

1 [Administrative Code - Film Rebate Program Amendments - \$4,000,000 Funding Cap]

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3 **Ordinance amending the Administrative Code to extend the Film Rebate Program**
4 **expiration date from June 30, 2015, to June 30, 2019, to correspondingly increase the**
5 **authorized funding cap for the Film Rebate Project Account from \$3,000,000 to**
6 **\$4,000,000 subject to annual appropriation and to make certain technical corrections.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

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

15 Section 1. The Administrative Code is hereby amended by revising Section 57.8, to
16 read as follows:

17 **SEC. 57.8. FILM REBATE PROGRAM.**

18 (a) Purpose. The purpose of the Film Rebate Program is to increase the number of
19 qualified film productions being made in San Francisco, increase the number of City residents
20 employed in the filmmaking industry, and encourage the resulting economic benefits to
21 increased filmmaking in San Francisco.

22 (b) Definitions. As used in this Section 57.8, the following terms shall have the
23 following meanings:

24 "Principal photography" means the time period and phase of film production during
25 which the main photography occurs.

1 “Qualified film production” means a feature-length film, documentary film, docudrama
2 film, television film, television pilot, “reality” program or each episode of a television series or
3 web series, regardless of the medium used to create or convey it, that is created by a film or
4 production company that expends at least 65 percent of the total principal photography days
5 exclusively in the City. “Qualified film production” shall not include:

6 (1) a news or current affairs program, interview or talk program, instructional
7 film or program, film or program consisting primarily of stock footage, sporting event or
8 sporting program, game show, award ceremony, film or program intended primarily for
9 industrial, corporate or institutional end-users, fundraising film or program, commercials, or
10 music videos; or

11 (2) a production for which records are required under Title 18 United States
12 Code Section 2257, to be maintained with respect to any performer in such production.

13 “Qualified low-budget film production” means a feature-length film, documentary film,
14 docudrama film, television film, television pilot, “reality” program or each episode of a
15 television series or web series, regardless of the medium used to create or convey it, that is
16 ~~produced~~ created by a film or production company that expends at least 55 percent of the total
17 principal photography days exclusively in the City and has a total budget of no more than
18 \$3,000,000. “Qualified low-budget film production” shall not include:

19 (1) a news or current affairs program, interview or talk program, instructional
20 film or program, film or program consisting primarily of stock footage, sporting event or
21 sporting program, game show, award ceremony, film or program intended primarily for
22 industrial, corporate or institutional end-users, fundraising film or program, commercials, or
23 music videos; or

24 (2) a production for which records are required under Title 18 United States
25 Code Section 2257, to be maintained with respect to any performer in such production.

1 “Qualified production cost,” means the following expenses of a qualified low-budget film
2 production or a qualified film production:

3 (1) Any taxes, with the exception of hotel or sales taxes, paid to the City, or any
4 of its constituent departments, the proceeds of which are placed in the general fund;

5 (2) Any moneys paid to the City, or any of its constituent departments, for the
6 use of City property, equipment, or employees other than police services as described in
7 Chapter 10B of this Administrative Code except as authorized in subsection (5) below;

8 (3) Any moneys paid to the City, or any of its constituent departments, for the
9 use of property leased by the City;

10 (4) Any daily use fees charged by the Film Commission, pursuant to Section
11 57.5 of the Administrative Code, to engage in film production in the City; and

12 (5) Police services as described in Chapter 10B of this Administrative Code,
13 provided that such services do not exceed ~~4 Police Officers~~ four police officers per day for a
14 total of 12 hours maximum per day per officer.

15 (c) Rebate Program.

16 (1) Allowance of Rebate. A qualified low-budget film production or qualified film
17 production that pays qualified production costs shall be entitled to a rebate, to be calculated
18 as provided herein, provided that the qualified production has entered into a first source hiring
19 agreement with the City that demonstrates good faith efforts to hire economically
20 disadvantaged individuals referred by the San Francisco Workforce Development System to
21 work for the qualified production. Good faith efforts shall include, at a minimum, consulting
22 with the ~~FSHA~~ First Source Hiring Administration (“FSHA”) for the purpose of preparing a list of
23 positions for which individuals referred by the City might qualify, providing that list to the FSHA
24 at least two weeks prior to the first day of shooting, and documenting efforts to contact and
25 interview job candidates referred by the City to fill the positions listed.

1 (2) Amount of Rebate. ~~Effective July 1, 2012, the~~ Effective July 1, 2015, the The
2 City shall pay one dollar for each dollar the qualified low budget film production or qualified
3 film production paid in qualified production costs not to exceed \$4,000,000 by July 1, 2019,
4 provided that such rebate payment shall not to exceed \$600,000 for each such production.~~\$3 million~~
5 ~~dollars by June 30, 2015, subject to annual appropriation.~~ The rebate_s shall be paid from the
6 project account that the Controller has set aside for Film Rebate Program funds (the “Film
7 Rebate Project Account”).~~In no event shall the amount of any rebate paid for a single production~~
8 ~~after April 1, 2009 exceed \$600,000.00. The Film Rebate Project Account shall not exceed~~
9 ~~\$4,000,000, with the exact amount subject to annual appropriation.~~ The rebate_s shall not be
10 paid from funds dedicated under bond or other legal financing covenants. Rebates paid under
11 this ~~Ordinance~~ Section 57.8 shall be paid only to those qualified low budget film productions or
12 qualified film productions whose filming commenced on or after~~the effective date of this~~
13 ~~Ordinance~~ May 20, 2006.

14 (3) Implementation. After holding a public hearing, the Executive Director of the
15 Film Commission, in consultation with the Controller, shall promulgate rules and regulations to
16 establish the procedures for implementation of the Film Rebate Program. Such rules shall
17 include provisions describing the application process, the standards used to evaluate the
18 applications, the documentation that will be required to substantiate the amount of the rebate,
19 the appeal process, and any such other provisions as deemed necessary and appropriate to
20 carry out the Film Rebate Program.

21 (d) Authority to Lease Private Property for Film Company Use. Subject to the
22 Controller’s certification of funds in the Film Rebate Project Account or other available funding
23 source (“Controller’s Certification”), the Director of Property of the Department of Real Estate,
24 in consultation with the Executive Director of the Film Commission, shall have the authority to
25 lease property and sublease such property to film companies for film-related activities

1 including, but not limited to filming, editing, film production office space, and stage space uses
2 (“Film Production Leases”) when the Executive Director determines, in consultation with the
3 Director of Property, that no suitable alternative City property is available. Notwithstanding
4 any other provision of the Municipal Code, including Administrative Code Sections 23.26 and
5 23.31, where a proposed Film Production Lease is for a year-to-year or shorter tenancy and
6 has received the Controller’s Certification under this subsection (d), the Director of Property
7 may enter into such Film Production Lease, including any corresponding sublease with a film
8 company subtenant, regardless of whether the monthly rent exceeds \$5,000, without action of
9 the Board of Supervisors unless otherwise required by the City Charter.

10 (e) Annual Reports. ~~(1) Annual Reports.~~—The Executive Director shall report annually to
11 the Board of Supervisors on the implementation of the Film Rebate Program. The report shall
12 include a list of each qualified low budget film production and qualified film production, residency
13 of employees, and the total of qualified production costs submitted and paid to each film
14 production. The Controller shall perform an annual assessment and review of the effect of the
15 Film Rebate Program. Based on such assessment and review, the Controller shall prepare
16 and submit an analysis to the Board of Supervisors. The ~~Analysis~~ analysis shall be based on
17 criteria deemed relevant by the Controller, and may include but is not limited to data contained
18 in the annual reports to the Board of Supervisors submitted by the Director of the Film
19 Commission.

20 ~~(2) 2013 Report. By December 31, 2013, the Film Commission, working with the~~
21 ~~Controller’s Office, shall submit a report to the Board of Supervisors on the current results of the Film~~
22 ~~Rebate Program, addressing the objectives of the Program. The report should include a list of all film~~
23 ~~production companies that have had permits with the Film Commission, the number of qualified film~~
24 ~~productions, the number of San Francisco residents employed on such film productions, verification of~~
25 ~~the number of jobs and the salaries paid to economically disadvantaged San Francisco residents hired~~

1 ~~through the City's Workforce Development Program, the amount of the rebates paid to the film~~
2 ~~production companies, and the overall economic impact from the City's Film Rebate Program since the~~
3 ~~last Film Commission report to the Board of Supervisors.~~

4 (f) Expiration of Section. The Film Rebate Program shall expire on June 30, ~~2015~~2019,
5 unless extended by ordinance. If the Film Rebate Program is not extended, the City Attorney
6 shall cause this Section to be removed from the Administrative Code.

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8 Section 3. Effective Date. This ordinance shall become effective 30 days after
9 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
10 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
11 of Supervisors overrides the Mayor's veto of the ordinance.

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13 Section 4. Retroactivity. It is the intent of the Board of Supervisors that the Film
14 Rebate Program established in Administrative Code Section 57.8 not expire on
15 June 30, 2015. If the effective date of this ordinance is later than June 30, 2015,
16 Administrative Code Section 57.8, as amended by this ordinance, shall be retroactive to
17 June 30, 2015.

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19 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
20 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
21 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
22 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

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1 additions, and Board amendment deletions in accordance with the "Note" that appears under
2 the official title of the ordinance.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 SUSAN C. DAWSON
8 Deputy City Attorney

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