

File No. 220891

Committee Item No. 4

Board Item No. 24

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date: December 1, 2022

Board of Supervisors Meeting: Date: December 13, 2022

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 – CBA FY2022-2024 - Clean
- MOU – CBA FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- Noe Valley CBD Annual Rpt 2020-2021
- Financial Statements 063021
- OEWD Ltr 072122
- REFERRAL FYI 072922
- OEWD PPT 120122
- _____
- _____

Prepared by: Stephanie Cabrera

Date: November 23, 2022

Prepared by: Stephanie Cabrera

Date: December 2, 2022

Prepared by: _____

Date: _____

1 [Noe Valley Community Benefit District - Annual Report - FY2020-2021]

2

3 **Resolution receiving and approving an annual report for the Noe Valley Community**
4 **Benefit District for Fiscal Year (FY) 2020-2021, submitted as required by the Property**
5 **and Business Improvement District Law of 1994 (California Streets and Highways**
6 **Code, Sections 36600, et seq.), Section 36650, and the District's management**
7 **agreement with the City, 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 Fiscal Year (FY) 2005-2006; 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

24 WHEREAS, On November 19, 2019, pursuant to the Property and Business
25 Improvement District Law of 1994 (the "Act"), California Streets and Highways Code Sections

1 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
2 Regulations Code, the Board of Supervisors adopted Resolution No. 496-19, expressing the
3 City’s intention to renew the Noe Valley Community Benefit District (the “Noe Valley CBD”);
4 and

5 WHEREAS, On January 8, 2020, the Board of Supervisors adopted Resolution
6 No. 053-20 to establish (renew) the Noe Valley CBD ("Resolution to Establish") for a period of
7 15 years, commencing FY2020-2021; and

8 WHEREAS, On December 1, 2020, the Board of Supervisors adopted Resolution
9 No. 549-20, authorizing an agreement with the owners' association for the
10 administration/management of the Noe Valley CBD, and a management agreement (the
11 “Management Contract”) with the owners' association, the Noe Valley Association, A
12 Community Benefit District, was executed accordingly; and

13 WHEREAS, On January 25, 2022, the Board of Supervisors approved the Noe Valley
14 CBD’s annual reports for Fiscal Year 2019-2020 in Resolution No.022-22; and

15 WHEREAS, The Noe Valley CBD has submitted for the Board’s receipt and approval
16 the annual report for Fiscal Year 2020-2021 as required by Section 36650 of the Act and
17 Section 3.4 of the Management Contract; and

18 WHEREAS, The annual report for Fiscal Year 2020-2021 is on file with the Clerk of the
19 Board of Supervisors in File No. 220891, and is incorporated herein by reference as though
20 fully set forth; and

21 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
22 memorandum report from the City's Office of Economic and Workforce Development, dated
23 July 21, 2022, and documentation from the Noe Valley CBD for the Fiscal Year 2020-2021
24 annual report are on file with the Clerk of the Board of Supervisors in File No. 220891; now,
25 therefore, be it

1 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
2 report for the Noe Valley Community Benefit District for Fiscal Year 2020-2021.

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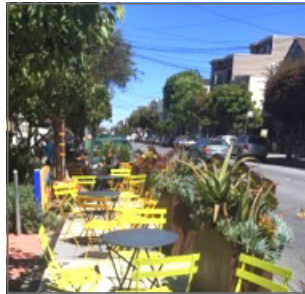
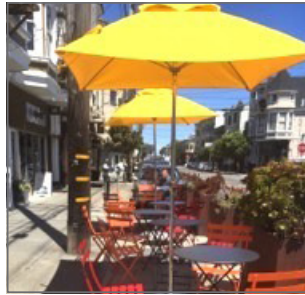
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Noe Valley Association

Community Benefit District

Annual Report 2020 – 2021



**Join Us! Annual NVA Property
Owner Meeting**
Wednesday, September 22
5:30 PM – 7:00 PM
Beverages/Appetizers outside
RSVP: info@noevalleyassociation.org



The mission of the Noe Valley Association (NVA) is to improve the quality of life for property owners, merchants and residents in the Noe Valley neighborhood. NVA's efforts towards cleaning, greening and improving the public space and sidewalks in the commercial corridor reinforces the viability of the community's economic base.

NVA Deemed an Essential Service During COVID-19

Amid society's new reality with COVID-19, our incredible team of service providers worked to keep Noe Valley clean and bring some joy, by also keeping it green. The NVA has continued to clean and green the district since a shelter-in-place order started on March 16, 2020. We are proud to announce that despite the unprecedented challenges, we have continued all services without interruption. Our dedicated street porters did not miss a day of work.

Outdoor spaces such as the Noe Valley Town Square and the 27 benches the NVA installed in the commercial corridor were heavily used. While many of the merchants were closed, people still flocked to 24th Street to get fresh air and talk to their neighbors. Social distancing was adhered to as people brought out folding chairs to converse with people on benches. This behavior change resulted in more street trash, so we pivoted and refocused on ways to best support our district. We adjusted our operations and implemented plans that allowed our organization to continue to provide essential services within the context of the pandemic. The City of SF Office of Economic and Workforce Development provided all the PPE required. Our administrative operations and all Board and Committee meetings continued at full pace and were conducted virtually.

NVA's attentive, consistent efforts help keep Noe Valley's neighborhood shopping area clean, attractive, healthy, comfortable and inviting. Following are some of the benefits the NVA provides.

Services and Programs

On-call Service Dispatch – text/call: 415-802-4461

For public area cleaning, maintenance and other non-emergency services. Monday - Saturday 7AM - 3PM, Sundays 7AM - 11AM. Please text a photo or description + location details.

Clean

NVA street porters work seven days a week to sweep and weed sidewalks and gutters, remove graffiti and fliers, empty overfilled public trash receptacles, call 311 for removal of large bulky items left on the sidewalk, and remove human and animal feces. Billy and his team pressure wash all district sidewalks nine times a year starting at 6:30 am until 11 am when they stop due to store openings and pedestrian traffic.

Green

The NVA's Green Committee oversees open sidewalk gardens, benches, planter boxes, flower baskets, parklets and other neighborhood streetscape improvements seven days a week. The NVA's part-time gardener maintains the health and vitality of all plantings. The City of SF Bureau of Urban Forestry manages the trimming and replacement of street trees citywide. The NVA maintains the tree wells and trims low-hanging branches hanging within eight feet of the sidewalk.

Promotion of District

The NVA acts as fiscal agent for the Noe Valley Town Square. Due to the pandemic, Noe Valley Town Square event programming was suspended. Events are being planned to resume in Fall 2021 in collaboration with the SF Recreation and Parks Department, in order to again provide lively and unique events to support the recovery of our vibrant neighborhood. The NVA will apply for additional grant funding to support Town Square programs. The NVA receives a 12 percent Noe Valley Town Square fiscal agent fee which is applied to grant and financial administration.

Administration

The NVA is administered by a non-profit management corporation governed by a board comprised of Noe Valley property owners, merchants, and a community member. The board oversees NVA's part-time Executive Director who monitors contracts, finances, and insurance requirements; publishes City of San Francisco mid-year and annual reports; supports NVA board committees, attends San Francisco Board of Supervisors hearings, and manages the NVA website, email communications and all community inquiries. Most critically, the Executive Director applies for City grants, an essential task as all major capital improvements to the district have been funded by grants. To date, the NVA has been awarded City grants totaling over \$1.2 million. This is the result of demonstrating that the NVA is a well-managed non-profit institution that will responsibly maintain investments in street improvements.

Accomplishments

Cleaning, Greening & Improving Noe Valley's Commercial Corridor

It has been another unusual year due to the COVID-19 pandemic, with an upsurge in removing bulky items. Our street porters made increased calls to 311, due to an escalation of people moving out of the City. There was a slight increase in graffiti and improper signage and fliers and an expected reduction in visitor assistance.

Clean & Green	9 Sidewalk steam cleanings monthly, March – November
	92 Removal of defacing graffiti, stickers and improper signage
	186 calls to 311 for pick-up of furniture, mattresses, tree limbs and other large items and pick-up of paint and other illegally dumped toxic materials
	201 Trees watered and weeded by NVA gardener
	4 Bigbelly garbage receptacles installed and maintained
	199 removed bulky trash items, yard debris, clothing, paint cans, etc.; emptied overflowing trash cans, returns of abandoned shopping carts
	27 Planters/sidewalk gardens replanted, watered and maintained
	84 Chairs and tables maintained in both public parklets on 24th Street
	23 Hanging flower baskets watered and renewed 1 new street pole installed with additional flower basket
	2 parklets maintained year-round with flowers/plants, including related required DPW reports
Maintenance of 27 community benches, 36 bike racks, 10 news racks and 24 trash receptacles throughout the district, as well as the 7 umbrellas in both parklets and in the Noe Valley Town Square	
Promotion of District	8 NVA identity banners created and maintained
	NVA website published and maintained
Admin	A \$35,000 special grant from SF OEWD was awarded for a fourth year to continue to activate the Noe Valley Town Square (NVTS). The NVA is fiscal agent for all NVTS events, bringing city residents and the local community to 24th Street to shop and enjoy events.

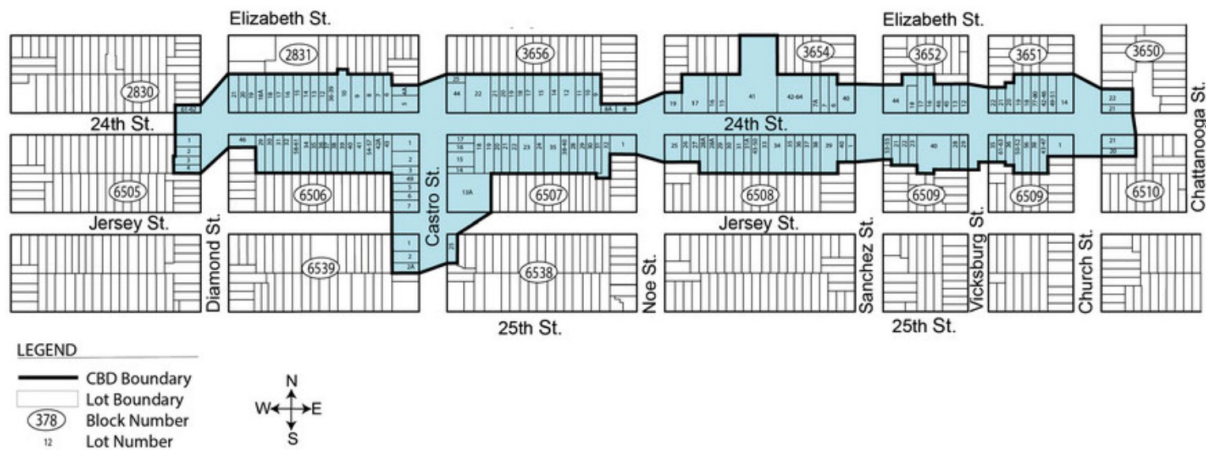
New Bigbellys in Noe Valley

The NVA was awarded a two-year Fix-It Grant from the SF Mayor's Office which allowed for the installation of four Bigbelly units in January 2021 and their maintenance for two years. Bigbellies are another tool the NVA uses to keep our sidewalks clean. Bigbellies do not leak, and the trash inside cannot be rummaged through or removed. Bigbellies are solar powered and include software which indicates when they need to be emptied, resulting in more efficient and effective response by the City.



Noe Valley CBD Area Map

(starting January 1, 2021)



The Noe Valley Association Community Benefit District was renewed in January 2020 for a fifteen-year period beginning January 1, 2021. The NVA receives an annual special assessment from the 219 properties in the district. An updated map of the district was approved as part of the CBD renewal process.

Assessment Methodology

The Noe Valley Association Community Benefit District is funded through an annual assessment paid by property owners and businesses in the district. The assessment methodology was updated effective January 1, 2021 when the CBD was renewed – as voted on by the CBD property owners and approved by the SF Board of Supervisors. Because the CBD operates on a fiscal year basis from July to June, the methodology changed half way through the fiscal year. The original management plan assessment methodology was in force June to December of 2020; the new methodology was in force January through June of 2021. This change is reflected in the financial statements.

State law and city policy dictate that the assessment formula take into account three factors in calculating the assessment for each lot: the square footage of the lot, the linear feet of frontage on the street, and the square footage of the developed building space. The assessed amount for each of these factors has changed to comply with changes in state law. Annual assessments are based on program costs allocated among the parcels based on assessable footage.

Because commercial parcels receive special benefits from all of the CBD activities, their annual assessment rates for the first year of the District renewal term are as follows:

Lot Square Foot Assessment Rate: \$0.2025

Building Square Foot Assessment Rate: \$0.1388

Front Footage Assessment Rate: \$14.7723

By contrast, non-profits and residential parcels do not specially benefit from Promotion of District activities, so those types of entities pay a reduced rate that does not reflect the cost of these activities:

Non-Profit/Residential Lot Square Foot Assessment Rate: \$0.1487

Non-Profit/Residential Building Square Foot Assessment Rate: \$0.1177

Non-Profit/Residential Front Footage Assessment Rate: \$10.4161

Expenditures may require an annual adjustment up or down to continue the intended level of programs and services. In no case shall these annual assessment increases exceed that year's increase in the San Francisco, Oakland, and San Jose area Consumer Price Index (CPI) or 5%, whichever is less. Total assessment revenue may also increase based on development in the District. The determination of annual adjustments in assessment rates will be subject to the approval of the Noe Valley CBD Owners' Association (the NVA Board of Directors).

As provided by the Property and Business Improvement 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 2020-2021 NVA property assessments as well as the NVA renewal assessment methodology and management plans, please visit www.noevalleyassociation.org.

Financial Statement as of June 30, 2021

The financials for FYE21 is split into two halves, each covering six months. The reporting reflects the mandated reporting format of the former management plan that expired on December 31, 2020 as well as the current management plan which started January 1, 2021. \$70,732 in "carry over" funds from between the management plans were the result of projects which were delayed due to COVID-19 and had to be completed in 2021. The NVA does not have security cameras and does not operate a surveillance security system. The NVA did not receive any private contributions over \$1,000 during FYE21. The NVA engages Accounting Results, Inc. for bookkeeping services. For the annual account review, the NVA hired Maze and Associates for the 2020-21 fiscal year. The figures shown here are unaudited. The review and final report will be available in October and posted on the NVA website, or provided by request to the NVA Executive Director.

NVA Current Management Plan Budget

Service Category	Dollar Amount	Percentage			
Clean and Green	\$165,000.00	64.71%			
Promotion of District	\$20,000.00	7.84%			
Administration	\$60,000.00	23.53%	Assessment Revenue	\$246,750.00	96.76%
Contingency & Reserve	\$10,000.00	3.92%	Non-Assessment Revenue	\$8,250.00	3.24%
TOTAL	\$255,000.00	100.00%	TOTAL	\$255,000.00	100.00%

NVA FYE 2021 Budget January - June 2021

Service Category	Assessment \$	Non-Assessment \$	Total \$ Amount	% Total Assessment	% Total Non-Assessment
Clean and Green	\$82,500	\$12,649.00	\$95,149.00	0.647058824	100.00%
Promotion of District	\$10,000		\$10,000.00	0.078431373	0.00%
Administration	\$30,000		\$30,000.00	0.235294118	0.00%
Contingency & Reserve	\$5,000		\$5,000	0.039215686	0.00%
TOTAL	\$127,500	\$12,649.00	\$140,149.00	100%	100%

NVA FYE 2021 Budget July - December 2020

Service Category	Assessment \$	Non-Assessment \$	Total \$ Amount	% Total Assessment	% Total Non-Assessment
Sidewalk Operations	\$85,000	\$4,200.00	\$89,200.00	0.622709665	94.40%
District Identity and Streetscape Improvements	\$10,250		\$10,250.00	0.07509146	0.00%
Administrative/Corporate operations	\$36,000	\$249.00	\$36,249.00	0.263735858	5.60%
Contingency & Reserve	\$5,250		\$5,250.21	0.038463018	0.00%
TOTAL	\$136,500	\$4,449.00	\$140,949.21	100%	100%

NVA FYE 2021 Actuals January - June 2021

Service Category	Assessment \$	Non-Assessment \$	Total \$ Amount	% Total Assessment	% Total Non-Assessment	% Total
Clean and Green	\$81,338.00	\$12,678.00	\$94,016.00	66%	1	0.69153819
Promotion of District	\$5,933.00	\$-	\$5,933.00	5%	0	0.043640402
Administration	\$31,003.00	\$-	\$31,003.00	25%	0	0.228043721
Contingency & Reserve	\$5,000.00	\$-	\$5,000.00	4%	0	0.036777686
TOTAL	\$123,274.00	\$12,678.00	\$135,952.00	100%	100%	100%

NVA FYE 2021 Actuals July - December 2020

Service Category	Assessment \$	Non-Assessment \$	Total \$	% Total Assessment	% Total Non-Assessment	% Total
Sidewalk Operations	\$75,991.00	\$4,200.00	\$80,191.00	51%	0.931470393	0.51830762
District Identity and Streetscape Improvements	\$9,057.00	\$60.00	\$9,117.00	6%	0.01330672	0.058926944
Administrative/Corporate operations	\$39,734.00	\$249.00	\$39,983.00	26%	0.055222888	0.258426676
Contingency & Reserve	\$25,426.00	\$-	\$25,426.00	17%	0	0.16433876
TOTAL	\$150,208.00	\$4,509.00	\$154,717.00	100%	100%	100%



Acknowledgements

“None of us is as smart as all of us”

– **Kenneth H. Blanchard**

This could not be truer in acknowledging the following individuals who make the Noe Valley Association the award-winning CBD that it is, as viewed by the powers that be in the City of San Francisco.

City Staff

The NVA would like to give a BIG shout out to District 8 Supervisor Rafael Mandelman and his staff, specifically legislative aides Jacob Bintliff and Tom Termperano, for their continued support of the Noe Valley Town Square. Rafael and his staff also advise the NVA on important matters which affect San Francisco CBDs and help us fight the good fight.

The NVA gets its mojo from the Office of Economic and Workforce Development Senior Manager Chris Corgas, who is a patient and wise guide and oversees our grants and the myriad required processes of City government. Chris is judicious and a big supporter of all things for “Noe Land”. Thank you, Chris!

NVTS Staff

The Noe Valley Association is fiscal sponsor for the Noe Valley Town Square (www.noevalleytownsquare.com). Leslie Crawford is a long-time resident of Noe Valley and the producer of events and programs at the Square. She is tireless in her enthusiasm for bringing creative programming, capital improvements and community dinners to the Square. Richard Hildreth, also a long-time Noe Valley resident, works with Leslie on the operations for events. He brings technical expertise, and a joy in selecting and showing movies and organizing Sunday afternoon concerts for the Noe Valley community.

NVA Staff

Sylvia Vientulis is one of those amazing right brain/left brain people who, together with Fred our bookkeeper, ensures the accuracy of all fiscal records as required for grant reporting and City records. Sylvia also created and manages the NVA and NVTS websites, develops graphics for NVA and Town Square events, created the annual report you are reading and the striking graphics on the Bigbelly receptacles.

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.

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

**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT**

REVIEWED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT
REVIEWED FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

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FINANCIAL SECTION

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Noe Valley Association, a Community Benefit District (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 the 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 modification that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The accompanying summarized comparative information as of and for the year ended June 30, 2020 is derived from financials that were previously reviewed by another CPA firm who stated that they were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in their report dated October 30, 2020. We have not audited or reviewed such information and, accordingly, we do not express an opinion, a conclusion, or provide any assurance on it.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive script.

Pleasant Hill, California
February 22, 2022

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W mazeassociates.com

NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021
WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Note 2B)	\$ 288,593	\$ 308,025
Assessments receivable	-	2,795
Due from City	86	86
TOTAL ASSETS	\$ 288,679	\$ 310,906
NET ASSETS (Note 2A)		
Without donor restrictions	\$ 277,874	\$ 284,466
With donor restrictions (Note 5)	10,805	26,440
Total Net Assets	288,679	310,906
TOTAL NET ASSETS	\$ 288,679	\$ 310,906

See Independent Accountant's Review Report and Notes to Financial Statements.

NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2021	2020
SUPPORT AND REVENUE				
Property assessment revenue	\$ 247,114	\$ -	\$ 247,114	\$ 266,334
Grants	12,429	37,800	50,229	95,722
Fees for service	12,466	-	12,466	25,978
Donations	-	-	-	2,118
Interest and other	1,998	-	1,998	767
Net assets released from restriction	53,435	(53,435)	-	-
Total Support and Revenue	327,442	(15,635)	311,807	390,919
EXPENSES				
Program services	247,024	-	247,024	332,033
Management and general	71,597	-	71,597	57,155
Fundraising	15,413	-	15,413	7,184
Total Expenses	334,034	-	334,034	396,372
Changes in net assets	(6,592)	(15,635)	(22,227)	(5,453)
Net assets at beginning of period	284,466	26,440	310,906	316,359
Net assets at end of period	\$ 277,874	\$ 10,805	\$ 288,679	\$ 310,906

See Independent Accountant's Review Report and Notes to Financial Statements.

NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Management and General	Fundraising	Totals	
	District Projects	Fiscal Projects	Total Program			2021	2020
Salaries	\$ 3,500	\$ -	\$ 3,500	\$ 50,722	\$ 2,113	\$ 56,335	\$ 68,060
Payroll taxes	314	-	314	4,047	169	4,530	5,672
Accounting	166	-	166	6,916	288	7,370	10,216
Advertising and promotions	1,776	5,288	7,064	428	18	7,510	2,318
Big Belly trash cans	-	-	-	-	12,429	12,429	-
Clean and Green - street maintenance and improvements	81,338	-	81,338	-	-	81,338	-
Due, permits and renewal fees	-	-	-	262	11	273	34,669
Entertainment	-	18,691	18,691	-	-	18,691	17,059
Fee for service	-	25,998	25,998	4,320	180	30,498	36,135
Insurance	-	1,000	1,000	3,328	139	4,467	6,589
Office expenses	-	-	-	92	4	96	26,776
Repairs and maintenance	21,447	2,458	23,905	-	-	23,905	-
Street maintenance	75,991	-	75,991	-	-	75,991	167,577
Streetscape improvement	9,057	-	9,057	-	-	9,057	18,526
Travel, meals, meetings	-	-	-	-	-	-	77
Other	-	-	-	1,482	62	1,544	2,698
Total Expenses	\$ 193,589	\$ 53,435	\$ 247,024	\$ 71,597	\$ 15,413	\$ 334,034	\$ 396,372

See Independent Accountant's Review Report and Notes to Financial Statements.

NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (22,227)	\$ (5,453)
Adjustment to reconcile net income to cash provided (used) by operating activities:		
(Increase) decrease in:		
Assessment receivable	2,795	1,514
Due from City	-	(86)
Net Cash (Used) by Operating Activities	(19,432)	(4,025)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,432)	(4,025)
Cash and cash equivalents, beginning of year	308,025	312,050
Cash and cash equivalents, end of year	\$ 288,593	\$ 308,025

See Independent Accountant's Review Report and Notes to Financial Statements.

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**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

NOTE 1 – ORGANIZATION

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 benefits district assessment funds from taxes paid by property owners and merchants. Program activities of the Organization include:

Public Rights of Way and Sidewalk Operations

Sidewalk and gutter sweeping and spot cleaning, hot water steam cleanings, bulky and illegal trash removal, graffiti abatement, right of way support related to garbage cans, light poles, trees and tree wells.

District Identity and Streetscape Improvements

Activities related to District identity and streetscape improvements include tree planting, flower baskets, open sidewalks, new crosswalks, and additional greening work.

Fiscal Projects

Fiscal project work such as the Noe Valley Town Square (NVTs) project and the Noe Valley Girl's Film Festival (NVGFF).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Financial Statement Presentation

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) and, therefore, include all support and revenues when earned and all expenses when incurred, regardless of whether the support and revenues or expenses were received or paid as of the end of a period. Grants are recognized as support when earned in accordance with the terms of each grant or agreement.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions: Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

B. Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

C. Concentration of Credit Risk

The Federal Deposit Insurance Corporation (“FDIC”) insures account balances up to \$250,000 at each insured institution. The Organization sometimes carries balances that exceed FDIC insurance limits. Management believes the Organization is not exposed to any significant credit risk related to cash.

D. Property Assessments Revenue

The Organization recognizes assessment revenue when assessed. Property taxes are payable in December and April of each fiscal year. Amounts are collected by the Treasurer and Tax Collector (Tax Collector) of the City and County of San Francisco and are remitted to the Organization in four payments each year.

E. Property 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, 2021.

Although delinquent assessments are subject to penalties and fines, the Organization believes 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.

**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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, 2021.

G. Recognition of Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

H. 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, 2021.

I. Functional Allocation of Expenses

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

Salaries and wages, benefits, and payroll taxes are allocated based on quarterly activity reports prepared by key personnel.

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

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

**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and California RTC 23701(d). Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private Organization under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Organization paid no taxes on unrelated business income in the year ended June 30, 2021.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization tax returns remain open for federal income tax examination for three years from the date of filing.

L. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

**NOE VALLEY ASSOCIATION,
A COMMUNITY BENEFIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3: Inputs that are not observable in the market and reflect the management’s judgment about the assumptions that market participants would use in pricing the asset or liability.

M. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure through February 22, 2022, the date which these financial statements were available to be issued.

NOTE 3 – CONCENTRATIONS

For the year ended June 30, 2021, the Organization received approximately 91% 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 could have a significant effect on the Organization’s program and activities.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

A. Assessments

Community benefit district assessments are received from the City and County of San Francisco under an agreement that was renewed on January 1, 2021 for fifteen years. 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.

B. Grant Awards

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.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization sponsors the Noe Valley Town Square project and the Noe Valley Film Festival project. Net assets with donor restrictions for fiscal projects consisted of \$10,805 and \$26,440 as of June 30, 2021 and 2020, respectively.

<p>NOE VALLEY ASSOCIATION, A COMMUNITY BENEFIT DISTRICT NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2021</p>

<p>NOTE 6 – LIQUIDITY AND AVAILABILITY</p>

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at June 30, 2021:

Total current financial assets:	
Cash and cash equivalents	\$ 288,593
Due from the City	<u>86</u>
Total current financial assets	288,679
Less: Purpose-restricted net assets	<u>(10,805)</u>
Total	<u><u>\$ 277,874</u></u>

As part of the Organization’s liquidity management plan, the Organization maintains funds in excess of daily requirements in cash and cash equivalent accounts.

MEMORANDUM

TO: Supervisor Rafael Mandelman, District 8 Supervisor

CC: San Francisco Board of Supervisors,
Chris Corgas; Program Director, OEWD

FROM: Mimi Hiraki; Project Specialist, OEWD

DATE: July 21, 2022

SUBJECT: Noe Valley Community Benefit District; FY 2020-2021 Annual Report

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, 2020, and June 30, 2021.

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 2020.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2020-2021
2. CPA Financial Review Reports
 - a. FY 2020-2021
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 of Supervisors 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 (Resolution # 062-15).
- March 22, 2016: the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution # 111-16).
- March 21, 2017: the Board of Supervisors approved the Annual Report for FY 2015-2016 (Resolution # 093-17).
- May 22, 2018: the Board of Supervisors approved the Annual Report for FY 2016-2017 (Resolution # 154-18).
- September 17, 2019: the Board of Supervisors approved the Annual Report for FY 2017-2018 (Resolution # 399-19).
- December 1, 2020: the Board of Supervisors approved the Annual Report for FY 2018-2019 (Resolution # 549-20).
- February 7, 2020: the Board of Supervisors approved the resolution to establish (renew) the Noe Valley Community Benefit District for 15 years (Resolution # 53-20).
- December 1, 2020: the Board of Supervisors approved the contract for the administration and management of the Noe Valley Community Benefit District (Resolution # 549-20).
- January 25, 2021: the Board of Supervisors approved the Annual Report for FY 2019-2020. (Resolution # 22-22).

Basic Info about Noe Valley Community Benefit District

Year Established	August 2005
Year Renewed	February 2020
Assessment Collection Period	FY 2020-2021 to FY 2034-2035 (July 1, 2020 to June 30, 2035)
Services Start and End Date	January 1, 2021 – December 31, 2035
Initial Estimated Annual Budget	\$255,000
FY 2020-21 Assessment Submission	\$248,541.48
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

Service Area Categories for July 1, 2020, to December 31, 2020

Noe Valley CBD renewed and expanded the District during this review period. For the first half of the fiscal year (July 1, 2020 to December 31, 2020), the CBD operated under the previous Management's framework which detailed the following service 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.

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 approximately 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 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.



Service Area Categories for January 1, 2021, to June 30, 2021

Noe Valley renewed and expanded the District during this review period. For the second half of the fiscal year (January 1, 2021, to June 30, 2021), the CBD operated under the new Management's framework which detailed the following service areas:

Clean & Green

The Noe Valley Management Plan calls for 65% of the budget to be spent on Public Rights of Way and Sidewalk Operations. This program area includes sidewalk cleaning covering systematic sidewalk and gutter cleaning, sweeping litter, debris and refuse; sidewalk pressure washing; graffiti removal; and greenscape management covering watering and weeding tree wells, providing gardens, benches, planter boxes, hanging flower baskets and parklets.

Promotion of District

Approximately 8% of the annual budget is allocated for promotion of district, local businesses, helping property owners attract tenants through advertisement and neighborhood branding efforts. This program area includes but is not limited to promoting the district through a website that includes information about their purpose and accomplishments, managing media relations, sponsoring special events such as street festivals, and district stakeholder outreach.

Administration

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 approximately 24% of the budget to be spent on management and operations. The remaining 4% of annual budget is to be allocated to a contingency fund.

The Noe Valley CBD board is represented by residents, property owners, merchants, and community organizations. Board member seats are determined using the following guidelines: at least 50% to be property owners and at least 20% non-property-owning merchants. This structure complies with Article 15 of the San Francisco Business and Tax Regulations Code.

Summary of Accomplishments, Challenges, and Delivery of Services

The following activities are reported by the CBD at the annual level. Based off the descriptions of the service categories areas in each of the management plans, the service areas are grouped by similarity. Public Rights of Way and Sidewalk Operations is grouped with Clean & Green as both service areas largely focused on services such as sidewalk cleaning, greenscape management, weeding tree wells and watering planter boxes. District Identity and Streetscape Improvements is grouped with Promotion of District as both service areas largely focused on promoting the district, sponsoring special events and website management. Management & Operations is grouped with Administration as both service areas largely focused on providing performing day-to-day management of the organization, working with various city departments, advocating for city funds and services and ensures the organization is in compliance with their Management Plan and City contract.



FY 2020-2021

Public Right of Way and Sidewalk Operations / Clean & Green

- Installed 4 Bigbelly garbage receptacles installed and maintained in January 2021.
- Removed 92 graffiti marks, stickers, and improper signage.
- Removed 199 pieces of bulky and illegal trash (boxes, furniture, yard debris, bags of garbage, etc.).
- Responded to 186 calls to 311 for large item pick-ups.
- Watered and weeded 201 tree wells.
- Replanted, watered and maintained 27 planters/sidewalk gardens.
- Maintained 84 chairs and tables in both public parklets on 24th Street, 27 community benches, 36 bike racks, 10 new racks, 24 trash receptacles and 7 umbrellas
- Watered and renewed 23 hanging flower baskets and installed 1 new street pole with flower basket
- Maintained 2 parklets with flowers and plants.
- 9 sidewalk steam cleanings monthly from March thru November.

District Identity and Streetscape Improvements / Promotion of District

- 8 NVA banners created and maintained
- Continue to publish and maintain NVA website

Management & Operations / Administration

- Fiscal agent for an OEWD funded grant to activate and maintain the Noe Valley Town Square for a fourth year.

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 2020-2021 Budget Analysis

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 did not meet this requirement.*

July 2020-December 2020

Service Category/ Budget Line	Management Plan Budget (Percentage)	FY2020- 2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points - Total
Sidewalk Operations	\$160,000.00 (69.53%)	\$85,000.00 (62.27%)	\$89,200.00 (63.29%)	-7.26%	-6.24%
District Identity and Streetscape Improvements	\$22,000.00 (9.56%)	\$10,250.00 (7.51%)	\$10,250.00 (7.27%)	-2.05%	-2.29%
Administrative/Corpo rate operations	\$32,000.00 (13.91%)	\$36,000.00 (26.37%)	\$36,249.00 (25.72%)	+12.47%	+11.81%
Contingency & Reserve	\$16,128.00 (7.01%)	\$5,250.00 (3.85%)	\$5,250.00 (3.85%)	-3.16%	-3.28%
TOTAL (July- December 2020)	\$230,128.00 (100%)	\$136,500.00 (100%)	\$140,949.00 (100%)		

January 2021-June 2021

Service Category/ Budget Line	Management Plan Budget (Percentage)	FY2020- 2021 Budget – Asst. (Percentage)	FY2020- 2021 Budget – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points - Total
Clean and Green	\$165,000.00 (64.71)	\$82,500.00 (64.81%)	\$95,149.00 (67.89%)	0.00%	+3.19%
Promotion of District	\$20,000.00 (7.84%)	\$10,000.00 (7.84%)	\$10,000.00 (7.14%)	0.00%	-0.71%
Administration	\$60,000.00 (25.53%)	\$30,000.00 (23.53%)	\$30,000.00 (21.41%)	0.00%	-2.12%
Contingency & Reserve	\$10,000.00 3.92%)	\$5,000.00 (3.92%)	\$5,000.00 (3.57%)	0.00%	-0.35%
TOTAL (January- June 2021)	\$255,000.00 (100%)	\$127,500.00 (100%)	\$140,149.00 (100%)		



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 \$273,482.00 or 94.09% of actuals and non-assessment revenue was \$17,187.00 or 5.91% of actuals. See table below.*

Revenue Sources	FY 2020-2021 Actuals	% of actuals
Assessment Revenue	\$247,114.00	
Total Assessment (Special Benefit) Revenue	\$247,114.00	79.25%
Grants	\$50,229.00	16.11%
Donations	\$12,466.00	4.00%
Interest Earned	\$1,998.00	0.64%
Total Non-Assessment (General Benefit) Revenue	\$64,693.00	20.75%
TOTAL	\$311,807.00	100.00%

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 did not meet this requirement. See table below.*

July 2020-December 2020

Service Category/Budget Line	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	FY2020-2021 Actuals – Asst. (Percentage)	FY2020-2021 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points – Total
Sidewalk Operations	\$85,000.00 (62.27%)	\$89,200.00 (63.29%)	\$75,991.00 (50.59%)	\$80,191.00 (51.83%)	-11.68%	-11.45%
District Identity and Streetscape Improvements	\$10,250.00 (7.51%)	\$10,250.00 (7.27%)	\$9,057.00 (6.03%)	\$9,117.00 (5.89%)	-1.48%	-1.38%
Administrative/Corporate Operations	\$36,000.00 (26.37%)	\$36,249.00 (25.72%)	\$39,734.00 (26.45%)	\$39,983.00 (25.84%)	+0.08%	+0.12%
Contingency & Reserve	\$5,250.00 (3.85%)	\$5,250.00 (3.85%)	\$25,426.00 (16.93%)	\$25,426.00 (16.43%)	+13.08%	+12.71%
TOTAL	\$136,500.00 (100%)	\$140,949.00 (100%)	\$150,208.00 (100%)	\$154,717.00 (100%)		

January 2021-June 2021



Service Category/ Budget Line	FY2020-2021 Budget – Asst. (Percentage)	FY2020-2021 Budget – Total (Percentage)	FY2020-2021 Actuals – Asst. (Percentage)	FY2020-2021 Actuals – Total (Percentage)	Variance Percentage Points – Asst.	Variance Percentage Points - Total
Clean and Green	\$82,500.00 (64.81%)	\$95,149.00 (67.89%)	\$81,338.00 (65.98%)	\$94,016.00 (69.15%)	+1.28%	+1.26%
Promotion of District	\$10,000.00 (7.84%)	\$10,000.00 (7.14%)	\$5,933.00 (4.81%)	\$5,933.00 (4.36%)	-3.03%	-2.77%
Administration	\$30,000.00 (23.53%)	\$30,000.00 (21.41%)	\$31,003.00 (25.15%)	\$31,003.00 (22.80%)	+1.62%	+1.40%
Contingency & Reserve	\$5,000.00 (3.92%)	\$5,000.00 (3.57%)	\$5,000.00 (4.06%)	\$5,000.00 (3.68%)	+0.13%	+0.11%
TOTAL (January-June 2021)	\$127,500.00 (100%)	\$140,149.00 (100%)	\$123,274.00 (100%)	\$135,952.00 (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. 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.*

FY2020-2021 Carryover	Dollar Amount
Assessment Amount for FY2021	\$70,732.00
Total Designated Amount for FY 2020-2021	\$70,732.00

Findings and Recommendations

FY2020-2021 was a year of transition for Noe Valley CBD as the CBD successfully completed renewal on February 7, 2020 and began operating under a new management plan mid-year. Thus, for the first half of this reporting period, July 2020-December 2020, the CBD’s benchmarks are evaluated under the previous management plan and engineer’s report adopted by the Board of Supervisors on January 10, 2006 (File #051967) while the second half of this reporting period, January 2021-June 2021, is evaluated under the current management plan and engineer’s report adopted by the Board of Supervisors on January 28, 2020 (File #191027).

Noe Valley CBD met two of the four benchmarks as defined on page 5 of this memo 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. The Noe Valley CBD missed Benchmark 1 which compares the organization’s fiscal year budget to the management plan budget and Benchmark 3 which compares the



organization's fiscal year budget with the fiscal year actuals. Per Section 3.9 of the *Agreement for the Administration of the "Noe Valley Community Benefit District,"* each CBD is allotted a ten (10) percent deviation from their management plan. If they do not meet this, OEWD must determine if this deviation adversely impacts the special benefits conferred on parcels within the CBD.

In this particular situation, Noe Valley CBD missed Benchmark 1 by over budgeting 2.47% over the allowable 10 percentage points for the Administrative/Corporate operations category for the first half of the reporting period (July-December 2020) and missed Benchmark 3 by overspending 1.68% over the allowable 10 percentage points for Sidewalk Operations and overspending 3.08% over the allowable 10 percentage point for Administrative/Corporate operations for the first half of the reporting period (July-December 2020). In order to determine if these actions adversely impacted special benefits conferred on parcels within the CBD, OEWD reviewed the CBD's management plan and engineer's report approved on January 10, 2006 (File #051967). According to the Management Plan, both Administrative/Corporate services and Sidewalk Operations are apportioned to all by lot size and the parcels, so the parcels continued to receive special benefit. It is in OEWD's opinion that these actions did not adversely impact special benefits conferred on parcels within the CBD.

Historically, Noe Valley CBD struggled to meet Benchmark 1 due to the structural weakness of the old management plan and changes in City requirements that were not accounted for in the document. The problem has been rectified with the new management plan as demonstrated by the Noe Valley CBD meeting all benchmarks in the second half of the reporting period, January 2021-June 2021 when it began operating under the new management plan. As expected, once the renewed management plan began the structural weaknesses in the original management plan due to increased city requirements over the years was rectified and they met all benchmarks for that portion of the reporting period.

During this review period, the CBD has performed well pivoting to the emerging health and economic impacts of the COVID-19 global pandemic that started in March 2020 and continued through this review period. The CBD adjusted to the continuous updates in health orders issued by the San Francisco Health Officer, including the renewed shelter-in-place health order in December 2021.

With the shelter-in-place health order, the CBD saw an increase in pedestrian traffic as its residents utilized outdoor spaces, including the Noe Valley Town Square and the 27 benches the CBD installed in the commercial corridor, for safe social distancing. This resulted in an increase of trash on the sidewalks and the CBD adjusting their services appropriately to ensure the shopping area remained clean, attractive, comfortable and inviting. The CBD also continued to work with the Office of Economic Workforce Development to receive and distribute PPE.

Noe Valley CBD continues to be the fiscal agent for Noe Valley Town Square. Although much of the Noe Valley Town Square event programming was suspended due to the pandemic, the CBD is planning in partnership with SF Recreation and Parks Department to resume events and activation in Fall 2021.

Conclusion

Noe Valley CBD has performed well in implementing the service plan. Although events in the Noe Valley Town Square were largely suspended due to the pandemic, the CBD continues to activate the public space and see people utilizing the space. 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.



BOARD of SUPERVISORS



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MEMORANDUM

TO: Kate Sofis, Director, Office of Economic and Workforce Development

FROM: Alisa Somera, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: July 29, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Rafael Mandelman on July 26, 2022:

File No. 220891

Resolution receiving and approving an annual report for the Noe Valley Community Benefit District for Fiscal Year (FY) 2020-2021, 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 or by email at: Alisa.Somera@sfgov.org.

cc: Anne Taupier, 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 Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

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

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

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only