

CHAPTER 28
THE DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT

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ARTICLE 1
DUTIES OF THE DEPARTMENT

Section

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22.801 Duties of the Department.

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22.801.2 Neighborhood Council Elections administered by the Department.

Sec. 22.800. Purposes.

There shall be a department in the City government known as the Department of Neighborhood Empowerment which shall be referred to in this chapter as the “Department”. This Department shall be charged with the goal of promoting increased public participation in government and working to make government more responsive to local needs. The Department shall ensure that every part of the City is within the boundaries of a neighborhood council. The Department shall provide equal opportunity for all by enabling neighborhood groups to form neighborhood councils. The Department shall facilitate the delivery of City services to the neighborhoods by helping to identify and coordinate the needs of the communities with the responsibilities of the City departments by coordinating and involving the relevant City staff in integrated problem-solving with the neighborhood councils.

SECTION HISTORY

Chapter, Article and Section Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.801. Duties of the Department.

The Department shall:

- (a) implement and oversee compliance with City ordinances and regulations relating to a system of neighborhood councils;
- (b) prepare a Neighborhood Council Plan (Plan) for the creation of a system of neighborhood councils to ensure that every part of the City is within the boundary of a neighborhood council and that each neighborhood has an opportunity to form a neighborhood council, in accordance with Section 22.809;
- (c) determine methods for certification of neighborhood councils;
- (d) assist neighborhoods in preparing petitions for recognition or certification, identifying boundaries that

minimize the division of communities and organizing themselves in accordance with the Plan;

(e) help neighborhood councils to meet together on a citywide basis and facilitate these meetings if and when requested to do so by recognized neighborhood councils;

(f) Assist neighborhood councils with the selection of their governing body and conduct the City's portion of the outreach effort necessary to mobilize stakeholders to vote in neighborhood council elections.

(g) assist neighborhood councils to share resources, including offices, equipment and other forms of support and to communicate with constituents, other neighborhood councils and with government officials;

(h) arrange training for department staff and neighborhood councils' officers and staff, such as training in leadership, cultural awareness, dispute mediation, civics, communications, equipment utilization and any other training necessary to achieve the goals set forth in Section 22.809;

(i) arrange community empowerment education for top level City officials, including elected officials and commissioners;

(j) with the assistance of the Information Technology Agency, create and maintain an internal and external information and communication network, including a Citywide database of neighborhood organizations and similar information, that would be available for public use;

(k) help coordinate the relationships between existing and newly created advisory committees and neighborhood councils;

(l) perform other duties as provided by ordinance;

(m) ensure that notification required in Section 22.809(f) is provided to the neighborhood councils along with sufficient committee or staff reports on the matters of interest to facilitate meaningful participation; and

(n) facilitate citywide meetings to be held, on at least a semi-annual basis, of representatives of all neighborhood councils.

(o) ensure that neighborhood councils have adequate office and meeting space to conduct their business by facilitating the shared utilization of City owned or leased space, coordinating the acceptance and use of donated space by private donors, as well as securing suitable office and meeting space on behalf of certified neighborhood councils. The Department shall have the authority to execute standard short-term rental and lease agreements with a duration of one year or less for the purpose of fulfilling its obligations under this subsection, pursuant to Department of Neighborhood Empowerment guidelines.

(p) review and evaluate proposed grants from neighborhood councils to nonprofit corporations and to public schools located in the City of Los Angeles, consistent with Section 22.817 of this Code.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Amended by: Ord. No. 175,937, Eff. 6-1-04; Subsec. (f), Ord. No. 179,680, Eff. 4-15-08; Subsec. (p) added, Ord. No. 180,155, Eff. 9-26-08.

Sec. 22.801.1. Acceptance of Donations and Gifts by the Department.

A Neighborhood Council may accept gifts as described in Section 22.814 of this Code or request that the Department or City Council accept the gift on its behalf. The Department, under the limited circumstances set forth below, shall have the power and authority to accept gifts on behalf of the City of Los Angeles that relate to the Department's programs and activities, that relate to any or all of the Neighborhood Councils, or that relate to the Citywide system of Neighborhood Councils.

If the Department is acting to accept a gift as authorized under this section, then the General Manager of the Department, or the General Manager's designee, shall be the agent authorized to accept gifts.

Gifts may include any item, monetary or non-monetary, tangible or intangible, that is contributed, provided, given, transferred, donated, bequeathed or devised to the City. The authority to accept gifts includes the authority to reject or rescind the acceptance of any gift at any time. Nothing in this section requires the acceptance or retention of any gift.

(a) Limitations on Acceptance of Gifts. With the exception of a gift that is a leasehold interest for office, storage or meeting space, as further described in Subsection (b) below, no gift may be accepted by the Department that exceeds the value of \$10,000 and any gift in excess of this amount shall be submitted to City Council for acceptance or rejection.

(b) Donated Office Space or Meeting Space. The Neighborhood Councils shall not have any authority to accept any interest in real property, including any fee simple interest or any leasehold interest. However, a Neighborhood Council may request that the Department, which is hereby granted the authority, accept a lease on its behalf as long as the gift is a leasehold interest for office, storage, or meeting space, the lease does not exceed a one-year term, and the leasehold interest is valued less than \$20,000 per year or \$1,666.66 per month. If the value for that leasehold gift exceeds these allowable monetary threshold values or the allowable leasehold term, then the leasehold gift must be submitted to City Council for acceptance or rejection.

(c) Assessment of Value. For the purposes of determining the value of any gift accepted by the Department, or when the Department is requested to accept a gift by any Neighborhood Council, including determining whether the gift is valued in excess of the monetary threshold value that requires the gift to be submitted to City Council, then the value of the gift shall be calculated as follows:

(1) If the gift is monetary in nature, then the value is measured in United States dollars.

(2) The value of all non-monetary gifts is determined in the sole discretion of the General Manager, or the General Manager's designee, based on his or her determination of the fair-market value of the gift.

(d) Donor Disclosure Form. No gift valued at more than \$500 shall be accepted by the Department or the Neighborhood Councils unless the person or entity that is the source of the gift completes the Department's approved donor disclosure form.

The requirement for completing a donor disclosure form shall not be avoided by donating successive or incremental gifts during a single calendar year, where the successive or incremental gifts would be independently valued at less than \$500, but the accumulated value of the gifts over the course of that calendar year exceeds the value of \$500. If any person gives or donates an accumulation of gifts within the same calendar year that total in value more than \$500, then the donor must complete the donor disclosure form for each gift that exceeds this allowable accumulated total.

The donor disclosure form shall be dated and completed with information from the donor that includes and

memorializes the following information required by State law:

- (1) That the Department or the Neighborhood Council, whichever is applicable, shall receive and control the gift;
- (2) That the gift shall be used solely for official business related to the Neighborhood Council system;
- (3) Whether the gift contains any restrictions, limitations or conditions, so long as the donor does not designate the gift for any specific person(s). The donor shall state and list the names of persons or the category of persons using the gift, e.g., the board of the Neighborhood Council, the executive committee of the Neighborhood Council, or the stakeholders of the Neighborhood Council. However, the Department, or the Neighborhood Council if the Neighborhood Council controls the gift, shall determine in its sole discretion the specific person(s) who may use the gift; and
- (4) States the donor's name or identifying information, address, a description of the gift, and the fair-market value or an estimate of the fair-market value for the gift.

In addition, the donor disclosure form shall contain an area for the entry of information by the Department or the Neighborhood Council that describes the official use for the gift.

The donor disclosure form shall also require the donor to disclose any contract, license, permit or project that the donor is currently seeking, intends to seek, or sought in the past six months from the City.

The donor disclosure form shall be filed with the Department within 30 days of the receipt of the gift.

(e) **Post Acceptance Handling of Gifts.** Monetary gifts accepted by the Department shall be deposited into the Neighborhood Empowerment Trust Fund (Trust Fund) in accordance with Section 5.485 of this Code. If the Department accepts an unconditional monetary gift on behalf of a Neighborhood Council, then the Department shall deposit 10% of the amount of the gift into a special account for disbursement to Neighborhood Councils in economically disadvantaged areas consistent with Section 5.485(d) of this Code. The Department shall accept non-monetary gifts by delivery, receipt of physical possession, or other method of transfer of title or possession as is required by law. The Department shall track physical inventory donated to the Neighborhood Council system by maintaining any necessary perpetual stock records of furniture or equipment, as required under Sections 7.79 and 7.84 of this Code. The Department will enter all monetary gifts pertaining to the Neighborhood Council system into the City's Financial Management Information System (FMIS) and will enter all non-monetary gifts pertaining to the Neighborhood Council system and valued above \$5,000 into the Citywide Inventory System (CWIS). Items valued above \$5,000 will be assigned an inventory control number and an inventory tag will be provided to the Neighborhood Council by the Department for those items. The Department shall insure that all gifts accepted for the benefit of the Neighborhood Council system are appropriately registered or recorded in accordance with the provisions in this section.

(f) **Restricted Gifts.** The Department shall comply with any special terms, conditions or restrictions on any gift. In addition, if any monetary gift that is accepted by the Department contains terms, conditions or restrictions, then the monies shall be deposited in an appropriate account in the Trust Fund in accordance with Section 5.485 of this Code. The Department shall notify the City Controller of any special terms, conditions or restrictions placed on the use of those monies.

(g) **Expenditure of Monies.** The Department is authorized to expend monies from the Trust Fund, including expenditures from any account or sub-account in the Trust Fund, either on behalf of the Department or on behalf of any or all of the certified Neighborhood Councils, and may expend funds for the purchase of equip-

ment, services or furnishings in support of the established programs and activities of the Department or the Neighborhood Councils, or in furtherance of the purposes or goals of the Citywide system of Neighborhood Councils, as stated in the City Charter, the Plan, and the Regulations implementing the Plan, subject to any special terms, conditions or restrictions attached to the gift. Monies may also be expended on neighborhood improvement projects that have been approved under the administrative processes established by the Department. Prior to the expenditure of any monies in any account or sub-account that was established because a gift contained a special term, condition or restriction, the Department shall provide the Controller with written documentation to demonstrate that any expenditure complies with the special term, condition or restriction.

(h) **Record-Keeping.** The Department shall prepare a periodic written report that contains information covering all gifts accepted in the preceding six-month period of time, commencing on April 1st and October 1st of each year, and this report shall be submitted to City Council with copies to the Controller and the Board of Neighborhood Commissioners within 30 days after the close of the six-month period. This report to City Council shall include the following information:

(1) An accounting of the Trust Fund and the Neighborhood Council checking accounts, including a balance statement, a list of deposits, identification of the name of the donor that is the source of the donated monies, the date of the deposit, a list of all expenditures, including the payee, the amount paid, the date, and the purpose of each expenditure.

(2) A summary of the donor disclosure forms that have been filed with the Department that lists the gifts that have been accepted by the City through the Department and/or Neighborhood Councils. This summary shall state the donor's name, a brief description of the gift, the date of the gift's acceptance, and the gift's value. Copies of the relevant donor disclosure forms that have been referenced in the summary shall be affixed to the summary.

(3) For those accepted gifts in which a donor disclosure was not submitted, the Department shall provide the following information:

(i) That the Department or the Neighborhood Council, whichever is applicable, shall receive and control the gift.

(ii) That the gift shall be used solely for official business related to the Neighborhood Council system.

(iii) Whether the gift contains any restrictions, limitations or conditions. The Department shall also state and list the names of persons or the category of persons using the gift, e.g., the Department or the specific Neighborhood Council.

(iv) The donor's name or identifying information, address, a description of the gift, and the fair-market value or an estimate of the fair-market value for the gift.

(4) A list of any donated leasehold interest in office, storage, or meeting space that is occupied by a Neighborhood Council, including the location of the space, the Neighborhood Council occupying the space, the donor's name, the value of the leasehold interest, the leasehold term, and any limits, restrictions, or conditions upon which the donation is based.

(i) **Prohibited Gifts.** No gift shall be accepted by the Department that:

(1) Involves or relates to providing childcare services.

(2) Is a gift from a foreign or domestic government entity, excluding grants or grant funding related to the Citywide System of Neighborhood Councils.

(3) Involves a fee interest in real property, or any partial or full ownership interest in real property, except that a leasehold or possessory interest for office, storage or meeting space as described in Subsection (b), above, is allowed.

(4) Requires ongoing maintenance or costs that will be expended by the City for upkeep in an amount exceeding \$1,000 annually, such as a gift of a monument, artwork, or mural that requires ongoing and continuous expenses by the City to maintain the gift.

(5) Includes livestock or animals, whether rare or domestic, wild or tame.

(6) Is a gift involving a motorized vehicle, automobile, aircraft or boat, or any vehicle that requires registration with the California Department of Motor Vehicles.

The Board of Neighborhood Commissioners may develop further policies with respect to the specific types of gifts that may or may not be accepted.

(j) The acceptance of any gift under this section does not warrant, guarantee, or purport to establish any benefits that may be derived under State or Federal law. However, the Department is authorized to facilitate the attempt by any donor of a gift to receive from the Department a written acknowledgment of the gift for tax purposes, including that the General Manager of the Department, or the General Manager's designee, may provide a contemporaneous written acknowledgment, a disclosure regarding a quid pro quo contribution, or any mandatory disclosure regarding the gift for tax related purposes.

(k) The provisions of this section shall expire, and be deemed to have been repealed, three years after its effective date, unless earlier amended and extended by the Council by ordinance.

SECTION HISTORY

Added by Ord. No. 179,545, Eff. 3-16-08.

Sec. 22.801.2. Neighborhood Council Elections administered by the Department.

The Department is authorized and directed:

(a) To conduct Neighborhood Council board member elections during the 2012 calendar year pursuant to a schedule developed in consultation with the Neighborhood Councils and pursuant to this section. To the extent that the Department is unable to feasibly conduct a Neighborhood Council during the 2012 calendar year, the Department may also conduct the election during the 2013 calendar year pursuant to this section.

(b) To promulgate election procedures, rules and regulations and issue any directives, moratoria or rules necessary for any Department administered Neighborhood Council election, including the promulgation of any procedures, rules, regulations, directives, moratoria for the resolution of any election challenge.

(c) The Department shall have the authority to revise and amend any Neighborhood Council's bylaws to insure that the bylaws comply with this section. In addition, the Department may direct that the term of any Neighborhood Council board member that expires on or before the 2012 calendar year may be extended through and including such time as the Department may administer elections pursuant to this section.

(d) To charge a manual recount fee, in the amount of \$798.80 per Neighborhood Council and \$2.28 for each additional ballot required to be recounted beyond the estimated average number of ballots cast in a Neighborhood Council election administered by the Department, as determined by the Department, to any stakeholder, as defined in Los Angeles Administrative Code section 22.811(a)(2), who voted in a Neighborhood Council election conducted by the Department and has requested a recount of any Neighborhood Council election.

SECTION HISTORY

Added by Ord. No. 182,128, Eff. 6-18-12.

ARTICLE 2 CONTROL AND MANAGEMENT

Section

- 22.802 General Manager.
- 22.803 Appointment and Removal of the General Manager.
- 22.804 Powers and Duties of the General Manager.
- 22.805 Board of Neighborhood Commissioners.
- 22.806 Powers and Duties of the Board.
- 22.807 Conflict of Interest.
- 22.808 Organization and Meetings of the Board.
- 22.809 Development of the Neighborhood Council Plan.
- 22.810 Implementation of the Plan.
- 22.810.1 Regulations Implementing the Plan for a Citywide System of Neighborhood Councils (Plan).
- 22.811 Certification of Neighborhood Councils.
- 22.812 Annual City Budget Priorities.
- 22.813 Monitoring of City Services.

Sec. 22.802. General Manager.

The Department shall be under the control of a General Manager.

SECTION HISTORY

Article and Section Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.803. Appointment and Removal of the General Manager.

The General Manager shall be appointed by the Mayor, subject to confirmation by the Council, and may be removed by the Mayor, as provided in Charter Section 508.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.804. Powers and Duties of the General Manager.

The powers and duties of the General Manager shall be those specified in Charter Section 510.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.805. Board of Neighborhood Commissioners.

(a) The Board of Neighborhood Commissioners shall consist of seven board members and be referred to in this chapter as the “Board” or the “Commission”.

(b) The Board shall be comprised of seven members all of whom shall represent the City in its entirety. The members shall reflect the diverse geographic areas of the City, whereby the appointed Board members shall each be a resident or worker within one of the seven Area Planning Commission regions, and reflect the diversity of communities of interest, neighborhoods, ethnicity, race, gender, age, homeowner and renter status, and sexual orientation. The Mayor is encouraged to consider current and former members of neighborhood councils in appointing the Board members.

(c) The Board members shall be appointed by the Mayor and confirmed by the Council and may be removed by the Mayor and vacancies filled in accordance with the provisions of the City Charter.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Amended by: Subsec. (b), Ord. No. 180,593 Eff. 4-25-09.

Sec. 22.806. Powers and Duties of the Board.

The Board shall be responsible for setting and overseeing policy, approving contracts and leases and promulgating rules and regulations. It shall not be responsible for the day-to-day management of the Department.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.807. Conflict of Interest.

Members of the Board and Board nominees shall be subject to all ethics and conflict of interest laws and regulations applicable to governing boards and commissions in the City of Los Angeles.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.808. Organization and Meetings of the Board.

(a) The Board shall adopt rules of order and appoint from among its members a president and vice-presi-

dent who each shall hold office for one year or until their successors are elected, unless their respective membership on the Board ceases sooner. The Board shall hold regular public meetings at least twice each month and may hold meetings more often if necessary to conduct business. All meetings shall be noticed and held in accordance with law. Members of the Board shall be paid \$50 per meeting for each meeting of the Board attended, not to exceed \$250 in any one calendar month.

(b) At least four members shall constitute a quorum, but a smaller number may adjourn from time to time until a quorum is present. The Board may establish a committee or committees composed of three of its members to consider matters for, to conduct hearings on behalf of, and make recommendations to the board on matters relating to neighborhood empowerment.

(c) The powers conferred on the Board shall be exercised by order or resolution adopted by a majority of its members and recorded in the Board's minutes.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Amended by: Ord. No. 173,492, Eff. 10-10-00.

Sec. 22.809. Development of the Neighborhood Council Plan.

The Department of Neighborhood Empowerment shall seek public input in its development of a Plan for a Citywide system of neighborhood councils. The Plan shall contain a statement of goals, policies and objectives of the Neighborhood Council system, and shall contain specific regulations, in draft ordinance format. These regulations, when adopted by ordinance, shall be sufficient to implement the Plan and shall conform with the following:

(a) The regulations shall establish the method by which boundaries of neighborhood councils will be determined based on standards adopted by the Commission and approved by City Council. The system for determining boundaries shall maintain neighborhood boundaries to the maximum extent feasible and may consider community planning district boundaries where appropriate.

(b) The regulations must ensure that all areas of the City are given an equal opportunity to form neighborhood councils.

(c) The regulations shall establish the procedure and criteria for recognition or certification of neighborhood councils.

(d) The regulations shall not restrict the method by which the members of a neighborhood council are chosen, if the process otherwise satisfies the requirements of this article.

(e) The regulations shall require that neighborhood councils adopt fair and open procedures for the conduct of their business. However, neighborhood council meetings are not all required to be held within the boundaries of the area represented by the neighborhood council.

(f) Early Notification Procedures. The regulations shall establish procedures for receiving input from neighborhood councils prior to decisions by the City Council, City Council committees and boards and commissions. The procedures shall include, but need not be limited to, notice to neighborhood councils as soon as practical and a reasonable opportunity to provide input before decisions are made. That notice shall be required for matters that will be considered by the City Council, City Council committees, City boards or commissions

and any other City official who is required to hold a noticed public hearing. However, failure of a neighborhood council to receive notice shall not invalidate any action of the City Council, City Council Committees, City boards or commissions or any other City official.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.810. Implementation of the Plan.

The Department of Neighborhood Empowerment shall complete development of the Plan and present it and all necessary regulations for a system of neighborhood councils to the Council and Mayor within one year of the establishment of the department and commission. The Council shall consider the regulations and, within six months after presentation of the Plan to Council, may adopt ordinances to implement the regulations as proposed or as modified by the Council consistent with the requirements of the plan set forth above in Section 22.809. If implementing ordinances are not adopted within the time period set forth in Charter Section 905, then the regulations adopted by the Board shall become effective, and to the extent not inconsistent with law shall be binding upon all City departments and offices.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.810.1. Regulations Implementing the Plan for a Citywide System of Neighborhood Councils (Plan).

(a) Department Responsibilities. In addition to the responsibilities set forth in Article IX of the City Charter and Section 22.801 of this Code, the Department of Neighborhood Empowerment (Department) shall:

- (1) Assist all groups and stakeholders seeking certification so they will have an equal opportunity to form and develop Neighborhood Councils by:
 - (A) Providing assistance to areas of the City with traditionally low rates of participation in government;
 - (B) Helping communities understand the processes and procedures for establishing a Neighborhood Council;
 - (C) Assisting with completion of certification documentation; and
 - (D) Mitigating barriers to participation, such as the need for translation and child care services.
- (2) Assist neighborhoods and Neighborhood Councils with public and civic education, outreach and training with an emphasis given to areas that have traditionally low rates of participation in government.
- (3) Assist applicants and neighborhoods to prepare all petitions and forms referenced in the Plan, to identify suitable Neighborhood Council boundaries, and organize Neighborhood Councils in accordance with the Plan.
- (4) Assist Neighborhood Councils with the selection of their governing body and conduct the City's portion of the outreach effort necessary to mobilize stakeholders to vote in Neighborhood Council elections.
- (5) Help coordinate meetings and facilitate communication among Neighborhood Councils that request assistance.

- (6) Help coordinate, arrange, and convene the biannual Congress of Neighborhood Councils meetings.
 - (7) Promote and facilitate open communication among City agencies and Neighborhood Councils, and provide education, guidance and assistance in developing strategies for providing comments and feedback to the City Council and its committees and City boards and commissions.
 - (8) Provide operational support and facilitate the sharing of resources among Neighborhood Councils, including, but not limited to, meeting and office space, office equipment, and mail and communications in order to communicate among constituents, Neighborhood Councils, and government officials.
 - (9) Create and maintain a database of information about Neighborhood Councils, including, among other information, names and contact information that will be available for public use.
 - (10) Act as an information clearinghouse and resource to Neighborhood Councils.
 - (11) Coordinate efforts to establish and ensure continued operation of the Early Notification System as prescribed in the Plan.
 - (12) Arrange training for Neighborhood Councils' officers and staff.
 - (13) Review and evaluate the Neighborhood Council System on an annual basis. As part of its annual report, the Department shall provide information on the size, geographic scope, and economic and demographic conditions of areas in which Neighborhood Councils have and have not been certified.
 - (14) Report quarterly, commencing from the adoption date of the Plan, to the appropriate Council Committee on the Department's certification efforts, and on strategies and recommendations for certifying areas with traditionally low rates of civic participation in government to ensure participation by all the City's neighborhoods in the certification process.
 - (15) Provide adequate levels of staffing, with consideration to resource availability, for each Neighborhood Council.
- (b) Certification of Neighborhood Councils.
 - (1) Department Responsibilities. The Department shall have the following responsibilities:
 - (A) Announce and inform the public of the Neighborhood Council certification process Citywide.
 - (B) Actively promote the formation of Neighborhood Councils Citywide, giving emphasis to those areas and community stakeholder groups with traditionally low rates of civic participation in government.
 - (C) Facilitate and encourage collaboration and discussion among neighboring and overlapping applicant groups.
 - (D) Provide technical assistance on how to proceed with a unified certification application.
 - (E) Provide dispute resolution services to applicants where more than one application is submitted for a Neighborhood Council boundary area to gain consensus on a unified certification application.

(2) Qualification and Criteria for Neighborhood Council Certification. Any group of persons in a community may seek certification as a Neighborhood Council by presenting an application to the Department that includes the following information:

(A) A boundary proposal that sets forth the rationale for the boundary choice, and shows how the boundaries comply with the following 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 and otherwise meet all other requirements of the Plan:

(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, such as a public library, park or recreation center, fire or police station or a public school.

(ii) The proposed area, to the maximum extent feasible, follows historic and contemporary community and neighborhood borders, utilizes natural boundaries or street lines and is geographically compact and contiguous.

(iii) Neighborhood Council boundaries may not overlap with other Neighborhood Council boundaries unless the area proposed for inclusion into each Neighborhood Council is designated for a public use, such as a park, school, library, police or fire station or major thoroughfare or contains a landmark or facility with historical significance.

The application proposal for overlapping boundaries with another Neighborhood Council must include a detailed rationale for incorporating the proposed area.

(B) A detailed description of the outreach process used to identify community stakeholders within the proposed Neighborhood Council boundary as well as the following:

(i) Proof of the collection of no less than 200 and no more than 500 signatures from community stakeholders within the proposed Neighborhood Council boundaries.

(ii) Signatures shall, to the maximum extent feasible, reflect the broadest array of community stakeholders who will be active participants in the Neighborhood Council.

(C) A copy of the Neighborhood Council's approved by-laws which shall include the following:

(i) The Neighborhood Council name.

(ii) A statement that the Neighborhood Council membership is open to all community stakeholders.

(iii) A list of the offices of its governing body and its method for regularly electing or selecting its officers who shall serve as the governing body subject to the following:

(1) The governing body must, to the extent possible, reflect the diversity of the Neighborhood Council's

community stakeholders. No single stakeholder group may comprise a majority of the Neighborhood Council's governing body, unless approved by the Department upon a showing of extenuating circumstances.

(2) Terms of members of the governing body shall be for two or four years, to be decided upon by individual Neighborhood Councils. Neighborhood Councils may limit the total number of terms that a member of the governing body may serve, if the term limitations are set forth in the Neighborhood Council's bylaws after the effective date of this ordinance.

(3) The governing body shall include an officer named "Treasurer," whose duties shall include, but not be limited to, maintaining the Neighborhood Council's book of accounts and submitting account statements to the Department no less than once but not more than three times during the fiscal year, as prescribed by the Department.

(iv) A description of its meeting procedures which shall include provisions that each Neighborhood Council shall do the following:

(1) Meet at least once per calendar quarter.

(2) Obey any or all applicable sections of the state's Ralph M. Brown Act.

(3) Establish procedures for communicating with all Neighborhood Council community stakeholders on a regular basis in a manner that ensures that information is disseminated throughout and in a timely manner.

(4) Adopt procedures for running meetings, including provisions that identify: the number of governing body members that constitute a majority and a quorum; the number of votes by which a governing body may take an action on a matter before it; the manner in which an action by the governing body can be reconsidered, if at all.

(v) The method it will use to address grievances and resolve disputes by which an individual community stakeholder or group of community stakeholders of a Neighborhood Council may express concerns to their Neighborhood Council about its actions.

(D) A description of its system of financial accountability that meets the requirements set forth in Article III, Section 2(d) of the Plan.

(E) An acknowledgment and agreement that the Neighborhood Council will abide by any applicable provisions of the City's Governmental Ethics Ordinance, as set forth in Los Angeles Municipal Code Section 49.5.1 et seq., and an acknowledgment and agreement that it will abide by all applicable laws of the federal, state and local government.

(F) The names of no fewer than three and no more than five individuals who shall act as official contacts between the applicants and the Department until the Neighborhood Council is certified.

(c) Certification Process.

(1) Certification. The Department will review and make an evaluation of the certification application to determine whether the application meets all of the criteria set out in Article III, Section 2 of the Plan.

(2) Department Responsibilities. Once a certification application is submitted to the Department, the Department shall evaluate the application to determine whether it is complete. After determining that an ap-

plication is complete and that it describes a specific set of boundaries for a proposed Neighborhood Council, the Department shall forward the application, any accompanying information, and its recommendation to the Board of Neighborhood Commissioners (Commission) for consideration and notify the Neighborhood Council in writing that the application has been forwarded to the Commission for its consideration. The Department shall evaluate the certification application and make a recommendation to the Commission pursuant to the procedures set forth in Article IV of the Plan.

(A) If the Department receives two or more certification applications that identify the same, similar, or overlapping Neighborhood Council boundaries, the Department shall immediately notify in writing all contacts, as required to be identified in Paragraph (F) of Subdivision (2) of Subsection (b) of this section and Article III, Section 2(f) of the Plan, for all affected applicant groups in an effort to work with applicants to produce a unified application. The procedures set forth in Article IV Section 2(b) of the Plan should then be followed to the maximum extent feasible.

(B) If at any time during the process as described in Article IV of the Plan, the Department determines that an application is not complete, it shall return the application to the applicants along with a written description of the missing components required for the certification application. Applicants may thereafter at any time re-submit the application after amending it to meet all the necessary criteria.

(C) If the Department fails to evaluate or make a recommendation on the application as set forth in Article IV, Section 2 of the Plan, the Department shall forward the application to the Commission for its consideration without the Department's recommendation.

(3) Before the Commission acts on a proposed certification, the matter shall be set for a public hearing. The Department shall post public notices, as set forth in Article IV, Section 3 of the Plan, setting forth the time, place and purpose of the hearing, which shall be posted within the boundaries of the proposed Neighborhood Council for 15 days. The notices shall be translated in accordance with the provisions set forth in Article IV, Section 3 of the Plan.

Notice of the time, place and purpose of the hearing shall also be mailed to the applicant and to the contacts identified in the application as required in Paragraph (F) of Subdivision (2) of Subsection (b) of this section, within the time frames set forth in Article IV, Section 3 of the Plan. The Commission shall act on the certification within ten days after the expiration of the 15 day posting period, unless the Commission's regularly scheduled meeting does not fall within this ten day period or unless the Commission and the Neighborhood Council applicants agree to an extension of time.

The Commission meeting should be conducted within the boundaries of the proposed Neighborhood Council, if feasible. In a case where two or more certification applications have identified the same, similar, or overlapping Neighborhood Council boundaries, the Commission shall make a final determination on how the final boundaries of each Neighborhood Council shall be drawn, giving consideration to the criteria set forth in Article III, Section 2(a) of the Plan and any other applicable provisions of the Plan. The Commission shall either approve or disapprove the certification application based upon the criteria set forth above in Subdivision (2) of Subsection (b) of this section and the criteria set forth in the Plan.

(4) Appeals. If the Commission approves the application, the proposed Neighborhood Council shall be recognized and certified as a Neighborhood Council. If the Commission disapproves the application, the applicants may appeal to the City Council within the time as set forth in Article IV, Section 9 of the Plan. The City Council may, by ten votes, sustain, reverse or modify the Commission's decision to disapprove a certification application.

(d) Boundary Adjustment.

(1) Adjustment of Boundaries. A Neighborhood Council may file a petition with the Commission to adjust its boundaries. All petitions must meet the criteria set forth in this section and in Article III, Section 2 of the Plan. Reasons for boundary adjustments may include, but are not limited to:

- (A) Incorporating an uncertified adjacent community into the Neighborhood Council;
 - (B) Reconfiguring the size of the Neighborhood Council based on a decrease or increase in population; or
 - (C) Increasing or reducing the size of the Neighborhood Council to increase effectiveness and efficiency.
- (2) Boundary Adjustment Other Than Incorporation.

(A) Department Responsibilities. The Department shall review a petition within 15 days of its receipt and make a recommendation to the Commission. Before the Commission acts on a proposed boundary adjustment, the matter shall be set for a public hearing. Fifteen days prior to the hearing, the Department shall post public notices within the boundaries of the Neighborhood Council, stating the time, place and purpose of the hearing, as set forth in Article VI, Section 2(d) of the Plan. The notices shall be translated in accordance with the provisions set forth in Article VI, Section 2(d)(ii) of the Plan.

Notice of the time, place and purpose of the hearing shall also be mailed to the applicant pursuant to the time frames set forth in Article VI, Section 2(d) of the Plan. The Commission meeting should be conducted within the boundaries of the proposed Neighborhood Council, if feasible. The Commission shall act on the boundary adjustment within ten days after the expiration of the 15-day posting period, unless the Commission's regularly scheduled meeting does not fall within this ten day period or unless the Commission and the Neighborhood Council applicants agree to an extension of time.

(B) Commission Action. The Commission shall consider the recommendation of the Department, review the petition and determine whether the petition meets the criteria of this ordinance and Article VI, Section 2 of the Plan at a public hearing, noticed as set forth in Paragraph (2)(A) above, and make its determination within ten days of receipt of the Department's recommendation, unless the Commission's regularly scheduled meeting does not fall within this ten day period or unless the Commission and the Neighborhood Council applicants agree to an extension of time.

(C) Appeals. If the Commission approves the petition, the Neighborhood Council boundary shall be determined to be changed in accordance with the petition. If the Commission disapproves the petition, the Neighborhood Council may appeal to the City Council within the time set forth in Article VI, Section 2(b) of the Plan. The City Council may, by ten votes, sustain, reverse or modify the Commission's decision to disapprove a boundary adjustment petition.

(3) Incorporation Into Adjoining Neighborhood Councils. The Commission shall have the authority to expand a Neighborhood Council's boundary in order to incorporate an area of the City that has not formed a Neighborhood Council into the boundary of another, adjoining Neighborhood Council provided that:

(A) The proposed area to be incorporated into a Neighborhood Council's boundary lies between two or more Neighborhood Councils;

(B) The proposed area to be incorporated does not qualify for certification under the provisions of this Plan; and

(C) Community stakeholders of the proposed area to be incorporated and of the affected Neighborhood Council agree to the proposed incorporation.

(4) Incorporation Initiated by an Entity Other than the Commission. An incorporation petition may be submitted by an entity other than the Commission, if community stakeholders of the area to be incorporated and of the affected certified Neighborhood Council have agreed to the proposed incorporation.

(A) Department Responsibilities. After determining that an incorporation petition initiated by community stakeholders or an entity other than the Commission is complete, the Department shall forward the petition, any accompanying information and its recommendation to the Commission for consideration. The Department shall notify the Neighborhood Council in writing that the petition has been forwarded to the Commission for its consideration. The Department shall evaluate the petition and make a recommendation to the Commission pursuant to the procedures set forth in Article VI of the Plan.

(i) If at any time during the process as described in Article VI of the Plan, the Department determines that a petition is not complete, it shall return the petition to the applicants along with a written description of the missing components required for the petition. Applicants may thereafter at any time re-submit the application after amending it to meet all the necessary criteria.

(ii) If the Department fails to evaluate or make a recommendation on the petition as set forth in Article VI, Section 2(d) of the Plan, the Department shall forward the application to the Commission for its consideration without the Department's recommendation.

(B) Commission Action. Before the Commission acts on the petition, the matter shall be set for a public hearing. The Department shall post public notices, as set forth in Article VI, Section 2(d) of the Plan, stating the time, place and purpose of the hearing, which shall be posted within the boundaries of the proposed Neighborhood Council for 15 days. The notices shall be translated in accordance with the provisions set forth in Article VI, Section 2(d)(ii) of the Plan.

Notice of the time, place and purpose of the hearing shall also be mailed to the applicant pursuant to the time frames set forth in Article VI, Section 2(d) of the Plan. The Commission meeting should be conducted within the boundaries of the proposed Neighborhood Council, if feasible. The Commission shall act on the incorporation petition within ten days after the expiration of the 15-day posting period, unless the Commission's regularly scheduled meeting does not fall within this ten day period or unless the Commission and the Neighborhood Council applicants agree to an extension of time.

(C) Appeals. If the Commission approves the petition, the proposed area shall be incorporated into the Neighborhood Council named in the Incorporation Petition. If the Commission disapproves the petition, the applicants may appeal that decision to the City Council within the time frames set forth in Article VI, Section 2(d)(vii) of the Plan. The City Council may, by ten votes, sustain, reverse or modify the Commission's decision to disapprove the petition.

(e) Complaints Concerning Neighborhood Councils, De-Certification.

(1) Complaints Concerning Neighborhood Councils. If the Department receives a complaint of a violation of any provision of the Plan, including, but not limited to, a violation of open meeting procedures, a failure to comply with the diversity goals of the Plan, violations of the code of ethics, and/or violations of any election rules or procedures promulgated by the Office of the City Clerk, the Department shall notify the Neighborhood Council of these complaints and take steps to resolve the complaint with the Neighborhood Council. Efforts to achieve compliance with the Plan and any other applicable state and federal law and local ordinances, includ-

ing but not limited to complaints involving violation of open meeting procedures, a failure to comply with the diversity goals of the Plan, and/or violations of the code of ethics must first be made by the Department prior to initiating an action to decertify a Neighborhood Council. For violations of any election rules or procedures promulgated by the Office of the City Clerk the Department may, on its own, file a report with the Commission asking it to consider decertification without a complaint with the Department having first been filed, provided that the Department has already taken steps with the Neighborhood Council in an effort to achieve compliance with any election rules or procedures.

(2) Involuntary De-Certification. If the Department finds that efforts taken pursuant to Subdivision (1), above, to bring the Neighborhood Council into compliance with the Plan or applicable local, state or federal laws have failed, the Department may initiate de-certification by recommending to the Commission that the Neighborhood Council be de-certified.

(A) Department Responsibilities. Once the Department has determined that efforts taken pursuant to Subdivision (1), above, to bring the neighborhood into compliance with the Plan have not been successful, the Department may initiate de-certification by taking the steps set forth in Article VI, Section 5 of the Plan.

(B) Commission Action. Before the Commission acts on a proposed de-certification, the matter shall be set for a public hearing. Fifteen days prior to the hearing, the Department shall post public notices within the boundaries of the proposed Neighborhood Council, stating the time, place and purpose of the hearing, as set forth in Article VI, Section 5(b) of the Plan. The notices shall be translated in accordance with the provisions set forth in Article VI, Section 5(b)(iii) of the Plan. At the same time that notices are posted pursuant to Article VI, Section 5(b) of the Plan, notice of the time, place and purpose of the hearing shall also be mailed to the Neighborhood Council.

The Commission meeting should be conducted within the boundaries of the proposed Neighborhood Council, if feasible. The Commission shall act on the de-certification within ten days after the expiration of the 15-day posting period, unless the Commission's next regularly scheduled meeting does not fall within this ten day period or unless the Commission and the Neighborhood Council agree to an extension of time.

The Commission may de-certify a Neighborhood Council based upon substantial evidence and upon a finding that the Neighborhood Council has failed to demonstrate the willingness or ability to comply with the provisions of the Plan or a finding that the Neighborhood Council is unwilling or unable to comply with applicable local, state and federal laws. If the Commission de-certifies a Neighborhood Council, it shall no longer be officially recognized as a certified Neighborhood Council in the City of Los Angeles and shall return all City-owned resources, including unexpended City-appropriated funds, to the City within five days after the City has taken its final action to de-certify the Neighborhood Council.

(C) Appeals. If the Commission de-certifies a Neighborhood Council, the Neighborhood Council may file an appeal pursuant to the provisions of Article VI, Section 5(f) of the Plan. The City Council may, by ten votes, sustain, reverse or modify the Commission's decision to de-certify the Neighborhood Council.

(3) Voluntary De-Certification.

(A) A Neighborhood Council may file a petition with the Commission for de-certification. A de-certification application must be signed by at least 3/4 of the governing body of the Neighborhood Council seeking de-certification and must also include the following:

(i) Evidence of the processes used for outreach to stakeholders and the involvement of stakeholders in the decision to de-certify;

(ii) Evidence that stakeholders in the Neighborhood Council area have been surveyed on the de-certification application;

(iii) Evidence that the Neighborhood Council's governing body has widely publicized within the Neighborhood Council area the fact that there is an application for de-certification pending before the Commission in its Neighborhood Council area; and

(iv) Evidence that the Neighborhood Council took its formal action on the de-certification after giving a 15-day public notice.

(B) Department Responsibilities. Fifteen days prior to the hearing, the Department shall post public notices within the boundaries of the proposed Neighborhood Council, stating the time, place and purpose of the hearing, as set forth in Article VI, Section 6(b) of the Plan. The notices shall be translated in accordance with the provisions set forth in Article VI, Section 6(b)(iii) of the Plan. At the same time that notices are posted pursuant to Article VI, Section 6(b) of the Plan, notice of the time, place and purpose of the hearing shall also be mailed to the Neighborhood Council.

(C) Commission Action. The Commission meeting should be conducted within the boundaries of the Neighborhood Council, if feasible. The Commission shall act on the de-certification within ten days after the expiration of the 15-day notice period, unless the Commission's next regularly scheduled meeting does not fall within this ten day period or unless the Commission and the Neighborhood Council agree to an extension of time. The Commission may de-certify a Neighborhood Council based upon a finding that the evidence set forth in Paragraph (A), above, has been shown and a finding that 3/4 of the governing body of the Neighborhood Council has consented to the de-certification.

If the Commission approves the petition, the Neighborhood Council shall be de-certified and will no longer be officially recognized as a certified Neighborhood Council in the City of Los Angeles and shall return all City-owned resources, including unexpended City-appropriated funds, to the City within five days after the City has made its final decision to decertify the Neighborhood Council.

(D) Appeals. If the Commission disapproves the petition, the Neighborhood Council may file an appeal pursuant to the provisions of Article VI, Section 6(f) of the Plan. The City Council may, by ten votes, sustain, reverse or modify the Commission's decision to deny decertification of the Neighborhood Council.

(f) Early Notification System (ENS).

(1) ENS Website. The Department may assist the Information Technology Agency in coordinating the development of an ENS website through which information may be made available to certified Neighborhood Councils by the City Council, its committees, and City boards and commissions.

(2) Procedures for Sharing City Information with and Receiving Comment from Neighborhood Councils.

(A) Information from the City should be sent to certified Neighborhood Councils as soon as practical so that certified Neighborhood Councils are afforded as much opportunity as is practical to provide comment before decisions are made.

(B) Certified Neighborhood Councils may provide comment and feedback to the City Council, its committees, and to City boards and commissions by using the ENS.

(C) The Neighborhood Council may communicate its views either by way of mailed letter, fax, electronic mail (e-mail), or by a representative appearing in person to make a presentation on an item before the City's decision-makers. Should each certified Neighborhood Council be provided with an e-mail address, pursuant to Article VIII of the Plan, the use of this e-mail address shall be strictly limited to official Neighborhood Council business, such as communicating with Neighborhood Council members about meeting times and places and communicating with the City regarding matters of importance to Neighborhood Councils.

(g) Funding.

(1) Money appropriated in the budget each year for certified Neighborhood Councils for costs related to the functions, operations, and duties of being a certified Neighborhood Council shall be placed in the Department of Neighborhood Empowerment Fund. The functions, operations, and duties of a certified Neighborhood Council include, but are not limited to, meeting and office space, office equipment, computers, supplies, and communications, such as the costs associated with newsletters, postage, or printing written materials. At the discretion of each Neighborhood Council, and as approved by the Department of Neighborhood Empowerment, all or part of the money so appropriated may be used for neighborhood improvement projects.

(2) Any money which the Mayor and Council appropriate as grant funds each fiscal year for certified Neighborhood Councils shall be available for various neighborhood improvement projects. In order to be eligible for grant money, a certified Neighborhood Council shall submit an application to the Department and may be awarded grants, pursuant to the provisions as set forth in Article IX Section 2 of the Plan.

SECTION HISTORY

Added by Ord. No. 176,704, Eff. 7-17-05.

Amended by: Subsecs. (a)(4), (b)(2)(C)(iii)(2), and (e)(1), Ord. No. 179,680, Eff. 4-15-08; Subsec. (b)(2)(C)(iii)(2), Ord. No. 181,132, Eff. 4-30-10.

Sec. 22.811. Certification of Neighborhood Councils.

(a) By Laws. Each neighborhood council seeking official certification from the City shall submit an organization plan and by-laws to the Department of Neighborhood Empowerment showing, at a minimum:

- (1) the method by which their officers are chosen;
- (2) that neighborhood council membership will be open to everyone who lives, works, owns property in the neighborhood and also to those who declare a stake in the neighborhood and affirm the factual basis for it;
- (3) assurances that the members of the neighborhood council will reflect the diverse interests within their area;
- (4) a system through which the neighborhood council will communicate with stakeholders on a regular basis;
- (5) a system for financial accountability of its funds; and
- (6) guarantees that all meetings will be open and public, and permit, to the extent feasible, stakeholders to participate in the conduct of business, deliberation and decision-making.

(b) Petitioning for Certification and Approval. Neighborhood councils may petition for certification in ac-

cordance with rules and procedures set forth in the Plan.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Amended by: Subsec. (a)(2), Ord. No. 179,680, Eff. 4-15-08.

Sec. 22.812. Annual City Budget Priorities.

Each neighborhood council may present to the Mayor and Council an annual list of priorities for the City budget. The Mayor shall inform certified neighborhood councils of the deadline for submission so that the input may be considered in a timely fashion.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

Sec. 22.813. Monitoring of City Services.

Neighborhood councils shall monitor the delivery of City services in their respective areas and have periodic meetings with responsible officials of City departments, subject to their reasonable availability.

SECTION HISTORY

Added by Ord. No. 172,728, Eff. 8-30-99.

ARTICLE 3 NEIGHBORHOOD COUNCILS

Section

22.814 Acceptance of Donations and Gifts.

22.815 Checking Accounts.

22.816 Neighborhood Council Elections administered by the City Clerk.

22.817 Neighborhood Purposes Grants.

Sec. 22.814. Acceptance of Donations and Gifts.

A Neighborhood Council that has been certified under the Plan for a Citywide System of Neighborhood Councils (Plan) and the Regulations Implementing the Plan (Regulations) under the limited circumstances set forth below, shall have the power and authority to accept gifts on behalf of the City of Los Angeles that relate to that Neighborhood Council's purposes, missions, or goals, to its programs or activities, or to the Citywide System of Neighborhood Councils if the acceptance of the gift is consistent with the purposes and goals expressed in the City Charter, the Plan, and the Regulations.

Gifts may include any item, monetary or non-monetary, tangible or intangible, that is contributed, provided, given, transferred, donated, bequeathed or devised to the City through the Neighborhood Councils. The authority to accept any gift includes the authority to reject or rescind the acceptance of any gift at any time. Nothing in this section requires the acceptance or retention of any gift. Nothing in this article precludes the Neighborhood Council from requesting that the City Council or the Department make a determination regarding the accep-

tance of any gift.

(a) **Limitations on Acceptance of Gifts.** A Neighborhood Council shall only accept gifts that relate to its purpose, mission, policies, and programs, to the Citywide system of Neighborhood Councils, consistent with the City Charter, the Plan and the Regulations. No gift shall be accepted by any Neighborhood Council that exceeds \$10,000 in value. Gifts valued in excess of \$10,000 shall be submitted to City Council for acceptance or rejection.

No gift of real property shall be accepted by the Neighborhood Council, including any gift for a fee simple estate or a leasehold interest in property. Gifts for a leasehold interest in real property for a term of one year or less, comprising office, storage, or meeting space, may be accepted by the Department acting on behalf of the Neighborhood Council under Section 22.801.1 of this Code. The Neighborhood Council may also request that City Council accept any gift on its behalf involving real property.

(b) **Assessment of Value.** For the purposes of determining the value of any gift that is accepted by a Neighborhood Council, including whether the gift is valued in excess of the monetary threshold value that requires the gift to be submitted to City Council, then the value of the gift shall be calculated as follows:

(1) If the gift is monetary in nature, then the value is measured in United States dollars.

(2) The value of all non-monetary gifts is determined based on an assessment of the gift's fair market value by the governing body of the Neighborhood Council at the public meeting where the decision is made to accept the gift.

(c) **Donor Disclosure Form.** No gift valued at more than \$500 shall be accepted unless the person or entity that is the source of the gift completes the Department's approved donor disclosure form.

The requirement for completing a donor disclosure form shall not be avoided by donating successive or incremental gifts during a single calendar year, where the successive or incremental gifts would be independently valued at less than \$500, but the accumulated value of the gifts over the course of that calendar year exceeds the value of \$500. If any person gives or donates an accumulation of gifts within the same calendar year that total in value more than \$500, then the donor must complete the donor disclosure form for each gift that exceeds this allowable accumulated total.

The donor disclosure form shall be dated and completed with information from the donor that includes and memorializes the following information required by State law:

(1) That the Neighborhood Council shall receive and control the gift;

(2) That the gift shall be used solely for official business related to the Citywide system of Neighborhood Councils;

(3) Whether the gift contains any restrictions, limitations or conditions, so long as the donor does not designate the gift for any specific person(s). The donor shall state and list the names of persons or the category of persons using the gift, e.g., the board of the Neighborhood Council, the executive committee of the Neighborhood Council, or the stakeholders of the Neighborhood Council. However, the Neighborhood Council, in its sole discretion, shall determine the specific person(s) who may use the gift; and

(4) States the donor's name or identifying information, a description of the gift, and the fair-market value or an estimate of the fair-market value for the gift.

In addition, the donor disclosure form shall contain an area for the entry of information by the Department or the Neighborhood Council that describes the official use for the gift.

The donor disclosure form shall also require the donor to disclose any contract, license, permit or project that the donor is currently seeking, intends to seek, or sought in the past six months from the City.

The donor disclosure form shall be filed with the Department within 30 days of the receipt of the gift.

(d) Method of Acceptance. Prior to conducting any public hearing to accept or reject any gift, the Neighborhood Council must have a completed donor disclosure form if that form is required under Subsection (c) above.

The acceptance of the gift by the Neighborhood Council shall occur at a meeting that is noticed in compliance with the Ralph M. Brown Act. The Neighborhood Council shall list on its agenda for the public meeting an item that describes the gift, the gift source or donor, that the Neighborhood Council will make a determination regarding the gift's value, and that the Neighborhood Council may take possible action regarding the acceptance or rejection of that gift or refer the gift to City Council or the Department for action.

When a gift is valued at less than \$500 and the donor disclosure form is not required to be completed, the Neighborhood Council may delegate to a member of its board the ability to accept these gifts and to determine their value. This delegation of power to a board member shall occur at a public meeting and the board member accepting the delegation shall file, on a monthly basis, a list containing the information specified in Subsection (i)(2), below.

(e) Accounts / Post-Acceptance of Monetary Gifts. Neighborhood Councils shall deposit monetary gifts into an appropriate account in the "Neighborhood Empowerment Trust Fund" (Trust Fund) of the City's Treasury in accordance with Section 5.485 of this Code or into a checking account established pursuant to Section 22.815 of this Code. The Neighborhood Council shall deposit 10% of the value of all unconditional monetary gifts that it receives into a special account for disbursement to Neighborhood Councils in economically disadvantaged areas consistent with Section 5.485(d) of this Code.

(f) Post-Acceptance / Non-Monetary Gifts. Neighborhood Councils are exempt from registration of all non-monetary gifts, such as physical property items, office equipment, inventory or supplies, with the Citywide Inventory System, including the maintenance of any necessary perpetual stock records of furniture or equipment, as required under Sections 7.79 and 7.84 of this Code. However, Neighborhood Councils shall report all monetary gifts to the Department for entry into the City's Financial Management Information System and shall report all non-monetary gifts valued above \$5,000 to the Department. For non-monetary gifts valued above \$5,000, the Department shall provide the Neighborhood Council with an inventory control number and an inventory tag for the gifts and the Neighborhood Council shall affix the inventory tag to the gift.

(g) Restricted Gifts. Neighborhood Councils shall ensure compliance with any special terms, conditions or restrictions attached to the use of any gift. If any monetary gift contains restricted terms, the monies shall be segregated from other accounts and earmarked with the required restrictions.

(h) Expenditure of Monies. Neighborhood Councils shall have the power and authority to expend funds for costs related to the functions, operations and duties of being a certified Neighborhood Council, including, but not limited to, leasing space for office use, meetings or storage, the purchase of office equipment, computers, supplies, or expenditures for communications, such as the costs associated with newsletters, postage or printing written materials. Neighborhood Councils may also expend the funds on neighborhood improvement projects

as long as the appropriation of monies for neighborhood improvement projects have been approved under the administrative processes established by the Department of Neighborhood Empowerment. All Neighborhood Council requests for expenditures from the Trust Fund shall be processed with the Controller through the General Manager of the Department, or the General Manager's designee. Expenditures by the Neighborhood Councils from the checking account shall be made by a negotiable written instrument and shall bear the signatures of the Neighborhood Council's Treasurer and the President or Vice-President.

(i) **Record-Keeping.** In addition to forwarding all donor disclosure forms to the Department within 30 days of the date of the receipt of the gift, the Neighborhood Council shall keep a written record of all accepted gifts. The record shall be submitted to the Department on March 1st and September 1st of each year. The record shall cover the immediately preceding six-month period of time and contain the following information:

(1) An accounting of all accepted monetary gifts, which shall state the amount of the gift, the date accepted, and the source or donor of the gift. In addition, the report shall list all deposits and expenditures from the Trust Fund and the checking account, including the payee, the amount paid, the date, and the purpose of the expenditure or a description of the item purchased; and

(2) A statement that the Neighborhood Council shall receive and control the gift. A statement that the gift shall be used solely for official business related to the Citywide system of Neighborhood Councils. Whether the gift contains any restrictions, limitations or conditions. The names of persons or the category of persons using the gift, e.g., the board of the Neighborhood Council, the executive committee of the Neighborhood Council, or the stakeholders of the Neighborhood Council. The donor's name or identifying information, a description of the gift, and the fair-market value or an estimate of the fair-market value of the gift. For those gifts that have a value or accumulated value over \$500 during any calendar year, a copy of the donor disclosure form.

(j) **Prohibited Gifts.** No gift shall be accepted by a Neighborhood Council that:

(1) Involves or relates to providing childcare services.

(2) Is a gift from a foreign or domestic government entity, excluding grants or grant funding related to the Citywide system of Neighborhood Councils.

(3) Involves any ownership or possessory interest in real property, including a fee simple or leasehold interest.

(4) Requires ongoing maintenance or costs that will be expended by the City for upkeep in an amount exceeding \$1,000 annually, such as a gift of a monument, artwork, or mural that requires ongoing and continuous expenses by the City to maintain the gift.

(5) Includes livestock or animals, whether rare or domestic, wild or tame.

(6) Is a gift involving a motorized vehicle, automobile, aircraft or boat, or any vehicle that requires registration with the California Department of Motor Vehicles.

The Board of Neighborhood Commissioners may develop further policies with respect to the specific types of gifts that may or may not be accepted.

(k) The acceptance of any gift pursuant to the provisions of this article does not warrant, guarantee, or purport to establish any benefits that may be derived under State or Federal law. However, the Neighborhood Councils are authorized to facilitate the attempt by any donor of a gift to receive an acknowledgment of the gift for tax

purposes, including that the Treasurer of the Neighborhood Council may provide a contemporaneous written acknowledgment, a disclosure regarding a quid pro quo contribution, or any mandatory disclosure regarding the gift for tax related purposes.

(l) The provisions of this section shall expire, and be deemed to have been repealed, three years after its effective date, unless earlier amended and extended by the Council by ordinance.

SECTION HISTORY

Article and Section Added by Ord. No. 179,545, Eff. 3-16-08.

Sec. 22.815. Checking Accounts.

The City Treasurer is hereby authorized to establish checking accounts for the Neighborhood Councils under the City's existing banking contract. Neighborhood Councils shall deposit their donated funds into the Trust Fund as stated in Section 5.485 of this Code or as authorized by the City Treasurer under this section. Non-donated funds, including funds from the City's general fund, shall be deposited into the Trust Fund in accordance with Section 5.485 of this Code.

The checking account established by the City Treasurer for the benefit of a Neighborhood Council shall list the Department of Neighborhood Empowerment as a joint signatory on the checking account and shall grant access for review of the account to the Department, Treasurer and Controller. In no event shall the monies in the checking account of a Neighborhood Council exceed the value of \$50,000. Any deposit that would cause the Neighborhood Council's checking account to exceed the sum of \$50,000 must be deposited into the Trust Fund in accordance with Section 5.485 of this Code. Monies in the checking account shall not revert to the Reserve Fund of the City at the end of the fiscal year.

All expenditures by the Neighborhood Councils from the checking account shall be made by a negotiable written instrument and shall bear the signatures of the Neighborhood Council's Treasurer and the President or Vice-President. Neighborhood Councils shall not withdraw cash from the checking account. All expenditures from the checking account shall be for the purposes stated in Section 22.814(h) of this Code.

In the event that any Neighborhood Council is decertified, abandoned, or otherwise ceases to exist, any and all accounts or funds that relate to that Neighborhood Council shall be turned over or distributed to the Department, which shall have the authority to expend the funds as stated in Section 5.485(b) of this Code.

The provisions of this section shall expire, and be deemed to have been repealed, three years after its effective date, unless earlier amended and extended by the Council by ordinance.

SECTION HISTORY

Article and Section Added by Ord. No. 179,545, Eff. 3-16-08.

Sec. 22.816. Neighborhood Council Elections administered by the City Clerk.

(a) Administration. Neighborhood Council board member elections shall be administered by the Office of the City Clerk pursuant to Section 20.36 of this Code except that during the 2012 and 2013 calendar year Neighborhood Council elections shall be administered by the Department of Neighborhood Empowerment pursuant to Los Angeles Administrative Code section 22.801.2. During City Clerk administered elections, the City Clerk shall have authority to:

(1) Conduct Neighborhood Council board member elections during the months of March, April, May and

June of each even-numbered year pursuant to a schedule to be developed by the City Clerk in consultation with Neighborhood Councils.

(2) Promulgate election procedures, rules and regulations and issue any directives, moratoria or rules necessary to administer the Neighborhood Council board member elections.

(b) Election Challenges. During any election administered by the City Clerk, election challenges shall be resolved by the regional grievance process established by the City Clerk, which process may be modified by the City Clerk from time to time.

(1) Decisions made throughout the election cycle by the City Clerk may be appealed to a panel drawn from a pool of stakeholders, which method of selection to the panel and its final composition will be developed by the Department and the City Clerk in consultation with the Neighborhood Councils.

(2) Election challenges that are not resolved by the stakeholder panel will be resolved through the regional grievance process once that process is established. Until the establishment of the regional grievance process, the City Clerk will be responsible for resolving all Neighborhood Council election challenges and may issue any related rules and procedures, and impose any remedies to resolve an election challenge.

SECTION HISTORY

Added by Ord. No. 179,680, Eff. 4-15-08.

Amended by: Subsec. (a)(1), Ord. No. 181,056, Eff. 2-21-10; Subsec. (b), Ord. No. 181,132, Eff. 4-30-10; In Entirety, Ord. No. 182,128, Eff. 6-18-12.

Sec. 22.817. Neighborhood Purposes Grants.

Neighborhood Councils are authorized to make monetary grants to nonprofit corporations (excluding religious institutions and private schools) organized under 26 United States Code Section 501(c)(3) and to public schools pursuant to the criteria set forth in Article XI of the Plan for a Citywide System of Neighborhood Councils.

SECTION HISTORY

Added by Ord. No. 180,155, Eff. 9-26-08.

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