

MEMO

To: Supervisor Scott Wiener, District 8

CC: San Francisco Board of Supervisors

From: Crezia Tano, OEWD Senior Project Manager

RE: Noe Valley Community Benefit District

Date: January 23, 2015

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, 2009, and June 30, 2014.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Noe Valley CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Noe Valley CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2009-2010
 - b. FY 2010-2011
 - c. FY 2011-2012
 - d. FY 2012-2013
 - e. FY 2013-2014
2. CPA Financial Review Reports
 - a. FY 2009-2010
 - b. FY 2010-2011
 - c. FY 2011-2012
 - d. FY 2012-2013
 - e. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Noe Valley Community Benefit District (Noe Valley CBD) was formed to increase commerce, make Noe Valley a better place to shop, beautify the neighborhood, develop public spaces and allow the business and property owners to have input into the revitalization and maintenance of the district. Noe Valley CBD includes both privately and publicly owned properties. The district is 8 square blocks and includes 211 parcels. The main commercial street that services Noe Valley is 24th Street between Church and Douglass Streets.

- August 2, 2005: the Board of Supervisors approved the resolution that established the Noe Valley Community Benefit District for 15 years (Resolution # 583-05).
- January 10, 2006: the Board approved the contract for the administration and management of the Noe Valley Community Benefit District (Resolution # 13-06).
- July 12, 2011: the Board of Supervisors approved the Annual Reports for FYs 2006-2007, 2007-2008, 2008-2009 annual reports (Resolution # 14-11).

Basic Info about Noe Valley Community Benefit District:

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

The current CBD website www.noevalleyassociation.org includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

Summary of Program Areas

Public Rights of Way and Sidewalk Operations

The Noe Valley Management Plan calls for 70% of the budget to be spent on Public Rights of Way and Sidewalk Operations. This program area includes maintenance of trees, planters and flower baskets; systematic sidewalk cleaning; and safety services. NVCBD 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, 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 42 open ground or planter boxes. For additional safety services during the holidays, NVA hires San Francisco Patrol Special. They patrol 24th Street six days a week for the month of December.

District Identity and Streetscape Improvements

Approximately 10% 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 farmers markets' and street festivals, and developing plans that outline the long term goals of the district. In addition, NVA serves as the fiscal agent of four seasonal major events in the neighborhood including Harvest Festival in October; Spring/Easter Egg Hunt in April; SummerFest in June; and the latest addition – 24 HoliDAYS on 24th Street in December

Management & Operations

NVCBD 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 CMCBD Management Plan calls for 12% of the budget to be spent on management and operations.

The NVCBD board has nine (9) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. Board member seats are determined using the following guidelines: Property Owners (50%) and Non-Property Owners (50%). Of the non-property owners, two seats (20%) are set aside for merchants with a preference for existing small businesses operating retail, restaurant and service and three seats (30%) are reserved for Community Based Organizations, art-related non-profits, and residents. This structure complies with Article 15 of the San Francisco Business and Tax Regulations Code. The full board meets quarterly. The committees and meeting times are detailed below:

- **Executive Committee** - The Executive Committee oversees central operations of the organization and ensures the functioning of key areas: staff and contracts; corporate finances; insurance; grants; development of budget; board agendas and meetings; correspondence; outreach; bylaws and policies; public relations; newsletters. The Executive Committee meets the 1st Tuesday of the month.
- **Streetscape Committee** – The Streetscape Committee is in charge of overseeing the services in public spaces (the 'pubic right of way') and ensuring the success and efficiency of these services, along with other services designed to promote safety in the neighborhood. These services include the following project events: sidewalk sweeping and cleaning; steam cleaning; relations with the Department of Public Works (DPW); tree planting and maintenance; improving public right of way experience; and safety programs including Safe Passage and Safe Havens. The Streetscape Committee meets as needed.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2009-2010

Public Right of Way and Sidewalk Operations

- Hired a new cleaning company, Curb Appeal to perform all the sidewalk cleaning and maintenance services. Curb Appeal partners with the Jericho Project, an organization that provides employment opportunities for first time drug offenders.

District Identity and Streetscape Improvements

- Created five new garden sites on the corners of 24th and Noe Streets and installed four new benches and six planter boxes in front of Bernie's Coffee and Whole Foods Market, projects were partly funded by the Community Challenge Grant program and other non-assessment revenue dollars.

Management & Operations

- Conducted a five question neighborhood survey. The survey developed in collaboration with property owners and the Noe Valley Merchants & Professionals Association, asked respondents to identify the best use of commercial space on 24th Street.
 - New types of restaurants – vegetarian, Indian and Vietnamese food and traditional burger joints.
 - New types of retail stores – garden stores and home accessories stores.
 - Improvements in Noe Valley – underground electrical wires, improving the #48 bus line, more parking and creating more space for kids to hangout.
 - Most popular events –Saturday Farmer's Market, Noe Valley Garden tour and Harvest Festival.
 - Most liked the neighborhood attributes – flower baskets and new trees.

FY 2010-2011

Public Right of Way and Sidewalk Operations

- Curb Appeal removed 211 pieces of bulky and illegal trash; repainted and degreased 26 city garbage cans to remove graffiti; provided monthly hot water steam cleaning from March to November; and cleaned 237 graffiti markings.

District Identity and Streetscape Improvements

- Produced the fourth Annual Easter Egg Hunt attracted more than 400 families in April 2011.
- Installed two parklets on 24th Street: 1) in front of Just for Fun and 2) in front of Martha & Brothers Coffee Company.
- Leveraged funding with merchants to install five new benches and three planter boxes in front of Zephyr Real Estate and Cardio Tone.

Management & Operations

- Received funding from Office of Economic and Workforce Development.
- Completed a study with MTA on optimizing parking in and around 24th street – recommended diagonal parking on Diamond, Noe, Sanchez, and Castro.

FY 2011-2012

Public Right of Way and Sidewalk Operations

- Removed 187 pieces of bulky and illegal trash from sidewalk and gutters; worked with 28CLEAN and reported consistent trash abusers; removed 192 graffiti marks and improper signage; replaced the liners of 24 city garbage cans to prevent leakage; and repainted all trash cans and MTA guard rails on Church Street.

District Identity and Streetscape Improvements

- Produced the sixth annual Easter Egg Hunt at Douglas Park, which was attended by over 300 Noe Valley families.
- Created a new logo for the NVA, which is prominently displayed on banners on the six street poles managed by the NVA.
- Co-produced the SummerFEST event on June 16, 2012 with the Noe Valley Merchants and Professionals Association.

Management & Operations

- Continued to work with the MTA to optimize and preserve parking at Castro and 24th Streets. The NVA initiated a request to remove a bus pull zone at Noe and 24th Streets in favor of a pole stop, which would result in eight new parking spaces. The MTA wanted to remove three parking spaces on Castro Street between 24th and Jersey Streets; the NVA protested this idea and the MTA withdrew their request to remove three parking spaces.

FY 2012-2013

Public Right of Way and Sidewalk Operations

- Removed 76 pieces of bulky and illegal trash (boxes, furniture, yard debris, bags of garbage, etc.) from sidewalks and gutters; worked with SF 311, SF Department of Public Works and reported consistent trash abusers; removed 116 graffiti marks and improper signage; and repainted all trashcans and MTA guardrails on Church Street.

District Identity and Streetscape Improvements

- Collaborated with the Noe Valley Merchants and Professionals Association to co-produce the 1) the annual SummerFEST event on June 16th, 2) the 24 HoliDAYS on 24th Street events in December, and 3) the holiday lighting on 60+ trees in the neighborhood.

Management & Operations

- The NVA was awarded \$680,000 from a City of SF Streetscape Bond to create two of the four proposed bulb outs on 24th Street. A series of community meetings were scheduled to be conducted starting in October 2013 to determine where they will be installed. The bulb outs will create pole stops for Muni buses and result in increased street parking for cars.

FY 2013-2014

Public Right of Way and Sidewalk Operations

- Removed 158 pieces of bulky and illegal trash (boxes, furniture, yard debris, bags of garbage, etc.) from sidewalks and gutters; worked with SF 311, SF Department of Public Works and reported consistent trash abusers; removed 264 graffiti marks and improper signage; and repainted all trashcans and MTA guardrails on Church Street.

District Identity and Streetscape Improvements

- Collaborated with the Noe Valley Merchants and Professionals Association to co-produce the 1) the annual SummerFEST event on June 14th, 2) the 24 HoliDAYS on 24th Street events in December, and 3) the holiday lighting on 60+ trees in the neighborhood.

Management & Operations

- The MTA decided to fund a third additional bulbout on the southeast corner of Castro Street at 24th Street in front of Cotton Basics.

NVCBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for FWCB:

- **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 NVCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36651*)

FY 2009-2010

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: *NVCBD did not meet this requirement. NVCBD received non-assessment revenue that well exceeded their five percent (5%) requirement. These non-assessment revenues were budgeted to Public Rights of Way and Sidewalk Operations.*

Service Category	Management Plan Budget	% of Budget	FY 2009-2010 Budget	% of Budget	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$160,000	69.5%	\$155,000	61.2%	-8.3%
District Identity and Streetscape Improvements	\$22,000	9.6%	\$53,200	21.0%	+11.5%
Administrative/Corporate Operations	\$32,000	13.9%	\$45,000	17.8%	+3.9%
Contingency Reserve	\$16,128	7.0%		0.0%	-7.0%
TOTAL	\$230,128	100%	\$253,200	100%	

BENCHMARK 2: Whether five percent (5%) of actuals came from sources other than assessment revenue

ANALYSIS: *NVCBD met this requirement.* Assessment revenue was \$262,515 or 88.4% of actuals and non-assessment revenue was \$34,433 or 11.6% of actuals. See table below.

Revenue Sources	FY 2009-2010 Actuals	% of Actuals
Special Benefit Assessments	\$262,515	
Total assessment revenue	\$262,515	88.4%
Contributions/Grants	\$32,994	
Interest Earned	\$1,439	
Total non-assessment revenue	\$34,433	11.6%
Total	\$296,948	100%

Non-assessment revenue applied to 5% General Benefit requirement

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

ANALYSIS: *NVCBD met this requirement.* See table below.

Service Category	FY 2009-2010 Budget	% of Budget	FY 2009-2010 Actuals	% of Actuals	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$155,000	61.2%	\$184,035	62.4%	1.2%
District Identity and Streetscape Improvements	\$53,200	21.0%	\$40,628	13.8%	-7.2%
Administrative/Corporate Operations	\$45,000	17.8%	\$70,383	23.9%	6.1%
Contingency Reserve	\$0	0.0%	-	-	
TOTAL	\$253,200	100%	\$295,046	100%	

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

ANALYSIS: *NVCBD did not meet this requirement. NVMCBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that NVCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Noe Valley CBD dated January 16, 2015. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2009-10 Carryover Disbursement	\$162,000
Designated Projects for 2010-11	
PROW	\$113,400
DISI	\$16,000
Admin	\$32,600
Total Designated Amount for 2010-11	\$162,000

FY 2010-2011

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: *NVCBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2010-2011 Budget	% of Budget	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$160,000	69.5%	\$161,000	63.4%	-6.1%
District Identity and Streetscape Improvements	\$22,000	9.6%	\$38,000	15.0%	5.4%
Management & Operations	\$32,000	13.9%	\$55,000	21.7%	7.7%
Contingency Reserve	\$16,128	7.0%		0.0%	-7.0%
TOTAL	\$230,128	100%	\$254,000	100%	

BENCHMARK 2: Whether five percent (5%) of NVCBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NVCBD met this requirement. Assessment revenue was \$272,424 or 89.2% of actuals and non-assessment revenue was \$32,878 or 10.8% of actuals.*

Revenue Sources	FY 2010-2011 Actuals	% of Actuals
Special Benefit Assessments	\$272,424	
Total assessment revenue	\$272,424	89.2%
Contributions/Grants	\$31,884	
Interest Earned	\$994	
Total non-assessment revenue	\$32,878	10.8%
TOTAL	\$305,302	100%

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

ANALYSIS: *NVCBD met this requirement. See tables below.*

Service Category	FY 2010-2011 Budget	% of Budget	FY 2010-2011 Actuals	% of Actuals	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$161,000	63.4%	\$151,727	54.0%	-9.4%
District Identity and Streetscape Improvements	\$38,000	15.0%	\$56,013	19.9%	+5.0%
Management & Operations	\$55,000	21.7%	\$73,356	26.1%	+4.4%
Contingency Reserve	\$0	0.0%	-	-	
TOTAL	\$254,000	100%	\$281,096	100%	

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

ANALYSIS: *NVCBD did not meet this requirement. NVCBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that NVCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Noe Valley CBD dated January 16, 2015. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2010-11 Carryover Disbursement	\$176,913
Designated Projects for 2011-12	
PROW	\$123,840
DISI	\$15,000
Admin	\$38,073
Total Designated Amount for 2011-12	\$176,913

FY 2011-2012

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

ANALYSIS: *NVCBD did not meet this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	FY 2011-2012 Budget	% of Budget	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$160,000	69.5%	\$145,000	58.7%	-10.8%
District Identity and Streetscape Improvements	\$22,000	9.6%	\$32,000	13.0%	+3.4%
Administrative/Corporate Operations	\$32,000	13.9%	\$70,000	28.3%	+14.4%
Contingency Reserve	\$16,128	7.0%			-7.0%
TOTAL	\$230,128	100%	\$247,000	100%	

BENCHMARK 2: Whether five percent (5%) of NVCBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NVCBD did not meet this requirement. Assessment revenue was \$239,207 or 83.7% of actuals and non-assessment revenue was \$17,157 or 6.7% of actuals. See table below.*

Revenue Sources	FY 2011-2012 Actuals	% of Actuals
Special Benefit Assessments	\$239,207	
Total assessment revenue	\$239,207	93.3%
Contributions/Grants	\$16,441	
Interest Earned	\$716	
Total non-assessment revenue	\$17,157	6.7%
Total	\$256,364	100%

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

ANALYSIS: *NVCBD met this requirement. See table below.*

Service Category	FY 2011-2012 Budget	% of Budget	FY 2011-2012 Actuals	% of Budget	Variance Budget to Actuals
Public Rights of Way	\$145,000	58.7%	\$157,800	60.1%	1.4%
District Identity and Streetscape Improvement	\$32,000	13.0%	\$28,295	10.8%	-2.2%
Management & Operations	\$70,000	28.3%	\$76,562	29.1%	0.8%
Contingency Reserve	\$0	0.0%	-	-	
TOTAL	\$247,000	100%	\$262,657	100%	

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

ANALYSIS: *NVCBD did not meet this requirement. NVCBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that NVCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Noe Valley CBD dated January 16, 2015. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2011-2012 Carryover Disbursement	\$170,757
Designated Projects for FY 2012-13	
PROW	\$121,000
DISI	\$16,000
Admin	\$33,757
Total Designated amount for FY 2012-13	\$170,757

FY 2012-2013

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: *NVCBD met this requirement. See table below.*

Service Category	Management Plan Budget	% of Management Plan	FY 2012-2013 Budget	% of Budget	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$160,000	70%	\$155,000	64.6%	-4.9%
District Identity and Streetscape Improvements	\$22,000	10%	\$20,000	8.3%	-1.2%
Administrative/Corporate Operations	\$32,000	14%	\$60,000	25.0%	+11.1%
Contingency Reserve	\$16,128	7%	\$5,000	2.1%	-4.9%
TOTAL	\$230,128	100%	\$240,000	100%	

BENCHMARK 2: Whether five percent (5%) of NVCBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NVCBD did not meet this requirement. Assessment revenue was \$235,301 or 99.0% of actuals and non-assessment revenue was \$2,408 or 1.0% of actuals. See table below.*

Revenue Sources	FY 2012-2013 Actuals	% of Actuals
Special Benefit Assessments	\$235,301	
Total assessment revenue	\$235,301	99.0%
Contributions/Grants	\$1,725	
Interest Earned	\$683	
Total non-assessment revenue	\$2,408	1.0%
TOTAL	\$237,709	100%

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

ANALYSIS: *NVCBD met this requirement. See table below.*

Service Category	FY 2012-2013 Budget	% of Budget	FY 2012-2013 Actuals	% of Actuals	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$155,000	64.6%	\$143,092	63.2%	-1.4%
District Identity and Streetscape Improvements	20,000	8.3%	14,761	6.5%	-1.8%
Administrative/Corporate Operations	60,000	25.0%	68,577	30.3%	+5.3%
Contingency Reserve	5,000	2.1%	-		
TOTAL	\$240,000	100%	\$226,430	100%	

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

ANALYSIS: *NVCBD met this requirement. NVCBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that NVCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Noe Valley CBD dated January 16, 2015. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2012-2013 Carryover Disbursement	\$161,868
Designated Projects for FY 2013-14	
PROW	\$113,308
DISI	\$15,000
Admin	\$33,560
Total Designated amount for FY 2013-14	\$161,868

FY 2013-2014

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: *NVCBD did not meet this requirement. These variances are explained by the Proposition B funds awarded to NVCBD to complete the projects under the DISI program area. Therefore explaining the high variances between the management plan budget allocations to the proposed budget allocations.*

Service Category	Management Plan Budget	% of Management Plan	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$160,000	69.5%	\$148,000	16.3%	-53.3%
District Identity and Streetscape Improvements	\$22,000	9.6%	\$695,000	76.4%	+66.8%
Administrative/Corporate Operations	\$32,000	13.9%	\$62,000	6.8%	-7.1%
Contingency Reserve	\$16,128	7.0%	\$4,840	0.5%	-6.5%
TOTAL	\$230,128	100%	\$909,840	100%	0.0%

BENCHMARK 2: Whether five percent (5%) of NVCBD’s actuals came from sources other than assessment revenue

ANALYSIS: *NVCBD did not meet this requirement. Assessment revenue was \$247,526 or 98.9% of actuals and non-assessment revenue was \$2,629 or 1.1% of actuals. See table below.*

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Special Benefit Assessments	\$247,526	
Total assessment revenue	\$247,526	98.9%
Contributions/Grants	\$2,000	
Interest Earned	\$629	
Total non-assessment revenue	\$2,629	1.1%
TOTAL	\$250,155	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points. These variances are explained by the Proposition B funds awarded to NVCBD. While they received an award letter these funds have not been disbursed to NVCBD to complete the projects under the DISI program area. *Therefore explaining the high variances between budget to actuals.*

ANALYSIS: *NVCBD did not meet this requirement. See table below.*

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Actuals	Variance Percentage Points
Public Rights of Way and Sidewalk Operations	\$148,000	16.3%	\$147,591	64.4%	+48.1%
District Identity and Streetscape Improvements	\$695,000	76.4%	\$14,573	6.4%	-70.0%
Administrative/Corporate Operations	\$62,000	6.8%	\$66,999	29.2%	22.4%
Contingency Reserve	\$4,840	0.5%	-	0.0%	
TOTAL	\$909,840	100%	\$229,163	100%	

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

ANALYSIS: *NVCBD met this requirement. NVCBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that NVCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Noe Valley CBD dated January 16, 2015. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

FY 2013-2014 Carryover Disbursement	\$213,653
Designated Projects for FY 2014-15	
PROW	\$149,558
DISI	\$15,000
Admin	\$49,095
Total Designated amount for FY 2014-15	\$213,653

Findings and Recommendations

Within the review periods of and FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13, and FY 2013-2014, the Noe Valley CBD generally met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the “Noe Valley Community Benefit District.

Per their management plan NVCBD’s non-assessment revenue must be at least five percent (5%) of their total revenue. In FYs 2009-2010, 2010-2011, and 2011-2012 NVCBD exceeded their General Benefit requirement of five percent (5%) by raising their non-assessment revenue to \$34,433, \$32,878, and \$17,157. In FY 2012-2013 assessment revenue was \$235,301 or 99.0% of actuals and non-assessment revenue was \$2,408 or 1.0% of actuals. In FY 2013-2014 assessment revenue was \$247,526 or 98.9% of actuals and non-assessment revenue was \$2,629 or 1.1% of actuals. We recommend that the NVCBD continue to work diligently to meet their 5 percent (5%) general benefit requirement.

In FY 2013-2014 Noe Valley received Proposition B funds from Supervisor Weiner. These funds will be used to implement the Streetscape Improvements Long term plan. While these funds have been rewarded to NVCBD, they have not been disbursed to NVCBD. These funds were incorporated in the budget allocation for FY 2013-2014, explaining the high variances between management plan to budget for PROWSO and DISI.

Conclusion

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