

Communication from Public

Name: Neighborhood Council Leaders

Date Submitted: 03/05/2023 07:11 PM

Council File No: 22-0560

Comments for Public Posting: Dear Honorable Council President Krekorian and the Honorable Members of the Ad Hoc Committee on City Governance Reform, As you know leadership within the Neighborhood Council system is extremely interested in municipal lobbying reform. Our organizing has garnered praise and recognition from both the Los Angeles Daily News and the Los Angeles Times. We were stunned when we learned that the council file was being sent back to committee for further review. In light of those events, I present to you a letter signed by over 120 Neighborhood Council leaders who urge you to pass a robust and enforceable ordinance that does not create new loopholes. We have serious concerns regarding reports of the push for exemptions by 501(c)(3)s and 501(c)(5)s. We hope that the committee will take seriously the unprecedented 45 community impact statements passed by neighborhood councils across every Council District, in addition to this letter. Attached, please find the letter from Neighborhood Council Leaders. Best regards, Jamie York
Secretary, Reseda Neighborhood Council Sent as an individual

To: Los Angeles City Council Ad Hoc Governance Reform Committee
From: Neighborhood Council Leaders
Date: March 5, 2023
Re: Municipal Lobbying Ordinance Updates - Council File 22-0560

Neighborhood Council Leaders demand a robust update to the municipal lobbying ordinance, which closes current loopholes and does not create new loopholes.

Background

Forty-five Neighborhood Councils representing stakeholders across every City Council district have passed community impact statements demanding the advancement of the municipal lobbying ordinance (MLO), which has not undergone comprehensive reform since 1994. Twice before, in 2008 and 2016, recommendations from the Ethics Commission have died without a vote by the City Council. We will not accept this happening for a third time. Articles in the Los Angeles Times¹ and the Los Angeles Daily News² have highlighted the unprecedented campaign by Neighborhood Councils in support of a robust and enforceable MLO, which closes loopholes and does not open the door to new loopholes.

We thank the Ethics Commission for their work in crafting a revised municipal lobbying ordinance which took into account the call by Neighborhood Council Leaders for greater disclosure. We also thank the Board of Neighborhood Commissioners³ and the Neighborhood Council Budget Advocates⁴ for their support of our advocacy. Like noted good government advocates, **“we believe that changes to the Ethics Commission's proposed updates are needed to ensure the City's MLO is effective in achieving its purpose of transparency, accountability, and a level civic playing field.”**⁵ However, we have been disturbed by the reported push for carve outs by unions and nonprofits. These exemptions do not advance the public interest or the public trust.

501(c)(3) Exemption

At the time of the writing of this document, thirty two Neighborhood Councils have advocated for lowering the proposed 501(c)(3) exemption to align with the IRS 990-EZ filing. The current MLO provides a limited exemption for a 501(c)(3) organization “if it receives

¹ Editorial: L.A. is finally cracking down on stealth lobbying - Los Angeles Times
<https://www.latimes.com/opinion/story/2023-02-14/editorial-l-a-is-finally-cracking-down-on-stealth-lobbying>

² LA's Neighborhood Council leaders urge tougher ethics laws at City Hall - Los Angeles Daily News
<https://www.dailynews.com/2022/09/30/las-neighborhood-council-leaders-urge-tougher-ethics-laws-at-city-hall/>

³ Communication from the Board of Neighborhood Commissioners
https://clkrep.lacity.org/online/docs/2022/22-0560_misc_07-05-2022.pdf

⁴ Communication from the Neighborhood Council Budget Advocates
https://clkrep.lacity.org/online/docs/2022/22-0560_misc_8-5-22.pdf

⁵ Organizational memo in support of the municipal lobbying ordinance - California Clean Money Campaign, California Common Cause, Ground Game LA, League of Women Voters of Greater Los Angeles, Los Angeles for Democracy Vouchers, Represent.Us L.A.-SGV Chapter, & Unrig LA
https://clkrep.lacity.org/online/docs/2022/22-0560_PC_PM_02-06-2023.pdf

government funding and provides direct representation services free of charge to indigent persons.”⁶ The Ethics Commission recommended creating an additional exemption for any 501(c)(3) with gross receipts below \$2 million in the previous year. This proposal was intended to cater to small nonprofits, but captures many (if not most) of the large nonprofits that are active in advocacy at City Hall. In addition, a gross receipts model would allow bad actors to front load contributions in order to evade registering under the lobbying ordinance. 501(c)(3)s are able to remain IRS compliant if less than 20% of their initial expenditures are spent on lobbying efforts with a cap of \$1 million per year spent on lobbying. A blanket exemption for medium and large nonprofits invites special interests to create and utilize front groups to engage in lobbying, free from regulation under the MLO. “Real reform will be illusory if we simply close one loophole while creating a new one.”⁷

Some 501(c)(3)’s have raised the specter of the cost of compliance as a reason to oppose their inclusion within the MLO. As good governance advocates have so deftly pointed out, “it is important to note that compliance with our MLO in no way requires someone to hire a lawyer. Our Ethics Commission staff are extremely responsive and are available to answer any questions. They are often the first place that lawyers turn to for guidance. Anyone who is a lobbyist or has questions as to whether they might be a lobbyist can seek informal or formal advice from the Ethics Commission” without cost.⁸

The much-touted letter from SAJE⁹ points to LAANE’s \$30,000 fine by the Ethics Commission as a reason to not subject nonprofits to the MLO. However, the characterization of these events as a mistake, rather than as a willful disregard for the existing lobbying ordinance, is disingenuous. LAANE spent over \$175,000 on unregistered lobbying over the course of several years while filing reports that claimed \$0 in expenditures.¹⁰ It strains credulity to assert the organization “reliably filed reports.”

501(c)(5) Exemption

Neighborhood Council leaders are opposed to any introduction of a 501(c)(5) exemption for labor unions. Neighborhood Councils understand how power works in this City and that is why we have fought hard to advocate for disclosure and tightening of loopholes around the MLO. It is incomprehensible to Neighborhood Council Leaders that an exemption being pushed

⁶ May 5th 2022 Ethics Commission Recommendations. Page 12.
https://clkrep.lacity.org/online/docs/2022/22-0560_misc_5-05-22.pdf

⁷ Organizational memo in support of the municipal lobbying ordinance - California Clean Money Campaign, California Common Cause, Ground Game LA, League of Women Voters of Greater Los Angeles, Los Angeles for Democracy Vouchers, Represent.Us L.A.-SGV Chapter, & Unrig LA
https://clkrep.lacity.org/online/docs/2022/22-0560_PC_PM_02-06-2023.pdf

⁸ Organizational memo in support of the municipal lobbying ordinance - California Clean Money Campaign, California Common Cause, Ground Game LA, League of Women Voters of Greater Los Angeles, Los Angeles for Democracy Vouchers, Represent.Us L.A.-SGV Chapter, & Unrig LA
https://clkrep.lacity.org/online/docs/2022/22-0560_PC_PM_02-06-2023.pdf

⁹ Organizational memo from SAJE
https://clkrep.lacity.org/online/docs/2022/22-0560_PC_PM_02-13-2023.pdf

¹⁰ L.A. Ethics Commission OKs more than \$47,000 in fines for lobbying violations - LA Times
<https://www.latimes.com/local/lanow/la-me-ln-lobbying-violations-20160216-story.html>

by the Los Angeles County Federation of Labor would even be considered given that ***this committee was only created due to the leaked Fed tapes***. The most powerful institutions should neither be demanding nor gaining exemptions over the general public. It is anathema to the call by Neighborhood Councils for a truly robust lobbying ordinance. Union lobbyists have unique interests aiming to deliver better City Contracts for their members which our elected officials often play a role in approving. Unlike small nonprofits, Labor has the resources to navigate public disclosure and compliance. Moreover, Labor has robust existing infrastructure to support staff engaged in lobbying, reducing any burden of compliance even further.

Conclusion

Hundreds of Neighborhood Council leaders representing over 1.6 million constituents have joined together to call for strong lobbying reforms. We are often the front line for some of the worst and most deceptive lobbying practices and we can speak most clearly to the necessity of these reforms. It is time for a lobbying ordinance that serves the people, not the special interests. This issue has united Neighborhood Council leaders across the political spectrum and across Council Districts.

We urge the committee to advance a new MLO that is both comprehensive and enforceable and that does not grant loopholes for special interests.

Thank you for your consideration,

Titles below for identification purposes only, each signing in their capacity as an individual

1. Jamie York, Chair of the Mobility and Environment Committee, Secretary, Reseda Neighborhood Council
2. Michelle Gallagher, Parliamentarian, Reseda Neighborhood Council
3. Jennifer Goodie, Parliamentarian, Mid-City Neighborhood Council and Co-Chair of the Neighborhood Council Budget Advocates
4. Kay Hartman, Treasurer, Palms Neighborhood Council and Co-Chair of the Neighborhood Council Budget Advocates
5. Melanie Winter, Studio City Neighborhood Council Sustainability Committee
6. Heath Kline, Woodland Hills-Warner Center NC, Issues & Policies Committee Chair
7. Michael Konik, Housing Chair, Hollywood Hills West Neighborhood Council
8. Christopher Ahuja, Tarzana Neighborhood Council, NCSA Board Member
9. Tess Taylor, Greater Toluca Lake Neighborhood Council, Governmental Affairs Committee Chair, Planning & Land Use Committee Member, Public Safety Committee Member, Budget Representative
10. Jack Humphreville, Chair, DWP Committee and Budget Advocate
11. Liz Amsden, Past Co-Chair Neighborhood Council Budget Advocates
12. Kelly Cole, Greater Toluca Lake Neighborhood Council Governmental Affairs Committee Member, Past 2-Term Board Member
13. Jiyoung Carolyn Park, Silver Lake Neighborhood Council

14. Angela Saborio, Treasurer, Reseda Neighborhood Council
15. Marvin Chowdhury, former Vice President, Reseda Neighborhood Council
16. Lee Blumenfeld Member of the PLU committee, Area 1 Representative, Encino Neighborhood Council
17. Brandi D'Amore, Secretary, Hollywood United Neighborhood Council
18. James Askew, Vice-President, NoHo Neighborhood Council
19. Tom Booth, Reseda Neighborhood Council
20. Jennifer Hunt Gudernatch, Reseda Neighborhood Council
21. Lionel Mares, Board-Member, Sun Valley Area Neighborhood Council (SVANC)
22. Garry Fordyce, North Hills West Neighborhood Council
23. Douglas Epperhart, President, Coastal San Pedro Neighborhood Council
24. Adele Slaughter, Chair, Sustainability Committee and Board Member, Studio City Neighborhood Council
25. John Sandy Campbell, Board Member, Woodland Hills Warner Center Neighborhood Council (WHIP)
26. Mark Ball, Area 3 Representative, Woodland Hills Warner Center Neighborhood Council
27. Richard M. Loew, President, Eagle Rock Neighborhood Council
28. Erin Huffer, Chair, Outreach Committee, Reseda Neighborhood Council
29. Olga Lexell, Former Board Member, South Robertson Neighborhoods Council
30. John Ma, At-Large Representative & Chair of Ad-Hoc Homelessness Committee, West Adams Neighborhood Council
31. Mike Bravo, Venice Neighborhood Council
32. Jillian Burgos, Treasurer, NoHo Neighborhood Council
33. Raphie Cantor, Member, Greater Wilshire Neighborhood Council
34. Barbara Ringuette, Vice-Chair of Development, Neighborhood Council Budget Advocates
35. Laura Velkei, 2nd Vice President, Chair Land Use, Bylaws & Governance, Former Historic Cultural Neighborhood Council-HCNC
36. Reina Cerros McCaughey, Board Member, Woodland Hills Warner Center Neighborhood Council-PHH
37. Logan Fisher, former Board Member, Woodland Hills Warner Center Neighborhood Council Area 7 Residential Representative
38. Louis Krokover, former President, Encino Neighborhood Council
39. Michael Salmon, former Board Member, Woodland Hills Warner Center Neighborhood Council
40. Dana Cohn, Government Affairs Committee Member, Downtown Los Angeles Neighborhood Council
41. Jeffrey Mausner, Valley Alliance of Neighborhood Councils (VANC) Executive Committee, 2nd Vice President Tarzana Neighborhood Council, Chairman Tarzana Neighborhood Council Animal Welfare Committee, retired Attorney, Law Professor, and Former Federal Prosecutor, United States Department of Justice
42. Sadat Zaman, Chair of the Health and Wellness Committee, Reseda Neighborhood Council

43. Robert Gelfand, former V.P. and chair of Emergency Preparedness and Public Safety, Coastal San Pedro Neighborhood Council
44. Linda Gravani, President, Lake Balboa Neighborhood Council and Valley Alliance of Neighborhood Councils Chair
45. Christine L Rowe
46. Tony Wilkinson (as individual), Chair NC-DWP MOU Committee, Valley Alliance of NCs Exec Committee, Panorama City Neighborhood Council Board
47. Lindsay Imber, President, Sherman Oaks Neighborhood Council
48. Tommy Atlee (as individual), Greater Wilshire Neighborhood Council Board Member
49. J. Ross, West LA resident involved in NCs and community organizations
50. Keren Waters, Vice-President, Granada Hills North Neighborhood Council; Outreach Chair; Planning and Land Use Committee
51. Trevor Reed, Secretary, Central Hollywood Neighborhood Council
52. Daniel A Perez, Del Rey Neighborhood Council and Central Hollywood Neighborhood Council
53. Melissa Peruch, Secretary of the Health and Wellness Committee, Reseda Neighborhood Council
54. Terri Tippet, Westside Neighborhood Council
55. Bitta Sharma, Organizer, Mar Vista Voice
56. CJ Savage, Secretary, Eagle Rock Neighborhood Council
57. Myrra Bolla, Parliamentarian, Van Nuys Neighborhood Council
58. Randell Erving, Jr., Palms Neighborhood Council
59. Karla Escobar, Vice President, Reseda Neighborhood Council
60. Casey Maddren
61. Anat Indig Peddicord, former Board member, Reseda Neighborhood Council
62. Jared Negrón, Board Member, Lake Balboa Neighborhood Council
63. Terrence Gomes, Treasurer, South Robertson Neighborhoods Council (SORO NC) and Chair Los Angeles Neighborhood Council Coalition (LANCC)
64. Brandon Morino, Studio City Neighborhood Council
65. Patricia Bates (as individual), Board member Encino Neighborhood Council and San Fernando Valley Audubon Society
66. Carol Hart, Board Member, North Hills West Neighborhood Council Past President
67. Andrew Lewis, North Westwood Neighborhood Council
68. Isabel Frost Gerhardt (as individual), Tarzana Neighborhood Council Board Member
69. Jimmy Reyes, Board Member, Reseda Neighborhood Council
70. Maebe A. Girl (as individual), Silver Lake Neighborhood Council Treasurer & At-Large Representative
71. David Hunter, Treasurer, Echo Park Neighborhood Council
72. Anthony Searce (as individual) West Hills Neighborhood Council
73. Charles Miller, Board Member, Neighborhood Council Sustainability Alliance
74. Guillermo Morales Vitola, Board Member, Reseda Neighborhood Council
75. Renee Harris, MidCity Neighborhood Council (MINC)
76. Harvey Goldberg, Treasurer and Budget Committee Chair, Tarzana Neighborhood Council

77. Alvin Waters, Financial Officer, Granada Hills North Neighborhood Council, NCSA
78. August Steurer as an individual: Board Member of Woodland Hills - Warner Center Neighborhood Council; Co-Chair of Community Outreach Committee; Member of Planning, Land Use and Mobility Committee; Member of Woodland Hills Issues and Policies Committee [See CIS from WHWCNC], Mayor's Appointee to Ventura-Cahuenga Boulevard Corridor Specific Plan Review Board
79. Annie Gagen (as individual) UN4LA, Franklin Corridor Communities
80. Daryt 'dj' Frank, President Reseda NC, Chair Reseda Planning and Land Use Management Committee
81. Alex Garay (as individual) President of the Encino Neighborhood Council, Chair of the Outreach Committee
82. Karen DiBiase, Board Member of Woodland Hills-Warner Center Neighborhood Council (WHWCNC)
83. Mihran Kalaydjian, Vice President of Woodland Hills- Warner Center Neighborhood Council (WHWCNC)
84. Stephen Naczinski former Vice-Chair Woodland Hills Warner Center Neighborhood Council
85. Victor Saborio, Sergeant at Arms, Reseda Neighborhood Council
86. Ruth Doxsee, Lake Balboa Neighborhood Council Board Member
87. Jacob Wasserman, Transportation Committee Co-chair, North Westwood Neighborhood Council
88. Dena Weiss, President, Woodland Hills - Warner Center Neighborhood Council
89. Glenn Bailey, Treasurer, Los Angeles Neighborhood Council Coalition and Executive Committee member, Valley Alliance of Neighborhood Councils
90. Lydia Grant, President, Sunland Tujunga Neighborhood Council
91. Lallah Rowe, 1st Vice President, Sunland Tujunga Neighborhood Council, Chair Community Improvement and Government Affairs, Chair Youth and Adult Education
92. Carol Hutchinson, Secretary, Sunland Tujunga Neighborhood Council
93. Jon von Gunten, STNC Region 3 Rep, LAPD Volunteer Specialist Neighborhood Watch coordinator; as private person.
94. Corinne Ho, Board Member and Former President, Canoga Park Neighborhood Council
95. Cindy Cleghorn, Board Member & Past President Sunland-Tujunga Neighborhood Council and VANC (Valley Alliance of Neighborhood Councils) Executive Committee
96. Nina Royal, Board Member, Sunland Tujunga Neighborhood Council
97. Sheryl Akerblom, Coastal San Pedro Neighborhood Council, Treasurer
98. Timothy Steele (as individual) Bel Air Beverly Glen Neighborhood Council
99. Brad Kane, President, P.I.C.O Neighborhood Council
100. Michael Tessler, Fmr. Chair, Hollywood Studio District Neighborhood Council
101. Carol Newman, Second Vice President, Lake Balboa Neighborhood Council
102. Jamie Tijerina, Fmr. Historic Highland Park NC Director At-Large & Fmr. Budget Advocate for Region 8
103. Renee Molenda, Reseda Neighborhood Council Health and Wellness Committee Member
104. Maggie Elliott, Vice President, North Hills West NC

105. Dave Brown, Secretary of North Hills West Neighborhood Council
106. Till Stegers, former Board Member, P.I.C.O. Neighborhood Council
107. Zachary Volet, former Board Member, West Hills Neighborhood Council
108. Lena Ayvazian, Board Member, Canoga Park Neighborhood Council
109. Mariam Moore, Planning and Land Committee Member, Sun Valley Area Neighborhood Council
110. Madlena Minasian, President, North Hills West Neighborhood Council
111. Sophia Zambrano, Youth Chair, Reseda Neighborhood Council
112. Danielle Sandoval, former Treasurer of Central San Pedro Neighborhood Council, former President of Harbor City Neighborhood Council, former Neighborhood Council Budget Advocate Region 12, and former Candidate for Los Angeles City Council District 15
113. Scott Silverstein, former Chair, Woodland Hills - Warner Center Neighborhood Council and former Candidate for Los Angeles City Council District 3
114. Golzar Sepehri, Board Member, Reseda Neighborhood Council
115. David Uebersax, President, Winnetka Neighborhood Council and Vice Chair, Los Angeles Neighborhood Council Coalition (LANCC)
116. Jamie Keeton, Former Chair, West Los Angeles Sawtelle Neighborhood Council
117. Danica Middleton, Lake Balboa Neighborhood Council
118. Marianne King, Chatsworth Neighborhood Council
119. Melissa Pressman, Winnetka Neighborhood Council
120. Shelly Schwartz, Education Committee Member of the Woodland Hills - Warner Center Neighborhood Council
121. Mark Schwartz, Board Member, Woodland Hills - Warner Center Neighborhood Council
122. Dennis DiBiase former Vice President, Woodland Hills - Warner Center Neighborhood Council, Current CD-3 Appointee to Ventura-Cahuenga Boulevard Corridor Specific Plan Review Board, and Vice President of the Woodland Hills Homeowners Organization (speaking for myself. I am not representing any organization in my personal support)