Community Report
Prop E Hotel Tax for Arts & Culture and the Arts Impact Endowment Fund

November 4 and November 10, 2021
The San Francisco Arts Commission acknowledges that we are on the unceded ancestral homeland of the Ramaytush Ohlone who are the original inhabitants of the San Francisco Peninsula. As the indigenous stewards of this land and in accordance with their traditions, the Ramaytush Ohlone have never ceded, lost nor forgotten their responsibilities as the caretakers of this place, as well as for all peoples who reside in their traditional territory. As guests, we recognize that we benefit from living and working on their traditional homeland. We wish to pay our respects by acknowledging the ancestors, elders and relatives of the Ramaytush Community and by affirming their sovereign rights as First Peoples. As a department dedicated to promoting a diverse and equitable Arts and Culture environment in San Francisco, we are committed to supporting the traditional and contemporary evolution of the American Indian community.
AGENDA

• Hotel Tax Overview & Funding Timeline
• Hotel Tax Allocations Allowable Uses
• Funding Revenue & Allocations
  ➢ Cultural Equity Endowment
  ➢ Cultural Centers
  ➢ Arts Impact Endowment
    o Sankofa Initiative
    o Arts Hub
    o UBI (Guaranteed Income for Artists)
    o Reopening Safely
  ➢ Arts Impact Endowment FY 22
  ➢ Q&A
HOTEL TAX OVERVIEW

• Prop E was passed on November 2018 to allocate 1.5% of the existing 14% Hotel Tax to Arts and Culture

• Projected base revenue per the 2018 ballot measure is as follows:
  ➢ $12.7 for the Arts Commission
    o $6.4M for Cultural Equity Endowment
    o $3.8M for Cultural Centers
    o $2.5M for Arts Impact Endowment
  ➢ $16.3M for Grants for the Arts (administered by City Administrator)
  ➢ $3.0M for Cultural Districts (administered by MOHCD)

• Actual revenue (tax collected) is allocated quarterly by the Controller’s Office
Excerpted from the legislation
Annual Adjustment: Commencing in fiscal year 2019-2020, subject to subsection (c)(3), each amount in subsections (b)(1) through (b)(5) shall be adjusted annually by the percentage increase or decrease in Allocable Hotel Tax Revenues collected in the current fiscal year compared with the prior fiscal year; provided, however, that such percentage increase or decrease shall not exceed 10% annually.
• FY 18/19 – funds first received beginning January 2019 (half fiscal year allocation)
• FY 19/20 – tax receipts decreased starting March 2020 due to pandemic
• FY 20/21 – limited backfill only for committed spending
• FY 23/24 – Projected stabilization of Hotel Room Tax Revenue

* FY 20/21 inclusive of general fund backfill
HOTEL TAX ALLOWABLE USES

SF Business and Tax Regulation Code Section 515.01
Hotel Tax Allocations to the Arts Commission

- **Cultural Equity Endowment** - "for programs that move San Francisco arts funding toward cultural equity, including any associated administrative costs." (PRE-EXISTING)

- **Cultural Centers** - "to support the operation, maintenance, and programming of City-owned community cultural centers to assure that these cultural centers remain open and accessible and remain vital contributors to the cultural life of the City, including any associated administrative costs." (PRE-EXISTING)

- **Arts Impact Endowment** - "to address needs in the arts community, including any associated administrative costs, to be determined by a cultural services allocation plan (CSAP) prepared no later than March 1, 2019, and every five years thereafter, by the Director of Cultural Affairs with community input and approved by the Arts Commission and the City Administrator."
- Actual Revenue lower than projected due to pandemic impact

- **FY 20/21** includes a general fund backfill of over $4M

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**Cultural Equity Endowment: Projected vs. Actual Hotel Tax Revenues**

![Bar chart showing projected vs. actual hotel tax revenues for FY 18/19, FY 19/20, and FY 20/21. The FY 20/21 includes a general fund backfill of over $4M.](chart.png)
CULTURAL EQUITY ENDOWMENT
REVENUE VS EXPENSE

- Limited spending in FY 19/20 due to pandemic uncertainty

- Able to award grants in FY 20/21 thanks to GF backfill

Cultural Equity Endowment: Actual Revenues vs. Expenses & Grant Awards

- Actual Revenues
- Actual Expenses & Grant Awards

FY 18/19: 3
FY 19/20: 6
FY 20/21: 5

- Limited spending in FY 19/20 due to pandemic uncertainty

- Able to award grants in FY 20/21 thanks to GF backfill

Cultural Equity Endowment: Actual Revenues vs. Expenses & Grant Awards

- Actual Revenues
- Actual Expenses & Grant Awards

FY 18/19: 3
FY 19/20: 6
FY 20/21: 5
Administrative Expenses and Grant Awards by Fiscal Year (in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY2018-19</th>
<th>FY2019-20</th>
<th>FY2020-21</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td>$1,007</td>
<td>$1,026</td>
<td>$879</td>
<td>$2,912</td>
</tr>
<tr>
<td>Cultural Equity Initiatives</td>
<td>1,556</td>
<td>1,758</td>
<td>2,138</td>
<td>5,452</td>
</tr>
<tr>
<td>SF/Individual Artist</td>
<td>1,125</td>
<td>1,400</td>
<td>1,180</td>
<td>3,705</td>
</tr>
<tr>
<td>Organization Project</td>
<td>835</td>
<td>827</td>
<td>-</td>
<td>1,662</td>
</tr>
<tr>
<td>Creative Space Planning</td>
<td>686</td>
<td>585</td>
<td>400</td>
<td>1,671</td>
</tr>
<tr>
<td>Amer. Indian Cultural Ctr</td>
<td>186</td>
<td>124</td>
<td>124</td>
<td>434</td>
</tr>
<tr>
<td>Native Amer. Arts &amp; Trad</td>
<td>170</td>
<td>-</td>
<td>100</td>
<td>270</td>
</tr>
<tr>
<td>Arts &amp; Comm. in Partnership</td>
<td>410</td>
<td>-</td>
<td>-</td>
<td>410</td>
</tr>
<tr>
<td>Artistic Legacy</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>120</td>
</tr>
<tr>
<td>Ebony McKinney</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,020</strong></td>
<td><strong>$5,760</strong></td>
<td><strong>$4,861</strong></td>
<td><strong>$16,641</strong></td>
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* FY 18/19 administrative expenses and grant awards partially funded by general funds
CULTURAL EQUITY ENDOWMENT
OVERVIEW OF INDIVIDUAL GRANTEES

Demographics of Grantees

<table>
<thead>
<tr>
<th>Demographic</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian American</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Latinx</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>American Indian</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Arab Middle Eastern</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Pacific Islander</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Multiracial</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Decline to State</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>
CULTURAL CENTERS REVENUE

- Limited General Fund Backfill in FY 20/21
- Focus on operating grant funds and completing capital projects already underway.
CULTURAL CENTERS EXPENSE

Cultural Centers: Actual Revenues vs. Expenses & Encumbrances

- Actual Revenues
- Actual Expenses & Encumbrances
**CULTURAL CENTERS EXPENSE**

**FY 20/21 Projects**

- **AAACC** – Fire alarm/Waterproofing on exterior windows
- **BVOH** – Termite assessment
- **MCCLA** – Replacement of 2 elevators
- **SOMArts** – Gutter replacement

**Actual Expenses for All Cultural Centers (in Millions)**

<table>
<thead>
<tr>
<th></th>
<th>FY18/19</th>
<th>FY19/20</th>
<th>FY20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital &amp; Maintenance</td>
<td>$</td>
<td>- $</td>
<td>0.39</td>
</tr>
<tr>
<td>Operating Grants</td>
<td>0.58</td>
<td>2.18</td>
<td>2.23</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>0.58</td>
<td>2.57</td>
<td>3.16</td>
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</table>

* FY 20/21 includes open encumbrances
• Hotel Taxes less than projected due to pandemic

• Steep drop of Hotel Room Tax in FY 20/21

• FY 20/21 includes a general fund backfill of $788K

Arts Impact Endowment: Projected vs. Actual Hotel Tax Revenues

* FY 20/21 inclusive of general fund backfill
• CSAP developed in FY 18/19
• Guidelines developed in FY 19/20
• Significant spending starting in FY 19/20
• All received funds spent as of FY 20/21
Individual Artist Demographics

- BIPOC: 60%
- Women: 40%
- Trans/GNC: 20%
- LGBQ: 30%
- Disabled: 10%
Communities Served by Grantee Orgs

- BIPOC: 90%
- Women: 70%
- Trans/GNC: 20%
- LGBQ: 30%
- Disabled: 10%
ECONOMIC RECOVERY TASK FORCE

Recommendations Across the Four Policy Groups

**Jobs & Businesses**
- Minimize evictions
- Small and medium-sized business support
- Reduce expenses
- Employment and career advancement for the most disadvantaged
- Support workers with centralized workforce development and subsidized employment

**Vulnerable Populations**
- Protect health of vulnerable populations for safe reopening
- Ensure affordable housing for vulnerable populations
- Build access to opportunity to overcome structural racism
- Address inequities with immediately devastating impacts

**Economic Development**
- Affordable housing: pursue funding, preserve, acquire, stabilize, produce, streamline
- Make best use of publicly owned space
- Redesign permitting and cut red tape
- Change zoning and other codes for more flexible uses

**Arts, Culture, Hospitality & Entertainment**
- Help ACHE businesses and orgs. diversify and reopen safely
- Expand access to and activate spaces ASAP
- Utilize ACHE sector to catalyze recovery
- Employ ACHE workforce in recovery
- Protect and strengthen ACHE assets
## ARTS IMPACT ENDOWMENT & CSAP PRIORITY AREAS

**AIE Programming**  
(in Thousands)

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Arts Relief - Organizations</td>
<td>$750</td>
</tr>
<tr>
<td>Arts Relief - Individuals</td>
<td>750</td>
</tr>
<tr>
<td>Guaranteed Income</td>
<td>200</td>
</tr>
<tr>
<td>Re-Opening Safely</td>
<td>800</td>
</tr>
<tr>
<td>Arts Hub</td>
<td>250</td>
</tr>
<tr>
<td>Sankofa Initiative</td>
<td>700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,450</strong></td>
</tr>
</tbody>
</table>

- Most spending related to COVID response
- Most are re-granting grants

### Arts Impact Endowment Allocations for FY19/20 & FY20/21

- Arts Education, 40%  
- Space/Capital, 30%  
- Arts Org Core Support, 20%  
- Indiv Artists Support, 10%

**Total** $3,450
GUARANTEED INCOME IMPACT

All 130 grantees are:

- Artists with very low incomes
- Artists facing loss of income due to the COVID-19 pandemic.
- Artists that have an artistic practice rooted in a historically marginalized community.
GUARANTEED INCOME IMPACT

Racial Demographics

- African American: 12%
- Asian American: 12%
- Latinx: 16%
- Middle Eastern or North African: 2%
- American Indian: 2%
- White: 35%
- Multiracial: 18%
- Decline to State: 2%

All 130 grantees are:

- Artists with very low incomes
- Artists facing loss of income due to the COVID-19 pandemic
- Artists that have an artistic practice rooted in a historically marginalized community
RE-OPENING SAFELY

- Joint project between Community Vision and all 7 of our Cultural Centers

- Grant awards will be announced in mid-November 2021
ARTS HUB

- Beta-testing phase
- Official launch in January 2022
- Sign up for newsletter resources on Arts Power Center
  Website: https://artistsupport.ybca.org
Cultural Preservation
Alliance for California Traditional Arts
• 112 application submissions
• 9 individual artists and 8 arts organizations funded at 75-100% of request
• grants support cultural practices rooted in a specific community(ies) with an identifiable lineage or collective history.
• $180,000 total grant allocation

Technology and Supplies Access
BAYCAT
• Distributed 38 media kits to date and more in the spring in 2022

Professional Development
Boys and Girls Club of San Francisco
• Grant application opens in Fall 2021
# ARTS IMPACT ENDOWMENT

## FY22 PLAN

<table>
<thead>
<tr>
<th>Projected AIE Funds</th>
<th>%</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Fund</td>
<td>5%</td>
<td>$111,500</td>
</tr>
<tr>
<td>Personnel/Admin</td>
<td>15%</td>
<td>$334,500</td>
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<tr>
<td>Research/Eval</td>
<td>2%</td>
<td>$44,600</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>$490,600</td>
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<tr>
<td><strong>Total for Priority Areas</strong></td>
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<td>$1,739,400</td>
</tr>
</tbody>
</table>

**Funding for Priority Areas**

- Arts Education: 40%
- Space/Capital: 30%
- Arts Org Core Support: 20%
- Artist Support: 10%

- Total: $2,230,000
- Reserve Fund: $111,500
- Personnel/Admin: $334,500
- Research/Eval: $44,600
- Subtotal: $490,600
- Total for Priority Areas: $1,739,400
The Arts Commission received a lot of important community feedback about the Arts Impact Endowment’s pilot grantmaking year and we heard you. AIE guidelines in FY22 will reflect what we learned from the community.

We need to return and anchor our grantmaking to the following Cultural Equity principles moving forward.

1. Prioritize small and mid-sized organizations deeply rooted in their communities.

2. Eliminate re-granting.

3. Review applications through a public panel process.

4. Reach organizations and individuals who have historically not been able to access City arts funding.
San Francisco-based arts organizations and individuals must:
  o Demonstrate SF corporate address or residency
  o Demonstrate a two-year history and public benefit to the City of San Francisco
  o Not be previously funded by SFAC or GFTA

Organization’s annual operating revenue must not exceed $1,500,000.

Only one application may be submitted.

Individuals may apply to the individual, space, or arts education funding priority area.
  o Special insurance will be required if applying to work with vulnerable populations.

Grant request amounts:
  o Up to $50,000 over 12-18 months.
AIE FY22 – APPLICATION PROCESS

• Funding will be flexible to address greatest need whether that is project support or general operating/core support.

• Guidelines and application released in early 2022.

• One set of guidelines for all categories.
  o Streamlined application
  o Budget required for application submission
  o Narrative responses for identifying greatest need

Apply to become a panelist through February 4, 2022!

https://www.sfartscommission.org/panelists
If you haven’t already done so, please click on the Q&A icon on the lower right corner of your screen to type in a question.

We have aggregated questions by subject and will do our best to answer all inquiries related to Prop E and Arts Impact Endowment now.

We will be sharing out on our website all the questions and answers that were submitted during the two community forums – today’s and one on 11/10.

We will also email you the link to our website page that has all the Q&As after the 11/10 forum.

Thanks for participating!!
THANK YOU!

Artist Sarah Torres installing at Cumaica Coffee for ArtSpan