

SAN FRANCISCO ARTS AND FAMILIES FUNDING ORDINANCE

Be it ordained by the People of the City and County of San Francisco:

Section 1. Title.

This Act shall be known and may be cited as the “San Francisco Arts and Families Funding Ordinance.”

Section 2. Findings and Purposes.

The People of the City and County of San Francisco declare their findings and purposes in enacting this Ordinance as follows:

(a) San Francisco’s innovative Hotel Tax was originally created to support the City’s arts industries as well as the construction and operation of its convention facilities. It has a rich history of funding large and small arts and cultural organizations, as well as supporting housing for low-income families. This measure seeks to restore the allocation of a portion of Hotel Tax revenues, without raising the tax, to two critical issues that are vital for San Francisco’s economic growth and cultural vitality—the arts and ending family homelessness.

(b) San Francisco’s Hotel Tax has been copied nationally as a model of municipal arts funding. It’s stable funding of large and small arts and cultural organizations, events, programs, and centers helped build and maintain the City’s reputation as a creative center and a global destination for innovation and inspiration. Arts tourism is a vital part of San Francisco’s economy, contributing \$1.7 billion to the City’s economy annually. In the years since the creation of the Hotel Tax, studies have found more and more evidence that arts experiences and activities—from world-class venues to neighborhood schools and community centers—help increase local economic activity, academic achievement with improvements in math and language scores, and enhance overall personal health, while reducing school truancy and crime rates.

(c) For most of its existence since 1961, the Hotel Tax has dedicated revenue to City arts agencies and departments, the City’s convention facilities, and low-income housing. However, starting in the early 2000s, the City began amending those allocations as part of the annual budget process and in 2013 repealed the specific allocations altogether. Even though San Francisco’s budget has grown and Hotel Tax revenues have increased 135% since 2005, the City’s Grants for the Arts and Cultural Equity grants programs receive less proportional funding today than in the late 1990s.

(d) In part because of the instability of this significant source of income during the economic cycles of recent years, local arts and cultural organizations, events, programs, and centers have seen City support decrease significantly and fluctuate unpredictably. There is insufficient public investment in individual artists, community and neighborhood-based arts groups and activities, new and/or small arts organizations, and the City’s world-renowned arts institutions, all of which collectively define the exciting cultural ecosystem of San Francisco.

(e) The San Francisco Arts Commission surveyed 600 local artists at risk of displacement in September 2015; the survey found that 70% of respondents said they had been displaced or were being displaced from their homes, workplaces or both. An additional 28% said they were at risk of being displaced soon. Without increases in the City’s Grants for the Arts and Cultural Equity grants programs, San Francisco is at risk

of losing resident artists, and the vitality of its arts industry. Dramatically increased funding for a Neighborhood Arts Program will provide stable and secure funding for artists and arts organizations, while attracting new creative workers to the City.

(f) Without increasing taxes, this ordinance will restore dedicated funding to the City's arts granting agencies, which will benefit San Francisco's cultural ecosystem. Dedicated funding to the City's Grants for the Arts program will stabilize local arts industries. Additionally, it will dramatically increase funding to the City's successful Cultural Equity grants program and a revived, revitalized Neighborhood Arts Program will provide culturally equitable access to arts experiences to diverse communities and neighborhoods throughout San Francisco. These allocations are phased in over the next four years, to minimize the direct impact on the City's General Fund; each fund supported by the allocations is subject to audit by the City Controller's office. San Francisco, internationally recognized as a major center in the growing creative economy, will once again commit to supporting the artists and arts organizations at the center of its economy.

(g) Restoring the historic purpose of Hotel Tax revenues to benefit low-income housing is a vital step towards achieving the goal of ending family homelessness. The City and County of San Francisco recognizes homeless families as those who lack a fixed, regular, and adequate nighttime residence, and whose primary nighttime residence is one or more of the following: a shelter; on the sidewalk or street; outdoors; in a vehicle; in a structure not certified or fit for human residence, such as an abandoned building; on a couch or floor used for sleeping in accommodations that are inadequate or overly crowded; in a Single Room Occupancy ("SRO") hotel room; in a transitional housing program; or in such other location that is unsafe or unstable.

(h) Although it is difficult to quantify the scope of homelessness, a 2015 report by the Coalition on Homelessness, a local nonprofit organization committed to expanding access to housing, estimates that there are nearly 2,000 homeless families in San Francisco, including more than 3,200 homeless infants, children, and adolescents.

(i) Homelessness among families with children is increasing rapidly. Between 2007 and 2013, the number of families seeking shelter rose 179%, resulting in longer waits for shelter and more competition for housing units. (in 2015, the average wait time for shelter was seven months.) During that same time period, according to San Francisco Unified School District data, the number of homeless public school students in San Francisco increased by at least 70%. One in twenty-five children in the San Francisco Unified School District is homeless.

(j) According to the Coalition on Homelessness, the overwhelming majority of families seeking shelter in the City have a strong connection to the City, for example, having grown up in San Francisco, having worked in San Francisco prior to losing their housing, or having children in the San Francisco Unified School District.

(k) The impact of homelessness on children is dramatic and lasting. A 2007 review of academic literature conducted by the U.S. Department of Health and Human Services cited evidence that homeless children have high rates of both acute and chronic health problems, and are more likely than permanently housed children to be hospitalized, have delayed immunizations, and have elevated blood lead levels.

(l) Homelessness also has a profound negative impact on the education of children of homeless families. Nationally, over 50% of homeless children are held back for one grade, and 22% for multiple grades. Homeless children have an 87% increased chance

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of dropping out of school; indeed, the single highest known risk factor for dropping out of school is being homeless.

(m) Prior financial investments in expanding housing opportunities for homeless families have been shown to significantly reduce the waitlist for shelter, suggesting that strategic, sustained investments can achieve an end to family homelessness.

(n) Ending family homelessness in San Francisco would end the suffering of thousands of children, and would also save valuable public resources in medical, social service, and behavioral health costs.

(o) Additionally, this ordinance will be a vital step towards ending family homelessness in San Francisco. This allocation of revenue from the existing Hotel Tax achieves that goal by dedicating funds that will supplement San Francisco's investments in housing and services for homeless families. All funds generated by the allocation will augment--and not supplant--current appropriations, and will be earmarked to expand programs that will prevent families from becoming homeless in the first instance, and establish sufficient exits from homelessness for those families who lack housing. San Francisco, with its robust economy and proud tradition of caring for its most vulnerable residents, can be the first city in the country to end family homelessness.

Section 3. Amendment to the San Francisco Business and Tax Regulations Code.

Section 5.15.01 of Article 7 of the San Francisco Business and Tax Regulations code is hereby repealed as follows:

SEC. 515.01. HOTEL TAX ALLOCATIONS.

~~(a) — All monies collected pursuant to the tax imposed by Section 502 of this Article ("Hotel Tax Revenues") shall be deposited to the credit of a fund to be known as the Hotel Room Tax Fund, and shall be allocated for the purposes specified in Subsection (b) in the amounts prescribed in Subsection (c).~~

~~(b) — The monies allocated pursuant to this Section shall be appropriated to the following departments and used solely for the following purposes:~~

~~(1) — **Allocation Number 1 (Convention Facilities):** To the City Administrator for Base Rental and Additional Rental as provided for and defined in the Project Lease, as amended, between the City and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, for the acquisition, construction and financing of a convention center within the Yerba Buena Center Redevelopment Project Area, and for all expenses reasonably related to operation, maintenance and improvement of the Moscone Convention Center. Any unexpended balance remaining in Allocation Number 1 at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purposes recited herein.~~

~~(2) — **Allocation Number 2 (Administration):** To the Tax Collector for administration of the provisions of this Article.~~

~~(3) — **Allocation Number 3 (Refunds):** To the Tax Collector for refunds of any overpayment of the tax imposed under this Article.~~

~~(4) — **Allocation Number 4 (Publicity/Advertising):** To the City Administrator for publicity and advertising purposes pursuant to the provisions of Section 3.104 of the Charter.~~

(5) ~~Allocation Number 5 (Balance to General Fund):~~ After the specific purpose allocations and accumulations required by this Section, all remaining revenues shall be transferred to the General Fund.

(c) ~~Each allocation for a purpose described in Subsection (b) shall be in the amount prescribed in the table below.~~

| <i>Allocation No.</i> | <i>Amount</i> |
|------------------------------|-----------------|
| 1. Moscone Convention Center | 50% |
| 2. Administration | Up to .6% |
| 3. Refunds of Overpayments | As required |
| 4. Publicity & Advertising | As appropriated |
| 5. To General Fund | Remainder |

~~Percentages shall be calculated based on the total amount collected pursuant to the tax imposed by Section 502 of this Article.~~

Section 4. Amendment to the San Francisco Business and Tax Regulations Code.

Sec. 515.01 of Article 7 of the San Francisco Business and Tax Regulations Code is hereby added to read as follows:

SEC. 515.01. HOTEL TAX ALLOCATIONS.

(a) All monies collected pursuant to the tax imposed by Section 502 of this Article ("Hotel Tax Revenues") shall be deposited to the credit of a fund to be known as the Hotel Room Tax Fund, and shall be allocated solely for the purposes specified in Subsection (b) in the amounts prescribed in Subsection (c).

(b) The monies allocated pursuant to this Section shall be appropriated to the following departments and used solely for the following purposes:

(1) Allocation Number 1 (Ending Family Homelessness Fund): To the Ending Family Homelessness Fund as described in Section 10.100-68 of Article XIII of Chapter 10 of the San Francisco Administrative Code.

(2) Allocation Number 2 (Grants for the Arts): To the City Administrator Grants for the Arts Fund, as described in Section 10.100-48 of Article XIII of Chapter 10 of the San Francisco Administrative Code.

(3) Allocation Number 3 (Arts Commission): To the Arts Commission, for the purposes described in Section 5.103 of Article V of the San Francisco Charter.

(4) Allocation Number 4 (Convention Facilities): To the City Administrator for Base Rental and Additional Rental as provided for and defined in the Project Lease, as amended, between the City and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, for the acquisition, construction and financing of a convention center within the Yerba Buena Center Redevelopment Project Area, and for all expenses reasonably related to operation, maintenance and improvement of the Moscone Convention Center.

(5) Allocation Number 5 (Administration): To the Tax Collector for administration of the provisions of this Article.

(6) Allocation Number 6 (Refunds): To the Tax Collector for refunds of any overpayment of the tax imposed under this Article.

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(7) Allocation Number 7 (War Memorial): To the War Memorial Special Fund, as described in Sec. 10.100-361 of Article XIII of Chapter 10 of the San Francisco Administrative Code.

(8) Allocation Number 8 (Neighborhood Arts Program): To the Arts Commission Neighborhood Arts Program Fund, as described in Sec. 10.100-375 of Article XIII of Chapter 10 of the San Francisco Administrative Code.

(9) Allocation Number 9 (Cultural Equity Endowment Fund): To the Cultural Equity Endowment Fund, as described in Chapter 68 of the San Francisco Administrative Code.

(10) Allocation Number 10 (Balance to General Fund): After the specific purpose allocations and accumulations required by this Section, all remaining revenues shall be transferred to the General Fund.

(c) Each allocation for a purpose described in Subsection (b) shall be in the amount prescribed in the table below.

| | <i>FY 2017-2018</i> | <i>FY 2018-2019</i> | <i>FY 2019-2020</i> | <i>FY 2020-2021 and thereafter</i> |
|------------------------------------|---------------------|---------------------|---------------------|------------------------------------|
| <i>Allocation No.</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> |
| 1. Ending Family Homelessness Fund | 6.3% | 6.3% | 6.3% | 6.3% |
| 2. Grants for the Arts | 6.6% | 6.9% | 7.2% | 7.5% |
| 3. Arts Commission | 2.9% | 2.9% | 2.9% | 2.9% |
| 4. Convention Facilities | Up to 50% | Up to 50% | Up to 50% | Up to 50% |
| 5. Administration | Up to .6% | Up to .6% | Up to .6% | Up to .6% |
| 6. Refunds of Overpayments | As required | As required | As required | As required |
| 7. War Memorial Buildings | 5.8% | 5.8% | 5.8% | 5.8% |
| 8. Neighborhood Arts Program | 2.5% | 3.5% | 4.7% | 6.0% |
| 9. Cultural Equity Endowment Fund | 3.5% | 4.5% | 6.0% | 7.5% |
| 10. To General Fund | Remainder | Remainder | Remainder | Remainder |

Percentages shall be calculated based on the total amount collected pursuant to the tax imposed by Section 502 of this Article.

(d) Except for Allocations 5 and 6, any unexpended balance remaining in any of the allocations specified in Sec. 515.01(b) at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Section 9.113 of the Charter and shall be carried forward and accumulated in said allocation for the purpose cited herein.

(e) Should any of the above governmental entities, programs or funds cease to exist, or if eligible programs are transferred from any of these entities to another department or agency, then the Mayor and Board of Supervisors are authorized to expend the proceeds of these allocations to any department or agency that is a successor to that entity and that operates eligible programs specified in subsection (b), or to a department or agency to which these eligible programs are transferred, for expenditures that would otherwise be authorized pursuant to this section.

(f) Commencing with a report filed no later than January 1, 2018, covering the fiscal year ending on June 30, 2017, the Controller shall file annually with the Board of Supervisors, by January 1 of each year, a report containing the amount of monies

collected in and expended from the Hotel Room Tax Fund during the prior fiscal year, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this section.

Section 5. Amendments to the San Francisco Administrative Code.

(1) Sec. 10.100-48 of Article XIII of Chapter 10 of the San Francisco Administrative Code is hereby amended to read as follows:

SEC. 10.100-48. CITY ADMINISTRATOR GRANTS FOR THE ARTS FUND.

(a) **Establishment of Fund.** The City Administrator Grants for the Arts Fund is established as a category four fund to receive any monies allocated for this purpose pursuant to the provisions of Sec. 515.01 of the San Francisco Business and Tax Regulations Code, and any additional funds appropriated by the Mayor and the Board of Supervisors for this purpose.

(b) **Use of Fund.** The City Administrator shall use the fund for the ongoing operations of the Grants for the Arts Program. The fund shall be used for, but is not limited to, the following purposes:

- (1) General operational support for San Francisco arts and cultural organizations.
- (2) Arts service organizations, capital investments and regranting programs;
- (3) Arts and tourism initiatives;
- (4) Neighborhood Arts Collaborative programs with the San Francisco Arts Commission; and
- (5) Administration of these programs.

The City Administrator Grants for the Arts Fund is dedicated to the goals, objectives, and policies of the Arts Element of the City of San Francisco General Plan, as it may be amended from time to time. Administration of its grants and contracting programs shall be culturally equitable, pursuant to Policies II-2.3, III-1.2, III-2.1, and III-2.3 of the Arts Element of the General Plan, and the purposes of Sec. 68.1 and 68.2 of Chapter 68 of the Administrative Code.

(c) Grants for the Arts may evaluate and review the demands for and by cultural and artistic programs and the level of resources available for such programs, and may determine the percentage of Fund monies allocated to each of the programs. Grants for the Arts shall not be required to fund all programs every year if it determines, after review or evaluation, that demand for and by the program does not warrant expenditure.

(2) Article XIII of Chapter 10 of the San Francisco Administrative Code is hereby amended by adding Sec. 10.100-68 to read as follows:

SEC. 10.100-68. ENDING FAMILY HOMELESSNESS FUND.

(a) **Definitions.** For purposes of this Section 10.100-68:

"Base Amount" means the Controller's calculation of the amount of City appropriations (not including appropriations from the Fund and exclusive of expenditures funded by private funding or funded or mandated by state or federal law) for Eligible Programs for the Baseline Year.

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“Baseline Year” means the fiscal year July 1, 2015 through June 30, 2016, as described in subsection (d) of this Section 10.100-68.

“Diversions” means assisting Homeless Families as they apply for entry into shelter to remedy homelessness by helping such Families identify immediate alternate housing arrangements and, if necessary, connecting them with services and financial assistance to help them return to permanent housing. Services include, but are not limited to, services similar to those described in the definition of “Prevention,” below.

“Eligible Programs” means: (1) Rapid Rehousing; (2) Prevention and Diversion; and (3) capital and operating costs for the development of new housing for Homeless Families. However, “Eligible Programs” shall not include any programs or services that only incidentally benefit Homeless Families or Families at risk of becoming homeless, or that benefit such Families as part of a larger group.

“Family” means a natural, adoptive, or foster family, which may include a married, unmarried, or domestic partner, with at least one child in the Family below the age of 18, or with a woman who is at least seven months pregnant or who is at least five months pregnant with a documented high-risk pregnancy.

“Homeless Family” means a Family that lacks a fixed, regular, and adequate nighttime residence, and whose primary nighttime residence is one or more of the following: a shelter; a sidewalk or street; outdoors; a vehicle; a structure not certified or fit for human residence, such as an abandoned building; a couch or floor used for sleeping accommodations that are inadequate or overly crowded; a Single Room Occupancy (SRO) hotel room; a transitional housing program; or in such other location that is unsafe or unstable.

“Prevention” means assisting low-income housed Families at risk of becoming homeless with services. Services include, but are not limited to, the provision of financial, utility, and/or rental assistance, flexible funding (e.g., security deposit, expenses necessary to maintain housing), short-term case management, conflict mediation, legal representation in eviction cases, connection to mainstream services (e.g., services from agencies outside of the homeless assistance system, such as public benefit agencies), and housing search assistance.

“Rapid Rehousing” means short, medium or long-term rental subsidies and case management programs that help Homeless Families find housing and stabilize in private housing in which they are the leaseholders.

(b) Establishment of Fund. The Ending Family Homelessness Fund (“Fund”) is established as a category four fund to receive any monies allocated for this purpose pursuant to the provisions of Sec. 515.01 of the San Francisco Business and Tax Regulations Code, and any additional funds appropriated by the Mayor and the Board of Supervisors for this purpose..

- (c) Use of Fund. The Fund shall be used exclusively for these Eligible Programs:
- (1) Rapid Rehousing;
 - (2) Prevention and Diversion;
 - (3) Capital and operating costs for the development, rehabilitation and acquisition of new housing for Homeless Families;
 - (4) Administration of these programs.

The intent of this section is to provide dedicated revenues to increase funding for Eligible Programs. It is not intended to supplant existing homeless program funding.

(d) Expenditures After Baseline Year. No monies in the Fund shall be expended pursuant to subsection (c) of this section in any fiscal year in which the amount appropriated for Eligible Programs, not including appropriations from the Fund and exclusive of expenditures funded by private funding or funded or mandated by state or

federal law, is below the Base Amount. All funds unexpended in accordance with the preceding sentence shall be held in the Fund and may be expended in any future fiscal year in which other expenditures from the Fund may be made.

(e) Annual Reports. Commencing with a report filed no later than January 1, 2018, covering the fiscal year ending on June 30, 2017, the Controller shall file annually with the Board of Supervisors, by January 1 of each year, a report containing the amount of monies collected in and expended from the Fund during the prior fiscal year, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this section.

(3) Sec. 10.100-361 of Article XIII of Chapter 10 of the Administrative Code is hereby amended as follows:

SEC. 10.100-361 WAR MEMORIAL SPECIAL FUND

(a) Establishment of Fund. The War Memorial Special Fund is established as a category four fund to receive (1) funds appropriated by the City to the Board of Trustees of the War Memorial allocated to the War Memorial pursuant to the provisions of Sec. 515.01 of the San Francisco Business and Tax Regulations Code, and any additional funds appropriated by the Mayor and the Board of Supervisors, (2) revenues derived from the use of the buildings under the jurisdiction of the War Memorial which are not appropriated to the War Memorial Reserve Fund, and (3) any other funds received for these purposes.

(b) Use of Fund. The fund is to be used solely to defray the costs of maintaining, operating and caring for the War Memorial buildings and grounds as described in 2A.165.2 of the San Francisco Administrative Code, which shall include the payment of principal and redemption price of, interest on, reserve fund deposits, if any, and/or financing costs for general obligation bonds issued for improvements to the War Memorial buildings.

(4) Article XIII of Chapter 10 of the San Francisco Administrative Code is hereby amended by adding new section 10.100-375 to read as follows:

SEC. 10.100-375. ARTS COMMISSION NEIGHBORHOOD ARTS PROGRAM FUND

(a) Purposes. The Neighborhood Arts Program Fund ("Fund") is established to provide culturally equitable access to arts experiences to all of San Francisco's diverse communities and neighborhoods, pursuant to the Arts Commission's responsibilities described in Section 5.103 of Article V of the San Francisco Charter. The Fund enables public investment in the arts at all levels, from individual artists to large organizations.. It is widely recognized that arts and cultural experiences revitalize neighborhoods, improve local schools and economies, and make San Francisco the uniquely vibrant city that it is. The Fund supports this vital cultural ecosystem and our diverse cultural landscape.

(b) Establishment of Fund. The Arts Commission Neighborhood Arts Program Fund is established as a category four fund to receive any monies allocated for this purpose pursuant to the provisions of Sec. 515.01 of the San Francisco Business and Tax Regulations Code, and any additional funds appropriated by the Mayor and the Board of Supervisors for this purpose.

(c) Use of Fund. The fund shall be used for, but is not limited to, the following purposes:

(1) The Arts Commission Cultural Centers Fund, as described in Sec.

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10.100-26 of Article XIII of the San Francisco Administrative Code;

(2) Neighborhood Arts Facilities;

(3) Neighborhood Programs, Events, and Festivals;

(4) Artist Residencies Program;

(5) Neighborhood Cultural Asset Preservation;

(6) Neighborhood Arts Collaborative programs with Grants for the Arts;

and

(7) Administration of these programs;

(d) The Arts Commission may evaluate and review the demands for and by cultural and artistic programs and the level of resources available for such programs, and may determine the percentage of Fund monies allocated to each of the programs. The Arts Commission shall not be required to fund all programs every year if the Arts Commission determines, after review or evaluation, that demand for and by the program does not warrant expenditure.

(e) Neighborhood Arts Facilities.

The Neighborhood Arts Facilities program shall provide grants, loans or technical assistance to tax-exempt organizations for projects which establish or improve appropriate and affordable facilities for artists and arts organizations throughout San Francisco.

Awards may be made for the following types of projects:

(1) Acquisition of new facilities;

(2) Expansion or maintenance of existing facilities;

(3) Technical assistance to improve an arts organization's facility or organizational capacity;

(4) Operating or capital reserves that improve an organization's overall capitalization or capacity to administer and maintain a facility; and

(5) Acquisition of fixtures, furniture or equipment necessary for artistic services.

(f) Neighborhood Programs, Events, and Festivals.

Neighborhood Programs, Events, and Festivals shall provide grants, loans or technical assistance to tax-exempt organizations or individual artists to provide arts experiences throughout San Francisco including, but not limited to, publicly accessible performances, events, educational programs, exhibitions, art walks or festivals where art and culture are main components.

(g) Artist Residencies Program.

The Artist Residencies Program shall provide support to individual artists to stimulate production and dissemination of works of art or to facilitate shared arts experiences and artistic thought in all arts disciplines throughout San Francisco.

Awards may be made for artist residencies at publicly owned or publicly accessible facilities, including but not limited to schools, City departments, community centers, child care facilities, parks, hospitals, clinics, libraries, and human services facilities.

(h) Neighborhood Cultural Asset Preservation.

- (1) The Arts Commission may use funds to award grants, loans or contracts for the conservation or maintenance of murals, public artworks, or monuments in the Civic Art Collection; or for artworks funded in part by the City, or located on publicly owned land, or located in publicly accessible locations where the artwork is judged by the Arts Commission to be a significant cultural asset to the neighborhood.
- (2) The Arts Commission may award grants, loans or contracts for the creation of new permanent or temporary cultural assets including, but not limited to, murals, public art, memorials or monuments that are expressive of a neighborhood's character or identity

(i) Administration of the Program.

(1) Authority of the Arts Commission. The Arts Commission is hereby authorized to implement and administer the Fund programs, subject to the budget and fiscal provisions of the Charter. Such implementation and administration may include, but not be limited to, the following actions by the Arts Commission:

(a) Adoption of guidelines and regulations for implementation, review and expenditure of the Fund;

(b) Appointment of review panels and the establishment of qualifications for members of the review panels and procedures for the review panel to advise the Arts Commission on such expenditures;

(c) Determination of appropriate levels of funding each year for each of the Fund programs;

(d) Establishment of criteria and eligibility standards for applicants of Fund programs;

(e) Establishment of criteria for awarding, granting or lending monies from Fund programs;

(f) Execution of loan agreements, grant agreements, or contracts approved as to form by the City Attorney, made pursuant to awards. The Arts Commission may employ one or more administrators of the Fund as necessary to administer and implement the Fund programs.

(2) Appeals Process. The Arts Commission may, at its discretion, establish an appeals process for any decisions regarding allocations of the Fund; and/or

(3) Annual Review. The Arts Commission may appoint an Advisory Committee to conduct an annual review of implementation of the Fund.

(5) Chapter 68 of the Administrative Code is hereby amended to read as follows:

SEC. 68.1. PURPOSES.

The Cultural Equity Endowment Fund ("Fund") is established to move San Francisco arts funding toward cultural equity. The goal of cultural equity will be achieved when all the people that make up the City have fair access to the information, financial resources and opportunities vital to full cultural expression, and the opportunity to be represented in the development of arts policy and the distribution of arts resources; when all the cultures and subcultures of the City are expressed in thriving, visible arts organizations of all sizes; when new large-budget arts institutions flourish whose programming reflects the experiences of historically underserved communities, such as: African, African-American American; Latino(a); Asian, Asian-American; American; Arab; Native American; Pacific Islander; disabled; Latino; lesbian, and gay, bi-sexual, trans-gender and queer; disabled; Native American; Pacific Islander immigrants; and women.

SEC. 68.2. PRINCIPLES FOR CULTURAL EQUITY ENDOWMENT FUND.

The Fund is established upon the following principles:

- (a) It is the City's goal to achieve cultural equity, where every art form, from all segments of the population, has the opportunity to develop to its maximum potential.
- (b) The Fund programs should be implemented through a public process.
- (c) A healthy arts environment thrives at all levels. The productive vitality of individual artists, small and mid-size arts organizations, and grassroots cultural groups is as important to the City as the strength of the large-budget arts institutions.
- (d) The arts play a vital economic role in San Francisco. The Fund is established to assist in keeping all the arts healthy.
- (e) The Fund is established in the belief that the many cultural traditions which meet in San Francisco can thrive side by side and enrich each other.

SEC. 68.3. ESTABLISHMENT OF CULTURAL EQUITY ENDOWMENT FUND.

There is hereby established a Cultural Equity Endowment Fund.

(a) Any unexpended balances remaining in the allocation to the Fund at the close of any fiscal year shall be deemed to be provided for a specific purpose within the meaning of Charter Section 9.113, shall earn interest on these balances, and shall be carried forward and accumulated in the Fund for the purposes set forth in this Chapter 68.

(b) Subject to the budgetary and fiscal provisions of the Charter, the San Francisco Arts Commission is hereby authorized and directed to expend the monies appropriated to or received by the Fund and to implement and administer the Fund programs.

- (c) The monies in the Fund shall be expended for the following four programs:
- (1) Cultural Equity Initiatives Program;
 - (2) The Program for Commissions to Individual Artists;
 - (3) Project Grants to Small and Mid-size Organizations; and
 - (4) The Facilities Fund.

(d) The Arts Commission may evaluate and review the demands for and by cultural and artistic programs and the level of resources available for such programs, and may determine the percentage of Fund monies allocated to each of the four programs. The Arts Commission shall not be required to fund all four programs every year if the Arts Commission determines, after review and/or evaluation, that demand for and by the program does not warrant expenditure.

SEC. 68.4. CULTURAL EQUITY INITIATIVES PROGRAM.

The Cultural Equity Initiatives Program shall be used to support arts organizations which are deeply rooted in and able to express the experiences of historically underserved communities such as: African, African-American; Latino(a); Asian, Asian-American; Arab; Native American; Pacific Islander; lesbian, gay, bi-sexual, trans-gender and queer; disabled; immigrants; and women. ~~African American; Asian American; disabled; Latino; lesbian and gay; Native American; Pacific Islander; and, women.~~ Awards may be made for the following types of projects:

- (1) Creation of new programs ~~Implementation of sustainability or infrastructure initiatives to increase the capacity of the organization;~~
- (2) Expansion of existing programs;
- (3) Technical assistance to improve an arts organization's management, sustainability and artistic effectiveness;
- (4) Training programs;

- (5) Development of artistic projects or the creation of new programs;
- (6) Marketing;
- (7) Acquisition of equipment necessary to support for the arts organization's artistic services or organizational, sustainability and effectiveness; and,
- (8) Cross-cultural collaborations among individual artists or arts organizations.

SEC. 68.5. COMMISSIONS TO INDIVIDUAL ARTISTS.

The Commissions to Individual Artists Program shall provide support to individual artists to stimulate production and dissemination of works of art in all disciplines and all neighborhoods of San Francisco. The majority of Commissions to Individual Artists in any year shall be to artists who are deeply rooted in and able to express the experiences of historically underserved communities such as African, African-American; Latino(a); Asian, Asian-American; Arab; Native American; Pacific Islander; lesbian, gay, bi-sexual, trans-gender and queer; disabled; immigrants; and women. African American; Asian American; disabled; Latino; lesbian and gay; Native American; Pacific Islander; and, women.

SEC. 68.6. PROJECT GRANTS TO SMALL AND MID-SIZE ORGANIZATIONS.

Project Grants shall be awarded to small and mid-size arts organizations to stimulate the production and dissemination of works of art in all disciplines in the City and County of San Francisco. The majority of grants in any program year shall be made to arts organizations fostering artistic expression that is deeply rooted in and reflective of historically underserved communities such as: African, African-American; Latino(a); Asian, Asian-American; Arab; Native American; Pacific Islander; lesbian, gay, bi-sexual, trans-gender and queer; disabled; immigrants; and women. African American; Asian American; disabled; Latino; lesbian and gay; Native American; Pacific Islander; and, women.

SEC. 68.7. FACILITIES FUND.

The Facilities Fund Program shall provide grants, loans and technical assistance to tax-exempt organizations for projects which provide appropriate and affordable facilities for artists and arts organizations. Funds may also support tax-exempt organizations which provide affordable housing or live/work units to low and moderate-income artists. The majority of grants or loans in any program year shall be made to arts organizations fostering artistic expression which is deeply rooted in and reflective of historically underserved communities, such as African, African-American; Latino(a); Asian, Asian-American; Arab; Native American; Pacific Islander; lesbian, gay, bi-sexual, trans-gender and queer; disabled; immigrants; and women. African American; Asian American; disabled; Latino; lesbian and gay; Native American; Pacific Islander, and, women, or tax-exempt organizations which provide live/work units to low and moderate-income artists.

SEC. 68.8. ADMINISTRATION OF THE FUND.

(a) **Arts Commission Administrative Costs.** The Arts Commission shall be provided monies necessary to pay for the costs of implementing and administering the Fund. Any unexpended balances remaining in the administrative allocations set forth in this Section 68.8(a) shall be carried forward and accumulated for the purposes recited herein.

(b) **Authority of the Arts Commission.** The Arts Commission is hereby authorized to implement and administer the Fund programs, subject to the budget and fiscal provisions of the Charter. Such implementation and administration may include, but not be limited to, the following actions by the Arts Commission:

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- (1) Adoption of guidelines and regulations for implementation, review and expenditure of the Fund in each of the four programs;
 - (2) Appointment of review panels and establishment of qualifications for members of the review panels and procedures for the review panel to advise the Arts Commission on such expenditures;
 - (3) Determination of appropriate levels of funding each year for each of the Fund programs;
 - (4) Establishment of criteria and eligibility standards for applicants of Fund programs;
 - (5) Establishment of criteria for awarding, granting or lending monies from Fund programs; and,
 - (6) Execution of loan agreements, approved as to form by the City Attorney, made pursuant to Facilities Funds awards. The Arts Commission may employ one or more administrators of the Fund as necessary to administer and implement the Fund programs.
- (c) **Appeals Process.** The Arts Commission may, at its discretion, establish an appeals process for any decisions regarding allocations of the Fund.
- (d) **Annual Review.** The Arts Commission may appoint an Advisory Committee to conduct an annual review of implementation of the Fund.

Section 6. Amendments.

This Ordinance may only be amended by the voters of the City and County of San Francisco.

Section 7. No Conflict with Federal or State Law

Nothing in this Ordinance shall be interpreted or applied so as to create any requirement, power or duty in conflict with any federal or state law.

Section 8. No Conflict with San Francisco Charter

Nothing in this Ordinance shall be interpreted or applied so as to create any requirement, power or duty in conflict with the San Francisco Charter.

Section 9. Severability.

If any section, subsection, sentence, clause, phrase, or word of this Ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the Ordinance. The People of the City and County of San Francisco hereby declare that they would have passed this Ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Ordinance or application thereof would be subsequently declared invalid or unconstitutional.

Final
 May 27, 2016

DEPARTMENT OF ELECTIONS
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