

# CITY OF LOS ANGELES

CALIFORNIA

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November 19, 2013

Honorable Members of the  
Los Angeles City Council  
c/o Office of the City Clerk  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, CA 90012

Honorable Members:

As requested by this Honorable Body, the Department of Neighborhood Empowerment (Department) submits this report on an analysis of potential costs associated with adopting a Neighborhood Council subdivision policy.

### Background

At the October 15, 2013 Education and Neighborhoods Committee meeting, the Committee members raised the concern of the additional costs for the City if a subdivision policy was adopted, and new Neighborhood Councils were created as a result. It is difficult to estimate how many Neighborhood Councils would utilize the new policy, but the Department has compiled current data and possible scenarios that it hopes will be helpful in the Committee's consideration of the policy.

Under the existing system, there is currently no official boundary adjustment policy which allows for subdivision. A Neighborhood Council could potentially decertify and begin a new certification process as two (2) new Neighborhood Councils, but this process would be burdensome and has never been attempted.

After vetting the issue through its Neighborhood Council Plan Review Committees and receiving input from Neighborhood Councils through an online survey, the Board of Neighborhood Commissioners (Commission) adopted a recommendation for creating an official subdivision process, which would allow a new Neighborhood Council to be created from within the boundaries of an existing Neighborhood Council with the following process:

1. The subdividing group shall undertake the process for Neighborhood Council formation as already described for new councils.
2. The Department shall set an election to take up the question within ninety (90) days of verifying all paperwork is complete.

CF No. 12-1681

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Deputy: DONE

3. A majority of the votes cast by stakeholders of the entire original Neighborhood Council shall be required to complete the separation and create a new council.
4. If an area leaves a Neighborhood Council, the original council should simply be required to adjust its boundaries and board structure and not recertify.
5. If an area moves between two (2) existing Neighborhood Councils, neither should be required to recertify.

#### Current Status of Neighborhood Councils

The City has set the goal for a Neighborhood Council's size at a minimum of 20,000 residents, but has allowed for exceptions. The Los Angeles Administrative Code (LAAC), Section 22.810.1 (2) (A) states:

...Boundary Goal Criteria: (i) The proposed area has a minimum of 20,000 residents. However, areas that have fewer than 20,000 residents may be considered for certification providing they meet the following criteria...: (1) The proposed area is separated from adjacent communities by significant geographic or other features; or (2) The proposed area is identified by name within any of the adopted community plans within the City of Los Angeles; or (3) The proposed area represents an historic, identifiable neighborhood or community and includes local City service providers,...

The City's ninety-five (95) existing Neighborhood Councils range in size from the smallest having 6,889 residents to the largest having 95,323 residents. The average median size of Neighborhood Councils is 33,754. There have been eight (8) Councils that petitioned the Commission and met the criteria to be certified with a resident population of under 20,000 residents. For the full population listing of all the Neighborhood Councils, please see Attachment A.

#### Potential Costs of a Subdivision Policy

With the drastic budget cuts of recent years, the Department's capacity to support the Neighborhood Councils has been significantly reduced. The Department is currently funded for eight (8) field positions, i.e. Neighborhood Empowerment Analysts (NEA), but due to staff work restrictions, only seven (7) work in the field. This translates to one (1) NEA for approximately every fourteen (14) Neighborhood Councils. The Department believes that a more sustainable and effective level of service would be achieved by reducing the ratio to one (1) NEA for every ten (10) Neighborhood Councils.

The following chart shows various funding scenarios, starting with the existing Neighborhood Councils with their yearly \$37,000 allocation at current staffing levels, which include field, funding and administrative staff. Scenarios 1 through 3 show the costs if there was an increase in the number of Neighborhood Councils to one hundred (100), one hundred and twenty (120), and one hundred and fifty (150) Councils, respectively. Scenarios 4 to 7 show increased costs if the field staffing ratio was lowered.

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Finally, scenarios 8 to 11 show increased costs if both the staffing ratio was lowered and the funding to Neighborhood Councils was restored to their original \$50,000 allocation per Neighborhood Council.

Scenario	# of Neighborhood Councils (NCs)	Neighborhood Empowerment Analyst staffing ratio (staff : NC)	Department Budget: salaries, expenses (not including pension, other costs)	Department cost per NC	Neighborhood Council Funding Program	NC Funding Program per NC	Total Cost per NC
Current	95	1:14	\$ 2,554,645	\$ 26,891	\$ 3,515,000	\$ 37,000	\$ 63,891
1	100	1:14	\$ 2,689,100	\$ 26,891	\$ 3,700,000	\$ 37,000	\$ 63,891
2	120	1:14	\$ 3,226,920	\$ 26,891	\$ 4,440,000	\$ 37,000	\$ 63,891
3	150	1:14	\$ 4,033,650	\$ 26,891	\$ 5,550,000	\$ 37,000	\$ 63,891
4	95	1:10	\$ 2,799,270	\$ 29,466	\$ 3,515,000	\$ 37,000	\$ 66,466
5	100	1:10	\$ 2,946,600	\$ 29,466	\$ 3,700,000	\$ 37,000	\$ 66,466
6	120	1:10	\$ 3,535,920	\$ 29,466	\$ 4,440,000	\$ 37,000	\$ 66,466
7	150	1:10	\$ 4,419,900	\$ 29,466	\$ 5,550,000	\$ 37,000	\$ 66,466
8	95	1:10	\$ 2,799,270	\$ 29,466	\$ 4,750,000	\$ 50,000	\$ 79,466
9	100	1:10	\$ 2,946,600	\$ 29,466	\$ 5,000,000	\$ 50,000	\$ 79,466
10	120	1:10	\$ 3,535,920	\$ 29,466	\$ 6,000,000	\$ 50,000	\$ 79,466
11	150	1:10	\$ 4,419,900	\$ 29,466	\$ 7,500,000	\$ 50,000	\$ 79,466

### Conclusion

The Department hopes that the compiled data and possible scenarios are helpful as you consider the recommendations from the Board of Neighborhood Commissioners on the Neighborhood Council subdivision policy.

If you have any questions regarding this matter, please contact me at (213) 978-1551.

Very truly yours,



Grayce Liu  
General Manager