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

Neighborhood Council: Woodland Hills-Warner Center

Name: Joyce Fletcher

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The Board approved this CIS by a vote of: Yea(13) Nay(1) Abstain(1) Ineligible(1) Recusal(2)

Date of NC Board Action: 07/13/2022

Type of NC Board Action: For

Impact Information Date: 07/30/2022

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 22-0560 Agenda Date: 07/13/2022

Item Number: 6

Summary: WHEREAS the WHWCNC has experience with paid lobbyists appearing before the NC

trying to influence the position of the Board, the WHWCNC strongly supports the Ethics

Commission proposed changes to the Los Angeles Municipal Lobbying Ordinance. See attached CIS.





RE: Council File 22-0560

Municipal Lobbying Ordinance

On July 13, 2022, the Board of the Woodland Hills-Warner Center Neighborhood Council (WHWCNC) approved a Community Impact Statement (CIS) related to Council File 22-0560, the Municipal Lobbying Ordinance.

The CIS and board vote are on the following pages.

Thank you for your help with this matter.

Best regards,

Woodland Hills-Warner Center Neighborhood Council

Joyce Fletcher, President

Cc:

Nury Martinez, CD-6, LA City Council President, Chair Rules, Elections, and Intergovernmental Relations Committee councilmember.martinez@lacity.org

Mitch O'Farrell, CD-13, Vice Chair Elections, and Intergovernmental Relations Committee councilmember.ofarrell@lacity.org

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Heath Kline, WHWCNC WHIP Chair h.kline@whcouncil.org

Council File 22-0560

Municipal Lobbying Ordinance

Motion to support pending changes and suggested additional improvements to the Los Angeles Municipal Lobbying Ordinance.

WHEREAS the WHWCNC WHIP Committee has had experience with paid lobbyists appearing before WHIP trying to influence the position of the Committee and, in turn, the WHWCNC Board, without disclosing they were paid lobbyists. Then when confronted, the individuals admitted they were paid lobbyists for a non-profit lobbying organization. However, the lobbyist failed to disclose that the 501(c) organization paying them received its funding from an industry trade association that has taken a position against widely accepted local, state, national and international standards. The WHIP Committee determined these widely accepted standards would be in the best interest of the Woodland Hills community and the City of Los Angeles.

NOW, THEREFORE, the WHWCNC WHIP Committee strongly supports the Ethics Commission proposed changes to the Los Angeles Municipal Lobbying Ordinance together with the changes suggested in the Reseda NC filed CIS and the WHIP unanimously passed DRAFT CIS statement below. We ask WHWCNC to adopt this position and so inform city officials by filing the following Community Impact Statement and emailing copies as indicated:

Council File 22-0560

(Municipal Lobbying Ordinance / Updates)

The Woodland Hills-Warner Center Neighborhood Council [WHWCNC] supports the changes recommended in the <u>Report from City Ethics Commission</u> to the municipal lobbying ordinance (MLO) regarding neighborhood councils [NCs]. We also request the consideration of changes to a few areas of the draft MLO that we believe will benefit transparency in all parts of city government.

This matter is extremely important to NCs because we are routinely disadvantaged and victimized by loopholes in the current MLO. Therefore, we ask Council President Martinez to hold hearings on <u>Council File 22-0560</u> and move the updated and improved MLO for adoption ASAP.

Under section 48.08.8 of the current lobbying ordinance, a lobbyist disclosure is required only for written communications to NCs. We believe the MLO should be updated to include identical disclosure requirements when a lobbyist makes an oral presentation or public comment to an NC related to their lobbying efforts. Therefore, we deeply agree with section 48.11 of the draft MLO under consideration.

NCs continue to meet virtually due to COVID. It is anticipated virtual meetings will continue in some form even when/if the pandemic passes. Additionally, under AB 361, we are prohibited from requiring "speaker cards," which is where traditionally lobbying disclosures had happened on our council. While the WHWCNC can require disclosure for its meetings, that disclosure has no teeth for enforcement as it is not an ordinance and does not address the other 98 NCs that similarly serve as elected advisory bodies to the city.

We believe the lack of oral lobbyist disclosure requirement leaves many NC board members and attending members of the public at an information disadvantage that should be addressed for the following reasons:

- 1) **Transparency.** We believe every voting member at a board meeting has the right to the knowledge if a lobbyist is speaking on an item for which they are compensated to lobby.
- 2) Diffusion of responsibility. A lobbyist may send a correct written disclosure either via mail or email. Still, often these communications do not go to every board member and attending members of the public. Unless the receiving board member is diligent in passing along these communications, the possibility exists that other board members and members of the public following the discussion would not know of the lobbyist status of the individual speaking.
- 3) Lack of training. NC members do not receive training on identifying or looking up lobbyist activities in the city through the Department of Neighborhood Empowerment. We believe the legal onus should be on the lobbyist to be as upfront and straightforward with the board, and members of the public attending, as possible. Additionally, the responsibility is then on the paid lobbyist rather than the volunteer board member when it comes to the pursuit of this information.

The WHWCNC recommends similar verbal lobbying and paid representative disclosures for all city government meetings. Required disclosure announcements at these meetings could be made by the lobbyist or the presiding officer of the meeting. These disclosures would ensure the public is fully aware of the associations of all speakers who are paid lobbyists. NC members and members of the general public frequently listen to city government meetings or recordings of the meetings. Therefore, we strongly feel that this minor addition would bring greater transparency to city processes. We urge the City Council to adopt this simple change.

Suggested MLO Improvements. In addition, the WHWCNC would like to suggest some additional changes that it believes will further improve the Municipal Lobbying Ordinance for the benefit of all levels of City government and members of the public:

• The City Council should adopt a non-profit exemption of \$200,000 in revenue or \$500,000 in assets instead of the proposed \$2,000,000. This change aligns with the IRS tax filing system and would allow any non-profit that files a 990-N or 990-EZ to gain exemption.

This change also reflects the current San Francisco ethics ordinance. The current recommendation of \$2 million in revenue is far too high and would exempt most non-profits in Southern California. Only 16% of Southern California non-profits have revenues above \$1 million, so an exemption set at twice that amount would adversely impact transparency.

• The MLO should incorporate a provision requiring at the time of oral and written disclosures of a lobbyist, representative, member, agent, or employee of an IRC 501(c) (3), (4), (5) or (6) organization communicating with a City of LA entity a list of that organization's "major donors." "Major donor" is defined as contributing more than 5% of the annual funding to the organization during any 12 consecutive months during the preceding 48 months.

Board Vote: Yes 13 No 1 Abstain 0