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DEPARTMENT OF ELECTIONS

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

Section 2. Findings and Purposes.

- a) San Francisco’s innovative Hotel Tax was originally created to protect San Francisco arts and culture. For more than 50 years it funded large and small arts and cultural organizations and provided housing for our city’s low-income families. In 2013, City Hall removed these specific allocations, leaving our arts and cultural institutions without a stable source of funding. In 2017, President Trump threatened cuts to arts and culture funding, while the Department of Housing and Urban Development has threatened the same. By restoring allocations of Hotel Tax revenues, this measure will return funding to our arts and cultural institutions and provide housing to our low-income families facing homelessness, without raising our taxes.
- b) A 2015 survey by the San Francisco Arts Commission found that 70% of local artists surveyed had been displaced or were being displaced from their homes, workplaces or both, and an additional 28% said they were at risk of being displaced soon. If San Francisco doesn’t recommit to funding arts and culture, we’re at risk of losing our resident artists and the artistic culture that makes our city famous. Additionally, the next generation of artists is being displaced and/or is at risk of displacement.
- c) A report by the Coalition on Homelessness – a local nonprofit organization committed to expanding access to housing – estimates that there are nearly 2,000 San Francisco families experiencing homelessness, including more than 3,200 currently homeless infants, children, and adolescents. The overwhelming majority of families seeking shelter in the City are San Franciscans with a strong connection to our city’s neighborhoods, having grown up in San Francisco, worked in San Francisco prior to losing their housing, and have children in the San Francisco Unified School District.
- d) The impact of this homelessness on our city’s 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 children who experience homelessness 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.

- e) Homelessness also has a profound negative impact on the education of San Francisco children. Nationally, over 50% of homeless children are held back for one grade, and 22% for multiple grades. Homeless children have an 87% increased chance of dropping out of school; indeed, the single highest known risk factor for dropping out of school is being homeless.
- f) Ending family homelessness in San Francisco would end the suffering of thousands of our children, and would also save valuable public resources in medical, social service, and behavioral health costs.
- g) Unfortunately, housing instability and homelessness among our city's families is increasing rapidly. In 2017, the average wait time for stable shelter was 111 days. San Francisco Unified School District data shows the number of homeless public school students in San Francisco increased from 1,213 students in 2007 to 2,000 in 2017, by at least 64%. One in twenty children in the San Francisco Unified School District is homeless.
- h) Without increasing taxes, this ordinance will restore dedicated funding to the City's Grants for the Arts and Cultural Equity programs and will increase funding to a revitalized Neighborhood Arts Program, as well as provide funding to stabilize San Francisco's world famous Cultural Districts. This dedicated arts and cultural funding will protect our artists and arts organizations, while attracting new creative workers to the City and will create equitable access to the arts for our residents and visitors alike. These allocations will be phased in over the next four years, to minimize the direct impact on the City's General Fund, and each fund supported by the allocations will be 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 be committed to supporting our artists, arts organizations, and cultural districts.
- i) This measure will ensure that homeless kids are taken care of, give their families a path out of homelessness, and give all our kids more access to the arts to encourage their creativity.
- j) Restoring the historic purpose of Hotel Tax revenues to benefit low-income housing and our arts and culture institutions is also a vital step towards protecting San Francisco's identity. Our unique neighborhoods are made up of families from diverse cultural and ethnic backgrounds. Their contributions to our neighborhoods create a vibrant city famous for tolerance, self-expression, and celebration of world cultures. Protecting these families from displacement is vital to preserving San Francisco's distinctive identity.
- k) Prior financial investments in expanding housing opportunities for families experiencing homelessness have been shown to significantly reduce the wait list

for shelter, suggesting that strategic, sustained investments can achieve an end to family homelessness.

- l) Originally created in 1961, the San Francisco Hotel Tax has preserved and developed the city's unique culture by investing tourism dollars into fine arts, community arts organizations, the construction and operation of convention facilities, and housing for the City's families. This stable funding for arts and culture has helped build and maintain the City's reputation as a creative center and a global destination for innovation and inspiration.
- m) Unfortunately, starting in the early 2000s, politicians in City Hall began amending Hotel Tax allocations away from the arts, culture, and families and in 2013 repealed these allocations altogether. Even though San Francisco's budget has never been larger and Hotel Tax revenues have increased by 135%, the City's Grants for the Arts and Cultural Equity programs receive less proportional funding today than in the late 1990s. Unstable and insufficient investment in artists, community and neighborhood-based arts groups, new and small arts organizations, and the City's world-renowned arts institutions is hurting San Francisco's culture.
- n) This allocation of revenue from the existing Hotel Tax rectifies part of that problem by dedicating funds that will supplement San Francisco's investments in housing and services for families experiencing homelessness. Funds generated through the hotel tax revenue generated by tourists 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.
- o) Tourism is the backbone of San Francisco's economy. Last year over 25.2 million visitors visited the City, spending almost 9 billion dollars in its restaurants, shops, galleries and theaters. Tourists come to San Francisco to experience its famously diverse neighborhoods, each with their own unique culture, esthetic, and artistic tradition. These neighborhoods like Chinatown, The Mission, Japantown, and The Castro are celebrated for their restaurants, venues, and galleries but also their traditions—the parades, events, and festivals that would not exist without the artists and families who make up these communities.
- p) In 2016 the tourism industry generated more than \$724.9 million in taxes and fees for the City of San Francisco, with 53.4% coming from San Francisco's Hotel Tax.

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

Section 515.01 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%

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3. Refunds of Overpayments	As required
4. Publicity & Advertising	As appropriated
5. To General Fund	Remainder

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~~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 (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.

(2) Allocation Number 2 (Cultural District Stabilization Funds): To the Cultural Districts Stabilization Funds, as described in Sec. 10.100-53 of Article XIII of Chapter 10 of the San Francisco Administrative Code.

(3) Allocation Number 3 (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.

(4) Allocation Number 4 (Neighborhood Arts Program Fund): To the Neighborhood Arts Program Fund, as described in Sec. 10.100-163 of Article XIII of Chapter 10 of the San Francisco Administrative Code.

(5) Allocation Number 5 (Cultural Equity Endowment Fund): To the Cultural Equity Endowment Fund, as described in Chapter 68 of the San Francisco Administrative Code.

(6) Allocation Number 6 (Arts Commission): To the Arts Commission, for the purposes described in Section 5.103 of Article V of the San Francisco Charter.

(7) Allocation Number 7 (Administration): To the Tax Collector for administration of the provisions of this Article.

(8) Allocation Number 8 (Refunds): To the Tax Collector for refunds of any overpayment of the tax imposed under this Article.

(9) Allocation Number 9 (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.

	<u>FY 2018-2019</u>	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>	<u>FY 2021-2022 and thereafter</u>
<u>Allocation No.</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
1. <u>Grants for the Arts</u>	<u>6.6%</u>	<u>6.9%</u>	<u>7.2%</u>	<u>7.5%</u>
2. <u>Cultural District Stabilization Funds</u>	<u>2.5%</u>	<u>3.5%</u>	<u>4.7%</u>	<u>6.0%</u>
3. <u>Ending Family Homelessness Fund</u>	<u>6.3%</u>	<u>6.3%</u>	<u>6.3%</u>	<u>6.3%</u>
4. <u>Neighborhood Arts Program</u>	<u>2.5%</u>	<u>3.5%</u>	<u>4.7%</u>	<u>6.0%</u>
5. <u>Cultural Equity Endowment Fund</u>	<u>3.5%</u>	<u>4.5%</u>	<u>6.0%</u>	<u>7.5%</u>
6. <u>Arts Commission</u>	<u>2.9%</u>	<u>2.9%</u>	<u>2.9%</u>	<u>2.9%</u>
7. <u>Administration</u>	<u>Up to .6%</u>	<u>Up to .6%</u>	<u>Up to .6%</u>	<u>Up to .6%</u>
8. <u>Refunds of Overpayments</u>	<u>As required</u>	<u>As required</u>	<u>As required</u>	<u>As required</u>
9. <u>To General Fund</u>	<u>Remainder</u>	<u>Remainder</u>	<u>Remainder</u>	<u>Remainder</u>

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 7 and 8, 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, 2020, covering the fiscal year ending on June 30, 2019, 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 City Administrator Grants for the Arts 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 City Administrator Grants for the Arts Fund.

~~The City Administrator shall use the fund for the ongoing operations of the Grants for the Arts Program.~~ The City Administrator Grants for the Arts 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

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Commission; and

(5) Administration of these programs.

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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 City Administrator Grants for the Arts 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 new section 10.100-53 to read as follows:

SEC. 10.100-53. CULTURAL DISTRICT STABILIZATION FUNDS

(a) Definitions.

For purposes of this Section, "Cultural District" means a geographic area, as defined by the Board of Supervisors, located within the City and County of San Francisco that embodies a unique cultural heritage because it contains a concentration of cultural and historic assets or culturally significant enterprise, arts, services, or businesses, or because a significant portion of its residents are members of a specific cultural or ethnic group.

(b) Establishment of Cultural District Stabilization Funds.

There are hereby established Cultural District Stabilization Funds for each existing Cultural District and every additional Cultural District created hereafter by ordinance by the Board of Supervisors.

The Cultural District Stabilization Funds are established as category four funds 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 Cultural District Stabilization Funds.

The Cultural District Stabilization Fund are to be used solely to address the effects of destabilization on residents and businesses in the City's Cultural Districts. The Mayor's

Office of Housing and Community Development (MOHCD) shall be authorized to accept and expend monies in the funds and shall annually allocate Hotel Tax monies equally between existing Cultural Districts for the following purposes which may include, but are not limited to:

- (1) General operational support for San Francisco Cultural Districts;
- (2) Arts service organizations, capital investments and regranting programs;
- (3) Arts and tourism initiatives;
- (4) Public health initiatives;
- (5) Historic preservation and placemaking;
- (6) Affordable housing and community asset development and procurement;
- (7) Small business rental and capital improvement assistance, economic and employment development and capacity building;
- (8) Rental subsidies for low-income households and down payment assistance for homeownership for low-income households;
- (9) Job growth and job placement;
- (10) Leadership development, community cohesion, civic participation, and community based programs and development;
- (11) Attracting artists, creative entrepreneurs, cultural enterprises and people of specific cultural heritage to the Cultural Districts.

(d) MOHCD Costs.

MOHCD shall be provided monies necessary to pay for the costs of implementing and administering the Cultural District Stabilization Funds. Any unexpended balances remaining in the administrative allocations set forth in this Section 10-100.53 shall be carried forward and accumulated for the purposes recited herein.

(e) Authority of MOHCD.

MOHCD is hereby authorized to implement and administer the Cultural District Stabilization Funds programs, subject to approval by the Board of Supervisors. Such implementation and administration may include, but not be limited to, the following actions by MOHCD:

- (1) Adoption of guidelines and regulations for implementation, review and expenditure of the fund for each Cultural District;

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(2) Establishment of criteria for awarding, granting or lending monies from fund programs;

(3) Execution of loan agreements, approved as to form by the City Attorney.

(4) Establish an appeals process for any decisions regarding allocations of the fund.

Any rules and regulations adopted under this authority shall be subject to disapproval of the Board of Supervisors by ordinance. MOHCD shall provide written notice to the Clerk of the Board of Supervisors of its adoption of any rule or regulation under this subsection.

(f) Cultural District Stabilization Fund Community Advisory Committees.

Each Cultural District Stabilization Fund shall have a Cultural District Stabilization Fund Community Advisory Committee to advise MOHCD and the Board of Supervisors on the administration each individual Cultural District's Fund.

(1) Each Community Advisory Committees shall be composed of 5 members with direct expertise in the specific culture of the Culture District, appointed by the Board of Supervisors.

(2) The Community Advisory Committee shall comply with all applicable public records and meetings laws and shall be subject to the Conflict of Interest provisions of the City's Charter and Administrative Code

(3) The initial meeting of the Advisory Committee shall be called within 30 days from the day the Board of Supervisors completes its initial appointments.

(4) The members of the Community Advisory Committee shall be appointed for a term of two years: provided, however that the members first appointed shall, by lot at the first meeting classify their terms so that two shall serve for a term of one year and three shall serve for a term of two years.

(5) At the initial meeting of the Committee and yearly thereafter the Committee members shall select such officer or officers as deemed necessary by the Committee.

(6) The Committee shall promulgate such rules or regulations as are necessary for the conduct of its business under this Section.

(7) In the event a vacancy occurs, a successor shall be appointed to fill the vacancy consistent with the process and requirements to appoint the previous appointee.

(8) When a vacancy occurs for any reason other than the expiration term of office,

the appointee to fill such vacancy shall hold office for the unexpired term of his or her predecessor.

(9) Any appointee, who misses four meetings within a twelve-month period without the approval of the Committee, shall be deemed to have resigned from the Committee.

(10) MOHCD shall provide administrative support to the Committee. The Committee shall develop annual recommendations to MOHCD on the Expenditure Plan.

(11) Within 90 days of the effective date of this ordinance, the Director of MOHCD shall propose rules, regulations and a schedule for administrative support governing the Funds to the Board of Supervisors for its approval.

(g) Annual Reports.

Commencing with a report filed no later than January 1, 2020, covering the fiscal year ending on June 30, 2019, MOHCD 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 Funds during the prior fiscal year, and such other information as the MOHCD or the Board of Supervisors shall deem relevant.

(3) 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.

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

"Diversion" 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) Rental Assistance; (2) Homeless 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 parent or guardian with one child in the Family below the age of 18, or with a person who is pregnant. This includes parents who have partial or full custody, and families in the process of reunifying with their children.

“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.

“Rental Assistance” means rental subsidies or non-profit housing operating subsidies that help Homeless Families find housing and stabilize in housing in which they are the leaseholders.

(b) Establishment of Ending Family Homelessness Fund.

The Ending Family Homelessness 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 Ending Family Homelessness Fund.

The Ending Family Homelessness Fund shall maximize the development of affordable and permanent supportive housing, and the rehousing of Homeless Families, within the City and County of San Francisco.

The Ending Family Homelessness Fund shall be used exclusively for these Eligible Programs:

- (1) Rental Assistance;

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(2) Prevention and Diversion;

(3) Capital and operating costs for the development, rehabilitation and acquisition of 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 Ending Family Homelessness 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 Ending Family Homelessness 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 Ending Family Homelessness Fund and may be expended in any future fiscal year in which other expenditures from the Ending Family Homelessness Fund may be made.

(e) Homeless Family Oversight and Advisory Committee.

There shall be a Homeless Family Oversight and Advisory Committee ("Oversight and Advisory Committee") to review the governance and policies of the Department of Homelessness and Supportive Housing ("DHS"), to monitor and participate in the administration of the Ending Family Homelessness Fund, and to take steps to ensure that the Fund is administered in a manner accountable to the community.

(1) The Oversight and Advisory Committee shall develop recommendations for DHS and the Ending Family Homelessness Fund regarding outcomes for homeless family services, the evaluation of services, common data systems, a process for making funding decisions, program improvement and capacity-building of service providers, community engagement in planning and evaluating services, leveraging dollars of the Ending Family Homelessness Fund and the use of the Ending Family Homelessness Fund as a catalyst for innovation. A needs assessment of Homeless Families shall be conducted and reviewed by the Committee and funding should be appropriately budgeted in accordance with the findings. The Oversight and Advisory Committee shall promote and facilitate transparency in the administration of the Fund. Nothing in this Section shall limit the authority of the Mayor and the Board of Supervisors to propose, amend, and adopt a budget under Article IX of the Charter.

(2) The Oversight and Advisory Committee shall meet at least six times a year.

(3) The Oversight and Advisory Committee shall have nine members. The

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Department of Homelessness and Supportive Housing shall appoint members. Seat 1 shall be a non-profit housing provider, Seat 2 and Seat 3 shall be a Family Homeless Service Provider, Seat 4 shall be an individual who is experiencing homelessness at the time of application, Seat 5 and Seat 6 shall be persons who have personally experienced homelessness, Seat 7 and Seat 8 shall be individuals representing homelessness advocacy organizations, and Seat 9 shall be an individual representing families with minor children residing in residential hotels. The terms of the initial appointees to the Committee shall commence on the date of the first meeting of the Committee, which may occur when at least 6 members have been appointed and are present. The terms of odd numbered seats will be three years at time of commencement, and two years long following that, even numbered seats shall have two year terms.

(f) Annual Reports.

Commencing with a report filed no later than January 1, 2020, covering the fiscal year ending on June 30, 2019, 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 Ending Family Homelessness 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.

- (4) Article XIII of Chapter 10 of the San Francisco Administrative Code is hereby amended by adding new section 10.100-163 to read as follows:

SEC. 10.100-163. NEIGHBORHOOD ARTS PROGRAM FUND

(a) Purposes.

The Neighborhood Arts Program 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 Neighborhood Arts Program 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 Neighborhood Arts Program Fund supports this vital cultural ecosystem and our diverse cultural landscape.

(b) Establishment of Neighborhood Arts Program Fund.

The 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 Neighborhood Arts Program Fund.

The Neighborhood Arts Program Fund shall be used for 2017 but is not limited to, the following purposes:

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- (1) The Arts Commission Cultural Centers Fund, as described in Sec. 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 Neighborhood Arts Program 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;

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(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 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 Cultural Equity Endowment 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 Cultural Equity Endowment 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 Cultural Equity Endowment Fund is established to assist in keeping all the arts healthy.

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 Cultural Equity Endowment 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 Cultural Equity Endowment Fund and to implement and administer the Cultural Equity Endowment Fund programs.

(c) The monies in the Cultural Equity Endowment 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 Cultural Equity Endowment 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~~

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~~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.

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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 CULTURAL EQUITY ENDOWMENT FUND.

(a) **Arts Commission Administrative Costs.** The Arts Commission shall be provided monies necessary to pay for the costs of implementing and administering the Cultural Equity Endowment 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 Cultural Equity Endowment 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:

- (1) Adoption of guidelines and regulations for implementation, review and expenditure of the Cultural Equity Endowment 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 Cultural Equity Endowment 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 Cultural Equity Endowment Fund as necessary to administer and implement the Cultural Equity Endowment Fund programs.

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(c) **Appeals Process.** The Arts Commission may, at its discretion, establish an appeals process for any decisions regarding allocations of the Cultural Equity Endowment Fund.

(d) **Annual Review.** The Arts Commission may appoint an Advisory Committee to conduct an annual review of implementation of the Cultural Equity Endowment Fund.

Section 6. Amendments.

(a) Except as provided in subsection (b), this Ordinance may only be amended by the voters of the City and County of San Francisco.

(b) The Board of Supervisors may by a three-fourths vote amend the provisions of this Ordinance contained in Section 5 to implement the substantive provisions of those sections, provided that such amendments are consistent and further the findings and purposes as stated in Section 2.

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. Approval by Majority Vote.

The People of the City and County of San Francisco declare their intent that this citizen initiative be enacted if the measure is approved by a simple majority in accordance with the provisions of the California Constitution. To the extent that the California Constitution or state law is amended to change the voting requirements to pass citizen initiatives, the People of the City and County of San Francisco declare their intent that such changes shall be applied only to future initiatives and that any such changes shall not apply to, or affect in any way, this measure.

Section 10. 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

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Ordinance or application thereof would be subsequently declared invalid or unconstitutional.

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