

1 [Transferring administration of Publicity and Advertising Funds to the Arts Commission.]

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3 **Ordinance amending San Francisco Business & Tax Regulations Code sections**
4 **515.01(6) and (7) and amending San Francisco Administrative Code section 2A.150 to**
5 **transfer administration of publicity and advertising funds for cultural and promotional**
6 **organizations, parades, celebrations and street fairs to the Arts Commission.**

7 Note: Additions are *single-underline italics Times New Roman*;
8 deletions are ~~*strikethrough italics Times New Roman*~~.
9 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

11 Section 1. The San Francisco Business & Tax Regulations Code is hereby amended
12 by amending Section 515.01, to read as follows:

13 SEC. 515.01. HOTEL TAX ALLOCATIONS.

14 (a) All monies collected pursuant to the tax imposed by Section 502 of this Article
15 ("Hotel Tax Revenues") shall be allocated for the purposes specified in Subsection (b) in the
16 amounts prescribed in Subsection (c), subject to the adjustments and limitations prescribed in
17 Subsection (d). Any unexpended balances remaining in Allocations Number 1, 2, 3, 4, 5, 9
18 and 10 at the close of any fiscal year shall be deemed to be provided for a specific purpose
19 within the meaning of Section 9.113 of the Charter and shall be carried forward and
20 accumulated in said allocations for the purposes prescribed in Subsection (b). After the
21 specific purpose allocations and accumulations required by this Section, all remaining
22 revenues shall be transferred to the General Fund, of which an amount not to exceed two
23 tenths of one percent (0.2%) shall be appropriated to the Tax Collector for the administration
24 of the provisions of this Article.

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

3 (1) Allocation Number 1 (Convention Facilities): To the City Administrator for Base
4 Rental and Additional Rental as provided for and defined in the Project Lease, as amended,
5 between the City and the San Francisco Redevelopment Agency, for the acquisition,
6 construction and financing of a convention center within the Yerba Buena Center
7 Redevelopment Project Area, and for all expenses reasonably related to operation,
8 maintenance and improvement of the Moscone Convention Center, Brooks Hall and Civic
9 Auditorium.

10 (2) Allocation Number 2 (Convention and Visitors Bureau): To the City Administrator to
11 contract with the San Francisco Convention and Visitors Bureau, pursuant to the authority
12 granted by Section 3.104 of the San Francisco Charter, to pay administrative and operating
13 expenses of the Convention and Visitors Bureau.

14 (3) Allocation Number 3 (Low-Income Housing in the Yerba Buena Center
15 Redevelopment Project Area): To the Mayor to facilitate the construction of low-income
16 housing in the Project Area and on certain parcels adjacent thereto, including, as may be
17 necessary, payments for architecture, engineering, maintenance and operation, construction,
18 financing and rent supplements for low-income households. Expenditures from Allocation
19 Number 3 shall be made according to the following priorities:

20 (A) The Mayor shall allocate and set aside Hotel Tax Revenues from Allocation
21 Number 3 the amount required for transfer to the rent supplement program established by
22 Chapter 24A of the Administrative Code under the jurisdiction of the Mayor for rent
23 supplements for low-income households and administration costs not to exceed eight percent
24 (8%) of the total sum allocated for rent supplements.

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1 (B) The funds next available in excess of the amount required for the purposes
2 described in (A) above shall be used exclusively to facilitate development of low-cost housing
3 in the Project Area and on certain parcels adjacent thereto, including, but not limited to,
4 expenses pertaining to the preparation of architectural and engineering programs, plans,
5 specifications, estimates, land acquisition and expenses incurred by the City.

6 (C) The funds next available in excess of the amount required for the purposes
7 described in (A) and (B) above shall be used exclusively to finance the construction of low-
8 cost housing in the Project Area and on certain parcels adjacent thereto, including lease rental
9 payment in support of Redevelopment Agency bonds in the maximum principal amount
10 feasible pursuant to the Controller's estimate of future monies to be allocated pursuant to
11 Allocation Number 3, or, alternatively, mortgage payments for other financing used to facilitate
12 the construction of housing; and also including costs of maintenance, operation, furniture and
13 equipment relative to said housing and the administration thereof.

14 (D) The funds next available in excess of the amount required for the purposes
15 described in (A), (B) and (C) above shall be used to provide the funds necessary to reduce
16 rentals to 100 percent of the units of housing constructed in the Project Area and on certain
17 parcels adjacent thereto to rent-level categories equivalent to those then in effect in public
18 housing in the City.

19 (E) The funds next available in excess of the amount required for the purposes
20 described in (A), (B), (C) and (D) above shall be retained in a maintenance, operation,
21 furniture and equipment reserve fund to insure the maintenance and operation of the housing
22 constructed in the Project Area and on certain parcels adjacent thereto.

23 (F) Funds next available in excess of the amount required for the purposes described
24 in (A), (B), (C), (D) and (E) above shall be applied to construct or rehabilitate low-income
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1 rental housing for the elderly and handicapped in San Francisco which meet all of the
2 following criteria:

3 (i) One hundred percent of the units are rental, excepting staff-occupied units, which
4 are affordable to low-income elderly or handicapped residents and will remain so for 40 years;

5 (ii) The project is developed and controlled during that period by a nonprofit
6 corporation, not excluding partnership ownership where the nonprofit corporation is the
7 managing general partner;

8 (iii) Additional project funding includes funding from sources other than City and County
9 of San Francisco.

10 (G) The funds next available in excess of the amount required for the purposes
11 described in (A), (B), (C), (D), (E) and (F) above may be applied, at the sole option of the City,
12 to the early retirement of bonds or other evidence of indebtedness used to finance low-cost
13 housing in the Project Area or certain parcels adjacent thereto; or may be applied to pay for
14 bridges, ramps, concourse and landscaping to further enhance the convention center in the
15 Project Area.

16 (H) Notwithstanding any other provisions of Allocation 3, to the extent that the City
17 becomes obligated to make lease rental payments to the Redevelopment Agency in support
18 of Redevelopment Agency low- income housing lease revenue bonds or a series of such
19 bonds, the obligation of the City to make the appropriate allocations pursuant to Allocation 3
20 shall be deemed proportionately discharged. In the event that such bonds are paid and
21 discharged prior to maturity, the foregoing obligation to make such appropriations and
22 allocations shall be deemed to be proportionately discharged.

23 (I) In the event that other public and private funds in the future become available to
24 construct or otherwise subsidize the low-income housing and related expenses hereinabove
25 referred to, the Redevelopment Agency or the City may use such funds in lieu of the proceeds

1 of the sale of the Redevelopment Agency low- income housing lease revenue bonds
2 hereinabove described, and, to the extent that such funds become available and are utilized,
3 the obligations of the Redevelopment Agency and the City to finance the low-income housing
4 hereinabove described shall be deemed to be proportionately discharged.

5 (J) Once each year, as soon as practicable after June 30th, the Mayor shall ascertain
6 the amount of money appropriated pursuant to this Allocation 3 which has not been expended
7 or reserved for a specific use as provided herein and shall, following a period of public
8 comment, prepare a report setting forth a program for expenditure of such money.

9 (4) Allocation Number 4 (War Memorial): To the War Memorial Department to be used
10 to defray the cost of maintaining, operating and caring for the War Memorial buildings and
11 grounds as described in Section 27.3 of the San Francisco Administrative Code.

12 (5) Allocation Number 5 (Candlestick Point): To the Recreation and Park Department
13 for Base Rental and Additional Rental as provided in the 1977 Amended Park Lease between
14 the City and County of San Francisco and San Francisco Stadium, Inc. for the improvement
15 and expansion of the Recreation Center located at Candlestick Point.

16 (6) Allocation Number 6 (Publicity/Advertising; Recurring Events): To the ~~City~~
17 ~~Administrator~~ Arts Commission for publicity and advertising purposes pursuant to the provisions
18 of Section 3.104 of the Charter for cultural and promotional organizations and annual or
19 regularly recurring parades, celebrations and street fairs, and to evaluate and review cultural,
20 artistic or advertising programs funded pursuant to this Allocation Number 6 or Allocation
21 Number 7.

22 (7) Allocation Number 7 (Publicity/Advertising; Nonrecurring Events): To the ~~City~~
23 ~~Administrator~~ Arts Commission to be used for publicity and advertising purposes pursuant to the
24 provisions of Section 3.104 of the Charter for nonrecurring parades, celebrations and street
25 fairs and for unforeseen special contingencies.

1 (8) Allocation Number 8 (Cultural Equity Endowment Fund): To the Arts Commission
2 for cultural equity initiatives, commissions to individual creative artists in all disciplines, project
3 grants to small and midsize arts organizations, and artspace initiatives or facilities acquisition
4 programs.

5 (9) Allocation Number 9 (Asian Art Museum): To the Asian Art Museum of San
6 Francisco for the operation and maintenance of the Museum.

7 (10) Allocation Number 10 (Fine Arts Museums): To the Fine Arts Museums of San
8 Francisco for the operation and maintenance of the Museums.

9 (11) Allocation Number 11 (Cultural Centers): To the Arts Commission to support the
10 operation, maintenance and programming of the City-owned community cultural centers to
11 assure that these cultural centers remain open and accessible and remain vital contributors to
12 the cultural life of the City.

13 (12) Allocation Number 12 (Protocol): To the Mayor to support the Mayor's Office of
14 Protocol in their efforts to promote the City by hosting international visitors and delegations
15 and by organizing events, trade missions, and other activities that promote San Francisco.
16 This allocation shall expire at the end of fiscal year 1997-98 and shall not extend beyond that
17 fiscal year.

18 (c) Each allocation for a purpose described in Subsection (b) shall be in the amount
19 prescribed in the table below, subject to the adjustments and limitations prescribed in
20 Subsection (d).

Allocation No.	1997-98	1998-99	1999-2000
1. Convention Facilities	\$31,983,619		
2. Convention and Visitors Bureau	\$5,941,893	\$7,000,000	
3. Low-Income Housing: Yerba Buena Redevelopment Area	\$4,810,360		

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1	4. War Memorial	\$7,473,309		
2	5. Candlestick Point	\$4,770,360		
3	6. Publicity/Advertising: Recurring Events (including Cultural Centers)	\$12,450,411		
4	7. Publicity/Advertising: Nonrecurring Events	\$191,427		
5	8. Cultural Equity Endowment Fund	\$1,722,843		
6	9. Asian Art Museum	\$1,565,873		
7	10. Fine Arts Museums	\$3,947,224		
8	11. Cultural Centers	\$600,000	\$900,000	\$1,800,000
9	12. Protocol	\$1,500,000	\$0	\$0

(d) Adjustments to and Limitations on Allocation Amounts. Notwithstanding the provisions of Subsection (c), the allocation amounts shall be subject to the following adjustments and limitations:

(1) Annual Adjustment: Prior to the calculation of any other adjustment prescribed in this Subsection (d), each amount prescribed in Subsection (c) shall be adjusted annually, commencing in fiscal year 1998-99, by the percentage increase or decrease in actual hotel tax revenues compared with the prior fiscal year; provided, however, that the amount of the annual adjustment pursuant to this Subparagraph (1) shall not exceed 10 percent.

(2) Limitation on Allocation Number 3 (Low-Income Housing in Yerba Buena Redevelopment Area): Unexpended monies appropriated pursuant to priority (E) of Allocation Number 3 shall be retained in a reserve fund which shall be allowed to accumulate in the maximum annual amount of \$100,000 up to a maximum total amount of \$1,000,000.

(3) Limitation on Allocation Number 6 (Publicity/Advertising; Recurring Events): Of the amount allocated for publicity and advertising for recurring events, \$650,000 in 1997-1998; \$800,000 in 1998-1999 and \$400,000 in 1999-2000, thereafter adjusted by the annual

1 adjustment provided in Subparagraph (1) of this paragraph, shall be allocated to the Arts
2 Commission to support the City-owned community cultural centers.

3 (4) Adjustment to Allocation Number 6 (Publicity/Advertising; Recurring Events) and
4 Allocation Number 11 (Cultural Centers): In fiscal year 1998-99 and thereafter, no amount
5 allocated to support the City- owned community cultural centers shall be released to a cultural
6 center unless:

7 (A) The Arts Commission has received and approved an annual report from the cultural
8 center demonstrating that the cultural center has had an active community support board
9 dedicated to community outreach, fundraising, and advocacy on behalf of the cultural center
10 in the prior fiscal year. For purposes of this Section, an "active community support board"
11 shall mean a board that has convened on at least six occasions during the year.

12 (B) The Arts Commission has received and approved an annual report from the cultural
13 center demonstrating that the cultural center has, in the prior fiscal year, met the cultural
14 center's revenue target from sources other than hotel tax revenues. For purposes of this
15 Section, a cultural center's revenue target shall be at least 20 percent of the cultural center's
16 total revenues, including hotel tax revenues, in fiscal year 1996-97 inflated annually by a rate
17 of three percent or by the rate of growth in the cultural center's hotel tax revenues, whichever
18 is lower. If the cultural center has not met its revenue target, the amount released to the
19 cultural center shall be reduced in the following year by an amount equivalent to the difference
20 between the revenue target and actual revenues collected from sources other than hotel tax
21 revenues. All revenue calculations required to effectuate this limitation shall be certified by the
22 Controller during the City's annual budget process.

23 (C) The Controller has performed a financial review of the cultural center within the
24 previous four years. An initial financial review shall be performed for each cultural center by
25 the end of fiscal year 1998-99.

1 Section 2. The San Francisco Administrative Code is hereby amended by amending
2 Section 2A.150 to read as follows:

3 SEC. 2A.150. ARTS COMMISSION; FUNCTIONS, POWERS AND DUTIES.

4 No work of art shall be contracted for or placed or erected on property of the City and
5 County or become the property of the City and County by purchase, gift or otherwise, except
6 for any museum or art gallery, unless such work of art, or a design or model of the same as
7 required by the Arts Commission, together with the proposed location of such work of art,
8 shall first have been submitted to and approved by the Commission. The term “work of art” as
9 used in this Section shall comprise paintings, mural decorations, stained glass, statues, bas
10 reliefs or other sculptures; monuments, fountains, arches or other structures of a permanent
11 or temporary character intended for ornament or commemoration. No existing work of art in
12 the possession of the City and County shall be removed, relocated or altered in any way
13 without the approval of the Commission, except as otherwise provided herein. The
14 Commission shall have similar powers with respect to the design of buildings, bridges,
15 viaducts, elevated ways, approaches, gates, fences, lamps or other structures erected or to
16 be erected upon land belonging to the City and County, and concerning arches, bridges,
17 structures and approaches which are the property of any corporation or private individual and
18 which shall extend over or upon any street, avenue, highway, park or public place belonging
19 to the City and County. Said Commission shall so act and its approval shall be required for
20 every such structure which shall hereafter be erected or contracted for, and may advise in
21 respect to lines, grades and platting of public ways and grounds.

22 Nothing herein contained shall be construed to limit or abridge the legal powers of the
23 governing boards of the War Memorial, the Fine Arts Museums or the Asian Art Museum.

24 The Commission shall supervise and control the expenditure of all appropriations made
25 by the Board of Supervisors for music and the advancement of art or music.

1 The Commission shall be responsible for administering, budgeting and control of publicity and
2 advertising expenditures as provided in Business and Tax Regulation Code section 515.01(6) and (7),
3 and any amendments thereto.

4 The Commission shall exercise all reasonable supervision of policy connected with the
5 arts as may hereafter be assigned to it by ordinance or executive action.

6 The Commission shall decide upon any expenditure of less than \$1,000 within 15 days
7 after submission, and upon any other matter within 30 days after submission. If it fails so to
8 do, its decision shall be considered unnecessary.

9 The Commission may volunteer advice or suggestion to the owners of private property
10 in relation to the beautification of the same; and any person contemplating to erect any
11 building or make any improvement may submit the plans and designs or sketches thereof to
12 the Commission for advice and suggestions, for which no charge shall be made by the
13 Commission.

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15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

17 By: _____
18 Molly S. Stump
19 Deputy City Attorney
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