



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

November 4 and November 10, 2021

# LAND ACKNOWLEDGEMENT

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.



Photo Credit: Hulleah Tsinhnahjinnie

# AGENDA

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



Cuba Caribe

# 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
    - \$6.4M for Cultural Equity Endowment
    - \$3.8M for Cultural Centers
    - \$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

# ANNUAL ADJUSTMENT

## *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.

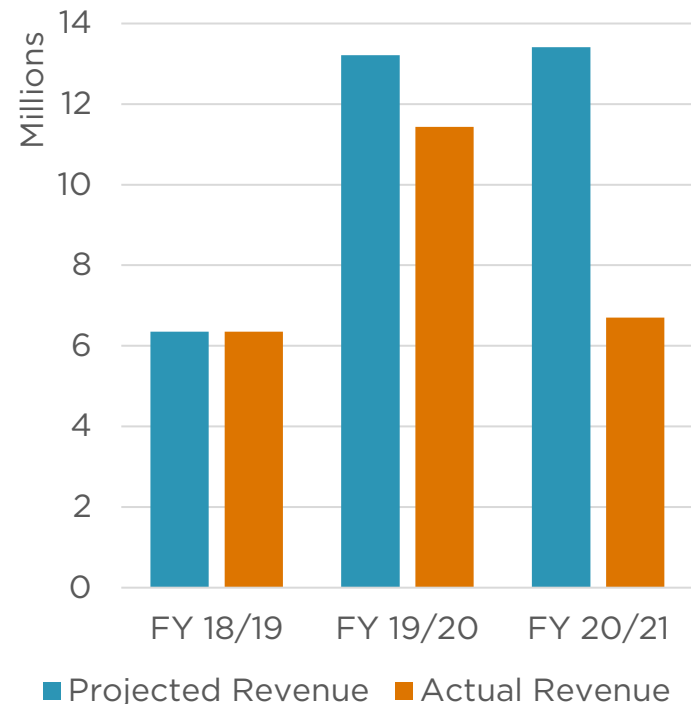


Artwork by Nicole Dixon

# HOTEL TAX FUNDING TIMELINE

- **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

**Prop E for Arts  
Commission:  
Projected vs. Actual  
Revenues**



\* 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

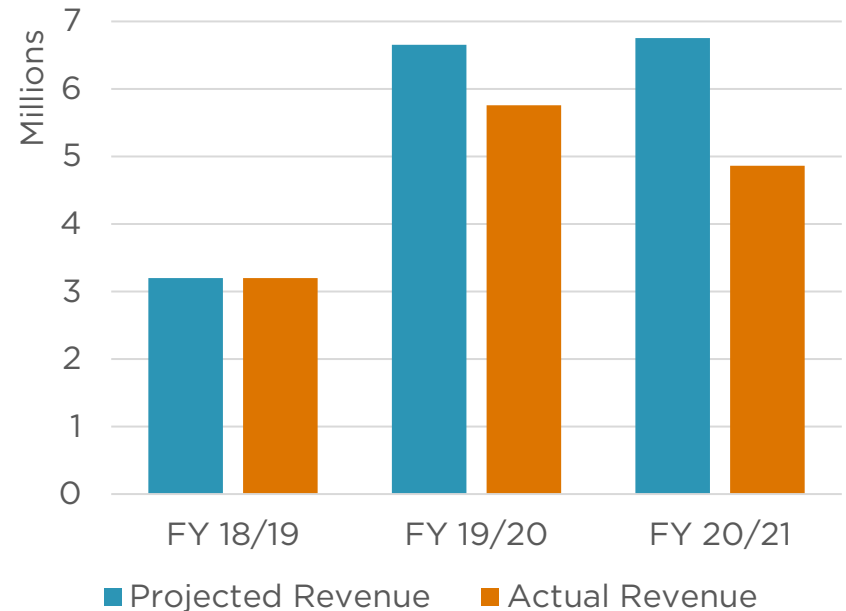
- Cultural Equity Endowment - "for programs that move San Francisco arts funding toward cultural equity, including any associated administrative costs." (PRE-EXISTING)
- Cultural Centers - "to support the operation, maintenance, and programming of City-owned community cultural centers to assure that 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."

# CULTURAL EQUITY ENDOWMENT REVENUE



- Actual Revenue lower than projected due to pandemic impact
- **FY 20/21** includes a general fund backfill of over \$4M

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



\* FY 20/21 inclusive of general fund backfill

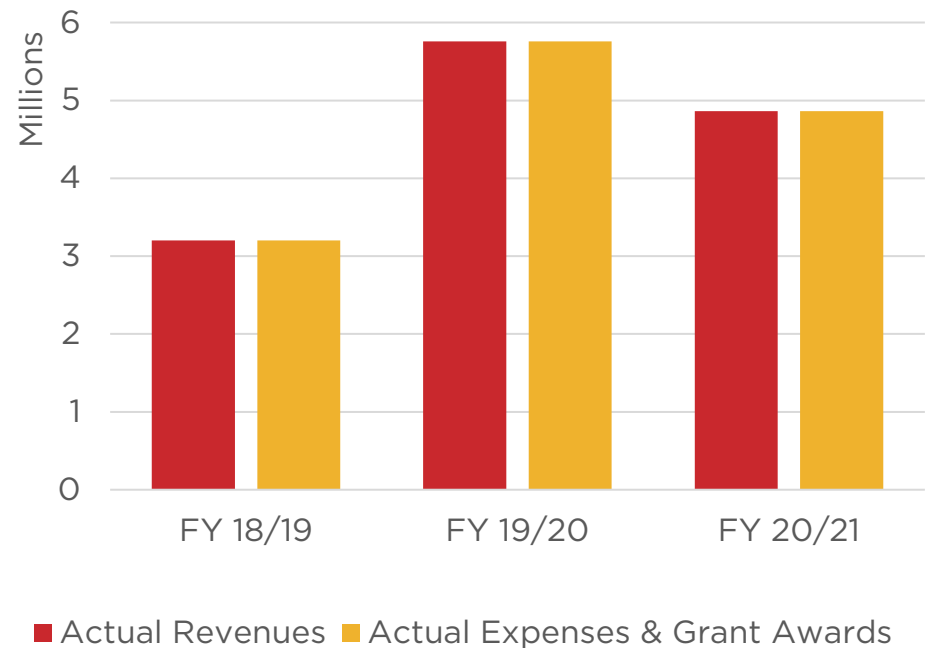


# CULTURAL EQUITY ENDOWMENT REVENUE VS EXPENSE

- 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



# CULTURAL EQUITY ENDOWMENT EXPENSE



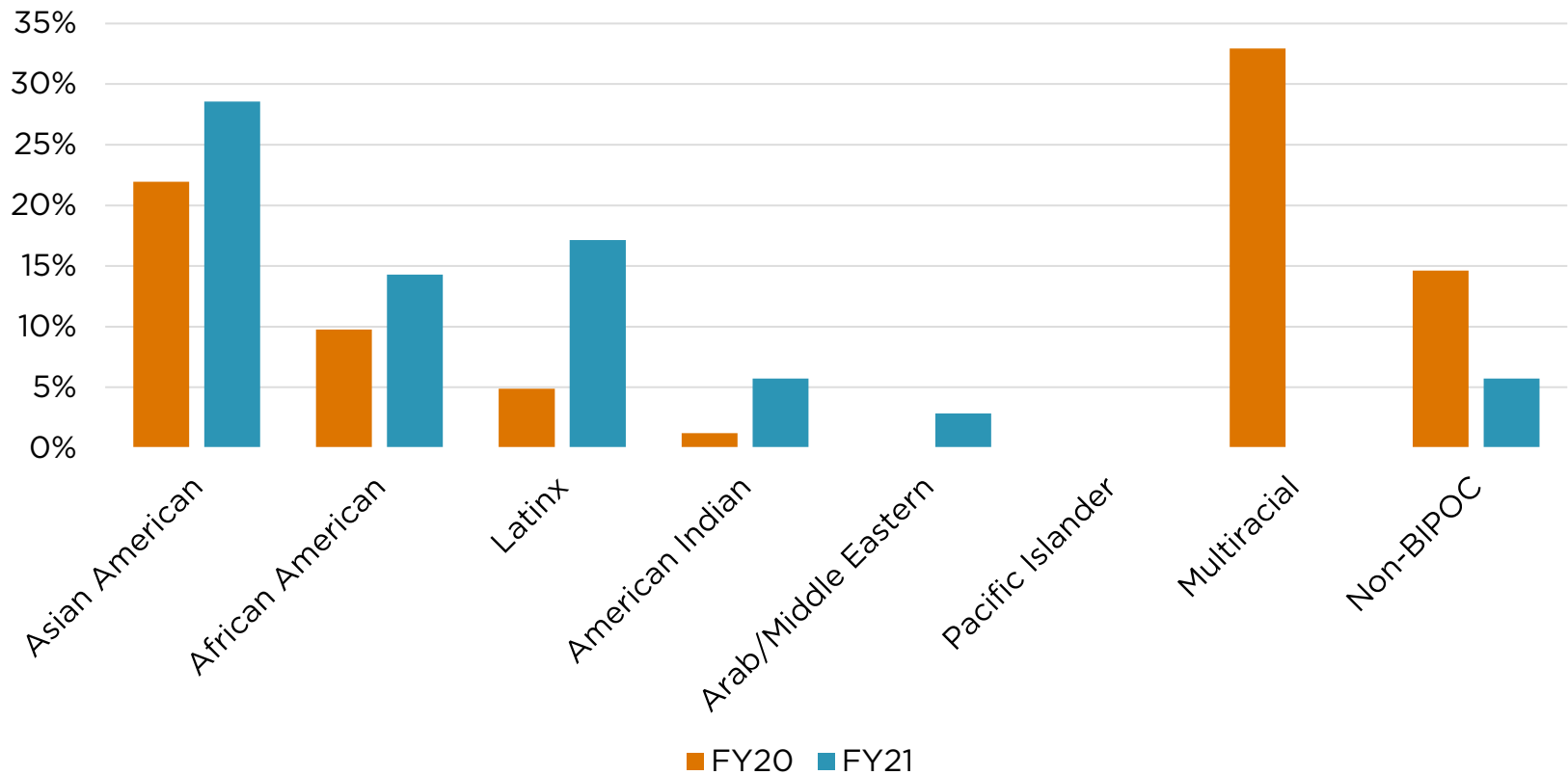
## Administrative Expenses and Grant Awards by Fiscal Year (in Thousands)

	FY2018-19	FY2019-20	FY2020-21	Totals
Administrative Expenses \$	1,007	\$ 1,026	\$ 879	\$ 2,912
Cultural Equity Initiatives	1,556	1,758	2,138	5,452
SF/Individual Artist	1,125	1,400	1,180	3,705
Organization Project	835	827	-	1,662
Creative Space Planning	686	585	400	1,671
Amer. Indian Cultural Ctr	186	124	124	434
Native Amer. Arts & Trad	170	-	100	270
Arts & Comm. in Partnership	410	-	-	410
Artistic Legacy	40	40	40	120
Ebony McKinney	5	-	-	5
<b>Total</b> \$	<u>6,020</u>	<u>\$ 5,760</u>	<u>\$ 4,861</u>	<u>\$ 16,641</u>

\* FY 18/19 administrative expenses and grant awards partially funded by general funds

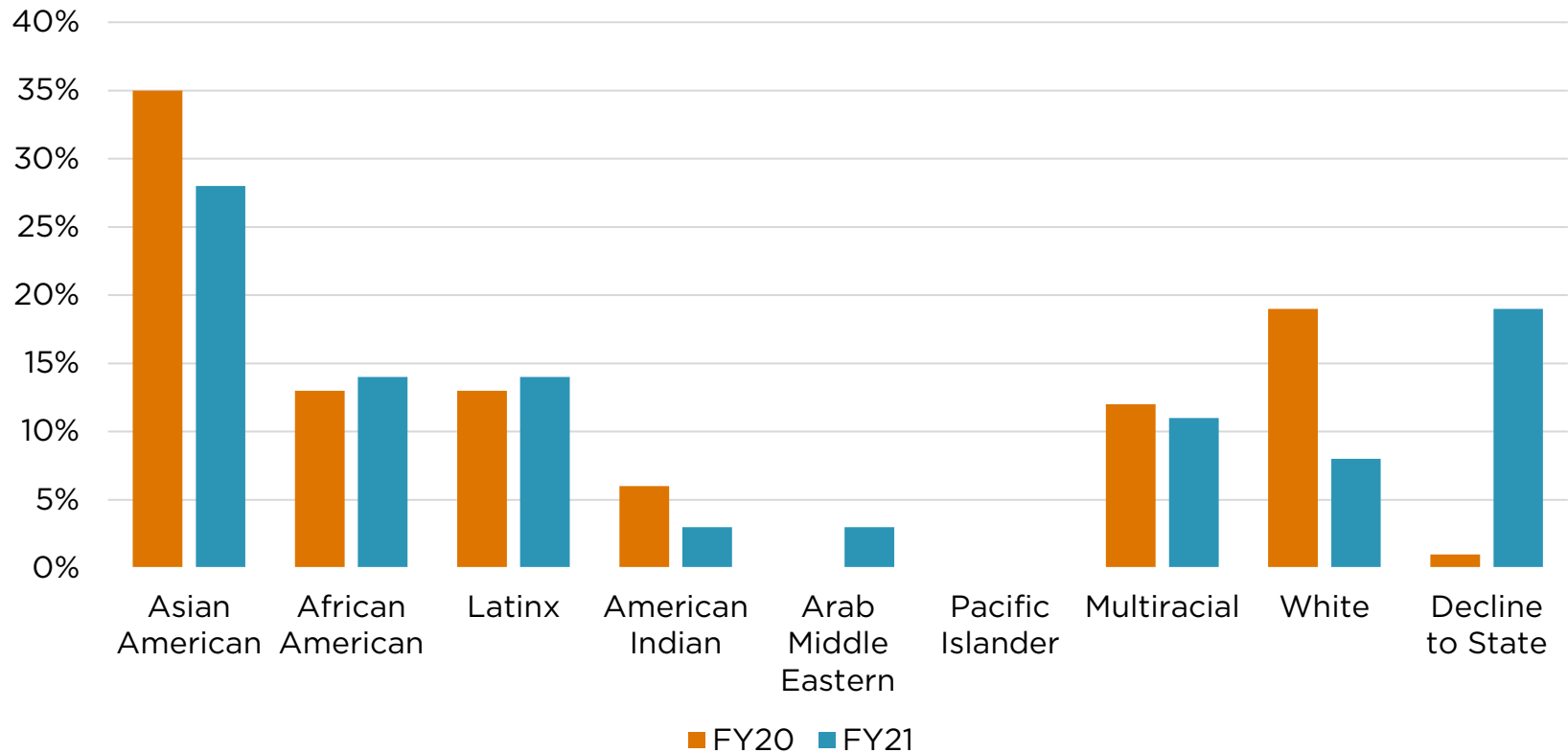
# CULTURAL EQUITY ENDOWMENT OVERVIEW OF ORG GRANTEES

## Demographics of Communities Served



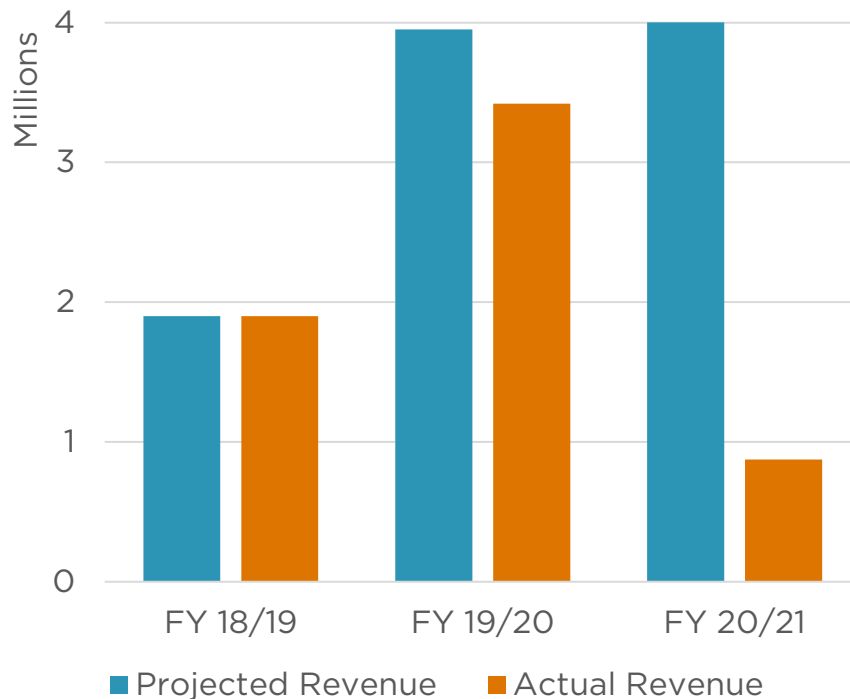
# CULTURAL EQUITY ENDOWMENT **sfac** OVERVIEW OF INDIVIDUAL GRANTEES

## Demographics of Grantees



# CULTURAL CENTERS REVENUE

Cultural Centers:  
Projected vs. Actual Hotel  
Tax Revenues



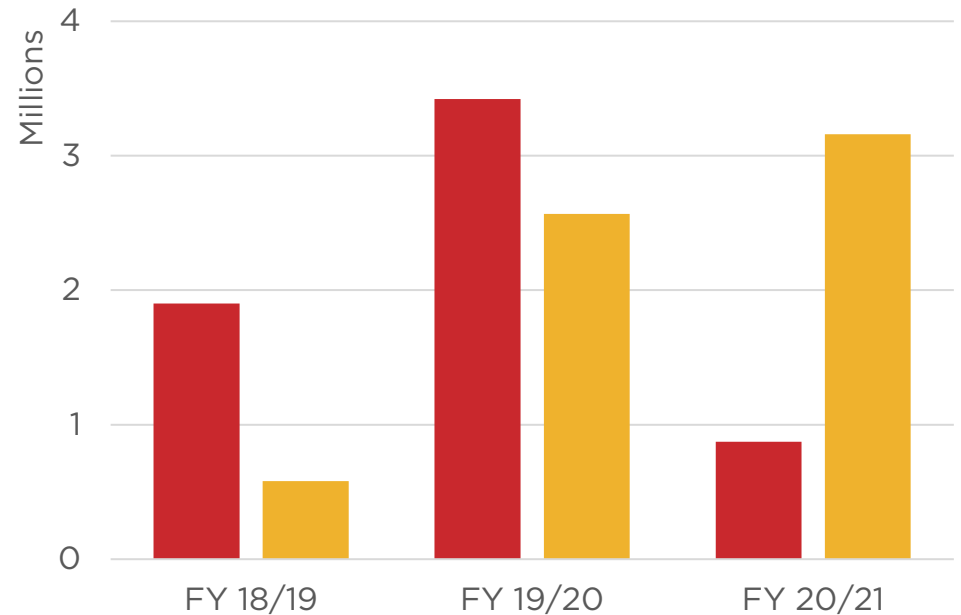
\* FY 20/21 inclusive of general fund backfill



- 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)

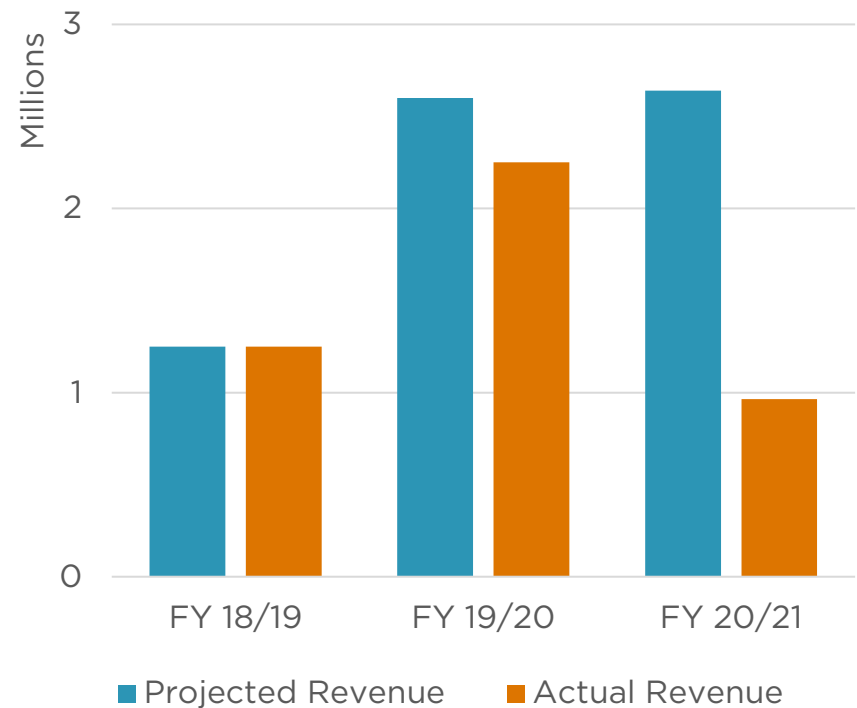
	FY18/19	FY19/20	FY20/21
Capital & Maintenance	\$ -	\$ 0.39	\$ 0.93
Operating Grants	0.58	2.18	2.23
Total Expenses	\$ 0.58	\$ 2.57	\$ 3.16

\* FY 20/21 includes open encumbrances

# ARTS IMPACT ENDOWMENT REVENUE

- 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

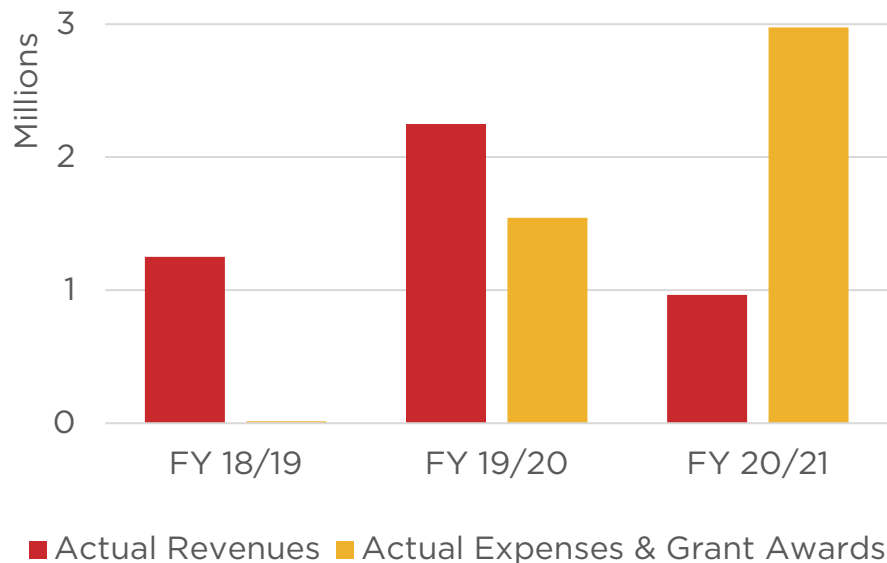


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# ARTS IMPACT ENDOWMENT

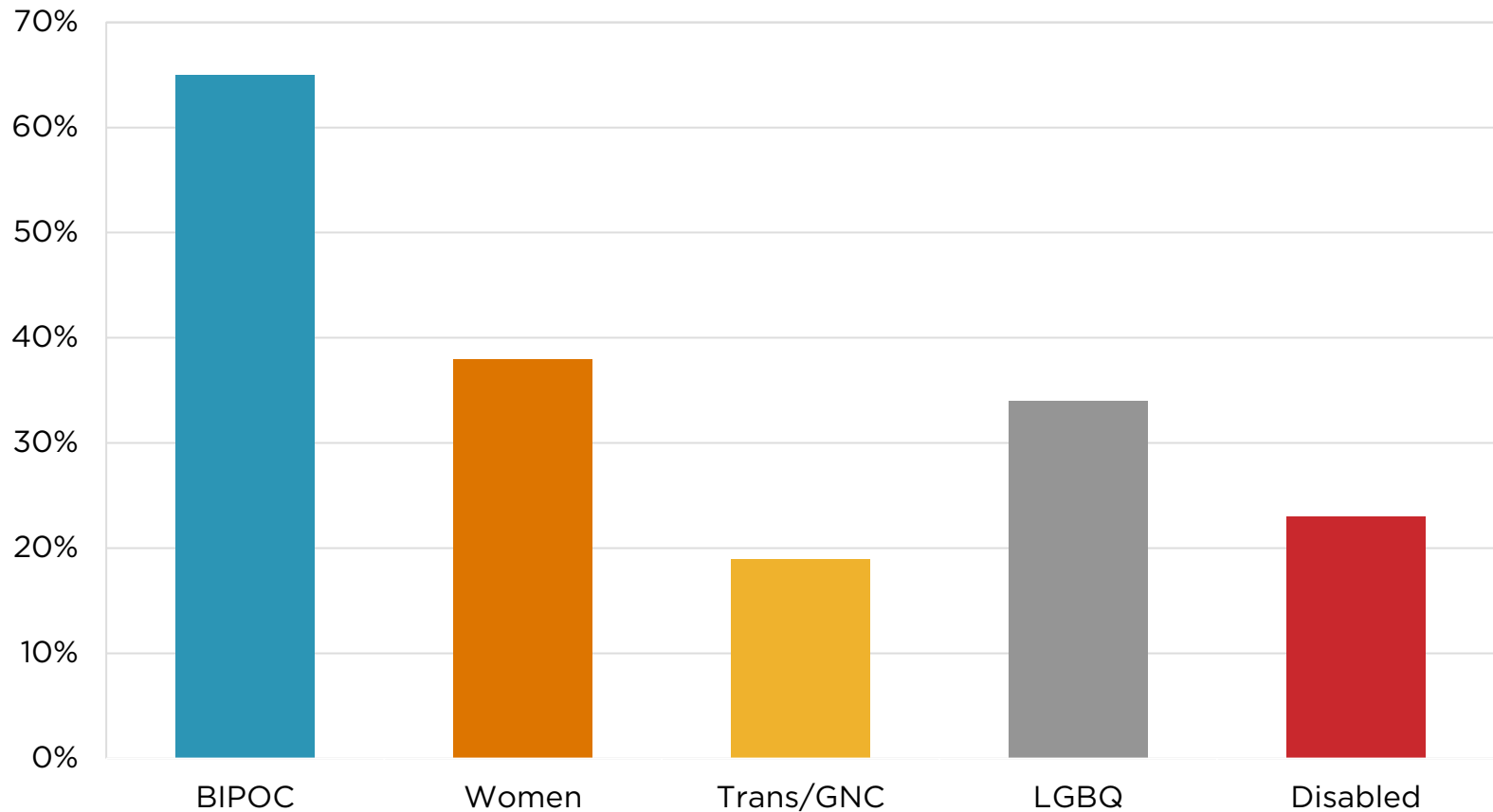
## Arts Impact Endowment: Actual Revenues vs. Expenses & Encumbrances



- 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

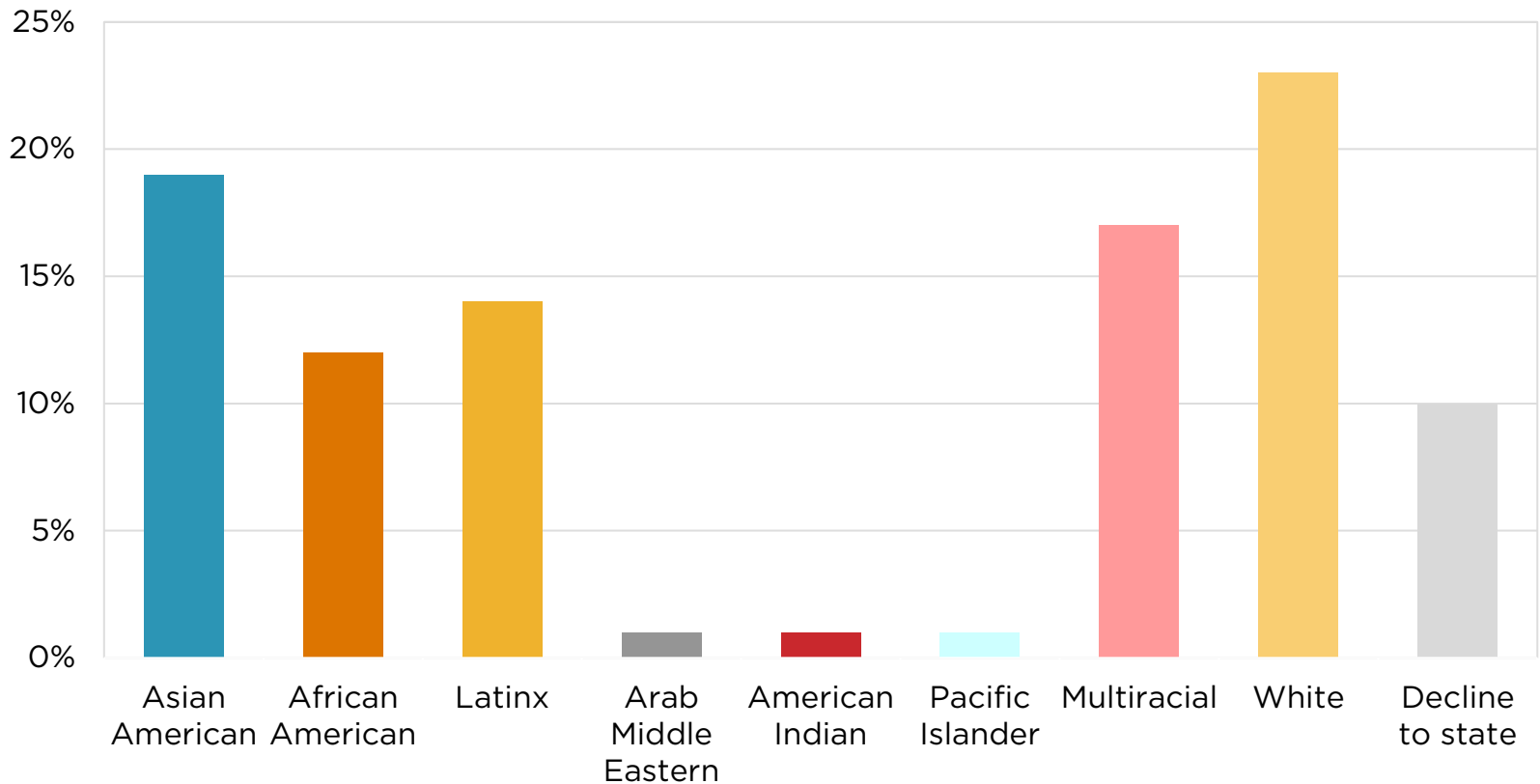
# ARTS & ARTISTS RELIEF FUND IMPACT

Individual Artist Demographics



# ARTS & ARTISTS RELIEF FUND IMPACT

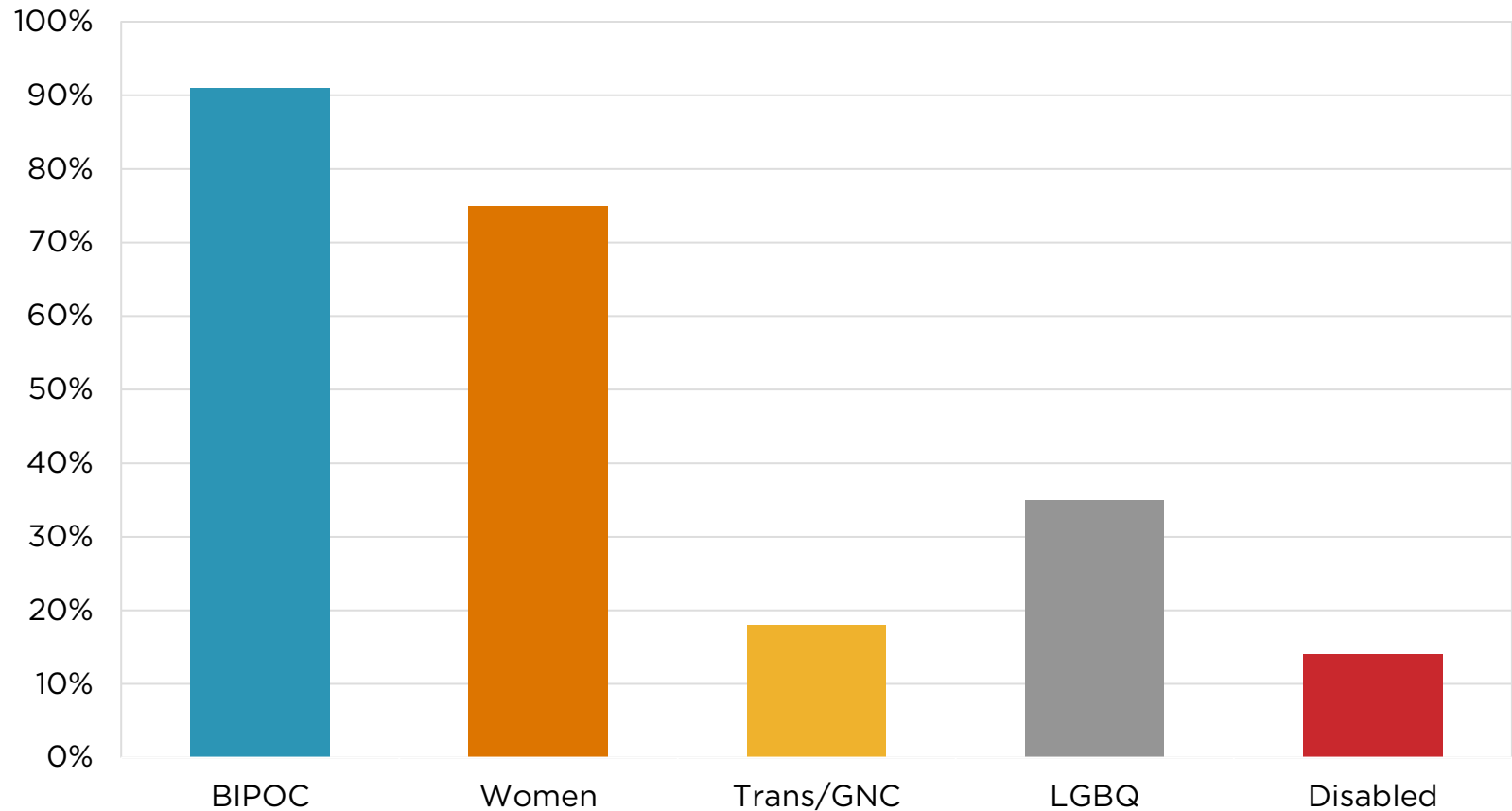
## Individual Artist Racial Demographics



# ARTS & ARTISTS RELIEF FUND IMPACT

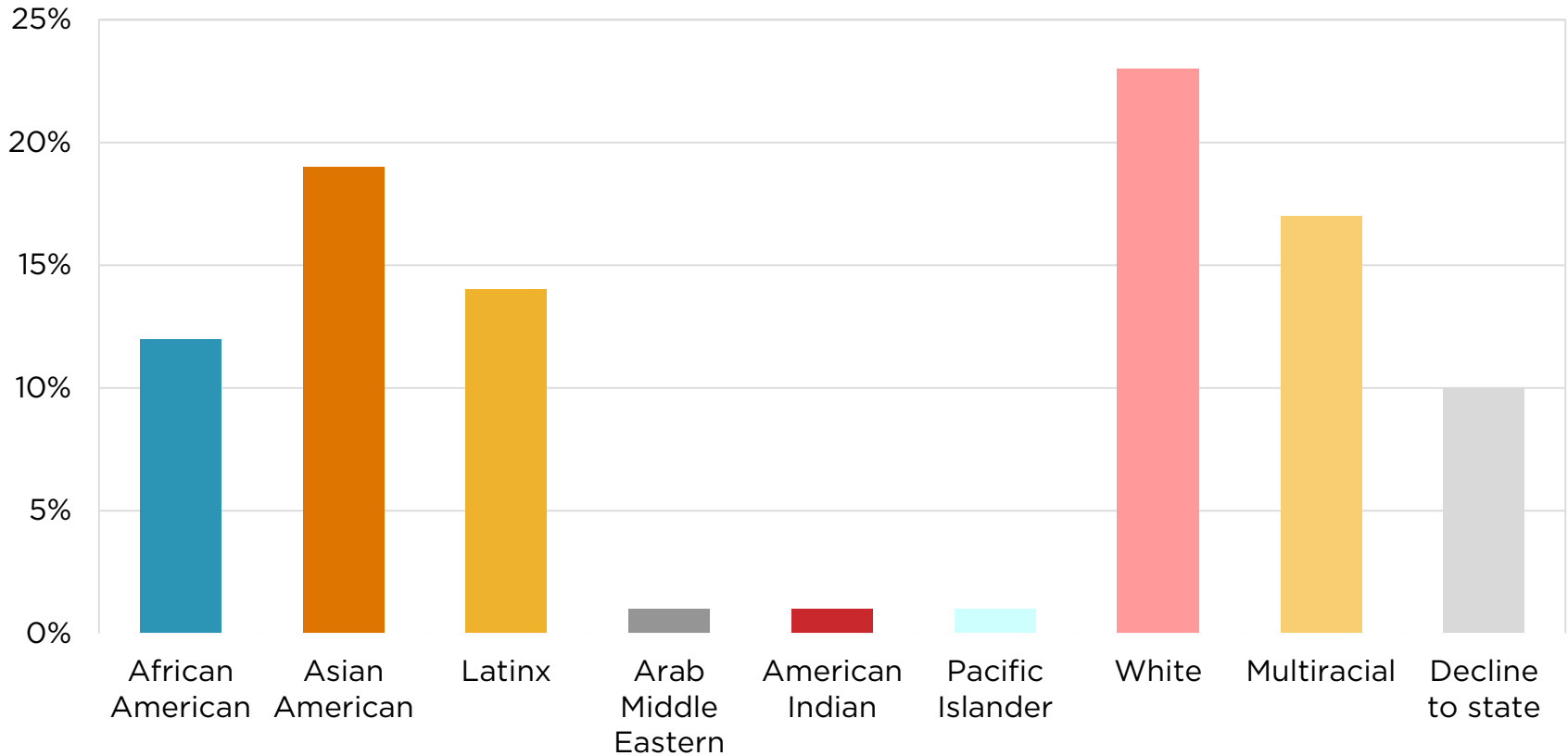
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## Communities Served by Grantee Orgs



# ARTS & ARTISTS RELIEF FUND IMPACT

## Communities Served by Grantee Orgs



## 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

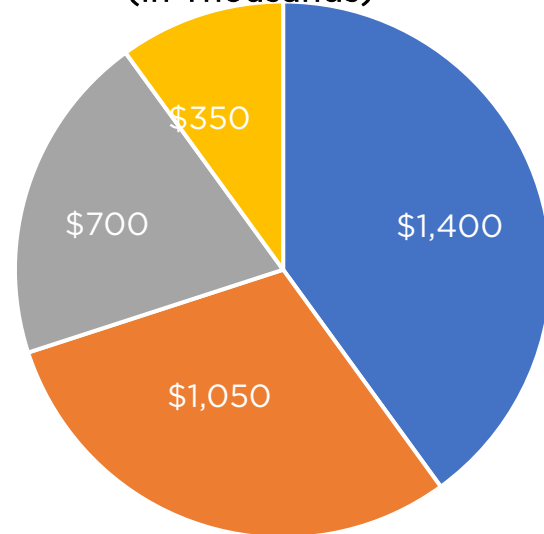
# ARTS IMPACT ENDOWMENT & CSAP PRIORITY AREAS

## AIE Programming (in Thousands)

Arts Relief - Organizations	\$	750
Arts Relief - Individuals		750
Guaranteed Income		200
Re-Opening Safely		800
Arts Hub		250
Sankofa Initiative		700
<b>Total</b>	<b>\$</b>	<b>3,450</b>

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

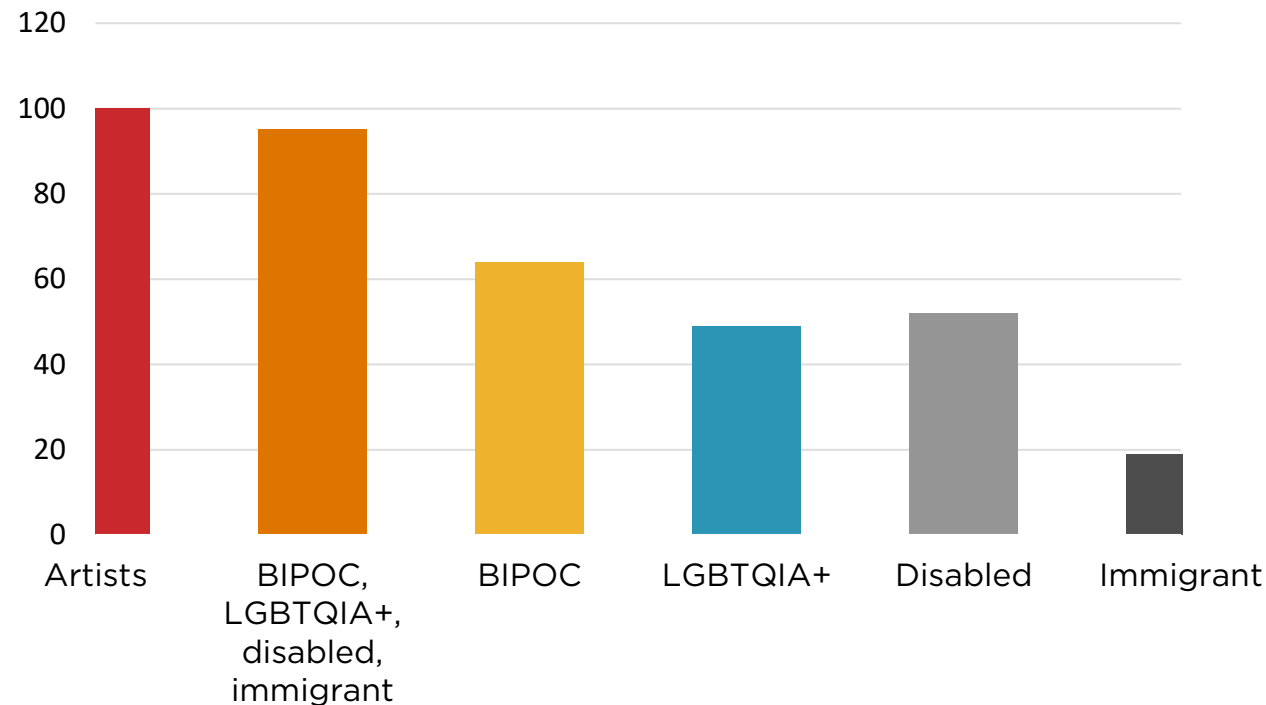
## Arts Impact Endowment Allocations for FY19/20 & FY20/21 (in Thousands)



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

# GUARANTEED INCOME IMPACT

Percent



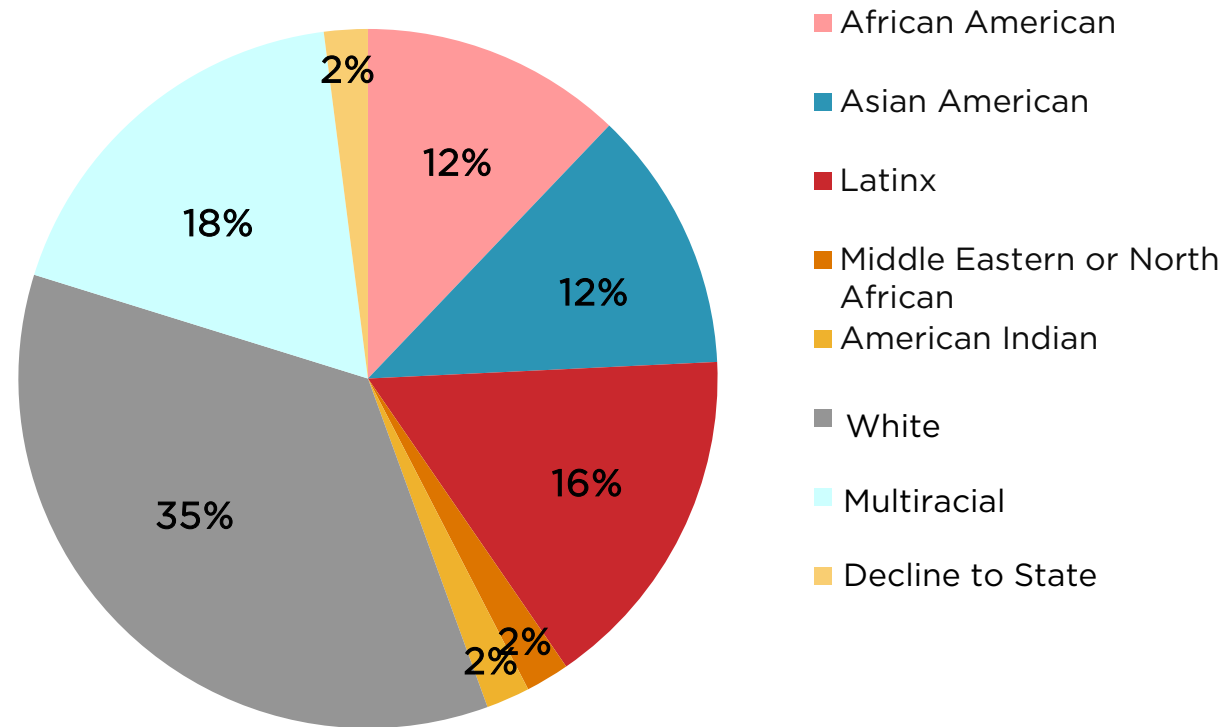
All 130 grantees are:

- 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

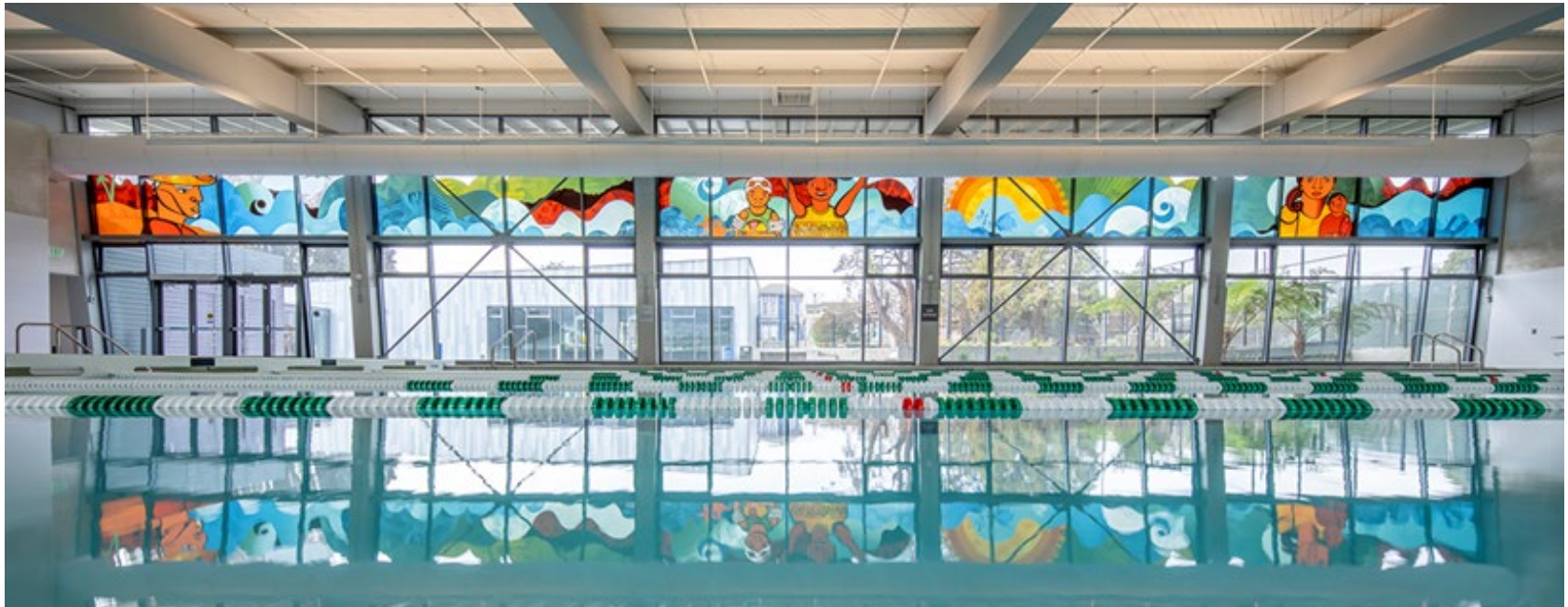


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# RE-OPENING SAFELY

- 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>

# SANKOFA INITIATIVE IMPACT

## 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

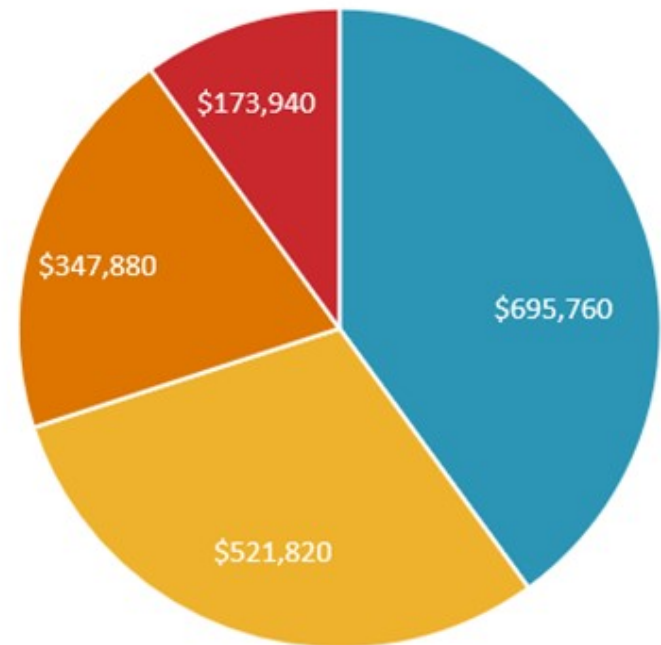
### Boys and Girls Club of San Francisco

- Grant application opens in Fall 2021

# ARTS IMPACT ENDOWMENT FY22 PLAN

Projected AIE Funds	%	\$2,230,000
Reserve Fund	5%	\$111,500
Personnel/Admin	15%	\$334,500
Research/Eval	2%	\$44,600
<b>Subtotal</b>		<b>\$490,600</b>
<b>Total for Priority Areas</b>		<b>\$1,739,400</b>

Funding for Priority Areas



■ Arts Education ■ Space/Capital ■ Arts Org Core Support ■ Artist Support

40% 30% 20% 10%

# WHAT WE LEARNED FROM AIE IN FY21

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.

# AIE FY22 – APPLICANT ELIGIBILITY

- San Francisco-based arts organizations and individuals must:
  - Demonstrate SF corporate address or residency
  - Demonstrate a two-year history and public benefit to the City of San Francisco
  - 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.
  - Special insurance will be required if applying to work with vulnerable populations.
- Grant request amounts:
  - 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.
  - Streamlined application
  - Budget required for application submission
  - Narrative responses for identifying greatest need

Apply to become to become a  
panelist through February 4, 2022!

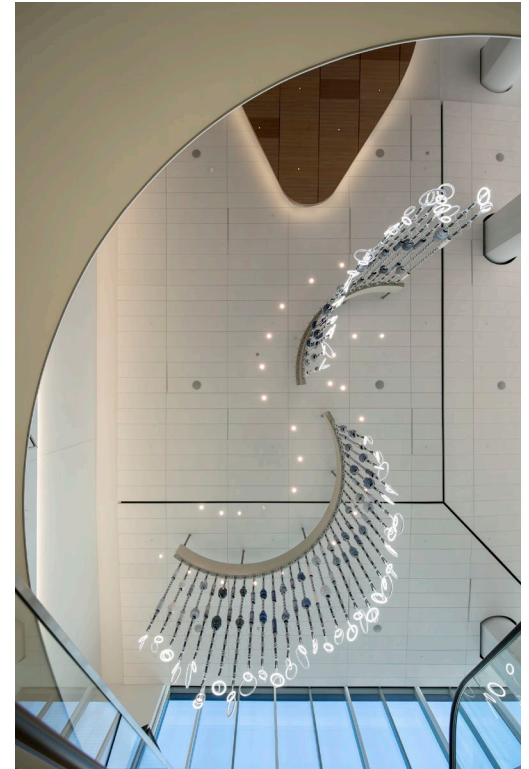
<https://www.sfartscommission.org/panelists>





# Q&A

- 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.



Dana Hemenway  
The Color of  
Horizons, 2020 SFO  
Harvey Milk Terminal 1

Thanks for participating!!

# THANK YOU!



Artist Sarah Torres installing at Cumaica Coffee for ArtSpan