
ATTN: Christopher Corgas, MPA
Senior Program Manager
Office of Economic and Workforce Development
1 Dr. Carlton B. Goodlett Place, Room 448
San Francisco, CA 94102
christopher.corgas@sfgov.org

This memo is intended to demonstrate the methodology of how the Top of Broadway CBD plans to spend down a budget carry-forward of \$82,129 in FY 16-17. In accordance with its district management plan, the Top of Broadway CBD plans to allocate the following funds in the specified line items:

- Sidewalk Operations, Beautification & Order (*Security*)- \$35,000.00
- Sidewalk Operations, Beautification & Order (*Cleaning Services*)- \$20,000.00
- District Identity & Streetscape Improvement (*Streetscape Projects*)- \$15,000.00
- District Identity & Streetscape Improvement (*Events*)- \$5,000.00
- Administration- \$7,129.00

Total Dispersal: \$82,129.00

Any projected budget surpluses or shortfalls, as well as any aberration from the intended carry-forward dispersal, will be communicated to OEWD staff as determined by Top of Broadway staff.

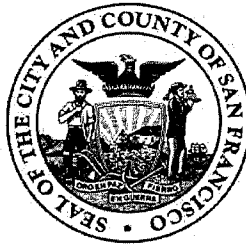


Dominic LiMandri
District Manager, Top of Broadway CBD
250 Columbus Ave. Ste. 270
San Francisco, CA. 94133

4/18/17

Signature Date

BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: May 24, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on May 16, 2017:

File No. 170610

Resolution receiving and approving an annual report for the Top of Broadway Community Benefit District for FY2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement 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
 2017 MAY 16 PM 2:35
 Time stamp
 or meeting date AK

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 2015-2016

The text is listed:

Resolution receiving and approving annual report for the Top of Broadway Community Benefit District for fiscal year 2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor:

For Clerk's Use Only