

FILE NO. 001811 As Amended in Board
10/30/00

ORDINANCE NO. 267-00

1 [Ordinance to provide rent subsidies to nonprofit arts organizations.]

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3 **Ordinance establishing terms and conditions for the expenditure of an appropriation of**
4 **1.5 million dollars from the general fund to provide a grant to California Lawyers for the**
5 **Arts to give rent subsidies to nonprofit arts organizations that are in immediate danger**
6 **of being evicted or displaced by rent increases.**

7 Note: The provisions of this ordinance are all new.

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

9
10 *Section 1. Companion legislation to this ordinance, found in Board of Supervisors File No.*
11 001810, *would appropriate \$1.5 million from the City's general fund to the Arts Commission*
12 *to provide rent assistance to nonprofit arts organizations that are in immediate danger of being evicted*
13 *or displaced by rent increases. The \$1.5 million appropriation shall be expended for the purposes and*
14 *on the conditions set forth below.*

15 1. *Purpose. The purpose of this legislation is to provide immediate rent assistance to*
16 *eligible nonprofit arts organizations that are in immediate danger of eviction or displacement due to*
17 *increased rents. The purpose of this legislation is to help to stabilize arts organizations currently*
18 *located in a leasehold in San Francisco while the City pursues medium- and long-range goals of (a)*
19 *maximizing, expanding and improving existing arts spaces and (b) identifying, securing and improving*
20 *new arts spaces.*

21 2. *Eligible Organizations. In order to be eligible to receive a grant for rent assistance, an*
22 *organization must meet all of the following criteria:*

23
24
25 Supervisors Ammiano, Bierman, Leno, Newsom

Supervisor Ammiano
BOARD OF SUPERVISORS

1 a. *Must be (i) currently incorporated and in good standing as a Section 501(c)(3)*
2 *corporation pursuant to the federal tax laws or (ii) a fiscally sponsored project of a tax-exempt*
3 *corporation that is operating for purposes consistent with Section 501(c)(3) status.*

4 b. *Must exist, as its primary nonprofit purpose, to support, create or perform an arts-*
5 *related function in one or more of the following six disciplines: visual arts, dance, theater, music,*
6 *literary arts, or new genre/multimedia.*

7 c. *Must have had an annual operating budget of no more than \$1.2 million for the*
8 *organization's fiscal year ending just prior to the submission of an application for rent assistance.*

9 d. *Must be able to demonstrate financial accountability by submitting the organization's*
10 *Form 990 for the most recent tax year, a year-end financial report corresponding to the Form 990, and*
11 *an operating budget for the current fiscal year.*

12 e. *Must be able to demonstrate a recent history of financial stability as reflected by an*
13 *absence of unplanned operating deficit of significance, a positive fund balance, or a meaningful cash*
14 *reserve. The financial impact of a recent rent increase shall not be considered as a negative factor*
15 *with respect to the organization's history of financial stability.*

16 f. *Must demonstrate substantial continuing activities in and support from the community*
17 *through one or more of the following: three letters of support from the organization's constituents*
18 *describing the organization's relationship with and contribution to the community, a published*
19 *calendar of the organization's activities, a selection of recent published reviews of the organization's*
20 *work, and/or other equivalent documentation.*

21 g. *Must have been in existence in San Francisco for at least two years prior to the filing of*
22 *an application for rent assistance.*

23 h. *Must establish proof that the organization has at least one year remaining on a lease for*
24 *space in San Francisco, as of the filing of an application for rent assistance. This may be established*
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1 by the submission of a written lease agreement, a letter of commitment from a landlord, or by such
2 other evidence as reasonably establishes the existence of a one-year leasehold.

3 i. Must demonstrate financial need for rent assistance as a result of a recent or upcoming
4 significant increase in rent. An increase of rent is considered significant if it is an increase of 100
5 percent or more over the previous year's rent. This may be established by the submission of a written
6 lease agreement that shows a significant increase in rent in comparison to the immediately preceding
7 lease; a letter from a landlord indicating an increase in rent, or by such other evidence as reasonably
8 establishes that the rent on the leasehold has increased significantly.

9 j. Must submit a business plan or other strategy indicating the organization's plan for
10 future fiscal management, including supporting its space needs and sustaining itself economically
11 without the use of City rent assistance after the period for which City rent assistance is sought.

12 3. Limits on Grant Funds.

13 a. An organization may receive funds pursuant to this legislation only for the portion of
14 rent that represents an increase over the prior year's rent.

15 b. An organization may not receive cumulative City funding for rent assistance pursuant to
16 this legislation and any other City grant program that totals more than (i) 50 percent of the total
17 annual rent for the leasehold for which the organization has applied or (ii) \$80,000 within a 12-month
18 period or whatever amount is less than \$80,000.

19 c. An organization may receive rent assistance for a total of 12 months, beginning on the
20 date of filing an application for funding. An organization may reapply for additional rent assistance
21 for subsequent years.

22 d. Only one grant may be awarded per leasehold within a 12-month period. Thus, where
23 multiple organizations share the use of a single leasehold, only one application may be awarded for
24 such leasehold.

1 e. Grant funds pursuant to this legislation may be used only to pay rent, and only for the
2 leasehold that the grant recipient identified in its application for rent assistance in the absence of a
3 written modification of the organization's grant agreement. If a grant recipient is found to have spent
4 such grant funds on any expenses other than rent, the City may require the applicant to refund all grant
5 monies received under this program, plus interest and the City's costs of recouping the grant monies.

6 4. Administration and Selection Process.

7 a. The Arts Commission shall award a grant of the entire \$1.5 million to the California
8 Lawyers for the Arts to administer the rent assistance and award the funding to other eligible
9 organizations. The Arts Commission shall disburse one half of the appropriation upon the effective
10 date of this legislation, and the remaining one half after the first half has been expended. The Arts
11 Commission or California Lawyers for the Arts may adopt reasonable rules and procedures to
12 implement this legislation consistent with its purposes. California Lawyers for the Arts shall be
13 responsible for all administrative, organizational and record-keeping functions under this program,
14 and such other functions as the Arts Commission may determine.

15 b. An applicant may apply for rent assistance by submission of evidence of all of the
16 eligibility criteria set forth above to the California Lawyers for the Arts. Any request must clearly
17 specify the amount of funding the applicant is requesting.

18 c. The California Lawyers for the Arts shall form a selection panel, consisting of a staff
19 representative of the Arts Commission chosen by the Director of Cultural Affairs, a staff representative
20 of Grants for the Arts chosen by the Director of Grants for the Arts, and a third member, as set forth
21 below. The Director of Cultural Affairs and Director of Grants for the Arts shall mutually select one
22 representative for each of the following six arts disciplines -- visual arts, dance, theater, music, literary
23 arts, and new genre/multimedia.

24 d. Each selection panelist representing each of the six specified disciplines must be either
25 an executive director or artistic director of a Section 501(c)(3) arts organization with five years of

1 *experience in the particular discipline he/she is chosen to represent, and a history of involvement in the*
2 *community of that discipline in San Francisco.*

3 *e. Selection panelists may be reasonably compensated for their service out of the*
4 *administrative fee for the program, in the discretion of the California Lawyers for the Arts.*

5 *f. When reviewing an application for funding, the Arts Commission representative, the*
6 *Grants for the Arts representative and the representative for the discipline that corresponds to the*
7 *applicant organization's purpose shall serve as the selection panel. Where an organization is*
8 *multidisciplinary, the Director of Cultural Affairs and Director of Grants for the Arts shall determine*
9 *which discipline representative to include on the selection panel. The selection panel must reach*
10 *unanimous agreement in order to provide funding to an organization. The selection panel shall report*
11 *its determination to the California Lawyers for the Arts, which shall then administer the grant fund, as*
12 *appropriate.*

13 *g. In reviewing applications and awarding grants, the selection panel shall be guided by*
14 *the following considerations. Generally, grants shall be awarded on a first-come, first-served basis to*
15 *eligible organizations. The purpose of this program is not to weigh the relative merits of arts*
16 *organizations, but to attempt to stabilize the arts community in San Francisco that is threatened by*
17 *displacement due to increased rents. Therefore, if an organization meets the eligibility criteria stated*
18 *in this legislation, it should be given greatest consideration for funding in the absence of compelling*
19 *reasons to deny funding. The Board of Supervisors realizes that, because of the revolving nature of this*
20 *rent assistance program, the selection panel may not have an opportunity to review applicants in*
21 *relation to one another, and that funding may run out before a worthy applicant has had an opportunity*
22 *to apply for funding. To the best of its ability, when there are multiple pending applications from a*
23 *variety of disciplines, the selection panel should attempt to distribute the available funding evenly*
24 *between the six stated disciplines and to give priority to applications for leaseholds that are used by*
25 *multiple arts organizations. If there is insufficient funding available to fully fund pending applications,*

1 *the selection panel may weigh the relative merits of the various organizations in terms of quality and*
2 *consistency of service in determining how best to distribute the available funds, with the primary*
3 *ultimate goal of promoting stability in the arts community.*

4 *h. A selection panelist may not have a financial interest in an application before that*
5 *panelist for review. In the event of such financial interest, the remaining two panelists shall review and*
6 *determine the grant application without the participation of the panelist with the financial interest.*

7 *5. Reporting Requirements.*

8 *a. Each grant recipient must submit a report to the California Lawyers for the Arts within*
9 *30 days after the completion of the period for which rent assistance was provided which contains a*
10 *statement and independent verification that the grant funding was spent on rent for the appropriate*
11 *leasehold.*

12 *b. The California Lawyers for the Arts shall report to the Arts Commission and the Board*
13 *of Supervisors monthly on the following: the identity of the applicants for funding within the one-*
14 *month period, which organizations received funding, how much funding each organization received, a*
15 *statement of the balance of the fund (including interest earned), and the amount of administrative fees*
16 *allocated. Within two months after funding under this legislation is depleted, the California Lawyers*
17 *for the Arts shall submit a final report to the Arts Commission and the Board of Supervisors stating the*
18 *cumulative total of the information contained in the one-month reports.*

19 *6. Urgency. The Board of Supervisors intends that this rent assistance be made available*
20 *to eligible organizations as quickly as possible. Therefore, the selection panel shall convene as soon as*
21 *possible and may start awarding grants immediately on the basis of complete application submittals,*
22 *even in the absence of a formal standardized application request form. Grant applications shall be*
23 *reviewed and determined on a rolling basis, and the selection panel shall attempt to meet frequently, as*
24 *needed. If a selection panelist has not yet been chosen for each of the six stated disciplines, the panel*
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1 may review and determine grant applications for those disciplines for which a selection panelist has
2 been selected.

3 7. *Administrative Fees.* The California Lawyers for the Arts may recoup a reasonable
4 administrative fee, in the discretion of the Arts Commission, from the \$1.5 million appropriation from
5 the general fund.

6 8. *Interest-Bearing Account and Carry Over of Funds.* The California Lawyers for the
7 Arts shall hold the \$1.5 million appropriated to this purpose in an interest-bearing account. Any
8 interest earned shall be credited to and become part of the principal thereof, and shall not be expended
9 for any purpose other than the purposes of this legislation. Any balance remaining in this account at
10 the close of any fiscal year shall be deemed to have been provided for a specific purpose within the
11 meaning of the Charter and shall be carried forward and accumulated in said account for the purposes
12 recited in this legislation.

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14 APPROVED AS TO FORM:

15 LOUISE H. RENNE, City Attorney

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17
18 By:


MIRIAM L. STOMBLER
Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 001811

Date Passed:

Ordinance establishing terms and conditions for the expenditure of an appropriation of 1.5 million dollars from the general fund to provide a grant to California Lawyers for the Arts to give rent subsidies to nonprofit arts organizations that are in immediate danger of being evicted or displaced by rent increases.

October 30, 2000 Board of Supervisors — AMENDED

Ayes: 10 - Ammiano, Becerril, Bierman, Katz, Kaufman, Leno, Newsom, Teng,
Yaki, Yee

Absent: 1 - Brown

October 30, 2000 Board of Supervisors — PASSED ON FIRST READING AS AMENDED

Ayes: 10 - Ammiano, Becerril, Bierman, Katz, Kaufman, Leno, Newsom, Teng,
Yaki, Yee

Absent: 1 - Brown

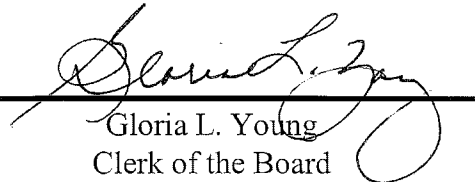
November 6, 2000 Board of Supervisors — FINALLY PASSED

Ayes: 8 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Yaki

Absent: 3 - Newsom, Teng, Yee

File No. 001811

I hereby certify that the foregoing Ordinance was **FINALLY PASSED** on November 6, 2000 by the Board of Supervisors of the City and County of San Francisco.

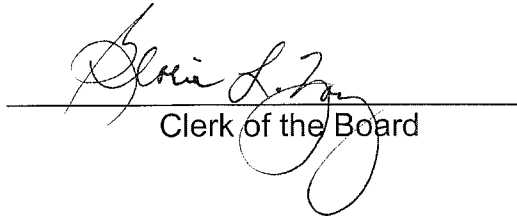

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.

November 17, 2000

I hereby certify that the foregoing ordinance, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.


Clerk of the Board

File No.
001811