

ORDINANCE NO. _____

An ordinance amending Articles 9.5 and 9.7, Chapter IV of the Los Angeles Municipal Code to add developer campaign and ethics restrictions.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 49.5.2.J.1.e of the Los Angeles Municipal Code is added to read as follows:

e. A person who is an applicant, owner, or principal under Section 49.7.37.

Sec. 2. Section 49.7.16.B.3 of the Los Angeles Municipal Code is amended to read as follows:

3. The contribution is not from a person who is prohibited from contributing, including the following:

a. A lobbyist or lobbying firm that is prohibited from contributing under Charter Section 470(c)(11);

b. A bidder, subcontractor, principal, or underwriting firm that is prohibited from contributing under Charter Section 470(c)(12) or Charter Section 609(e); and

c. An applicant or principal who is prohibited from contributing under Section 49.7.37.

Sec. 3. Sections 49.7.35.A.7.e, 49.7.35.A.7.f, and 49.7.35.A.7.g are amended to read as follows:

e. Providing the use of one's home or business to hold a fundraising event if the bidder, sub-contractor, or an employee, officer or principal of the bidder or sub-contractor is invited to attend the event.

f. Paying for at least 20 percent of the costs of a fundraising event if the bidder, sub-contractor, or an employee, officer or principal of the bidder or sub-contractor is invited to attend the event.

g. Hiring another person to conduct a fundraising event if the bidder, sub-contractor, or an employee, officer or principal of the bidder or sub-contractor is invited to attend the event.

Sec. 4. Sections 49.7.36.A.1.e, 49.7.36.A.1.f, and 49.7.36.A.1.g are amended to read as follows:

e. Providing the use of one's home or business to hold a fundraising event if the underwriting firm, sub-contractor, or an employee, officer, or principal of the underwriting firm or sub-contractor is invited to attend the event.

f. Paying for at least 20 percent of the costs of a fundraising event if the underwriting firm, sub-contractor, or an employee, officer, or principal of the underwriting firm or sub-contractor is invited to attend the event.

g. Hiring another person to conduct a fundraising event if the underwriting firm, sub-contractor, or an employee, officer, or principal of the underwriting firm or sub-contractor is invited to attend the event.

Sec. 5. Sections 49.7.37, 49.7.38, 49.7.39 and 49.7.40 of the Los Angeles Municipal Code are redesignated as 49.7.38, 49.7.39, 49.7.40 and 49.7.41, respectively.

Sec. 6. A new Section 49.7.37 of the Los Angeles Municipal Code is added to read as follows:

SEC. 49.7.37. DEVELOPER CONTRIBUTION AND FUNDRAISING RESTRICTIONS.

A. **Definitions.** For purposes of this Section, the following definitions apply:

1. **"Application"** means a land use application that is filed with the Planning Department and requires a discretionary decision.

2. **"Applicant"** means a person who is identified as the applicant on an application or any document filed in conjunction with an application and includes any person who is subsequently identified as an applicant.

3. **"Discretionary decision"** means a final decision regarding an application that is rendered by the Director of Planning, a zoning administrator, the advisory agency, a deputy advisory agency, an Area Planning Commission, the City Planning Commission, the Cultural Heritage Commission, the City Council, the Mayor, or the designee of one of the above. The term does not include a ministerial decision on an application.

4. **"Planning Department"** means the Los Angeles Department of City Planning.

5. **"Principal"** means the following:

a. A person identified as a property owner on an application or any document filed in conjunction with an application;

b. A member of the project team as identified on the application, and the following persons when retained to perform work on the application or the related development project, regardless of whether they are identified on the application: architectural firm, lobbying firm, engineering firm, law firm, consulting firm, construction firm, and the individual at those firms leading the firm's work on the application or the related development project;

c. A subcontractor of a firm identified in Paragraph b who is expected to receive at least \$100,000 as a result of performing work regarding an application or the related development project;

d. The board chair, president, chief executive officer, chief operating officer, and an individual who serves in the functional equivalent of one or more of those positions of the applicant or entities identified in Paragraphs a, b or c;

e. A person who holds an ownership interest of 20 percent or more in a person identified in the applicant or person identified in Paragraphs a, b or c; and

f. An individual employee of the applicant or a person identified in Paragraphs a through d who is authorized to represent the person before the Planning Department.

7. **"Prohibited fundraising"** means the following activities:

a. Asking the applicant, a principal, or an officer or employee of the applicant or a principal to make a contribution;

b. Inviting the applicant, a principal, or an officer or employee of the applicant or a principal to a fundraising event;

c. Supplying the name of the applicant, a principal, or an officer or employee of the applicant or a principal for an invitation to a fundraising event;

d. Permitting one's name to appear on a solicitation for contributions or an invitation to a fundraising event sent to the applicant, a principal, or an officer or employee of the applicant or a principal;

e. Providing the use of one's home or business to hold a fundraising event if the applicant, principal, or an officer or employee of the applicant or a principal is invited to attend the event;

f. Paying for at least 20 percent of the costs of a fundraising event if the applicant, a principal, or an officer or employee of the applicant or a principal is invited to attend the event;

g. Hiring another person to conduct a fundraising event if the applicant, principal, or an officer or employee of the applicant or a principal is invited to attend the event;

h. Delivering a contribution, either in person or by mail, of the applicant, a principal, or an officer or employee of the applicant or a principal to the elected City officer, candidate for elected City office, or an agent of the officer or candidate; and

i. Acting as an agent or intermediary in connection with the making of a contribution of the applicant, a principal, or an officer or employee of the applicant or a principal to the elected City officer, candidate for elected City office, or a City controlled committee.

The term does not include individual advice provided by a lobbyist to the lobbyist's client or lobbyist employer or by an attorney to the attorney's client regarding the making of contributions.

B. Restrictions.

1. An applicant or principal that is not a lobbyist or lobbying firm shall not make a contribution to an elected City officer, a candidate for elected City office, or a City controlled committee and shall not engage in prohibited fundraising to an elected City officer, a candidate for elected City office, or a City controlled committee.

2. An applicant or principal that is a lobbyist or lobbying firm shall comply with the Charter Section 470(c)(11) and shall not engage in prohibited fundraising to an City elected officer, a candidate for elected City office, or a City controlled committees if the lobbyist or lobbying firm is required to be registered to lobby the elected City office for which the candidate is seeking election, or the current City office, department, bureau, or agency of the candidate or officer.

3. An elected City officer, a candidate for elected City office, or a City controlled committee shall not receive a contribution from an applicant or principal and shall not knowingly accept a contribution from another person as a result of prohibited fundraising by an applicant or principal. This subsection does not prohibit an applicant or principal who is a candidate for elected City office from making a personal loan to his or her own campaign.

C. Timing of Fundraising and Contribution Restrictions. The restrictions in Subsection B apply from the time an application is submitted until 12 months after the

date a letter of determination is issued, or if none, the date the decision on the application is final. If the application is withdrawn or terminated pursuant to the Zoning Code, the restriction applies until the day after the termination or the filing of the withdrawal.

D. Disclosure

1. The Planning Department shall notify every applicant of the requirements in this Section.

2. At the time an application for a land use entitlement is submitted, the applicant shall file the following information:

a. A brief description of the development project, including any City reference number associated with it and the address or APN of the project site;

b. The date the application was submitted;

c. The applicant's name, address, phone number, and email address;

d. The names and titles of all principals; and

e. A certification under penalty of perjury that the information submitted is true and complete and that the applicant understands, will comply with, and will notify all principals of the prohibitions listed in Subsections B and C.

3. The information shall be filed through an electronic database created by the Ethics Commission. The City shall provide the Ethics Commission with adequate staffing and funding to create, maintain, and update the database and to administer this Section.

4. Notwithstanding any other provision of this Code, an application is not complete until the applicant has filed the information required by this Section, unless State law provides otherwise. A receipt from the Ethics Commission confirming the applicant's certified filing is sufficient for evidence of completeness of an application for purposes of the Permit Streamlining Act and shall not be considered a determination that the applicant has complied with the requirements of this Section.

5. If the information filed pursuant to this subsection changes, the applicant shall update its filing within ten business days after the change. The requirement to amend applies as long as the restriction in Subsection B applies.

E. In addition to any other penalties or remedies established by this Article, an applicant or principal found to have violated or have aided or abetted a violation of this Subsections B or C, may not be an applicant or principal on a new application for 12 months after the determination of violation by the Ethics Commission, unless the Ethics Commission, as a body, determines that mitigating circumstances exist concerning the violation. The Ethics Commission may adopt regulations regarding mitigating circumstances, including what constitutes mitigating circumstances and any other information determined to be necessary. The Ethics Commission staff shall notify the Planning Department of a determination of violation within ten business days after the determination by the Ethics Commission.

Sec. 7. Severability. If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance which can be implemented without the invalid provisions, and to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted this ordinance and each provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.

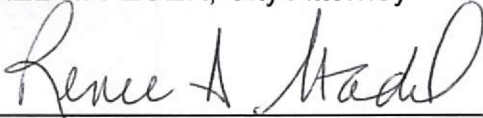
Sec. 8. Operative Date. This ordinance shall not be operative until the first day a candidate for elected City office may file a Declaration of Intent to Solicit and Raise Contributions for the 2022 general election.

Sec. 9. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By



RENEE STADEL
Assistant City Attorney

Date

9/17/19

File No.

19-0046

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____