

Your Community Impact Statement has been successfully submitted to City Council and Committees.

If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at NCsupport@lacity.org.

This is an automated response, please do not reply to this email.

Contact Information

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The Board approved this CIS by a vote of: Yea(15) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 03/05/2019

Type of NC Board Action: For if Amended

Impact Information

Date: 03/23/2019

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 19-0046

Agenda Date:

Item Number:

Summary: Please see attached Community Impact Statement.

**EAGLE ROCK
NEIGHBORHOOD COUNCIL**

Executive Committee

Lisa Kable Blanchard, President
Becky Newman, Vice President
Bridget Byrnes Hirsch, Treasurer
Pat Niessen, Communications
Matt Hemingway, Secretary

**CITY OF
LOS ANGELES
CALIFORNIA**



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COMMUNITY IMPACT STATEMENT

March 23, 2019

Rules, Elections, and Intergovernmental Relations Committee
Los Angeles City Council
200 N. Spring St.
Los Angeles, CA 90012

Dear Committee Members:

On March 5, 2019, a Brown Act noticed public meeting was held with a quorum of 15 board members present and that by a vote of 15 yes, 0 no, and 0 abstentions, the Eagle Rock Neighborhood Council (ERNC) adopted the following Community Impact Statement concerning Council File 19-0046, Developer Contribution Restrictions / City Elected Officials / Candidates for City Office:

The ERNC strongly supports CF 19-0046, a motion introduced by Councilmember David Ryu to amend the City's campaign finance laws, similar to the Measure H restrictions approved by Los Angeles voters in 2011, to prohibit contributions to City elected officials and candidates for City office from "Restricted Developers." "Restricted Developers" would be defined to include the owner(s) of real property (and if ownership is held in the name of a legal entity, the term would also include the principals of the entity), when (a) an application for any significant Planning Entitlement Process administered by the Department of City Planning for the property has been filed, and (b) the completion of the Planning Entitlement Process requires approval or other action by City elected officials or candidates for City office, and (c) the Planning Entitlement Process involved would allow the construction or addition of more than 4,000 square feet of residential floor area or 15,000 square feet of commercial floor area. The prohibition on contributions would extend from the date of the application to a date twelve (12) months following the final resolution of the application. The prohibition would also restrict City officials from requesting, and developers and their principals from providing, behested payments under the same conditions.¹

According to the motion, the City has laws designed to prevent a perception that the official actions of elected officials are influenced by campaign contributions, including "outright prohibitions on campaign contributions from registered lobbyists, restrictions on contributions by businesses that are contracting (or seeking to contract) with the City, and prohibitions on solicitations of contributions from City employees and commissioners." However, recent *Los Angeles Times* coverage earlier this year revealed that the FBI is investigating City Councilmembers Jose Huizar and Curren Price, as well as current and former aides

¹ January 15, 2019 Motion, http://clkrep.lacity.org/onlinedocs/2019/19-0046_mot_01-15-2019.pdf

to Huizar, Mayor Eric Garcetti, and City Council President Herb Wesson, regarding possible bribery, kickbacks, extortion, and money-laundering involving real estate developers, among other concerns.² Although the ERNC values the presumption of innocence and acknowledges that no officials have been charged with crimes as of this writing, the ERNC has been extremely concerned in following the *Los Angeles Times* coverage over many months about the alleged “pay to play” culture involving numerous Councilmembers and their current and former staff. These issues consume valuable time and resources for the Councilmember offices involved in the allegations, and erode public confidence and trust in the actions and decisions of the City Council, its members, the Mayor, and other City departments, particularly those departments involved in planning, zoning, and land use entitlement issues. The ERNC also believes it is important to extend proposed reforms for corporations and other entities to City employee unions. The perception of corruption, transactional politics, and the lack of transparency, documented in the City Ethics Commission recommendations accompanying this Council File, negatively impacts neighborhoods and communities such as Eagle Rock. Despite some efforts in recent years, as a whole the City Council has been reluctant to advance and champion legislation to address these issues, and the problem has festered and grown to the point of prompting a significant FBI investigation.³

Beyond the motion itself, the ERNC strongly supports the recent City Ethics Commission recommendations and amendments, included as part of this Council File, including a ban on campaign contributions from and fundraising by non-individuals and developers.⁴ The Ethics Commission also unanimously approved enhanced disclosure of “behested payments” and a ban on soliciting behested payments from restricted sources; many of these behested payments go to government agencies or charitable organizations. Nevertheless, per the Commission, “[t]here is also the potential for actual or perceived corruption in the realm of behested money, particularly when payments are solicited from persons who have business with the City.”

Finally, the ERNC encourages the City Council, with support from the Chief Legislative Analyst, Chief Administrative Officer, and City Attorney’s Office, to tackle the broader issue underlying the need for these ethics reforms in the first place: the slow, costly, bureaucratic, and opaque policies and processes by which City departments review and make decisions about planning and land use entitlement issues. Perhaps if the City Council had undertaken a bigger reform effort to clarify and streamline this process across the relevant departments, this limited “band-aid” addressing restrictions about developer contributions to Councilmembers and their staff would have been less necessary in the first place.

² See David Zahniser, Emily Alpert Reyes, and Joel Rubin, “FBI corruption probe goes beyond L.A. Councilman Jose Huizar to include other City Hall figures,” January 12, 2019, <https://www.latimes.com/local/lanow/la-me-ln-huizar-warrant-20190112-story.html>; Emily Alpert Reyes and David Zahniser, “With FBI probe looming, L.A. City Council members revive plan to limit developer donations,” January 15, 2019, <https://www.latimes.com/local/lanow/la-me-ln-developer-donations-20190115-story.html>. See also David Zahniser, “Downtown L.A. developer donated \$50,000 before pivotal vote involving high-rise project, records show,” February 7, 2019, <https://www.latimes.com/local/lanow/la-me-developer-donations-onni-20190207-story.html>

³ See David Zahniser and Emily Alpert Reyes, “L.A. Ethics Commission backs restrictions on developer donations amid FBI corruption probe,” February 19, 2019, <https://www.latimes.com/local/lanow/la-me-ln-developer-money-20190219-story.html>.

⁴ See http://clkrep.lacity.org/onlinedocs/2019/19-0046_rpt_ETH_02-27-2019.pdf.

Thank you for your consideration and attention to this important issue.

Respectfully,

The Eagle Rock Neighborhood Council

cc: Jose Hernandez, Field Deputy, Office of Councilmember Jose Huizar
Martin Schlageter, Policy Director, Office of Councilmember Jose Huizar
Paul Habib, Chief of Staff, Office of Councilmember Jose Huizar
Office of Mayor Eric Garcetti
Los Angeles Times
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