

CITY AND COUNTY OF SAN FRANCISCO



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TO ALL INTERESTED PARTIES:

Attached is the City Attorney's title and summary for a proposed measure entitled, "ALLOCATION OF HOTEL TAX FUNDS." In preparing this title and summary, the City Attorney makes no representation regarding the merits or legality of the proposed legislation. Nor does the City Attorney verify or confirm any factual or legal assertion made in the proposal. The title and summary is presented as a "true and impartial statement of the purpose of the proposed measure." Elections Code § 9203.

Very truly yours,

DENNIS J. HERRERA
City Attorney

A handwritten signature in blue ink, appearing to read "Jon Givner", written over a horizontal line.

Jon Givner
Deputy City Attorney

ALLOCATION OF HOTEL TAX FUNDS

The City imposes a tax on the rental of hotel rooms in San Francisco. The hotel tax consists of an 8% base tax and an additional 6% tax surcharge. The City deposits revenues from the hotel tax in the General Fund, which the City's Board of Supervisors may allocate for any public purpose.

The Arts Commission is a City agency that receives funding from the General Fund. The Arts Commission's functions include funding arts programs, approving the designs of City-owned structures, overseeing City-owned cultural centers, and selecting art in City buildings and public spaces.

The Arts Commission provides money to the City's Cultural Equity Endowment Fund, from which the City gives grants to: arts organizations that represent historically underserved communities; individual artists and organizations to create art; and nonprofit organizations that provide affordable facilities for artists and arts organizations.

The City's Grants for the Arts Program provides funding to nonprofit arts and cultural organizations. The Board allocates money from the General Fund to this Program.

This measure would allocate a portion of the current hotel tax to these specific purposes:

- The Arts Commission would receive 2.9% of the base tax.
- The Grants for the Arts Program would receive 7.5% of the base tax by 2021.
- The Cultural Equity Endowment Fund would receive 7.5% of the base tax by 2021.
- The Ending Family Homelessness Fund would receive 6.3% of the base tax. The measure would create this Fund to provide subsidies and programs to help homeless families find housing and stabilize in their current housing; provide services to low-income families that are at-risk of becoming homeless; and develop, rehabilitate, and acquire new housing for homeless families.
- The Neighborhood Arts Program Fund would receive 6% of the base tax by 2021. The measure would create this Fund to provide money and assistance to nonprofit organizations that establish or improve affordable facilities for artists and arts organizations. The Fund would also provide money to artists and nonprofit organizations to create art experiences in San Francisco.
- The Cultural District Stabilization Funds would receive 6% of the base tax by 2021. The measure would create these Funds to provide money and assistance to support residents and businesses in areas that the Board of Supervisors designates as Cultural Districts because of their unique cultural heritage. The Funds could provide money to support Cultural Districts in several ways, including funding arts organizations, tourism initiatives, public health initiatives, historic preservation, affordable housing development, small business assistance, rental subsidies or down payment assistance for low-income residents, and economic development.
- The City could spend up to 0.6% of the base tax to administer the tax.

The portion of the base tax that is not allocated for any of these purposes, which would be about two-thirds of the base tax by 2021, would be deposited into the General Fund, and the Board of Supervisors could allocate it for any public purpose.