Item 6
Action

Continued Review of Key Campaign Finance Laws

Executive Summary: This item presents draft language to implement possible amendments discussed at the last meeting and also makes several new recommendations.

Recommended Action: Determine which amendments to approve and recommend for City Council action.

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David Tristan, Deputy Executive Director

Presenters: Heather Holt, Executive Director
David Tristan, Deputy Executive Director


Continued Review of Key Campaign Finance Laws

Introduction

This year, we began a review of key campaign finance laws regarding contributions, disclosure, and the matching funds program. This report continues the discussion regarding possible amendments to those laws.

We recommend that you determine whether to approve any amendments. In light of the fact that the fundraising window for the 2020 elections will open on September 3, we also recommend that you determine whether you would like the staff to draft implementing language for any approved recommendations and transmit it directly to the City Council or whether you would like implementing language presented at the next meeting for your approval.

Process

This review was discussed at the meetings in February, April, and June of this year. In addition to the conversations at commission meetings, this review reflects many months of staff discussion across disciplines within the agency. The staff has analyzed data, considered previous Ethics Commission recommendations, evaluated experiences with existing City laws, and examined laws in other jurisdictions.

As with all of our policy reviews, the staff has actively solicited public input and incorporated it into the discussion. The staff solicited input via e-mails, website postings, and an interested persons meeting that was held on March 14, 2018. The staff has also met one-on-one with a variety of interested parties, including elected offices and advocacy groups.

At the April meeting, the commissioners focused on six possible amendments to the campaign finance laws and asked the staff to provide ordinance language and further analysis at the June meeting. Written public comments were received from 29 individuals and organizations the evening before and the morning of the June meeting, including comments from several key stakeholders, including Councilmember Ryu, the California Clean Money Campaign, and Common Cause. To permit a full analysis of those comments, a substantive discussion of the June item was continued to this meeting. Public input continues to be welcome and encouraged.

Structure

Twelve possible amendments are discussed in this report. The first six would affect the matching funds program, and the final six would affect other campaign finance laws. Each of the possible amendments is discussed below and can be found on the following pages:
Matching Funds Program

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-district Contributions</td>
<td>4</td>
</tr>
<tr>
<td>Aggregate Contribution Thresholds</td>
<td>6</td>
</tr>
<tr>
<td>Debates</td>
<td>10</td>
</tr>
<tr>
<td>Match Rate / Signature Requirement</td>
<td>12</td>
</tr>
<tr>
<td>Maximum Funding Per Candidate</td>
<td>14</td>
</tr>
<tr>
<td>Maximum Match Per Contributor</td>
<td>17</td>
</tr>
</tbody>
</table>

Other Campaign Finance Laws

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributor Certification</td>
<td>19</td>
</tr>
<tr>
<td>Developer Contribution Ban</td>
<td>21</td>
</tr>
<tr>
<td>Recusal</td>
<td>25</td>
</tr>
<tr>
<td>Contribution Limits</td>
<td>26</td>
</tr>
<tr>
<td>Aggregate Per-person Contribution Limit</td>
<td>28</td>
</tr>
<tr>
<td>Technical Updates</td>
<td>28</td>
</tr>
</tbody>
</table>

A brief description of each possible amendment is followed by any data that was requested and, where applicable, a table that summarizes comments from key stakeholders, things to consider, and references to relevant attachments, such as Attachment A (the April report) and Attachment P (draft ordinance language that was presented in June but can be modified).

Since the June meeting, Common Cause has revised its proposal regarding the matching funds program. In addition, written comments were received from Asian Americans Advancing Justice Los Angeles, the League of Women Voters, Represent Us Los Angeles–San Gabriel Valley, and Unrig LA. They provide rationales for their recommendations in their comments. Copies of all written comments are provided in the following attachments:

- Attachment B: Councilmember Ryu
- Attachment C: Advancing Justice–LA
- Attachment D: California Clean Money Campaign
- Attachment E: Common Cause (June)
- Attachment F: Common Cause (August)
- Attachment G: League of Women Voters
- Attachment H: Represent Us
- Attachment I: Unrig LA
- Attachment J: Other written comments
Matching Funds Program

The City is required to have a matching funds program that provides limited public funding to help qualified City candidates finance their campaigns. Los Angeles City Charter (Charter) § 471. The 1993 elections were the first in which matching funds were provided. An overview of the existing program is provided in Attachment K.

At the April meeting, the commissioners asked for draft ordinance language and further discussion regarding possible amendments to the matching funds program. The first three issues detailed below would affect the qualification criteria for participating candidates, and the last three would affect the funding available to qualified candidates.

It is important to remember that the matching funds program is a comprehensive program and that changes to one aspect of the program do not exist in isolation. The interplay among all aspects of the program should be considered in every analysis of whether a modification is desirable and appropriate.

One other thing to keep in mind is that, starting with the next elections in 2020, the City will be moving to an even-year election schedule that coincides with state and federal elections. There is concern about how that change will affect City candidates and their fundraising when they are competing with state and federal candidates for campaign dollars. It is possible that even-year elections will make it more difficult for City candidates to fund their campaigns and more expensive for them to communicate with voters. A robust discussion of the matching funds program should take that into consideration.

A. Qualification Criteria

City candidates who would like to receive public funding for their campaigns must agree to participate in the matching funds program and meet specific qualification criteria:

- Qualify to appear on the ballot.
- Be opposed by someone qualified to appear on the ballot.
- Attend a training session conducted by the Ethics Commission.
- File all required campaign statements.
- Limit personal and campaign spending to specific amounts.
- Receive 200 qualified contributions from individuals who reside in their City Council district (or, for Citywide candidates, the City).
- Receive minimum amounts of qualified contributions.
- Agree to participate in debates.

Possible amendments to the last three criteria in the list above were discussed at the April meeting. Details regarding each one begin on the next page.
1 \textit{In-district Contributions}

Since the 2015 elections, participating candidates have been required to receive 200 qualified contributions from individuals residing in the City Council district they seek to represent (or, for Citywide candidates, the City). Los Angeles Municipal Code (LAMC) § 49.7.23(C)(2). Two alternate amendments were discussed in April, both of which would make it easier for candidates to qualify. The first option would reduce the number of required contributions to 100. The second option would eliminate this requirement altogether.

Public comment received from key stakeholders since June 18 is identified in the table below.

\begin{center}
\begin{tabular}{|l|l|}
\hline
\textbf{Commission Discussion and Key Stakeholder Input} & \\
\hline
\textbf{200 QUALIFIED CONTRIBUTIONS} & FROM COUNCIL DISTRICT (OR CITY) RESIDENTS \\
\hline
Commission Discussion & Reduce to 100 or eliminate. \\
Councilmember Ryu & Reduce to 100. \\
Advancing Justice–LA & No comment. \\
California Clean Money Campaign & Maintain 200 or reduce to 150. \\
Common Cause (August) & Reduce to 100. \\
League of Women Voters & No comment. \\
Represent Us & Require an unspecified number of contributions. \\
Unrig LA & Reduce to 100. \\
\hline
\end{tabular}
\end{center}

*This table reflects a single aspect of each stakeholder’s proposal.*

City data and information from other jurisdictions was provided at the April meeting and can be found on pages 3 through 6 of Attachment A.

**Things to consider:**

a. How important is it for candidates to raise qualifying contributions from within their districts versus within the City?

b. Does the current requirement discourage participation?

c. If a candidate already needs at least 500 signatures from within the district to be on the ballot, is this requirement necessary to show public support?

d. Does requiring in-district contributions result in candidates communicating more with voters? Or do they simply hire fundraisers to do the work?
e. How do we weigh each district’s economic realities and the ability of its residents to contribute?

f. Can this requirement be viewed as more beneficial for candidates who have name recognition and more difficult for candidates who are just starting out?

g. How will the 2020 elections affect a candidate’s ability to collect a minimum number of contributions?

h. Should we experience an even-year election before determining whether changes should be made?

The implementing ordinance language that was prepared for the June meeting can be found on pages 8 and 16 of Attachment P.
2 **Aggregate Contribution Thresholds**

Another qualification criteria requires participating candidates to collect contributions that, when combined, reach minimum dollar amounts. LAMC § 49.7.23(C)(1)(a). This criteria has existed since the inception of the matching funds program in 1993, and the threshold amounts have never been adjusted.

Possible amendments were identified at the April meeting, including raising the threshold amounts to reflect changes in the Consumer Price Index (CPI) and eliminating the requirement that qualified contributions must come from City residents.

The formula for CPI adjustments was adopted in 2012, and the amounts that are subject to adjustment were increased at that time to reflect CPI changes since 1999, the year the Charter was readopted by the voters. The formula then adjusts those base amounts to reflect CPI changes since December 2011, the most recent year of data from the Bureau of Labor Statistics at the time the CPI formula was adopted. See LAMC § 49.7.3(B)(2).

The table below identifies the base amounts that would have been adopted in 2012 if the aggregate contribution thresholds had been included among the amounts that are adjusted for CPI. Those base amounts result in increases of slightly over 50 percent when the CPI formula is applied for 2018.

<table>
<thead>
<tr>
<th>Office</th>
<th>Current</th>
<th>2012 Base Amount</th>
<th>2018 CPI Adjustment</th>
<th>Percent Increase (current to 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
<td>$25,000</td>
<td>$34,000</td>
<td>$38,000</td>
<td>52</td>
</tr>
<tr>
<td>City Attorney / Controller</td>
<td>$75,000</td>
<td>$101,000</td>
<td>$113,000</td>
<td>51</td>
</tr>
<tr>
<td>Mayor</td>
<td>$150,000</td>
<td>$202,000</td>
<td>$226,000</td>
<td>51</td>
</tr>
</tbody>
</table>

Percentages are rounded.

Based on the dollar value of contributions reported for the 2013 and 2017 elections, all Citywide candidates who received matching funds would have qualified even if the thresholds had been raised to the 2018 CPI adjusted numbers above. In other words, the higher thresholds would not have excluded any qualified Citywide candidates. Three City Council candidates in 2013 and two City Council candidates in 2017 would not have qualified if the thresholds had been raised to the 2018 numbers. See Attachment A, p. 8.

In addition to discussing the possibility of adjusting the aggregate contribution threshold for CPI, the commissioners also discussed the possibility of adjusting the maximum per-contributor amount that may be used toward the aggregate threshold. Since the inception of the matching funds program, City Council candidates have been able to use up to $250 per contributor toward the $25,000 aggregate contribution threshold, and Citywide candidates have been able to use up to $500 per contributor toward their thresholds. LAMC § 49.7.23(C)(1)(a). When those amounts are adjusted for CPI, they rise to $300 per contributor for City Council
candidates and $700 per contributor for Citywide candidates. Further discussion begins below on page 17.

One other possible modification was discussed with regard to the aggregate contribution thresholds to permit participating candidates to use a contribution from any individual, regardless of geography, to qualify for and receive matching funds. Currently, a “qualified contribution” is one that comes from an individual who resides in the City. When this possible amendment was discussed at the April meeting, the commissioners requested data about the geography of City contributors. The chart below identifies the geographic distribution of all contributions in each City election since 2011.

The requirement that a “qualified contribution” come from a City resident first took effect with the 2015 elections. And, while there has been an increase of one to two percent in the number of contributions that have come from within the City since then, the percentages have remained fairly consistent. The greatest increase in contributions from within the City since 2011 (five percent) actually occurred with the 2013 elections, prior to the in-City requirement. This is likely due to the fact that all three Citywide seats were on the 2013 ballot and were open (no incumbent was running). It is interesting to note that the percentages have continued to
climb since then, even in elections that have not had Citywide seats or many open seats on the ballot.

Since 2011, contributions from within the City have ranged from 53 to 61 percent. Contributions from within Los Angeles County (including the City) have been even more consistent, ranging from 84 to 87 percent. Contributions from outside the county have not exceeded 16 percent since 2011, and those from outside the state have been either five percent or, in years with Citywide seats on the ballot, seven percent.

We note that the data regarding the geographic distribution of contributions does not indicate the ease or difficulty that participating candidates may have in reaching the aggregate contribution thresholds. Lifting the geographic limitation certainly creates more possible contribution sources, but other factors also affect a person’s decision to make a contribution.

Public comment received from key stakeholders since June 18 is identified in the table below.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AGGREGATE CONTRIBUTION THRESHOLDS</strong></td>
</tr>
<tr>
<td><strong>Commission Discussion</strong></td>
</tr>
<tr>
<td>Adjust the thresholds for CPI:</td>
</tr>
<tr>
<td>* $38,000 for Council</td>
</tr>
<tr>
<td>* $113,000 for Controller and City Attorney</td>
</tr>
<tr>
<td>* $226,000 for Mayor</td>
</tr>
<tr>
<td>Count contributions from any individual.</td>
</tr>
<tr>
<td><strong>Councilmember Ryu</strong></td>
</tr>
<tr>
<td>Adjust the thresholds for CPI:</td>
</tr>
<tr>
<td>* $43,751 for Council</td>
</tr>
<tr>
<td>* Not specified for Controller and City Attorney</td>
</tr>
<tr>
<td>* Not specified for Mayor</td>
</tr>
<tr>
<td>Count contributions from anyone in the county.</td>
</tr>
<tr>
<td><strong>Advancing Justice–LA</strong></td>
</tr>
<tr>
<td>No comment.</td>
</tr>
<tr>
<td><strong>California Clean Money Campaign</strong></td>
</tr>
<tr>
<td>Do not adjust the thresholds for CPI.</td>
</tr>
<tr>
<td>Maintain requirement that contributions come from individuals residing in the City.</td>
</tr>
<tr>
<td><strong>Common Cause (August)</strong></td>
</tr>
<tr>
<td>Maintain the current thresholds:</td>
</tr>
<tr>
<td>* $25,000 for Council</td>
</tr>
<tr>
<td>* $75,000 for Controller and City Attorney</td>
</tr>
<tr>
<td>* $150,000 for Mayor</td>
</tr>
<tr>
<td>Maintain requirement that contributions come from individuals residing in the City.</td>
</tr>
<tr>
<td><strong>League of Women Voters</strong></td>
</tr>
<tr>
<td>No comment.</td>
</tr>
<tr>
<td><strong>Represent Us</strong></td>
</tr>
<tr>
<td>No comment.</td>
</tr>
<tr>
<td><strong>Unrig LA</strong></td>
</tr>
<tr>
<td>Maintain the current thresholds:</td>
</tr>
<tr>
<td>* $25,000 for Council</td>
</tr>
<tr>
<td>* $75,000 for Controller and City Attorney</td>
</tr>
<tr>
<td>* $150,000 for Mayor</td>
</tr>
</tbody>
</table>

*This table reflects a single aspect of each stakeholder’s proposal.*
City data and information from other jurisdictions was provided at the April meeting and can be found on pages 6 through 8 of Attachment A.

**Things to consider:**

a. Will raising the threshold make it more difficult for candidates to qualify?
b. Will lowering the threshold allow more candidates to qualify? If so, will that hurt the long-term viability of the trust fund balance?
c. Can this requirement be viewed as more beneficial for candidates who have name recognition and more difficult for candidates who are just starting out?
d. What kind of threshold would help candidates as we transition to even-year elections?
e. Should we experience an even-year election before determining whether changes should be made?
f. The thresholds have never been adjusted for CPI. Should they be?
g. Should a candidate’s viability be based solely on the candidate’s ability to fundraise?
h. Are the thresholds too high?
i. Should we place more value on contributions from City residents than on contributions from others?

The implementing ordinance language that was prepared for the June meeting can be found on pages 2, 3, and 7 of Attachment P.
Debates

A third qualification criteria for matching funds candidates is agreeing to participate in debates with opponents. This criteria has existed since the inception of the matching funds program in 1993 and requires only that candidates agree to participate.

At the April meeting, it was determined that the criteria should be modified to require candidates to actually participate in a debate or to hold a town hall meeting. A town hall meeting would be a public event that the candidate conducts in order to communicate his or her views to and interact with the public. The town hall option would eliminate the possibility that a participating candidate could be denied public funding simply because another candidate refused to participate in a debate.

If the requirement is amended, modifications to two forms will also be required. Form 20 (Statement of Acceptance or Rejection of Matching Funds) and Form 22 (Matching Funds Request for Qualification / Claim for Payment) both refer to the debate requirement and would need to be updated to reflect any change and to require candidates to provide documentation of their participation.

Public comment received from key stakeholders since June 18 is identified in the table below.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEBATE REQUIREMENT</strong></td>
</tr>
<tr>
<td>Commission Discussion</td>
</tr>
<tr>
<td>Councilmember Ryu</td>
</tr>
<tr>
<td>Advancing Justice–LA</td>
</tr>
<tr>
<td>California Clean Money Campaign</td>
</tr>
<tr>
<td>Common Cause (August)</td>
</tr>
<tr>
<td>League of Women Voters</td>
</tr>
<tr>
<td>Represent Us</td>
</tr>
<tr>
<td>Unrig LA</td>
</tr>
</tbody>
</table>

This table reflects a single aspect of each stakeholder’s proposal.
City data and information from other jurisdictions was provided at the April meeting and can be found on pages 9 and 10 of Attachment A.

**Things to consider:**

a. Is the current requirement achieving the goal of promoting interaction between candidates and the public?

b. Should candidates be required to debate to receive public funds?

c. Would it be more effective to require candidates to hold town hall meetings for themselves, at which they can answer questions from the public, instead of requiring them to agree to participate in debates?

d. Should a town hall require the participation of two candidates?

e. Should candidates be financially rewarded with matching funds for participating in a debate or town hall (see Attachment F)?

The implementing ordinance language that was prepared for the June meeting can be found on pages 8, 14, 15, and 17 of Attachment P.
B. Funding Rates and Amounts

The commissioners also considered possible amendments to three other aspects of the matching funds program. These possible amendments would affect how much funding is available to qualified candidates and how quickly they can receive it.

4 **Match Rate / Signature Requirement**

Matching funds are paid to qualified candidates at rates that are based on how many signatures the candidate gathers from registered voters during the nominating petition process (the process by which candidates qualify to appear on the ballot). This first became effective with the 2013 elections. Prior to that, all qualified candidates received the same 1:1 rate of match.

Candidates who collect 500 valid signatures receive matching funds at a rate of one public dollar for every qualified private dollar (1:1) in both the primary election and the general election. Candidates who collect 1,000 valid signatures receive matching funds at a rate of two public dollars for every qualified private dollar (2:1) in the primary election and four public dollars for every qualified private dollar (4:1) in the general election. Candidates may obtain 1,000 signatures on nominating petitions, or they may obtain 500 signatures on nominating petitions and 500 signatures on Form 21 (“Matching Funds Additional Signatures”).

The City Clerk’s office verifies the validity of all signatures on both nominating petitions and Form 21, so the signature requirement affects City Clerk resources. Tom Reindel, of the City Clerk’s Election Division, attended the June meeting and provided feedback about how the signature requirement affects their office, including the data in Attachment L.

In 2015, the Ethics Commission recommended to the City Council that the signature requirement be eliminated and that the match rate be adjusted to 6:1. At the April meeting, the possibility of eliminating the signature requirement and providing the higher match rates to all qualified candidates was again discussed.

Public comment received from key stakeholders since June 18 is identified in the table that begins below.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
<th>MATCH RATE / SIGNATURE REQUIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commission Discussion</strong></td>
<td>Eliminate signature requirement. Give all candidates the 2:1/4:1 match rate.</td>
</tr>
<tr>
<td>Councilmember Ryu</td>
<td>Eliminate signature requirement. Give all candidates a 6:1 match rate.</td>
</tr>
</tbody>
</table>
City data and information from other jurisdictions was provided at the April meeting and can be found on pages 11 through 14 of Attachment A.

**Things to consider:**

a. Is the signature requirement necessary to establish public support, in light of signatures required to make the ballot and the in-district contribution requirement (see page 4)?

b. Will matching smaller contributions at higher rates encourage candidates to focus on small contributions?

c. Does the signature requirement negatively affect participation?

d. Is the signature requirement more beneficial for candidates who have name recognition and more difficult for candidates who are just starting out?

e. A match rate of 6:1 would help candidates max out with the first claims. Would that be good for candidates as we transition to even-year elections?

f. If the maximum match per contributor is decreased (see page 17), should the rate of match be increased?

g. Should we experience an even-year election before determining whether changes should be made?

The implementing ordinance language that was prepared for the June meeting can be found on pages 10 to 11 of Attachment P.
### Maximum Funding Per Candidate

The matching funds program caps the total amount of public funding that a qualified candidate may receive. The maximums, which have remained the same since the inception of the program in 1993, are based on the type of election and the office the candidate seeks. See “Current” column in table below; LAMC § 49.7.29. The amount that may be matched for each contributor is limited to $250 for City Council candidates and $500 for Citywide candidates. See LAMC § 49.7.27(A).

At the April meeting, the possibility of raising the maximums by approximately 50 percent and adjusting them annually for CPI was discussed. A 50-percent increase would mirror recommendations that the Ethics Commission made to the City Council in 2015.

An increase to the maximums would involve the same CPI adjustment process discussed on page 6 for the qualification criteria of aggregate contribution thresholds. The table below identifies the base amounts that would have been adopted if the maximums had been included in 2012 among the amounts that are adjusted for CPI. Those base amounts result in increases of 51 percent when the CPI formula is applied for 2018.

<table>
<thead>
<tr>
<th>Office</th>
<th>Election</th>
<th>Current</th>
<th>2012 Base Amount</th>
<th>2018 CPI Adjustment</th>
<th>Percent Increase (current to 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
<td>Primary</td>
<td>$100,000</td>
<td>$135,000</td>
<td>$151,000</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>General</td>
<td>$125,000</td>
<td>$169,000</td>
<td>$189,000</td>
<td>51</td>
</tr>
<tr>
<td>Controller</td>
<td>Primary</td>
<td>$267,000</td>
<td>$360,000</td>
<td>$403,000</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>General</td>
<td>$300,000</td>
<td>$405,000</td>
<td>$453,000</td>
<td>51</td>
</tr>
<tr>
<td>City Attorney</td>
<td>Primary</td>
<td>$300,000</td>
<td>$405,000</td>
<td>$453,000</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>General</td>
<td>$350,000</td>
<td>$472,000</td>
<td>$528,000</td>
<td>51</td>
</tr>
<tr>
<td>Mayor</td>
<td>Primary</td>
<td>$667,000</td>
<td>$900,000</td>
<td>$1,007,000</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>General</td>
<td>$800,000</td>
<td>$1,079,000</td>
<td>$1,208,000</td>
<td>51</td>
</tr>
</tbody>
</table>

Percentages are rounded.

We believe the Public Matching Funds Trust Fund is sufficient to accommodate these increased maximums, as well as annual CPI adjustments. Based on historic qualification and payout rates, and assuming an annual CPI increase of 2.5 percent for both the maximums and the mandatory trust fund appropriations, we project that the trust fund balance will be over $6.5 million following the 2026 elections.

If, for an unforeseen reason, the trust fund balance becomes too low to fully fund all qualified candidates, the law provides a safety net. The Ethics Commission is required to assess the trust fund balance prior to each election, and the maximums must be reduced on a pro rata basis if the trust fund is insufficient to provide the codified maximums. See Los Angeles Administrative Code (LAAC) § 24.33.
Public comment received from key stakeholders since June 18 is identified in the table that begins below.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MAXIMUM FUNDING PER CANDIDATE</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Commission Discussion</strong></td>
</tr>
<tr>
<td>Adjust maximum funding for CPI:</td>
</tr>
<tr>
<td>Primary: $151,000 for Council</td>
</tr>
<tr>
<td>$403,000 for Controller</td>
</tr>
<tr>
<td>$453,000 for City Attorney</td>
</tr>
<tr>
<td>$1,007,000 for Mayor</td>
</tr>
<tr>
<td>General: $189,000 for Council</td>
</tr>
<tr>
<td>$453,000 for Controller</td>
</tr>
<tr>
<td>$528,000 for City Attorney</td>
</tr>
<tr>
<td>$1,208,000 for Mayor</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Councilmember Ryu</strong></td>
</tr>
<tr>
<td>No comment.</td>
</tr>
<tr>
<td>Adjust maximum funding for CPI, with increases for Council and Controller:</td>
</tr>
<tr>
<td>Primary: $175,000 for Council</td>
</tr>
<tr>
<td>$450,000 for Controller</td>
</tr>
<tr>
<td>$453,000 for City Attorney</td>
</tr>
<tr>
<td>$1,007,000 for Mayor</td>
</tr>
<tr>
<td>General: $200,000 for Council</td>
</tr>
<tr>
<td>$525,000 for Controller</td>
</tr>
<tr>
<td>$528,000 for City Attorney</td>
</tr>
<tr>
<td>$1,208,000 for Mayor</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Advancing Justice–LA</strong></td>
</tr>
<tr>
<td>Adjust maximum funding for CPI:</td>
</tr>
<tr>
<td>Primary: $151,000 for Council</td>
</tr>
<tr>
<td>$403,000 for Controller</td>
</tr>
<tr>
<td>$453,000 for City Attorney</td>
</tr>
<tr>
<td>$1,007,000 for Mayor</td>
</tr>
<tr>
<td>General: $189,000 for Council</td>
</tr>
<tr>
<td>$453,000 for Controller</td>
</tr>
<tr>
<td>$528,000 for City Attorney</td>
</tr>
<tr>
<td>$1,208,000 for Mayor</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>California Clean Money Campaign</strong></td>
</tr>
<tr>
<td>Adjust maximum funding for CPI:</td>
</tr>
<tr>
<td>Primary: $151,000 for Council</td>
</tr>
<tr>
<td>$403,000 for Controller</td>
</tr>
<tr>
<td>$453,000 for City Attorney</td>
</tr>
<tr>
<td>$1,007,000 for Mayor</td>
</tr>
<tr>
<td>General: $189,000 for Council</td>
</tr>
<tr>
<td>$453,000 for Controller</td>
</tr>
<tr>
<td>$528,000 for City Attorney</td>
</tr>
<tr>
<td>$1,208,000 for Mayor</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Common Cause (August)</strong></td>
</tr>
<tr>
<td>Adjust maximum funding for CPI:</td>
</tr>
<tr>
<td>Primary: $150,000 for Council</td>
</tr>
<tr>
<td>Not specified for Controller</td>
</tr>
<tr>
<td>Not specified for City Attorney</td>
</tr>
<tr>
<td>Not specified for Mayor</td>
</tr>
<tr>
<td>General: $150,000 for Council</td>
</tr>
<tr>
<td>Not specified for Controller</td>
</tr>
<tr>
<td>Not specified for City Attorney</td>
</tr>
<tr>
<td>Not specified for Mayor</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>League of Women Voters</strong></td>
</tr>
<tr>
<td>Adjust maximum funding to keep pace with inflation.</td>
</tr>
</tbody>
</table>
City data and information from other jurisdictions was provided at the April meeting and can be found on pages 15 through 18 of Attachment A.

**Things to consider:**

a. The maximums have never been adjusted for CPI. Should they be?

b. Is it beneficial to infuse more public money into City elections? Would doing so serve the goals of the matching funds program?

c. Do higher maximums help challengers wage effective campaigns?

d. Are the current maximums to make the program attractive to candidates?

e. Would higher maximums help candidates as we transition to even-year elections?

f. Should we experience an even-year election before determining whether changes should be made?

g. Will even-year elections lead to a decrease in independent expenditures (because spenders will be focused on state and federal elections) and a corresponding decrease in the need for matching funds? Or will independent expenditures increase, because candidates will find it difficult to raise enough campaign funds when competing with state and federal candidates?

h. Should a portion of the maximum be withheld until a debate or town hall is conducted (see Attachment F)?

The implementing ordinance language that was prepared for the June meeting can be found on pages 2, 5, 12, and 13 of Attachment P.
6 Maximum Match Per Contributor

Just as the amount that a candidate may use toward the aggregate contribution thresholds is limited on a per-contributor basis (see page 6), so is the amount that may be matched with public funds. The limit for both is $250 per contributor for City Council candidates and $500 per contributor for Citywide candidates. See LAMC §§ 49.7.23(C)(1)(a), 49.7.27(A).

If a contributor gives a qualified candidate $250, the candidate will receive matching funds totaling $250 multiplied by the match rate. With a match rate of 1:1, the candidate will receive $250 in matching funds. The candidate will receive $500 with a match rate of 2:1 and $1,500 with a match rate of 6:1.

If the maximum per-contributor amount that may be used toward the aggregate contribution thresholds is adjusted for CPI (see page 6), we recommend doing the same for the maximum per-contributor amount that may be matched. Doing so would increase the maximum per-contributor match to $300 for City Council candidates and $700 for Citywide candidates. If, on the other hand, the maximum match per contributor is lowered, as recommended by several key stakeholders (see table below), we recommend that the maximum per-contributor amount that may be used toward the aggregate contribution thresholds also be lowered to the same amount. This will maintain consistency between the two limits and help reduce confusion about the program.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MAXIMUM PER-CONTRIBUTOR MATCH</strong></td>
</tr>
<tr>
<td>Commission Discussion</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Councilmember Ryu</td>
</tr>
<tr>
<td>Advancing Justice–LA</td>
</tr>
<tr>
<td>California Clean Money Campaign</td>
</tr>
<tr>
<td>Common Cause (August)</td>
</tr>
<tr>
<td>League of Women Voters</td>
</tr>
<tr>
<td>Represent Us</td>
</tr>
<tr>
<td>Unrig LA</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

This table reflects a single aspect of each stakeholder’s proposal.
Things to consider:

a. The maximum per-contributor match has never been adjusted for CPI. Should it be?

b. Will adjusting for CPI help candidates as we transition to even-year elections?

c. Should we experience an even-year election before determining whether changes should be made?

d. Should the maximum per-contributor match be lowered? Will doing so place higher value on small contributions?

e. Will matching smaller amounts of contributions while providing a higher match rate (see page 12) encourage candidates to focus on small contributions? Will it encourage them, instead, to decline to participate in the program so they can focus on large contributions?

f. Should the maximum match per contributor change with every election, based on CPI, or should it be a fixed amount?

g. If the rate of match is increased (see page 12), should the maximum match per contributor be decreased?

The implementing ordinance language that was prepared for the June meeting can be found on pages 2, 5, and 10 of Attachment P.
Other Campaign Finance Laws

At the April meeting, possible amendments to other campaign finance laws (not relating to the matching funds program) were also discussed. The commissioners asked the staff to provide draft ordinance language and further discussion regarding one possible amendment related to contributor certifications, which is detailed below.

Also discussed below are Councilmember Ryu’s recommendations to ban developer contributions and increase the contribution limits and staff recommendations that would address a Supreme Court decision regarding aggregate per-person contribution limits and make technical updates to the laws affected by this review.

1 Contributor Certification

All City candidates are currently required to give contributors the opportunity to certify that their contributions are truly their own, do not exceed a contribution limit, and are not prohibited. LAMC § 49.7.16(B). In addition, candidates who participate in the matching funds program are required to obtain a contributor certification for each contribution used for qualification or matching purposes. That certification must state that the information the contributor provided about herself (name, address, occupation, and employer or business) is correct and that the address provided is the contributor’s residence address. LAAC § 24.34(a)(7)(B)(ii).

At the April meeting, the possibility of combining the two certifications and requiring that both be made under penalty of perjury was discussed. A draft certification is provided in Attachment M. The required elements of the certification are identified in the bottom two-thirds of the draft. The top portion was included to demonstrate how the certification could be incorporated into the types of contributor forms that are commonly used by campaigns.

The draft certification was distributed to campaign treasurers and fundraisers for comment on May 23, 2018. We received one comment in response, and it supports the proposed certification. See Attachment N. It also suggests modifications, which have been incorporated into the draft.

Public comment received from key stakeholders since June 18 is identified in the table on the next page.
Commission Discussion and Key Stakeholder Input

**CONTRIBUTOR CERTIFICATION**

<table>
<thead>
<tr>
<th>Commission Discussion</th>
<th>Consolidate the existing certifications and require them under penalty of perjury.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Councilmember Ryu</td>
<td>Consolidate the existing certifications and require them under penalty of perjury.</td>
</tr>
<tr>
<td>Advancing Justice–LA</td>
<td>No comment.</td>
</tr>
<tr>
<td>California Clean Money Campaign</td>
<td>Consolidate the existing certifications and require them under penalty of perjury.</td>
</tr>
<tr>
<td>Common Cause (August)</td>
<td>No comment.</td>
</tr>
<tr>
<td>League of Women Voters</td>
<td>No comment.</td>
</tr>
<tr>
<td>Represent Us</td>
<td>Require certification from all contributors. No comment re: consolidation or penalty or perjury.</td>
</tr>
<tr>
<td>Unrig LA</td>
<td>No comment.</td>
</tr>
</tbody>
</table>

City data was provided at the April meeting and can be found on pages 22 and 23 of Attachment A.

**Things to consider:**

a. Should a consolidated certification be mandatory for all contributors?
b. Should contributors be required to certify under penalty of perjury? Will such a requirement discourage them from contributing?
c. Will a mandatory certification help protect the integrity of the matching funds program?
d. Will it help candidates disclose accurate contributor information?
e. Will it help educate contributors about the limitations on their campaign spending?

The implementing ordinance language that was prepared for the June meeting can be found on pages 6, 16, and 17 of Attachment P.
Developer Contribution Ban

To reduce the actual or perceived influence of well-funded special interests, City law limits the amount of money that a person may give to a candidate in a City election. City law also prohibits some contributions, including those from certain lobbyists, lobbying firms, bidders, and contractors. See Charter §§ 470(c)(3), (4), (11), (12).

Councilmember Ryu has recommended that contributions from developers also be banned. His recommendation was considered at the April meeting, but the commissioners identified legal issues that such a ban might create. Councilmember Ryu indicated that he would provide a legal analysis, and he did so. A memo from his attorney, Stephen Kaufman, was included in the written comments that Councilmember Ryu submitted at the June meeting. See Attachment B, p. 6.

City data and information from other jurisdictions was provided at the April meeting and can be found on pages 19 through 21 of Attachment A. Public comment received from key stakeholders since June 18 is identified in the table below.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
<th>DEVELOPER CONTRIBUTION BAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission Discussion</td>
<td>Legal concerns raised.</td>
</tr>
<tr>
<td>Councilmember Ryu</td>
<td>Ban either certain developer contributions or contributions from all non-individuals.</td>
</tr>
<tr>
<td>Advancing Justice–LA</td>
<td>No comment.</td>
</tr>
<tr>
<td>California Clean Money Campaign</td>
<td>No comment.</td>
</tr>
<tr>
<td>Common Cause (August)</td>
<td>No comment.</td>
</tr>
<tr>
<td>League of Women Voters</td>
<td>Ban developer contributions for large projects requiring City Council approval.</td>
</tr>
<tr>
<td>Represent Us</td>
<td>Ban either developer contributions or contributions from all non-individuals.</td>
</tr>
<tr>
<td>Unrig LA</td>
<td>Ban developer contributions for large projects under City review.</td>
</tr>
</tbody>
</table>

In addition to providing a legal analysis for Councilmember Ryu, Stephen Kaufman also provided a draft ordinance to implement a ban on developer contributions. The staff met with individuals from the Department of City Planning and the City Attorney’s office to discuss the proposed ordinance, and a number of questions were raised during those discussions.

To provide context for the planning process, the City Planning staff noted that the department processes approximately 500 applications each month, including 175 entitlement applications. Since January 1, 2016, approximately 140 commercial projects would have met the square footage threshold proposed in Councilmember Ryu’s draft ordinance. Residential projects are typically measured by the number of units, rather than by square footage.
City Planning staff also indicated that, if the goal is to ban contributions from developers whose projects may be affected by the action of an elected official, those developers can be more precisely identified by the type of decision required for their developments. There are four main types of decisions for development projects handled by the Department of City Planning: director decisions; quasi-judicial decisions (by zoning administrators); advisory agency decisions (made by the director); and decisions by the City Planning Commission and the seven area planning commissions that proceed to the City Council and Mayor (including legislative decisions). Approval of the first three types of decisions is non-discretionary, meaning that if a developer meets all of the stated criteria, the project must be approved. It is only with regard to commission and legislative decisions that elected officials (the Mayor and the City Council) may exercise discretion.

Rather than focusing on the size of a project or including a lengthy list of uses that are subject to change (and, in fact, are currently undergoing comprehensive changes), an ordinance banning contributions from developers could zero in on the developers whose projects must go through the processes that are ultimately decided by the City Council and Mayor. This would tailor the ban so that it applies to projects about which elected officials have discretion and can make a legislative decision that may affect a developer as an applicant.

City Planning staff also noted that there is no standardization regarding who applies for a letter of determination (LOD) for a development project. An applicant may be the developer, but it may also be the property owner, a law firm, a lobbying firm, an architect, an engineering firm, or another party associated with the project. The City Planning staff do not have the ability or capacity to validate the development project team. Furthermore, because there is no requirement that the developer be the party who applies for an LOD, a ban on contributions from a person who has filed an application for an LOD may be broader than is intended or appropriate. It could also result in a scenario in which the person who is banned from making a contribution (the applicant) is not the person whose financial interests are fundamentally affected by a discretionary planning decision.

Property ownership can also be complex. A property owner is required to provide an authorizing signature for an application for an LOD, but that can be simply an authorized agent for service of process when the owner is an entity. In addition, the developer may or may not be the property owner. Developers can, for example, secure from the owner an option to pursue an entitlement to develop the property. Furthermore, entitlements that are granted through LODs run with the land—not with the owner or applicant. Entitled property can be transferred to new ownership after an entitlement decision has been made, and the Department of City Planning is not notified when that occurs.

While a ban that begins with the submission of an application for an LOD clearly delineates a point of entry into the planning process, it could also create public perception issues. For example, it is possible for a very large development project, which takes years to complete, to receive a non-discretionary permit from the Department of Building and Safety or a non-discretionary LOD from the Planning Department. In that case, the developer would not be banned from making contributions. However, the public would be aware of the project, simply from observing construction activity at the project site—likely for months or years. That
awareness could lead the public to believe that the developer should not be making contributions when, in fact, contributions would be legally permitted.

In addition, it can take multiple years for a planning project to go from application to LOD. For projects that require an environmental impact report, the California Environmental Quality Act (CEQA) process, alone, typically takes at least one year. By the time a planning application is submitted, it is highly likely that inquiries and conversations with elected officials have already taken place. This makes fiscal sense for the developer, because it would be unwise to embark upon a project of that magnitude without some degree of confidence that the project would move forward. In that case, it would be quite simple to make a contribution the day before the application is officially submitted and circumvent the ban.

If a ban is approved and requires developers to submit information about themselves and their projects, we strongly recommend that the information be submitted and amended at the planning stage through an electronic database that is created by the Ethics Commission. Given our limited resources, electronic filings are essential to our administration and enforcement mandates.

**Things to consider:**

a. How should “developer” be defined? Should it be the person who applies for project approval? Should it be the property owner? Should it include discretionary and non-discretionary approval processes?

b. Should a developer ban apply to any party that is financially interested in the project, such as property owners, architects, engineers, and law firms?

c. Should a developer ban extend to principals and subcontractors, like the existing ban on bidder/contractor contributions does?

d. Should a developer ban also apply to fundraising, like the existing ban on bidder/contractor contributions does?

e. For equity purposes, should a developer ban extend to those who oppose a development project?

f. Would a developer ban reduce actual or apparent corruption? Would a ban on contributions from non-individuals?

g. Would voiding a project’s approval because of an improper contribution create liability for the City?

h. Should we experience an even-year election before determining whether changes should be made?

i. Should elected officials be prohibited from soliciting and receiving developer contributions, like the existing prohibition on lobbying contributions?

j. Should elected officials be prohibited from behesting donations from developers to nonprofit organizations?
k. How would we navigate the complexities of property ownership, such as when an LLC is identified as the owner or applicant?

l. Would a recusal requirement (see page 25) be a better solution than a developer ban?

The public perception that developers exert undue influence is real, and there can be value in prohibiting contributions from persons seeking a particular result in a City decision. We do that now for lobbyists and bidders, and developers with projects that require a discretionary decision are seeking a favorable result in the same way that lobbyists and bidders are. However, it is important to understand the actual parameters of such a ban—what can and cannot be prohibited. It is also important to communicate those parameters. Failing to do so could lead to a ban that creates more cynicism and mistrust, because certain developers or parties associated with developers may not be prohibited from making contributions or engaging in fundraising.

Because of the complexities of the planning process and the legalities surrounding limitations on campaign speech, we believe more analysis of Councilmember Ryu’s recommendation to ban developer contributions is necessary if the commissioners determine that a ban is desirable. Further consideration will permit the staff to more thoroughly understand the development processes and accurately reflect those processes in an ordinance. It will also ensure that any proposed ordinance is legally defensible and consistent with existing campaign finance and planning laws.
Recusal

Another possible amendment that was identified at the April meeting is a requirement that elected City officials recuse themselves from participating in a development decision when the developer has given them a campaign contribution. The commissioners declined to pursue a recusal requirement at that time.

Councilmember Ryu has suggested that a recusal requirement akin to Metro’s be adopted. See Attachment B, p. 2. Metro prohibits a board member from participating in a contract decision if the member has knowingly accepted a contribution of over $10 in the previous four years from an entity seeking a contract. See Cal. Pub. Util. Code § 130051.20(a)(4).

Public comment received from key stakeholders since June 18 is identified in the table below.

<table>
<thead>
<tr>
<th>Commission Discussion and Key Stakeholder Input</th>
<th>RECUSAL REQUIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission Discussion</td>
<td>Decline to pursue.</td>
</tr>
<tr>
<td>Councilmember Ryu</td>
<td>Impose a recusal requirement based on the Metro model.</td>
</tr>
<tr>
<td>Advancing Justice–LA</td>
<td>No comment.</td>
</tr>
<tr>
<td>California Clean Money Campaign</td>
<td>No comment.</td>
</tr>
<tr>
<td>Common Cause (August)</td>
<td>No comment.</td>
</tr>
<tr>
<td>League of Women Voters</td>
<td>No comment.</td>
</tr>
<tr>
<td>Represent Us</td>
<td>No comment.</td>
</tr>
<tr>
<td>Unrig LA</td>
<td>Impose a recusal requirement based on the Metro model.</td>
</tr>
</tbody>
</table>

Information from another jurisdiction was provided at the April meeting and can be found on page 20 of Attachment A.

Things to consider:

a. Is a recusal requirement a better option than a developer ban (see page 21)?
b. Should recusal apply to decisions that affect anyone, developer or not, who has made a campaign contribution?
c. What is an appropriate period of time for requiring recusals?
d. What would be the repercussions for failing to recuse? Would a failure affect the validity of the body’s decision?
e. Should a recusal requirement apply only to votes, or should it also extend to ex parte communications and other discussions about the decision at issue?
Contribution Limits

To reduce both actual and perceived influence that may be exerted by well-funded special interests, City law limits the amount of money that a single person may contribute to a single candidate in a single election. Charter §§ 470(c)(3), (c)(4). The per-person contribution limits were first adopted in 1985. The limits were $500 for City Council candidates and $1,000 for Citywide candidates until 2012, when they were modified to reflect changes in the CPI. The limits are now adjusted annually to keep pace with CPI, using the same formula noted on page 5. See LAMC §§ 49.7.3(B)(2)(a), (B)(2)(b). Currently, a person may not contribute more than $800 to a City Council candidate or more than $1,500 to a Citywide candidate. See Attachment O.

In his June 19 letter, Councilmember Ryu suggested raising the contribution limits to reflect the anticipated increase in the cost of campaigning now that the City will be holding even-year elections (at the same time that federal, state, and other local candidates will be campaigning). See Attachment B, p. 4. The only other written public comments that address this issue were from Unrig LA, which urged maintaining the current limits. See Attachment I, p. 3.

The following table identifies the contribution limits that apply in other key municipalities.

<table>
<thead>
<tr>
<th>City</th>
<th>City Council</th>
<th>Supervisor</th>
<th>Citywide</th>
<th>Borough President</th>
<th>Mayor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$800</td>
<td>n/a</td>
<td>$1,500</td>
<td>n/a</td>
<td>$1,500</td>
</tr>
<tr>
<td>Berkeley</td>
<td>$250</td>
<td>n/a</td>
<td>$250</td>
<td>n/a</td>
<td>$250</td>
</tr>
<tr>
<td>Long Beach</td>
<td>$400</td>
<td>n/a</td>
<td>$600</td>
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<td>$800</td>
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<td>Oakland*</td>
<td>$800</td>
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<td>$800</td>
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</tr>
<tr>
<td></td>
<td>$1,600</td>
<td>n/a</td>
<td>$1,600</td>
<td>n/a</td>
<td>$1,600</td>
</tr>
<tr>
<td>Sacramento*</td>
<td>$1,650</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$3,350</td>
</tr>
<tr>
<td></td>
<td>$5,600</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$11,150</td>
</tr>
<tr>
<td>San Diego</td>
<td>$550</td>
<td>n/a</td>
<td>$1,500</td>
<td>n/a</td>
<td>$1,500</td>
</tr>
<tr>
<td>San Francisco</td>
<td>n/a</td>
<td>$500</td>
<td>n/a</td>
<td>n/a</td>
<td>$500</td>
</tr>
<tr>
<td>New York City</td>
<td>$2,850</td>
<td>n/a</td>
<td>$5,100</td>
<td>$3,950</td>
<td>$5,100</td>
</tr>
<tr>
<td>Seattle</td>
<td>$500</td>
<td>n/a</td>
<td>$500</td>
<td>n/a</td>
<td>$500</td>
</tr>
<tr>
<td>Washington DC**</td>
<td>$500</td>
<td>n/a</td>
<td>$1,500</td>
<td>n/a</td>
<td>$2,000</td>
</tr>
<tr>
<td></td>
<td>$1,000</td>
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<td>n/a</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,500</td>
<td>n/a</td>
<td>n/a</td>
<td>$1,500</td>
<td></td>
</tr>
</tbody>
</table>

* Lower limit applies to persons; higher limit applies to committees.
** Different limits apply to ward candidates, at-large candidates, and council chair candidates.

Among the California cities surveyed above, Los Angeles has the second highest contribution limit for City Council candidates (tied with Oakland’s limit for non-committee contributors), the highest contribution limit for Citywide candidates (tied with San Diego) and
the second highest contribution limit for Mayoral candidates (tied with San Diego). Among all surveyed cities, Los Angeles is in the top half of contribution limits, regardless of seat.

There is uncertainty about the financial implications of the 2020 elections. Moving to even-year elections will require City candidates to compete with state and federal candidates for campaign funds, and campaign costs may rise as more candidates vie for campaign workers and communication platforms. However, recent contribution data indicates that most contributors are not giving in the upper ranges of the contribution limits. As noted in the first table on page 4 of Attachment A, 62 to 74 percent of all contributions to matching funds candidates in elections since 2011 have been valued at $250 or less.

In addition, average campaign spending since 2011 has remained fairly consistent, depending on whether a seat is open or not. Average spending by City Council candidates in primary elections has ranged from $126,625 to $206,119. The highest average spending by candidates was $4,447,157 in the 2013 open mayoral race. A table detailing these averages can be found on page 16 of Attachment A.

**Things to consider:**

a. Is it possible to determine the “expected cost increases” of even-year elections before we experience them?

b. Should we experience an even-year election before determining whether changes should be made?

c. Will the matching funds program counteract the costs of running a campaign?

d. Do higher contribution limits give more influence or access to the wealthy?

e. If we increase maximum matching funds (see page 14), is it necessary to increase the per-person contribution limits?

f. Will independent expenditures be focused on state and federal elections? If so, is it necessary to increase contribution limits?

g. Increasing contribution limits beyond CPI adjustments may require a Charter change.
5 Aggregate Per-person Contribution Limit

The City Charter contains a provision that limits the amount of money that a single contributor may give to all candidates in a single election. See Los Angeles City Charter (Charter) § 470(c)(6). The United States Supreme Court held such a provision unconstitutional in McCutcheon v. Federal Election Commission, 572 U.S. ___, 134 S.Ct. 1434 (2014). In response to the McCutcheon decision, the Ethics Commission adopted a resolution on April 17, 2014, suspending enforcement of that unconstitutional Charter section.

In 2012, prior to the McCutcheon decision, the aggregate per-person contribution limit was included among the campaign finance amounts that are adjusted annually for CPI. See LAMC §§ 49.7.3(A)(3), (B)(2)(c). To further comply with the Supreme Court’s ruling and eliminate any confusion that may arise from the aggregate per-person contribution limit remaining in the Campaign Finance Ordinance, we recommend eliminating the references in the CPI formula. The implementing ordinance language that was prepared for the June meeting can be found on pages 2 and 3 of Attachment P.

6 Technical Updates

In every policy review, the drafting stage reveals language that should be clarified or streamlined. For this review, we recommend three technical updates. First, to eliminate redundancy, we recommend streamlining the language in LAMC § 49.7.2(T) that specifies when a qualified contribution must be received. The implementing ordinance language that was prepared for the June meeting can be found on page 1 of Attachment P.

The second technical amendment relates to Form 22 (Matching Funds Request for Qualification / Claim for Payment). Participating candidates must list all contributions that they submit to qualify for or receive matching funds on Form 22, in alphabetical order by the contributor’s last name. See LAAC § 24.32(b)(2)(A)(iii). In addition, the law currently states that the contributions used for the in-district contribution requirement (see page 4) must be listed separately from other contributions. Id. This is unnecessary because Form 22’s contribution spreadsheet includes a column for indicating whether the contribution is in-district. In addition, if the in-district contribution requirement is eliminated, identifying such contributions will become moot. For these reasons, we recommend updating the documentation requirement to eliminate that requirement. The implementing ordinance language that was prepared for the June meeting can be found on page 16 of Attachment P.

Finally, we recommend renumbering as necessary to add and eliminate sections. That renumbering is noted throughout Attachment P with redlining.
**Next Steps**

We recommend that you vote to determine whether any possible amendments should be approved and whether any should be continued for further analysis. Ordinance changes require City Council approval to become effective, so any approved amendments will be transmitted for their action.

The fundraising window for the 2020 City elections opens on September 3. If the goal is to have any amendments apply to the 2020 elections, it will be important to transmit them to the City Council as quickly as possible. Therefore, we also recommend that you determine whether the staff should directly transmit implementing language for any approved amendments or whether you would prefer to have language presented for your approval at the next meeting.

**Attachments:**

- A Review of Key Campaign Finance Laws (April 24, 2018), without attachments
- B Comments from Councilmember Ryu received June 19, 2018
- C Comments from Asian Americans Advancing Justice Los Angeles received August 1, 2018
- D Comments from California Clean Money Campaign received June 19, 2018
- E Comments from Common Cause received June 18, 2018
- F Comments from Common Cause received August 10, 2018
- G Comments from League of Women Voters received August 13, 2018
- H Comments from Represent Us Los Angeles–San Gabriel Valley received July 26, 2018
- I Comments from Unrig LA received August 14, 2018
- J Other written comments received since June 18, 2018
- K Matching Funds FAQs
- L Data from City Clerk’s Election Division submitted June 19, 2018
- M Recommended contributor certification
- N Public comment regarding contributor certification
- O 2018 Contribution and Expenditure Limits: City Candidate Committees
- P Ordinance language (redlined) presented June 19, 2018
Review of Key Campaign Finance Laws

A. Introduction

At the last meeting, we began a review of key campaign finance laws by providing an overview of the current laws regarding contributions, disclosure, and the matching funds program. This review was prompted by several factors, including the 2020 transition to elections held in even-numbered years, the availability of new matching funds data from the 2015 and 2017 elections, and several City Council motions introduced last year.

A copy of the report presented at the last meeting is provided in Attachment A (The document entitled 2017 Regular City Election Limits, which was attached to that report, has changed since the last meeting, and the new limits are provided in Attachment B). This report builds on the previous presentation by initiating a substantive discussion about potential updates to the campaign finance laws. More detail is provided below in sections C and D. We recommend that you determine whether and how the laws should be updated at this time.

B. Process

As with all of our policy reviews, the process for this review includes many hours of staff discussion across several of the disciplines within the agency. The staff has analyzed data, assessed public input, evaluated experiences with existing City laws, and examined laws in other jurisdictions.

The staff has also solicited public input via e-mail, website postings, and an interested persons meeting that was held on March 14, 2018. Copies of all written comments received as of the date of this report are provided in Attachment C. Public input continues to be welcome throughout the course of this review.

C. Discussion of Matching Funds

In this section, we provide details regarding the campaign finance laws at issue in this review. To aid the decision-making process, we state the question to be answered for each issue, note public input (including suggestions provided through City Council motions), provide staff analyses, offer data from City elections, and suggest things to consider during the discussion.

There are eight decision points (each marked with a $\square$), which include the following:

Matching Funds Qualification
- Should the 200 in-district contribution criteria be modified (page 3)?
- Should the aggregate contribution threshold be modified (page 6)?
- Should the debate criteria be modified (page 9)?
Matching Funds Rates and Maximums
• Should the match rates be modified (page 11)?
• Should the per-candidate maximums be modified (page 15)?

Contributions and Disclosure
• Should contributions from developers be banned (page 19)?
• Should the contributor certification be modified (page 22)?
• Should disclosure regarding contributor type be modified (page 23)?

MATCHING FUNDS QUALIFICATION

The matching funds program is available to qualified City candidates and provides limited public funds to assist them in their campaigns for elected office. The program first became effective with the 1993 elections, following adoption of a voter-approved ballot measure. In 2007, elections for Los Angeles Unified School District Board of Education (LAUSD) became subject to Ethics Commission regulation, but the matching funds program was not included in the ballot measure. Additional information about the matching funds program begins on page 5 of Attachment A.

To receive public funding, City candidates must agree to participate in the program and must meet all of the following qualification criteria (see Los Angeles Municipal Code (LAMC) § 49.7.23):

1. Qualify to appear on the ballot.
2. Be opposed by at least one other person who also qualifies to appear on the ballot.
3. Attend an Ethics Commission training (applies to both the candidate and the candidate’s treasurer).
4. Agree to participate in debates.
5. File all required campaign disclosure statements.
6. Use public funds only in lawful ways.
7. Receive at least 200 qualifying contributions of $5 or more from individuals who reside in the district (for City Council candidates) or the City (for Citywide candidates).
8. Receive threshold amounts of aggregate qualifying contributions from individuals who reside in the City:
   • $25,000 for City Council candidates.
   • $75,000 for City Attorney and Controller candidates.
   • $150,000 for Mayoral candidates.
Up to $250 per contributor counts toward the City Council threshold, and up to $500 per contributor counts toward the Citywide thresholds.

9. Limit the use of **personal funds** to a specific amount that is adjusted annually to reflect changes in the Consumer Price Index (CPI): currently $34,800 for City Council candidates and $139,400 for Citywide candidates.

10. Limit **overall campaign spending** to specific amounts, which are based on office sought and type of election and are adjusted annually for CPI. The expenditure ceilings are lifted and no longer apply when certain amounts of independent spending or spending by non-participating candidates occurs.

<table>
<thead>
<tr>
<th>EXPENDITURE CEILINGS 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office</strong></td>
</tr>
<tr>
<td>City Council</td>
</tr>
<tr>
<td>Controller</td>
</tr>
<tr>
<td>City Attorney</td>
</tr>
<tr>
<td>Mayor</td>
</tr>
</tbody>
</table>

The qualification criteria are designed to help safeguard the public trust and ensure that the public’s money is spent prudently. Candidates who meet the qualification criteria have stated that they will comply with the rules of the matching funds program and have demonstrated that they possess a minimum level of public support.

**Should the 200 in-district contribution criteria be modified?**

The requirement that candidates receive 200 contributions from individuals residing in the district (or, for Citywide candidates, the City) became effective with the 2015 elections. The requirement was first suggested by advocacy groups, with the hope of encouraging candidates to communicate directly with constituents and reinforcing the concept that small contributions have a greater value in the matching funds program.

**Public Input**
- Eliminate this requirement or lower the number of required contributions.
- The requirement is burdensome and requires too much work for candidates.
- The requirement discourages candidate participation.

**Staff Analysis**
- Direct communication with constituents may encourage voter participation.
- The requirement may help candidates focus on in-district interests.
- Significantly more staff resources are required to review each claim and verify each contributor’s address.

**Things to Consider**
- Can the requirement be viewed as more beneficial for candidates who have name recognition and more difficult for candidates who are just starting out?
- Is the burden of the requirement such that it discourages participation?
- Does the requirement discourage participation?
Council File No. 15-1088-S1 is a motion that proposes a review of the matching funds program. See Attachment A, page 43.

Since the 2011 elections, the percentage of small matching funds contributions has increased, while the percentage of large contributions has decreased.

Since the 2011 elections, the number of contributions submitted and the amount of staff time required to verify each claim for matching funds have both increased dramatically. For example, from 2011 to 2015 (two elections in which the same seats were on the ballot), the total number of contributions submitted increased by 166 percent, the time required to verify an average claim increased by 814 percent, and the time required to verify all claims increased by 967 percent. This increase results because more small contributions are being submitted and because it takes more time to verify individual addresses.

Since the 2011 elections, the percentage of contributions coming from City residents has increased.

<table>
<thead>
<tr>
<th>Election</th>
<th>Total Contributions Submitted</th>
<th>Approx. Time To Verify Average Contribution</th>
<th>Total Claims Submitted</th>
<th>Average Contributions Per Claim</th>
<th>Approx. Time to Verify Average Claim</th>
<th>Approx. Time to Verify All Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2,706</td>
<td>2 minutes</td>
<td>50</td>
<td>54</td>
<td>1.8 hours</td>
<td>90 hours</td>
</tr>
<tr>
<td>2013</td>
<td>21,059</td>
<td>2 minutes</td>
<td>155</td>
<td>137</td>
<td>4.6 hours</td>
<td>702 hours</td>
</tr>
<tr>
<td>2015</td>
<td>7,192</td>
<td>8 minutes</td>
<td>77</td>
<td>96</td>
<td>12.8 hours</td>
<td>960 hours</td>
</tr>
<tr>
<td>2017</td>
<td>7,640</td>
<td>8 minutes</td>
<td>65</td>
<td>118</td>
<td>15.7 hours</td>
<td>1,019 hours</td>
</tr>
</tbody>
</table>

A claim may be either an original or an amendment. Average and approximate numbers are rounded.
• Since the 2011 elections, voter turnout rates have remained largely consistent. Higher voter turnout rates tend to correspond with elections in which Citywide offices are on the ballot.

<table>
<thead>
<tr>
<th>VOTER TURNOUT RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

Percentages are rounded.

**Other Jurisdictions**

• This report compares public financing programs in a variety of cities, including five California cities that have matching funds programs: Berkeley, Los Angeles, Long Beach, Sacramento (not funded since 2011), and San Francisco. Oakland has a public financing program that reimburses qualified campaign expenditures made by city council candidates. In addition, New York City and Washington DC have matching funds programs. Seattle’s program allows residents to give up to $100 in vouchers to candidates, which are redeemed through the city. The table on the following page provides more details about each of the jurisdictions reviewed for this report.

<table>
<thead>
<tr>
<th>KEY CITIES WITH PUBLIC FINANCING PROGRAMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Los Angeles</td>
</tr>
<tr>
<td>Berkeley</td>
</tr>
<tr>
<td>Long Beach</td>
</tr>
<tr>
<td>Oakland</td>
</tr>
<tr>
<td>Sacramento†</td>
</tr>
<tr>
<td>San Francisco</td>
</tr>
<tr>
<td>New York City</td>
</tr>
<tr>
<td>Seattle</td>
</tr>
<tr>
<td>Washington DC</td>
</tr>
</tbody>
</table>

* There is also one at-large city council position.  
** There are also two at-large city council positions.  
*** Referred to as wards.  
† Program has not been funded since 2011.

• No other California city requires in-district contributions, but several require in-city contributions. For example, San Francisco requires mayoral candidates to collect 500 (non-incumbent) or 750 (incumbent) contributions from city residents, and it requires board of supervisor candidates to collect 100 (non-incumbent) or 150 (incumbent) contributions from city residents. Berkeley requires candidates to obtain 30 contributions from city residents. In Oakland, only contributions from city residents count for qualification.
• New York City requires its city council candidates to receive at least 75 in-district contributions and its borough president candidates to receive at least 100 in-borough contributions. In addition, its mayoral candidates must receive at least 1,000 contributions from city residents, and its other citywide candidates must receive at least 500 contributions from city residents.

• Seattle returned to a public financing program with the 2017 elections. In the new voucher program, city council candidates must receive 150 contributions from city residents, and 75 must be in-district. City attorney candidates must also receive 150 contributions from city residents, and at-large city council candidates must receive 400 contributions from city residents.

• Washington DC’s new program will first be effective for the 2020 elections. Contributions from district residents (equivalent to city residents) are required and range from 250 for a city council candidate to 1,000 for a mayoral candidate.

**Should the aggregate contribution threshold be modified?**

The requirement that candidates receive a threshold amount of contributions has existed since the inception of the matching funds program. The requirement is designed to justify giving public funds to a candidate by requiring the candidate to establish a minimum level of financial support.

Prior to the 2013 elections, the requirement could be satisfied with any contribution from any individual or non-individual, without geographic limitation. For the 2013 elections, the requirement could be satisfied only with contributions received from individuals. Beginning with the 2015 elections, the criteria was further limited, and only contributions received from individuals residing within the City now count toward the qualification threshold.

**Public Input**

• Lower the threshold. For City Council candidates, $20,000 seems more appropriate.

• The requirement is burdensome. This is especially true considering the move to even-year elections, when City candidates will be competing with state and federal candidates for limited resources.

**Staff Analysis**

• The aggregate threshold establishes that a candidate has a base of support within the community.

• A high threshold can exclude candidates who do not yet have broad support, thereby favoring candidates with name recognition.

• A lower threshold may make qualification easier.

• The threshold has not been adjusted for CPI since the inception of the program.

**Things to Consider**

• Is the requirement more beneficial for candidates who have name recognition and more difficult for candidates who are just starting out?

• Does the requirement discourage participation?

• Would a lower threshold help candidates as we transition to elections held in even years?

• Should we experience an even-year election before determining whether changes should be made?
City Data

- Council File No. 15-1088-S1 is a motion that proposes a review of the matching funds program. See Attachment A, page 43.

- If the aggregate contribution threshold were adjusted to reflect CPI, the thresholds would now be approximately 75 percent higher (see bls.gov/data/inflation_calculator.htm).

<table>
<thead>
<tr>
<th>AGGREGATE CONTRIBUTION THRESHOLDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office</strong></td>
</tr>
<tr>
<td>City Council</td>
</tr>
<tr>
<td>City Attorney / Controller</td>
</tr>
<tr>
<td>Mayor</td>
</tr>
</tbody>
</table>

- The buying power of the dollar has decreased by approximately 42 percent since 1993, when the matching funds program first took effect. Today, $25,000 has the same buying power as $14,386 did in 1993, $75,000 has the same buying power as $43,157 in 1993, and $150,000 has the same buying power of $86,314 in 1993.

- Since the 2011 elections, matching funds participation rates have remained fairly constant overall but have increased among candidates who qualified to appear on the ballot.

<table>
<thead>
<tr>
<th>MATCHING FUNDS PARTICIPATION RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Election</strong></td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

Percentages are rounded.

- Since the 2011 elections, qualification rates among participating candidates have ranged from 10 percent to 29 percent of all candidates and from 23 percent to 59 percent of candidates who qualified for the ballot.

<table>
<thead>
<tr>
<th>MATCHING FUNDS QUALIFICATION RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Election</strong></td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

Percentages are rounded.
• The number of City Council candidates who would have met the aggregate contribution threshold would not have changed significantly if the threshold had been either lowered to $20,000 or raised to $40,000.

<table>
<thead>
<tr>
<th>CITY COUNCIL CANDIDATES MEETING AGGREGATE CONTRIBUTION THRESHOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

Based on funds raised by candidates who qualified for the ballot.

**Other Jurisdictions**

• All other cities reviewed for this report have aggregate contribution thresholds. The thresholds vary widely and range from $500 to $250,000. Seattle’s threshold is a total number of contributions, rather than a total value.

<table>
<thead>
<tr>
<th>AGGREGATE PER-CANDIDATE CONTRIBUTION THRESHOLDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Los Angeles</td>
</tr>
<tr>
<td>Berkeley</td>
</tr>
<tr>
<td>Long Beach</td>
</tr>
<tr>
<td>Oakland*</td>
</tr>
<tr>
<td>Sacramento†</td>
</tr>
<tr>
<td>San Francisco</td>
</tr>
<tr>
<td>New York City</td>
</tr>
<tr>
<td>Seattle</td>
</tr>
<tr>
<td>Washington DC</td>
</tr>
</tbody>
</table>

* Represents five percent of expenditure ceiling, which is adjusted annually for CPI.
** Each contribution must be valued at $10 to $250.
† Program has not been funded since 2011.
Should the debate criteria be modified?

The requirement that candidates agree to participate in debates with their opponents has existed since the inception of the matching funds program. The requirement is designed to help ensure that candidates engage with the public and that the public is aware of a candidate’s views on important issues.

**Public Input**
- Candidates have sufficient opportunities to debate each other, and the requirement should not be changed.
- Candidates should be required to actually debate, not just agree to debate.

**Staff Analysis**
- Candidates should be prepared and willing to communicate their views publicly.
- Actual debates are not required because a non-participating opponent could simply refuse to debate and thereby prevent a participating candidate from receiving public funds.

**Things to Consider**
- Is the requirement achieving its stated goal?
- Would it be more effective to require candidates to hold town hall meetings for themselves, at which they can answer questions from the public, instead of requiring them to agree to participate in debates?
- Does the requirement affect participation?

**City Data**
- Council File No. 15-1088-S1 is a motion that proposes a review of the matching funds program. See Attachment A, page 43.

**Other Jurisdictions**
- As noted in the table on the next page, six of the nine cities reviewed for this report have a debate requirement. Seattle requires its candidates to actually participate in debates.
## DEBATE REQUIREMENT

<table>
<thead>
<tr>
<th>City</th>
<th>Candidates Must Agree to Participate in Debates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>Yes</td>
</tr>
<tr>
<td>Berkeley</td>
<td>No</td>
</tr>
<tr>
<td>Long Beach</td>
<td>No</td>
</tr>
<tr>
<td>Oakland</td>
<td>No*</td>
</tr>
<tr>
<td>Sacramento†</td>
<td>Yes</td>
</tr>
<tr>
<td>San Francisco</td>
<td>Yes</td>
</tr>
<tr>
<td>New York City</td>
<td>Yes</td>
</tr>
<tr>
<td>Seattle</td>
<td>Yes**</td>
</tr>
<tr>
<td>Washington DC</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* The law “strongly encourage[s]” candidates to participate.
** Candidates must actually participate in debates.
† Program has not been funded since 2011.
MATCHING FUNDS MATCH RATE

A candidate who meets all of the qualification criteria receives public funds as a match to private contributions from individuals. There are two possible rates of match, depending on how many signatures a candidate gathers during the nominating petition stage of candidacy.

<table>
<thead>
<tr>
<th>MATCH RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signatures</td>
</tr>
<tr>
<td>500</td>
</tr>
<tr>
<td>1,000</td>
</tr>
</tbody>
</table>

City candidates may qualify to appear on the ballot by gathering 500 valid signatures from registered voters and paying a $300 fee or by gathering 1,000 valid signatures from registered voters and not paying a fee. A candidate who would like the increased rate of match has two options for gathering the necessary signatures: the candidate may elect to qualify for the ballot with 1,000 valid signatures on nominating petition forms; or the candidate may elect to qualify for the ballot with 500 valid signatures on nominating petition forms and gather 500 additional valid signatures on signature forms for the matching funds program. See LAMC § 49.7.27.

Should the match rates be modified?

Until the 2013 elections, the matching funds program had a 1:1 rate of match for all participating candidates who qualified to receive public funds. In 2013, all qualified candidates received public funds at a rate of 2:1 in the primary election and 4:1 in the general election.

The signature requirement and the different rates of match became effective with the 2015 elections. They were established by the City Council, with the stated purpose of helping to ensure that candidates communicate with voters and demonstrate voter support before receiving public funds.

Public Input
- Eliminate the signature requirement. This is a burdensome requirement that favors incumbents because of their name recognition.
- Increase the match rate to 6:1 for all qualified candidates in all elections. This will encourage

Staff Analysis
- In 2014, the Ethics Commission recommended eliminating the signature requirement and adopting a universal 6:1 match rate.
- A higher match rate does the following:
  ✓ Makes small contributions more valuable.

Things to Consider
- Is the requirement more beneficial for candidates who have name recognition and more difficult for candidates who are just starting out?
- Does the signature requirement affect participation? Do match rates?
| ✓ Increases the number of candidates who receive maximum funding. |
| ✓ Frees candidates from fundraising duties more quickly and permits them to spend more time engaging with constituents. |
| ✓ Makes the program more efficient for both candidates and staff by reducing the number of contributions and claims that must be submitted and verified. |

- The matching funds trust fund is projected to be able to sustain a higher match rate.
- The signature requirement can create disparity among otherwise equally qualified candidates.
- The signature requirement encourages communication with constituents if the candidate is the individual who is collecting signatures. Some candidates have paid signature gatherers.
- The signature requirement has increased election duties for the City Clerk’s office, because most candidates now attempt to get 1,000 signatures (all of which must be verified by the City Clerk’s office).

- Is the signature requirement necessary to establish a candidate’s support, in light of the 200 in-district contribution requirement?
- Would changing the match rates or the signature requirement help candidates as we transition to elections held in even years?
- Should we experience an even-year election before determining whether changes should be made?

**City Data**

- Council File No. 15-1088-S1 is a motion that proposes a review of the matching funds program, including the match rate. See Attachment A, page 43.
- Council File No. 17-0058 is a motion that proposes a full public financing program. See Attachment A, pages 45-46.

- In the 2015 and 2017 elections, 27 candidates received matching funds. One candidate received the 1:1 match rate, and 26 received the higher match rates.

- Since the 2011 elections, the percentage of qualified candidates who received the maximum per-candidate funding in the primary election has been just under one-third in City Council-only election cycles and approximately one-half in Citywide election cycles.

<table>
<thead>
<tr>
<th>Election</th>
<th>Number of Candidates Who Rec'd Max</th>
<th>Number of Participating Candidates</th>
<th>Percent of Participating Candidates Who Rec'd Max</th>
<th>Number of Qualified Candidates* Who Rec'd Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2</td>
<td>18</td>
<td>11%</td>
<td>7</td>
</tr>
<tr>
<td>2013</td>
<td>17</td>
<td>50</td>
<td>34%</td>
<td>34</td>
</tr>
<tr>
<td>2015</td>
<td>4</td>
<td>28</td>
<td>14%</td>
<td>14</td>
</tr>
<tr>
<td>2017</td>
<td>6</td>
<td>49</td>
<td>12%</td>
<td>13</td>
</tr>
</tbody>
</table>

Percentages are rounded. * Candidates who received matching funds.

- The resources required of both candidates and staff have increased dramatically since 2011. A higher match rate will reduce the number of matching funds claims and the corresponding time required to submit and verify each contribution.

<table>
<thead>
<tr>
<th>Election</th>
<th>Total Claims Submitted</th>
<th>Approx. Time to Verify All Claims</th>
<th>Total Contributions Submitted</th>
<th>Total Contributions Matched</th>
<th>Percent of Contributions Matched</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>50</td>
<td>90 hours</td>
<td>2,706</td>
<td>2,551</td>
<td>94%</td>
</tr>
<tr>
<td>2013</td>
<td>155</td>
<td>702 hours</td>
<td>21,059</td>
<td>19,661</td>
<td>93%</td>
</tr>
<tr>
<td>2015</td>
<td>77</td>
<td>960 hours</td>
<td>7,192</td>
<td>6,202</td>
<td>86%</td>
</tr>
<tr>
<td>2017</td>
<td>65</td>
<td>1,019 hours</td>
<td>7,640</td>
<td>6,207</td>
<td>86%</td>
</tr>
</tbody>
</table>

Percentages are rounded. A claim may be either an original or an amendment.

**Other Jurisdictions**

- Among jurisdictions with matching funds programs, Berkeley’s match rate of 6:1 is currently the highest, but the most a Berkeley candidate can receive per contributor is $300. The table on the next page provides more detail.
## MATCH RATES

<table>
<thead>
<tr>
<th>City</th>
<th>Match Rate</th>
<th>Maximum Amount Matched Per Contributor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>With 500 Signatures: 1:1</td>
<td>$250 (City Council) $500 (Citywide)</td>
</tr>
<tr>
<td></td>
<td>With 1,000 Signatures: 2:1 in primary</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4:1 in general</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berkeley</td>
<td>6:1</td>
<td>$50</td>
</tr>
<tr>
<td>Long Beach</td>
<td>1:2 in primary</td>
<td>$350</td>
</tr>
<tr>
<td></td>
<td>1:1 in general</td>
<td></td>
</tr>
<tr>
<td>Oakland</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Sacramento†</td>
<td>1:1</td>
<td>$250</td>
</tr>
<tr>
<td>San Francisco</td>
<td>2:1</td>
<td>$100</td>
</tr>
<tr>
<td>New York City</td>
<td>6:1</td>
<td>$175</td>
</tr>
<tr>
<td>Seattle</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Washington DC</td>
<td>5:1</td>
<td>$50 (City Council) $100 (Council At Large) $200 (Citywide)</td>
</tr>
</tbody>
</table>

† Program has not been funded since 2011.
MATCHING FUNDS PER-CANDIDATE MAXIMUMS

A candidate who meets all of the qualification criteria receives public funds as a match to private contributions from individuals. The maximum amount of public funds available to a candidate depends on the office sought and the type of election. See LAMC § 49.7.29.

MAXIMUM FUNDING

<table>
<thead>
<tr>
<th>Office</th>
<th>Primary Election</th>
<th>General Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
<td>$100,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>Controller</td>
<td>$267,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>City Attorney</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Mayor</td>
<td>$667,000</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

Should the per-candidate maximums be modified?

Public Input
- Increase maximum funding. This will allow candidates to communicate more with voters.
- Increasing the maximum funding will reduce the need for fundraising, which will be more difficult in even-year elections when City candidates will have to compete with state and federal candidates.

Staff Analysis
- The current maximums were established at the inception of the matching funds program, in 1991, and have never been increased.
- In 2014, the Ethics Commission recommended increasing maximum funding by approximately 50 percent.
- Increased maximums would do the following:
  - Free candidates from significant fundraising duties.
  - Reduce the need for candidates to rely on private funding.
  - Permit candidates to spend more time engaging with constituents.
- The matching funds trust fund is projected to be able to sustain increased maximums, even at a

Things to Consider
- How do the maximums relate to typical spending?
- Is it beneficial to infuse more public money into City elections? Would doing so serve the goals of the matching funds program?
- Do higher maximums help challengers wage effective campaigns?
- Do the maximums affect participation?
- Would higher maximums help candidates as we transition to elections held in even years?
- Should we experience an even-year election before determining whether changes should be made?
higher match rate.

- The matching funds trust fund receives mandatory annual appropriations that currently outpace payments in elections that do not have a significant number of open seats.

**City Data**

- Council File No. 15-1088-S1 is a motion that proposes a review of the matching funds program. See Attachment A, page 43.

- Since 2011, average spending by City Council candidates in primary elections has ranged from $126,625 to $206,119. Highest average spending by candidates was $4,447,157—in the 2013 open seat mayoral race.

## AVERAGE CANDIDATE SPENDING

<table>
<thead>
<tr>
<th>Election</th>
<th>Seat</th>
<th>Total Candidates</th>
<th>Total Spending All Candidates</th>
<th>Average Spending Single Candidate</th>
<th>Lowest Spending Single Candidate*</th>
<th>Highest Spending Single Candidate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>City Council</td>
<td>Primary 26</td>
<td>$3,636,811</td>
<td>$139,877</td>
<td>$1,570</td>
<td>$587,148</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2013</td>
<td>City Council</td>
<td>Primary 40</td>
<td>$6,807,038</td>
<td>$170,176</td>
<td>$98</td>
<td>$520,956</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General 6</td>
<td>$2,467,274</td>
<td>$411,212</td>
<td>$238,902</td>
<td>$518,691</td>
</tr>
<tr>
<td></td>
<td>Controller</td>
<td>Primary 6</td>
<td>$1,937,232</td>
<td>$322,872</td>
<td>$18,500</td>
<td>$1,074,075</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General 2</td>
<td>$1,326,089</td>
<td>$663,044</td>
<td>$632,023</td>
<td>$694,065</td>
</tr>
<tr>
<td></td>
<td>City Attorney</td>
<td>Primary 4</td>
<td>$3,363,311</td>
<td>$840,828</td>
<td>$884,601</td>
<td>$1,302,772</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General 2</td>
<td>$1,755,863</td>
<td>$877,931</td>
<td>$755,944</td>
<td>$999,919</td>
</tr>
<tr>
<td></td>
<td>Mayor</td>
<td>Primary 8</td>
<td>$14,725,395</td>
<td>$1,840,674</td>
<td>$3,717</td>
<td>$5,356,722</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General 2</td>
<td>$8,894,314</td>
<td>$4,447,157</td>
<td>$3,933,788</td>
<td>$4,960,526</td>
</tr>
<tr>
<td>2015</td>
<td>City Council</td>
<td>Primary 31</td>
<td>$6,389,684</td>
<td>$206,119</td>
<td>$3,083</td>
<td>$1,056,605</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General 2</td>
<td>$1,226,969</td>
<td>$613,485</td>
<td>$555,648</td>
<td>$671,321</td>
</tr>
<tr>
<td>2017</td>
<td>City Council</td>
<td>Primary 43</td>
<td>$5,444,890</td>
<td>$126,625</td>
<td>$2,978</td>
<td>$607,596</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General 4</td>
<td>$1,744,218</td>
<td>$436,055</td>
<td>$190,933</td>
<td>$572,230</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>City Attorney</td>
<td>Primary 1</td>
<td>$703,950</td>
<td>$703,950</td>
<td>$703,950</td>
<td>$703,950</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Mayor</td>
<td>Primary 11</td>
<td>$4,681,358</td>
<td>$425,578</td>
<td>$2,365</td>
<td>$3,874,706</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Reflects spending reported by candidates who qualified to appear on the ballot. Numbers are rounded.

* Among candidates who reported spending at least $1.
The Ethics Commission’s 2014 recommendation would have increased the maximums by approximately 50 percent. If maximum funding were increased for CPI since 1993, the maximums would be approximately 74 percent higher than they currently are (see bls.gov/data/inflation_calculator.htm).

<table>
<thead>
<tr>
<th>Office</th>
<th>PRIMARY ELECTION</th>
<th>GENERAL ELECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
<td>$100,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Controller</td>
<td>$267,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>City Attorney</td>
<td>$300,000</td>
<td>$450,000</td>
</tr>
<tr>
<td>Mayor</td>
<td>$667,000</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

The buying power of the dollar has decreased by approximately 42 percent since 1993, when the matching funds program first took effect. Today, $100,000 has the same buying power as $57,543 did in 1993, $300,000 has the same buying powers as $172,628 in 1993, and $800,000 has the same buying power of $460,341 did in 1993.

In the 2017 elections, $1,778,560 was paid to qualified candidates. Nearly twice that ($3,220,424) was appropriated to the trust fund for FY2017-18.

Based on historic average distributions, the trust fund balance is projected to be able to sustain both increased maximums and an increased match rate.

<table>
<thead>
<tr>
<th>Election</th>
<th>PRIMARY ELECTION</th>
<th>GENERAL ELECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Payments</td>
<td>Average Payment</td>
</tr>
<tr>
<td></td>
<td>Per Candidate</td>
<td>Per Candidate</td>
</tr>
<tr>
<td>2011</td>
<td>$449,719</td>
<td>$64,246</td>
</tr>
<tr>
<td>2013</td>
<td>$6,006,702</td>
<td>$176,668</td>
</tr>
<tr>
<td>2015</td>
<td>$1,082,071</td>
<td>$77,291</td>
</tr>
<tr>
<td>2017</td>
<td>$1,329,312</td>
<td>$102,255</td>
</tr>
</tbody>
</table>

Other Jurisdictions

In other jurisdictions, the per-candidate maximums in primary elections range from $21,120 for a city council candidate in Long Beach to $3,386,900 for a mayoral candidate in New York City. The maximums are the same for general elections in Long Beach, New York City, San Francisco, and Washington DC. The maximums are the same for general elections in Seattle, as well, but any amount not received in the primary may be added to the maximum in
the general. Berkeley has ranked choice voting and, therefore, does not have general elections.

### PER-CANDIDATE MAXIMUMS IN PRIMARY ELECTIONS

<table>
<thead>
<tr>
<th>City</th>
<th>City Council</th>
<th>Supervisor</th>
<th>Citywide</th>
<th>Borough President</th>
<th>Mayor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$100,000</td>
<td>n/a</td>
<td>$267,000–$300,000</td>
<td>n/a</td>
<td>$667,000</td>
</tr>
<tr>
<td>Berkeley</td>
<td>$40,000</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$120,000</td>
</tr>
<tr>
<td>Long Beach*</td>
<td>$21,120–$27,060</td>
<td>n/a</td>
<td>$53,130</td>
<td>n/a</td>
<td>$106,260</td>
</tr>
<tr>
<td>Oakland**</td>
<td>$40,800–$42,900</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Sacramento†</td>
<td>$35,200</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$117,000</td>
</tr>
<tr>
<td>San Francisco</td>
<td>n/a</td>
<td>Non-incumbent: $155,000</td>
<td>n/a</td>
<td>Non-incumbent: $975,000</td>
<td>Incumbent: $962,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York City***</td>
<td>$104,500</td>
<td>n/a</td>
<td>$2,505,250</td>
<td>$902,000</td>
<td>$4,007,300</td>
</tr>
<tr>
<td>Seattle****</td>
<td>$75,000</td>
<td>n/a</td>
<td>$75,000–$150,000</td>
<td>n/a</td>
<td>$400,000</td>
</tr>
<tr>
<td>Washington DC</td>
<td>TBD††††</td>
<td>n/a</td>
<td>TBD††††</td>
<td>n/a</td>
<td>TBD††††</td>
</tr>
</tbody>
</table>

* Represents 33 percent of expenditure ceiling in the primary, which is adjusted each election cycle based on number of voters.
** Represents 30 percent of expenditure ceiling, which is adjusted annually based on CPI. Also limited by annual budget ($183,000 in 2018).
*** Represents 55 percent of the expenditure ceiling in an election year.
**** Equal to the overall spending cap; decreased by the amount of private contributions received.
***** Will be 110 percent of the average expenditures of winning candidates over the previous four regular election cycles.
† Program has not been funded since 2011.
D. Discussion of Other Campaign Issues

In addition to suggestions regarding the matching funds program, we have also received suggestions regarding other aspects of the campaign finance laws. The modifications that have been suggested would affect contributions and disclosure.

DEVELOPER CONTRIBUTIONS

Several types of contributions are currently prohibited in City campaigns. One ban applies to any contribution made under an assumed name (a name other than the true source of the contribution). See Los Angeles City Charter (Charter) § 470(k). This is generally referred to as political money laundering. Another ban exists in federal law and applies to contributions from foreign nationals and foreign entities. See 52 USC § 30121; 11 CFR § 110.20.

The City also bans contributions based on two categories of activity: lobbying and contracting. Lobbyists and lobbying firms are prohibited from making contributions to a candidate who holds or seeks a City office that the lobbyist or lobbying firm is (or is required to be) registered to lobby. Similarly, a candidate is prohibited from accepting a contribution from a lobbyist or lobbying firm that is (or is required to be) registered to lobby a City office that the candidate holds or seeks. See Charter § 470(c)(11).

Finally, bidders and contractors are prohibited from making contributions to or engaging in prohibited fundraising for a candidate who holds or seeks an office that must approve the contract, if the contract is valued at $100,000. This ban extends to the bidder or contractor’s principals, subcontractors of $100,000 or more, and the principals of those subcontractors. See Charter § 470(c)(12); LAMC §§ 49.7.35–36.

Should contributions from developers be banned?

Public Input
- Developers should be banned to help with actual or perceived pay-to-play politics.
- A developer ban would further narrow potential sources of campaign funds, at the same time that the City is moving to even-year elections and candidates will begin competing with federal and state candidates

Staff Analysis
- A precise definition for “developer” would be necessary.
- A specific period of time in which the ban applies should be identified.
- The City already limits the total amount of contributions that a candidate may accept from non-individuals in a single election.

Things to Consider
- Would a developer ban reduce actual or apparent corruption? Would a ban on non-individuals?
- How should “developer” be defined? Should it depend on a certain activity or stage of development? Should it depend on the type of developer (individual or entity)? Should it depend on a monetary threshold?
for limited resources.

- A ban on developer contributions is impractical.
- A developer ban should not apply to someone who wants to modify their home. It should focus on business development.
- A developer ban may increase the amount spent through independent expenditures and lead to less transparency about who is communicating in an election.
- Instead of banning developers, non-individuals should be banned.
- A ban on non-individual contributions (instead of bans on lobbyists, lobbying firms, bidders, contractors, and developers) would eliminate the need for aggregation of contributions, significantly simplify the audit process, and reduce the number of inadvertent excess aggregate contributions.

- A Charter amendment would be required to replace the existing contribution bans in favor of a non-individual ban.
- Adding a ban on contributions from developers may require legal analysis.
- Adding a ban on contributions from developers may require a record of why the ban is needed.

- When should a ban begin for a specific developer (e.g., when a City official is first contacted, when a property is purchased, at the beginning of the design phase, when construction begins, or at a different stage), and when should it end?
- Should a developer ban extend to principals and subcontractors, like the bidder/contractor ban does?
- For equity purposes, should a developer ban extend to those who oppose a development project?
- If developer contributions are banned, should developer fundraising also be banned?
- Should we experience an even-year election before determining whether changes should be made?
- Rather than banning developer contributions, what about requiring those who accept a contribution from a developer to recuse themselves from decisions affecting the developer?
- Would more disclosure be a better solution than banning developer contributions?

City Data

- Council File No. 17-0042 is a motion that proposes a developer ban. See Attachment A, page 44.

- The City’s limits on aggregate non-individual contributions apply per election, are adjusted annually for CPI, and are currently as follows (see Attachment B):
  - $226,500 for City Council candidates.
  - $603,800 for City Attorney and Controller candidates.
  - $1,358,700 for Mayoral candidates.
The percentage of contributions from non-individuals has decreased since the 2011 elections.

### INDIVIDUAL V. NON-INDIVIDUAL CONTRIBUTIONS

<table>
<thead>
<tr>
<th>Election</th>
<th>INDIVIDUAL</th>
<th>NON-INDIVIDUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Amount</td>
<td>Percent of Total Contributions</td>
</tr>
<tr>
<td>2011</td>
<td>$2,872,485</td>
<td>71%</td>
</tr>
<tr>
<td>2013</td>
<td>$25,780,389</td>
<td>81%</td>
</tr>
<tr>
<td>2015</td>
<td>$4,442,492</td>
<td>81%</td>
</tr>
<tr>
<td>2017</td>
<td>$8,696,301</td>
<td>80%</td>
</tr>
</tbody>
</table>

Reflects itemized contributions as reported. Numbers are rounded.

### Other Jurisdictions

- San Diego prohibits contributions from non-individuals.
- San Francisco and, according to the National Conference of State Legislators, approximately 20 states prohibit contributions from corporations, whether for profit or not.
- New York City, Philadelphia, and Phoenix prohibit contributions from corporations, LLCs, trusts, associations, and unions.
- Metro prohibits a board member from participating in a contract decision if the member knowingly accepted a contribution of over $10 from a construction company, engineering firm, consultant, legal firm, or entity seeking a contract.
- Dallas restricts contributions from applicants in zoning cases from the date the case hearing is first publicly noticed until 60 days after the case is withdrawn or decided.
DISCLOSURE

State and City laws require a variety of forms of disclosure, to foster transparency. This information is designed to help inform the public about who is participating in City elections and to help the public make voting decisions.

Campaign disclosure statements must be filed by deadlines that are specified by law and are tied to election dates. See Cal. Gov’t Code §§ 84200(a)–(b), 84200.5(a); Charter § 803(r)(1); LAMC § 49.7.14. The statements must identify a candidate’s expenditures, payees, contributions, and contributors. Required information about itemized contributors (those who contribute $100 or more) includes the contributor’s name, address, occupation, and employer. Candidates are also required to identify each contributor by type: individual; recipient committee; small contributor committee; political party; or other.

City law also requires candidates to give contributors the opportunity to certify the following statements about their contributions (see LAMC § 49.7.16(B):

- The contribution is not being made under a false name, is not being made under another person’s name, and has not been and will not be reimbursed.
- The contribution does not exceed the contributor’s aggregate contribution limit.
- The contribution is not from a person who is prohibited from contributing, including lobbying entities, bidders, contractors, and subcontractors.

A separate contributor certification is required when a contribution is used for matching funds qualification or claim purposes. Certification must be made under penalty of perjury by both the candidate and the candidate’s treasurer and must include the following statements (see Los Angeles Administrative Code § 24.34(a)(9)):

- All contributions identified in the claim form have been deposited into the campaign checking account.
- To the best of their knowledge and belief, the matching funds claim form and all supporting documents are true and complete.
- To the best of their knowledge and belief, all contributions identified in the claim form are from City residents.

Should the contributor certification be modified?

Public Input
- Change the required contributor certification, so that a contributor can certify that the contribution is not

Staff Analysis
- Adding new statements to the contributor certification would enhance compliance for candidates.

Things to Consider
- Should contributors be required to certify under penalty of perjury?
from a foreign national or a foreign-influenced business.

- Change the required contributor certification, so that contributors certify under penalty of perjury that they do not have any open applications for discretionary approval of development projects before the City.

- Obtaining contributor certification is more work and costs more money for candidates.

- Certifications discourage contributions, because contributors feel it is an invasion of privacy, especially for small contributions.

- Identifying all types of prohibited contributions on the contributor certification is an important way to educate the public.

- There are currently two types of contributor certifications in the law, one for all contributions and one for matching funds contributions. Consolidating the certifications would permit candidates to use one form for all contributors and would make both types of certification mandatory.

- Should certification be mandatory for all contributors?

- Should the two certifications specified in City law be consolidated?

City Data

- Council File No. 17-0059 is a motion that proposes requiring businesses to certify that they are not foreign-influenced. See Attachment A, page 47.

- Council File No. 17-0042 is a motion that proposes requiring contributors to certify that they do not have any open applications for discretionary approval of development projects before the City. See Attachment A, page 44.

Should disclosure regarding contributor type be modified?

Public Input

- Require disclosure about specific types of businesses that make contributions.

- Better disclosure will help the public know when a corporation or LLC or nonprofit is giving.

Staff Analysis

- This City limits the total amount of contributions from non-individuals that a candidate may receive per election.

- Only the state can amend the state’s campaign disclosure statement (Form 460).

Things to Consider

- Would more disclosure about types of contributors be a better solution than a ban on contributions?

- Should more disclosure be required in addition to contribution bans?
• However, there is a general “notes” section on Form 460, in which City candidates could be required to provide additional information about the types of their contributors.

• Additional disclosure enhances transparency for the public.

**City Data**

• The City’s limits on aggregate non-individual contributions apply per election, are adjusted annually for CPI, and are currently as follows (see Attachment B):
  ✓ $226,500 for City Council candidates.
  ✓ $603,800 for City Attorney and Controller candidates.
  ✓ $1,358,700 for Mayoral candidates.

• The percentage of contributions from non-individuals has decreased since the 2011 elections.

<table>
<thead>
<tr>
<th>Election</th>
<th>INDIVIDUAL</th>
<th>NON-INDIVIDUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Amount</td>
<td>Percent of Total Contributions</td>
</tr>
<tr>
<td>2011</td>
<td>$2,872,485</td>
<td>71%</td>
</tr>
<tr>
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<td>81%</td>
</tr>
<tr>
<td>2017</td>
<td>$8,696,301</td>
<td>80%</td>
</tr>
</tbody>
</table>

Reflects itemized contributions as reported. Numbers are rounded.

• Types of non-individual contributors since the 2011 elections are provided in the table on the next page, based on staff analysis. “Other” may include committees, not-for-profit entities, and for-profit entities of unknown type.
### TYPES OF NON-INDIVIDUAL CONTRIBUTORS

<table>
<thead>
<tr>
<th>Election</th>
<th>Total Contributions</th>
<th>Non-individual Contributions</th>
<th>Corporations</th>
<th>LLCs</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Amount $4,023,192</td>
<td>$1,150,707</td>
<td>$504,675</td>
<td>$120,760</td>
<td>$525,272</td>
</tr>
<tr>
<td></td>
<td>Count 11,562</td>
<td>2,756</td>
<td>1,202</td>
<td>299</td>
<td>1,255</td>
</tr>
<tr>
<td></td>
<td>Percent 29%*</td>
<td>44%**</td>
<td>11%**</td>
<td>46%**</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Amount $31,959,461</td>
<td>$6,179,072</td>
<td>$2,257,319</td>
<td>$691,225</td>
<td>$3,230,528</td>
</tr>
<tr>
<td></td>
<td>Count 62,937</td>
<td>10,083</td>
<td>3,742</td>
<td>1,103</td>
<td>5,238</td>
</tr>
<tr>
<td></td>
<td>Percent 19%*</td>
<td>37%**</td>
<td>11%**</td>
<td>52%**</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Amount $5,454,206</td>
<td>$1,011,714</td>
<td>$569,610</td>
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<td>1,828</td>
<td>1,074</td>
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<tr>
<td></td>
<td>Percent 22%*</td>
<td>59%**</td>
<td>16%**</td>
<td>25%**</td>
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<tr>
<td>2017</td>
<td>Amount $10,882,805</td>
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<td>$934,650</td>
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<td>3,000</td>
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<td>Percent 20%*</td>
<td>45%**</td>
<td>17%**</td>
<td>38%**</td>
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</table>

Reflects itemized contributions as reported. Numbers are rounded.

* Percent of total contributions.

** Percent of non-individual contributions.

### E. Conclusion

This report highlights decision points regarding the matching funds program, sources of contributions, and disclosure. We recommend that you determine whether modifications to the laws are advisable at this time and, if so, what those modifications should be. If modifications are desired, specific language to implement them will be presented at a future meeting.

### Attachments:

- **A** Introduction to the Campaign Finance Review (February 20, 2018)
- **B** 2018 Contribution and Expenditure Limits: City Candidate Committees
- **C** Written public comments
June 19, 2018

Ethics Commission
200 North Spring Street
Los Angeles City Hall, 24th Floor
Los Angeles, California 90012

Dear Ethics Commissioners,

PREAMBLE

As you continue to deliberate on the ways in which our City’s campaign finance laws can be improved, I would like to provide some specific suggestions for improvement based on the discussions your commission has undertaken thus far:

Large Development Applicant Restrictions, Non-Individual Contributions, and Recusals

Large Development Applicant Restrictions

During Los Angeles’ March 2015 election, only one in ten eligible voters chose to submit ballots. This low voter turnout may be due, in part, to voters’ belief that they can do little to influence local elections and policies.

When applicants for large development projects, and others who have business before the City of Los Angeles contribute widely to political campaigns, and in some cases, flout campaign finance rules entirely, we lose public trust. Unlike the City’s restriction on campaign contributions from companies seeking City contracts, no such restriction currently exists for applicants for large development projects seeking City approvals on potentially-lucrative projects.

As proposed in my legislative motion (Council File 17-0042 - https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cnumber=17-0042)

I believe that the City should adopt a closely drawn restriction on contributions from applicants for large development projects that require City approval. This change would increase trust in government and reduce the appearance and risk of quid pro quo behavior.
To that end, I have worked with outside legal counsel to prepare a memo for my office and your Commission as well as draft ordinance language that provides a pathway for the Ethics Commission to recommend a closely drawn restriction on contributions from applicants for large development projects that require City approval. That memo and draft ordinance follow this letter.

In summary, the ordinance would restrict contributions from applicants for large development projects as follows:

- Limit contributions to the Mayor, City Council, City Attorney, or any candidate for those offices, or any City-controlled committee controlled by those officers from persons, and principals of said persons, who have submitted an application for any Planning Entitlement Process administered by the Department of City Planning from the time of application until 12 months after receiving a decision on the application. This limitation would apply to all discretionary development projects except small projects where the application was for 1,500 square feet or less of residential floor area or 15,000 square feet or less of commercial floor area.

**Non Individual Contributions (AKA the Humans Only Model)**

The above Large Development Applicant Restrictions proposal is appropriate for our city at this time; however, I acknowledge that members of this Commission have expressed reservations about whether such a provision would withstand legal challenge. Though I believe the memo appended to this letter should assuage those fears, I have heard from many of your Commission’s members that a more wholesale reform that would prohibit contributions from all non-individual entities other than political party committees or political action committees may be preferred (also known as the Humans Only Model). I also believe that this approach would be beneficial to the City and have previously moved to propose such a reform. This approach is how San Diego and the United States handle their elections, would simplify campaign finance in general, and has been upheld by the courts. However, as noted by some members of your Commission and Ethics Department staff, such a prohibition on non-individual entities may be legally difficult to pair with the current contractor restrictions and lobbyist restrictions. Therefore, if the Commission does not believe the City should move forward with Large Development Applicant Restrictions similar to the current Measure H contractor restrictions, then I encourage the Commission to consider a prohibition on all non-individual entities other than political party committees or political action committees.

**Metro Recusal Model**

One additional option for the Commission to consider is the model used by the Los Angeles Metropolitan Transit Authority. This was also raised in my motion (Council File 17-0042 - https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfinumber=17-0042) and, as noted on page 21 of the Ethics Department’s April 24, 2018 report, “prohibits a Metro board member from participating in a contract decision if the member knowingly accepted a contribution of over $10 from a construction company, engineering firm, consultant, legal firm, or entity seeking a contract.”
This policy, if recommended, could also serve to fulfill the anticorruption and anti-circumvention interests outlined in the proposal for Large Development Applicant Restrictions.

Matching Funds

Matching Funds Rate

As proposed in my legislative motion (Council File 15-1088-S1 - https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=15-1088-S1)

I agree with the Ethics Commission’s earlier recommendation to the City Council that the matching funds rate should be increased in both the primary and general election to 6:1. This will further reduce the power of moneyed special interests in elections by ensuring qualified candidates will receive enough funding, through public financing, to allow their voices to be heard. At our current rates of match, public funding is not bolstering small dollar donors at the level necessary to ensure qualified candidates can get their message to voters, and the Matching Funds Trust Fund is being replenished at a rate significantly faster than it is being used. Additionally, to ensure that those match rates are indeed supporting small dollar donors, the per-contribution cap level should be set at around $115.00 and indexed to CPI so that the new 6:1 match rate will make those donations equivalent to a maximum contribution. This is also needed given the recent shift of municipal elections being held ‘on-cycle,’ on the same date as federal and statewide elections, which potentially increases the cost of communicating to voters.

Matching Funds Signature Requirements

Currently, 500 signatures are required to access the higher (2:1/4:1) levels of match in addition to the 500 signatures required to qualify for the ballot. This provision was included to show that candidates receiving matching funds engage directly with voters. In reality, most signatures are gathered by campaign volunteers or paid signature gathering organizations, not by the candidates themselves. Instead, this requirement serves as an additional barrier for grassroots candidates to gain access to matching funds, contrary to the purpose of the program. Also significant is the dramatic increase in costs and time to both campaigns and City Staff in reviewing and verifying these additional signatures. The 500 signatures it takes to qualify for the ballot, in-district contributions, and contribution threshold are sufficient enough for a candidate to demonstrate the support eligible for matching funds. Therefore, the additional 500 signatures currently required for matching funds eligibility should be removed.

In District Contribution Requirements for Matching Funds

I concur with the discussions held thus far by your commission that the current In District Contribution Requirement is overly burdensome for first-time candidates and discourages competition, increases processing time and costs for campaigns and City staff, and should be reduced. I concur with your consensus at your April meeting that the requirement should be reduced from 200 donations to 100.
Aggregate Contribution Thresholds for Matching Funds

As with most areas of our campaign finance codes, levels have not been indexed to inflation. The aggregate contribution thresholds should be updated to match the inflation-adjusted rates they were initially set at. This would increase the thresholds for City Council candidates from the current $25,000 to $43,751 in 2018 dollars. This change has an added benefit of rightsizing this key protection for these taxpayer funds to ensure that candidates must show a reasonable level of independent fundraising ability before receiving matching funds. Additionally, any contribution within the County of Los Angeles should be deemed an eligible contribution that would qualify towards the calculation of the threshold. Currently this is limited to City of Los Angeles contributions only, and though this on its face feels reasonable, it often is not. Not only does the verification of zip codes that cross city boundaries contribute substantially to staff burdens, but the concept that a donation originating in San Pedro for a 4th Council District election (27 miles away) should count towards the threshold but a donation just across the district border in Glendale would not be flawed.

Debate Requirement for Matching Funds

I concur with the discussions held thus far by your commission that the current debate requirement that candidates “agree” to a debate in order to be eligible for matching funds but do not need to actually participate is an oversight that should be amended. I concur with your consensus at your April meeting that candidates wishing to receive matching funds should participate in a debate, town hall, or other public forum.

Other Considerations

Contribution Limits

One issue not covered in the Ethics Department’s April 24, 2018 was contribution limits. This is unfortunate, as a frank conversation about where our campaign finance laws should be heading is not complete if it does not discuss overall campaign contribution limits. Though our contribution limits were set in 1985 and have been adjusted over time and indexed to CPI, this upcoming 2020 election will be the first time since the adoption of those limits that our municipal elections will be held on-cycle, at the same time as national and statewide elections. That change will increase the cost of elections for municipal elections as candidates will have to compete with state and national campaigns for volunteers, campaign consultants, mailers, air time, and more. Further, the current model, if not adjusted for the reality of on-cycle campaigning, is likely to push contributions towards PACs or Independent Expenditure Committees (IEs). As part of this reform package, the Commission should consider recommending increasing individual contribution limits commensurate with the expected cost increases likely to be incurred by municipal campaigns which will now be held on-cycle.
Contributor Certification

As proposed in my legislative motion (Council File 17-0042 - https://cityclerk.lacity.org/lacityclerkennection/index.cfm?fa=ccfi.viewrecord&cfnumber=17-0042) and discussed by Ethics Department staff on Pages 22 and 23 of their April 24, 2018 report, there are currently two types of contribution certifications in the law. The two contributor certifications should be consolidated for efficiency and clarity and certification, under penalty of perjury, should be mandatory for all contributors.

Conclusion

Thank you for the time and energy you put into one of the most important civic duties we have in Los Angeles, the safeguarding of the electoral process. Please let me know if you have any questions related to my proposals contained in the letter or the legal memo and draft ordinance appended to it.

Sincerely,

David E. Ryu
Councilmember, District Four
KAUFMAN LEGAL GROUP
MEMORANDUM

777 South Figueroa Street, Suite 4050
Los Angeles, California 90017

Main: (213) 452-6665
Fax: (213) 452-6675

to: Councilmember David Ryu

cc: Sarah Dusseau, Chief of Staff
    Nicolas Greif, Director of Policy and Legislation

from: Stephen J. Kaufman
      George M. Yin
      Stacey J. Shin

re: Restrictions on Political Contributions to City of Los Angeles Elected Officials by Persons with Large Development Projects

file no.: RYU2719.001

date: May 24, 2018

I. Introduction

There is a widespread perception, fostered by recent media stories, that developers engage in questionable behavior with local government officials to get their projects approved. The City of Los Angeles has enacted laws to curb “pay to play” conduct by lobbyists and government contractors (e.g., LA City Measure H (2011)); however, the City has not adopted comparable regulations to combat developers who may seek to channel campaign contributions to City elected officials to obtain favorable decisions for their development projects. For this reason, Councilmember Ryu, together with Councilmembers Krekorian and Buscaino, introduced a motion in the Rules, Elections and Intergovernmental Committee to request that the Ethics Commission explore the feasibility of an ordinance prohibiting political contributions to City elected officials by persons with large development projects who have approvals pending before City decision makers.

We have prepared this memorandum to analyze various legal questions presented by such a proposed ordinance, which could be enacted either by City Council or the City’s voters, and to discuss how such an ordinance may be framed. The scope of the contribution prohibition will be discussed in Section II; the operation of the ordinance will be addressed in Section III; and constitutional considerations will be addressed in Section IV. A sample ordinance is also attached to this memorandum for discussion purposes.

II. Who Would Be Subject to the Contribution Prohibition? (See Draft Ord. § 49.7.50.)

Courts have stated that “[r]representative government would be thwarted by depriving certain classes of voters (i.e., developers, builders, engineers and attorneys who are related in some
Memorandum to Councilmember David Ryu, Sarah Dusseault, and Nicolas Greif
May 24, 2018
Page 2 of 9

fashion to developers) of the constitutional right to participate in the electoral process."¹ In addition, some have pointed out that the word “developer” can mean different things to different people. Thus, rather than simply prohibiting political contributions from a class of persons referred to as “developers,” any new law should specifically prevent “pay to play” conduct in the Planning process by prohibiting contributions from persons with large development projects (and their principals) to City elected officials (and candidates for such offices) who have discretionary approval authority over their projects. And, because persons with small development projects, such as regular homeowners and owners of smaller commercial properties, have not been identified as presenting a corruption problem, they should not be subject to the political contribution prohibition.

III. How Would a Contribution Prohibition Operate?

A. The Prohibition Should Apply to Persons Seeking Approval in the Planning Entitlement Process (Following Building & Safety Review). (See Draft Ord. §§ 49.7.51, 49.7.50.)

To focus a contribution prohibition law properly, the steps involved in the City’s Planning process must be considered. Typically, when a person wants to engage in the City’s Land Use Permit Process they begin by going to the Los Angeles Department of Building & Safety (“LADBS”) to check land use regulations on the property, discuss the project with LADBS staff, and apply for necessary building permits. If the proposed project meets all City regulations, the applicant’s plans are approved by LADBS and a building permit is issued. This process of “by right development” does not involve the possible intervention of elected officials; rather, it mainly involves a process overseen by LADBS staff. For this reason, the general LADBS process should not trigger restrictions on political contributions to any elected City official.

However, if a project does not conform to City land use regulations, or it otherwise requires approval by the Department of City Planning (“Planning”), LADBS will instruct the applicant to go to Planning to apply for the necessary land use approvals. Because most projects involved in the Planning process involve a public hearing before the Area Planning Commission, with decisions appealable to the City Planning Commission (who are appointed by the Mayor and confirmed by the City Council), or the City Council itself, the potential for quid pro quo corruption may arise, since some applicants may seek to contribute to elected officials who have the authority to change zoning rules, grant approvals, or give favorable appeals determinations. Therefore, the beginning of the planning process might be an appropriate starting point to prohibit political contributions.

However, the new law should exempt people going through the entitlement approval process but whose projects are below certain size thresholds. As mentioned above, average homeowners and owners of smaller commercial properties, have generally not been involved in reported

¹ (Woodland Hills Residents Ass’n. v. City Council of L.A. (1980) 26 Cal. 3d 938; 946-947.)

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Memorandum to Councilmember David Ryu, Sarah Dusseault, and Nicolas Greif  
May 24, 2018  
Page 3 of 9

corruption scandals and abuses; thus, they should not be made subject to the contribution prohibitions. We therefore recommend that persons with Planning applications for residential projects below 4,000 square feet in size, and commercial projects below 15,000 square feet in size, be exempted from the contribution prohibitions.

B. Notice to Applicants and Disclosure Form to be Completed by Each Applicant. (See Draft Ord. § 49.7.50(C), (D), (E).)

A proposed ban on contributions should also include notice provisions to satisfy due process concerns. First, the proposed ordinance should require the Department of City Planning to provide notice to every person who applies for a “Planning Entitlement Process” about the campaign contribution prohibitions. It is prudent and fair to require such prior written notice to all persons that may be subject to the prohibition because violations of the proposed ordinance could result in serious consequences, such as the voiding of a person’s application, as well as prohibiting a person from filing a new application for six months.

Second, the proposed ordinance should require each person submitting a Planning application to also submit a completed form to the Department of City Planning, disclosing relevant information about the applicant and the project, such as the names and titles of the principals of the applicant. Like Measure H, it is recommended that the City Ethics Commission create and issue these forms.

C. Contribution Prohibition Applicable to Principals (See Draft Ord. § 49.7.50(A)(3).)

Since “persons” with large development projects are usually firms whose actions are directed by various principals, it is reasonable for contributions from such principals to also be included in the contribution prohibition. As discussed below, similar prohibitions on principals have been upheld in in cases involving prohibitions on government contractor contributions.

D. Contribution Prohibitions Only Apply to Elected Officials Involved in Planning Approvals and Appeals. (See Draft Ord. § 49.7.50(A).)

Prohibitions on contributions should be limited to contributions made to elected officials who are involved in the Planning approval process and appeals. Specifically, contributions to the City Controller should not be subject to the prohibition.

E. Temporal Scope of Developer Contribution Prohibition (See Draft Ord. § 49.7.50(A)(2).)

Councilmember Ryu has proposed that a prohibition on contributions be kept in place from the time that the applicant submits an application in the Planning process until 12 months after a decision on the applicant’s permit or entitlement is rendered (including any appeals). Courts
Memorandum to Councilmember David Ryu, Sarah Dusseault, and Nicolas Greif
May 24, 2018
Page 4 of 9

have generally held that temporal prohibitions on contributions are a very “marginal restriction upon the contributor’s ability to engage in free communications.”

Indeed, a temporal ban is justifiable because it will deter applicants from engaging in corrupting behavior to influence a favorable result after submitting their applications and prevent applicants from seeking to “reward” decisionmakers for making favorable decisions for a reasonable time after a decision is made.

IV. Can Prohibitions on Political Contributions by “Developers” Be Drafted to Pass Constitutional Muster?

Any restrictions on political contributions present First Amendment constitutional issues. We discuss the applicable Constitutional standards and what must be done to satisfy them below.

A. Any Restriction on Political Contributions Must Satisfy First Amendment Constitutional Review Under the “Closely Drawn” Test.

In a long line of cases beginning with *Buckley v. Valeo*, 424 U.S. 1 (1976), the U.S. Supreme Court has distinguished between laws restricting campaign *expenditures* and campaign-related *speech* from laws restricting campaign *contributions*. The Court has determined that laws limiting campaign *expenditures* and campaign-related *speech* “impose significantly more severe restrictions on protected freedoms of political expression and association than do” laws limiting campaign *contributions*. Consequently, the Supreme Court has held that laws limiting campaign *expenditures* and campaign-related *speech* must pass the “strict scrutiny” standard, the Court’s most stringent level of review.

In contrast, laws limiting campaign *contributions*, are subject to a less stringent standard. This is because *contribution* regulations are deemed to be “merely ‘marginal’ speech restrictions,” since contributions “lie closer to the edges than to the core of political expression.” Thus, the Court has declared that “instead of requiring contribution regulations to be narrowly tailored to serve a compelling interest” as they would be under the strict scrutiny standard, a law restricting contributions “passes muster if it satisfies the lesser demand of being ‘closely drawn’ to match a ‘sufficiently important interest.’”

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2 (*Thalheimer v. City of San Diego*, 645 F. 3d 1109, 1122 (9th Cir. 2011) (upholding a temporal ban on contractor contributions in San Diego for 12 months preceding city primary elections); see also *Gable v. Patton*, 142 F. 3d 940, 944, 951 (upholding a prohibition on gubernatorial candidates accepting contributions during the 28 days preceding a primary or general election).)

3 (See *Green Party of Conn. v. Garfield*, 616 F. 3d 189, 198 (2nd Cir. 2010).)

4 (*Buckley*, 424 U.S. at 23.)

5 (*Citizens United v. Fed. Election Comm’n*, 130 S. Ct. 876, 898 (internal quotation marks omitted).)


7 (Id.)

8 (Id. at 162.)
Memorandum to Councilmember David Ryu, Sarah Dusseault, and Nicolas Greif
May 24, 2018
Page 5 of 9

This so-called “closely drawn” standard has been consistently applied to evaluate First Amendment challenges to all laws regulating campaign contributions, including those imposing restrictions on contributions. The Court in Federal Election Commission v. Beaumont, specifically rejected the view that contribution prohibitions are subject to strict scrutiny review. Thus, an ordinance prohibiting political contributions imposed on applicants with large development projects involved in the planning process need only be “closely drawn” to a sufficiently important government interest.

B. Courts Have Held that Restrictions on Contributions Must Serve an Anticorruption Interest.

In identifying what is a “sufficiently important government interest,” courts have held that “preventing corruption or the appearance of corruption are the only legitimate and compelling interests thus far identified for restricting campaign finances.” More recently, the U.S. Supreme Court has further “narrowed the scope of the [valid] anti-corruption rationale to cover ‘quid pro quo corruption only, as opposed to money spent to obtain ‘influence over or access to elected officials.’” (Thalheimer, 645 F. 3d at 1119, quoting Citizens United, 130 S. Ct. at 910.)

At present, there are no reported cases addressing the constitutionality of prohibiting contributions by “developers.” However, any contribution prohibition must be justified by an “anticorruption” interest that is aimed at “combating both actual and the appearance of quid pro quo corruption.” To determine the parameters that such restrictions can take, it is instructive to look at recent court decisions upholding bans on political contributions by government contractors.

C. Recent Cases Addressing Prohibitions on Political Contributions by Contractors in Connecticut and Hawaii are Instructive.

In Green Party of Connecticut v. Garfield, 616 F.3d 189 (2nd Cir. 2010), a Second Circuit case closely followed in the Ninth Circuit, the court reviewed Connecticut’s Campaign Finance Reform Act (CFRA), which the state legislature “passed in response to several corruption


10 (See Beaumont, 539 U.S. at 162.)


12 (Yamada v. Snipes, 786 F. 3d 1182, 1205 (9th Cir. 2013) (emphasis added); see also Green Party, 616 F. 3d at 200.)

13 Prior to the enactment of City of Los Angeles Measure H in 2011, which imposed restrictions on political contributions by City contractors, the City Attorney’s Office prepared a report (No. R10-0358 dated October 18, 2010) entitled “Possible Ballot Measure to Prohibit Contract Bidders from Contributing and Fundraising for City Officials.” The report discussed numerous cases in California and elsewhere in which campaign contribution restrictions on government contractors were upheld. That report may still be referred to, so most of those examples will not be addressed herein.
scandals in Connecticut.”14 The most widely publicized of the scandals in Connecticut involved the state’s then Governor John G. Rowland, who in 2004 resigned after he was accused of improperly accepting tens of thousands of dollars in gifts and services from state contractors in exchange for the award of state contracts. In 2005, Rowland pled guilty to charges related to the scandal.15

The Rowland scandal was but one of many corruption scandals in Connecticut involving elected officials in state and local government, helping to earn the state the nickname of “Corrupticut.”16 The existence of these instances of “actual” quid pro quo corruption was a factor in the 2nd Circuit’s “closely drawn” analysis. Ultimately, the CFRA’s contractor contribution prohibition withstood First Amendment constitutional scrutiny because it was deemed to be closely drawn to combatting actual and perceived quid pro quo corruption involving government contractors and elected officials.17

The Green Party court initially expressed some skepticism of CFRA’s ban on contributions by “principals” of contractors, defined in CFRA as members of a contractor’s board of directors; persons with an ownership interest of 5% or more in the contracting business; the president, treasurer, or executive vice president of the contracting entity; and any officer or employee of either a business entity or nonprofit with managerial or discretionary responsibilities with respect to a state contract.18 However, the court ultimately held that because “the record shows that the dangers of corruption associated with contractor contributions are so significant in Connecticut...[the Legislature] should be afforded leeway in its efforts to curb contractors’ influence on state lawmakers.”19 Because the legislation was elicited by actual corruption scandals, the court also deferred to the Legislature on extending the contribution prohibition to contractor principals.20

On the other hand, the court struck down a contribution prohibition on lobbyists and their families because none of the scandals that supposedly instigated the law’s passage involved lobbyists.21 Consequently, the court found that an outright prohibition on lobbyist contributions was not closely drawn to achieve the state’s anticorruption interest.22

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14 (Green Party, 616 F. 3d at 193; see also Yamada, 786 F. 3d at 1205-1206.)
15 (Green Party of Conn. v. Garfield, 537 F. Supp. 2d 359, 361 (Dist. Conn. 2008).)
16 (Green Party, 616 F.3d at 193.) “Between 1999 and 2005, a number of elected officials and their associates in Connecticut resigned and pleaded guilty to corruption charges. This includes State Treasurer Paul Silvester, who invested over $500 million in state pension funds with financial institutions that ‘kicked back’ money, via associates and friends, to his campaign committee; and State Senator Ernest Newton II, who received a small $5,000 bribe from a non-profit organization that sought a $100,000 state grant.” (Craig Holman & Michael Lewis, Pay-to-Play Laws in Government Contracting and the Scandals that Created Them, Public Citizen, 8 (June 26, 2012), https://www.citizen.org/sites/default/files/wagner-case-record.pdf.)
17 Green Party, 616 F.3d at 201-202.)
18 (Id. at 202-203.)
19 (Id. at 203.)
20 (Id.)
21 (See id. at 205-206.)
22 (Id.)
Memorandum to Councilmember David Ryu, Sarah Dusseault, and Nicolas Greif
May 24, 2018
Page 7 of 9

In *Yamada v. Snipes*, 786 F. 3d 1182 (9th Cir. 2013), the Ninth Circuit addressed a government contractor prohibition enacted by the Hawaii state legislature in response to “pay-to-play” scandals involving legislators and the “widespread appearance of corruption that existed at the time of the legislature’s actions.” As the *Yamada* court noted in a decision that followed the Second Circuit’s *Green Party* decision, a “ban unequivocally addresses the perception of corruption because by totally shutting off the flow of money from contractors to state officials, it eliminates any notion that contractors can influence state officials by donating to their campaigns.” The *Yamada* court held that the contribution ban “is closely drawn because it targets direct contributions from contractors to officeholders and candidates, the contributions most closely linked to actual and perceived quid pro quo corruption.” Thus, reports of actual corruption and scandals, helped justify the contribution prohibition.

Notably, the *Yamada* court rejected an argument that the contractor contribution prohibition was unconstitutional as applied to contributions made to lawmakers and candidates who neither award nor oversee state contracts, since Hawaii’s legislature as a whole considers bills concerning procurement. Indeed, the *Yamada* court clarified that “[c]losely drawn scrutiny requires ‘a fit that is not necessarily perfect, but reasonable,’ and Hawaii’s contractor contribution ban is a reasonable response to the strong appearance of corruption that existed at the time of the legislature’s actions.”

In the current context, a ban on contributions to City elected officials involved in the Planning process, even ones that do not directly play a role in particular Planning decisions, may be defended using the aforementioned rationale. However, a factual showing of actual or perceived corruption in the planning process must be established to support that rationale.

**D. Factual Findings Evidencing the Existence of Actual Corruption and Appearance of Quid Pro Quo Corruption Must be Made**

Federal cases addressing contribution prohibitions, such as those cited above in Connecticut and Hawaii, highlight the importance of showing that a contribution ban will address reports of actual, rather than speculative, corruption. Indeed, where contribution prohibitions were

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23 *Id. at 1206.*
24 *Id. at 1205* (internal quotation marks omitted) quoting *Green Party*, 616 F. 3d at 205; see also *Ognibene v. Parkes*, 671 F. 3d 174, 185 (2d Cir. 2011) (“When the appearance of corruption is particularly strong due to recent scandals . . . a ban may be appropriate.”)
25 (*Yamada*, 786 F.3d at 1206.)
26 *Id.*
27 *Id.*
28 The Ninth Circuit has stated that novel restrictions may require some form of additional showing to support the governmental interest served and to demonstrate how the restriction addresses that interest. (*See Citizens for Clean Gov’t v. City of San Diego*, 474 F. 3d 647, 652-653 (9th Cir. 2007) (concerning application of San Diego contribution limits in the signature gathering phase of candidate recall petitions).) The “extent” of such a showing is unclear, although courts have stated: “[t]he quantum of empirical evidence needed to satisfy heightened judicial scrutiny . . . will vary up or down with the novelty and plausibility of the justifications raised.” (*Citizens for Clean*...
imposed on parties that played no reported role in the sort of corrupt behavior or scandals being targeted, such as lobbyists in the Connecticut context, those provisions were struck down as not closely drawn to address actual and apparent corruption. Thus, any proposed City ordinance should include findings that seek to show that contribution prohibitions are not merely targeting a speculative problem, but rather an actual and perceived quid pro quo corruption problem. Such findings may be supported by prosecutions or by news media reports alleging or documenting corrupt conduct.

Yet, courts have recognized that showing the existence of actual and perceived quid pro quo corruption presents challenges for regulators. Accordingly, some courts have held that “[s]ince neither candidate nor contributor is likely to announce a quid pro quo, the appearance of corruption has always been an accepted justification for . . . campaign contribution limitations.” It therefore appears that laws enacting contribution limits may be upheld so long as they seek to address at least the “appearance of corruption.” As the district court in *Yamada v. Weaver* stated,

> [B]ecause the scope of quid pro quo corruption can never be reliably ascertained, the legislature may regulate certain indicators of such corruption or its appearance, such as when donors make large contributions because they have business with the City, hope to do business with the City, or are expending money on behalf of others who do business with the City. Furthermore, such donations certainly feed the public perception of quid pro quo corruption, and this alone justifies limitations or perhaps an outright ban.  

Thus, recent court decisions have signaled a potentially less stringent approach in contribution cases, whereby contribution prohibitions will be upheld where they satisfy “closely drawn” analysis and where the “appearance” of quid pro quo corruption is shown to exist. Nevertheless, both the Hawaii and Connecticut decisions were premised on the desire to combat actual “pay-to-play” scandals. Thus, proceeding with a contribution prohibition without a showing of actual “pay-to-play” corruption, may entail some risk.

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*Gov’t, 474 F. 3d at 652-653.* It is not known whether courts would deem the contribution prohibitions contemplated here to be “novel;” however, the prior cases involving contractor prohibitions are arguably similar. Clearly some reasonable showing must be made. It is not enough to show “hypothetical situations not derived from any recorded evidence or governmental findings” or “vague allusions to practical experience.” (*Thalheimer, 645 F. 3d 1109, 1121 quoting *Citizens for Clean Gov’t, 474 F. 3d at 653-54.**) The Ninth Circuit has stated, “[d]espite the flexibility implied by its sliding scale approach, the Court has ‘never accepted mere conjecture as adequate to carry a First Amendment burden.’” (*Citizens for Clean Gov’t, 474 F. 3d at 653 quoting *Nixon v. Shrink Mo. Gov’t PAC, 528 U.S. 377, 392 (2000).* *)


30 (*Id. quoting *Ognibene, 671 F. 3d at 187, citing *Citizens United, 130 S. Ct. at 908, 910.* *)
E. Findings Concerning “Indicators” of Actual and Perceived Corruption Involving Large Developers Should Be Made.

At minimum, indicators of quid pro quo corruption or its appearance should be identified to justify the contribution prohibitions under consideration. Case law suggests that examples might be drawn from developer violations of campaign finance laws. However, evidence of actual or perceived and quid pro quo corruption involving large developers in the City of Los Angeles will provide the best support for the proposed ban, and the best defense against possible legal challenges.

If you have questions or comments regarding any of the issues discussed above, please contact us at your convenience.

31 (See generally Yamada v. Weaver, 872 F. Supp. 2d at 1058, 1058 n. 27 (noting that Hawaii government contractor contribution prohibition arose in part because of apparent corruption involving “campaign finance scandals”).

32 For example, researchers from the USC School of Policy Planning and Development produced a report directed to the LA City Ethics Commission entitled “Pay to Play in the City of Los Angeles: An Analysis of Campaign Contributions and the Awarding of Government Contracts.” (See http://priceschool.usc.edu/files/enews/july11/Ethics_Briefe.pdf.)
[DRAFT] ORDINANCE No. __________

An ordinance amending the City’s Campaign Finance Ordinance, codified in Chapter IV, Article 9.7 of the Los Angeles Municipal Code Section 49.7.1, et seq., regarding the restriction of political contributions from persons with large development projects, and related requirements.

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

Section 1. A new Section 49.7.50, 49.7.51, and 49.7.52 is added to the Los Angeles Municipal Code to read as follows:

SEC. 49.7.50. DEVELOPER CONTRIBUTION RESTRICTIONS

A. Campaign Contribution Restrictions. The following persons shall not make a campaign contribution to the Mayor, members of the City Council, the City Attorney, or any candidate for the aforementioned elected City offices; or City controlled committee that is specifically controlled by the Mayor, members of the City Council or the City Attorney or any candidate for these elected City elected offices:

1. A person who submits an application for any Planning Entitlement Process as set forth in Section 49.7.51 of this code as administered by the Department of City Planning;

2. A person who has received a decision on an application for any Planning Entitlement Process set forth in Section 49.7.51 of this code, or a decision on any appeal of a denial of an application, for 12 months after any such decision on an application or appeal was heard and issued; and

3. Principals of persons defined in paragraphs A.1 and A.2. Such principals shall include:

   (i) board chair; president; chief executive officer; chief financial officer; chief operating officer of a person; and any individual who serves in the functional equivalent of one or more of these positions;

   (ii) An individual who holds an ownership interest in the person of 20 percent or more; and

   (iii) An individual authorized to represent the person with any procedures in subsections A.1. and A.2.

B. Exceptions. This subdivision shall not apply to:

1. Contributions to the Mayor, members of the City Council, and City Attorney, or candidates or City controlled committees for these elected City offices where the
application for the Planning Entitlement Process as set forth in Section 49.7.51 of this code, is for a development project which creates or results in less than 4,000 gross square feet of residential floor area;

2. Contributions to the Mayor, members of the City Council, and City Attorney, or candidates or City controlled committees for these elected City offices where the application for a Planning Entitlement Process as set forth in Section 49.7.51 of this code is for a development project which creates or results in less than 15,000 gross square feet of commercial floor area;

C. Disclosure Form. Every person who submits an application for any Planning Entitlement Process set forth in Section 49.7.51 shall file a form with the Department of City Planning, at the time the application is submitted, that contains the following information and is submitted under oath:

1. A brief description of the specific Planning Entitlement Process application, including any City reference number associated with it;

2. The date the application for Planning Entitlement Process was submitted;

3. The name of the person who submits the application for Planning Entitlement Process;

4. The address of the person who submits the application for Planning Entitlement Process;

5. The phone number of the person who submits the application for Planning Entitlement Process;

6. The names and titles of the principals of the person who submits the application for Planning Entitlement Process; and

7. A certification that the person submitting the application understands, will comply with, and will notify its principals of the prohibitions and restrictions in this Section.

D. Requirement to Amend Form. If the information submitted pursuant to Subsection C changes after the application is submitted, the person who submits the application for Planning Entitlement Process shall amend the form and submit it to the Department of City Planning within ten (10) business days of the change.

1. The requirement to amend the form applies whenever the prohibitions and restrictions in this Section apply to the person, including after the person receives a decision on an application for any Planning Entitlement Process.
2. The Department of City Planning shall electronically submit the form to the Ethics Commission, in a Portable Document Format (PDF) or other electronic format pre-approved by the Ethics Commission, within ten (10) business days of receipt.

E. Notification by Department of City Planning. The Department of City Planning shall notify every person who submits an application for any Planning Entitlement Process set forth in Section 49.7.51 of the prohibitions set forth in Section 49.7.50(A).

Violations

F. Enforcement of violations of this section shall proceed as set forth in Section 49.7.38 of this Code.

G. In addition to any other penalties or remedies established by this Article, a person who is found to have violated or who has aided and abetted a violation of this Section shall have their application for a Planning Entitlement Process deemed void and the person may not file a new application for a period of six (6) months.

H. The Ethics Commission staff shall notify all relevant agencies, departments, board and offices of a determination of violation within ten (10) business days of the determination.

SEC. 49.7.51. PLANNING ENTITLEMENT PROCESSES THAT TRIGGER DEVELOPER POLITICAL CONTRIBUTION RESTRICTIONS.

A. Definition of “Planning Entitlement Process”. For the purposes set forth in Section 49.7.50, the term “Planning Entitlement Process” shall mean utilization of any of the planning processes enumerated in Subsection (B) of this Section that are administered by the Department of City Planning and for which approvals and appeals processes are rendered by one or more of the following: a duly authorized hearing officer, area planning commission, city planning commission, the City Council, or Mayor.

B. Specific Planning Entitlement Processes.

Land Use Legislative Actions (zone changes, specific plans etc.)

Zone and height district changes - Code Section - 12.32 F

Changes to the zoning code – Code section 12.32

Establishment, change or removal of a Supplemental Use District (S, G, RPD, CA, POD, MU, CDO, FH, K and O Districts) – Code Section 12.32 S

Establishment, change or removal of a Historic Preservation Overlay Zone – Code Section 12.20.3
Establishment, change or removal of Building Line – Code Section 12.32. R

City owned Designated Building Site for Historic Structures – Code Section Ord. No 159,802

Establishment and amendment of Specific Plans – Code Section 11.5.7

**General Plan (Elements and Community Plan Changes and Amendments)**

Establishment or amendment of the General Plan Elements and Community Plans - Code Section 11.5.6

Community Plan Update for amendment of Community Plans - Code Section 11.5.6

Major Plan Review/Periodic Plan Review (projects with a Community Plan Amendment and Zone Change) - Code Section 11.5.8

**City Planning Commission (Conditional Uses, Plan Approvals & Other Similar Quasi-Judicial Approvals)**

**Citywide Conditional Uses**

Major development projects - Code Section 12.24 U 14

Vesting Conditional Use Permits (Applies only to CUPs listed in the Zoning Code) - Code Section 12.24 T

Airports or aircraft landing fields - Code Section 12.24 U 1

Auditoriums, stadiums, arenas and the like - Code Section 12.24 U 2

Correctional or penal institutions - Code Section 12.24 U 5

Educational institutions - Code Section 12.24 U 6

Golf courses - Code Section 12.24 U 8

Land reclamation projects - Code Section 12.24 U 13

Natural resources development - Code Section 12.24 U 17

Piers, jetties, man-made islands, floating installations - Code Section 12.24 U 20

Research and development centers - Code Section 12.24 U 23
Public schools, elementary and high (kindergarten through 12th grade); Private schools elementary and high (kindergarten through 12th grade) in the A, RE, RS, R1, RU, RZ, RMP, RW1, R2, RD, RW2, R3, C1, C1.5, or M Zones; Private schools [other than elementary or high (kindergarten through 12th grade) or nursery schools] in the A, R, CR, C1, or C1.5 Zones - Code Section 12.24 U 24

Hazardous waste treatment or storage facilities in the M2 and M3 Zones - Code Section 12.24 U 10

Hazardous waste disposal facilities in the M3 Zone - Code Section 12.24 U 11

Electric power generating plants - Code Section 12.24 U 7

Desalinization plants - Code Section 12.24 U 25

Recycling uses in various zones - Code Section 12.24 U 22

Onshore installations for oil drilling - Code Section 12.24 U 18

Wood and green waste recycling in the A1 and A2 Zones - Code Section 12.24 U 9

Hospitals or sanitariums in the A, R, CR, C4, CM, or M Zones and in the C1 or C1.5 Zones when not permitted by right - Code Section 12.24 U 12

Child care facilities or nursery schools in the A, RE, RS, R1, RU, RZ, RMP, RW, R2, R3, or RD Zones, and in the CM and M Zones when providing care for children of employees - Code Section 12.24 U 4

Child care facilities for no more than 50 children in the R3 Zone - Code Section 12.24 U 3

Various uses in the OS Zone - Code Section 12.24 U 19

Various uses in the PF Zone/ Joint public/private development in PF Zone - Code Section 12.24 U 21

Motion picture and television studios and related incidental uses that are located on a motion picture or television studio site, in the A, R, or C Zones when not permitted by right - Code Section 12.24 U 15

Land Use Determinations by Commission - Code Section 12.24.1

Conditional Use Plan Approvals - Code Section 12.24 J, L, M

Specific Plans - Phasing Programs - (does not require Mayor review)
Public Benefit Permit Process (Public Benefit Uses)

Cemeteries - Code Section 14.00 A1

Libraries, museums, fire or police stations of governmental enterprises - Code Section 14.00 A3

Public utilities and public service uses in the A, R, C or MR Zones - Code Section 14.00 A6

Mobilehome parks - Code Section 14.00 A4

Recreational vehicle parks and mobilehome parks in the A, R or C Zones - Code Section 14.00 A7

Affordable housing development density increases (FAR - density bonus) - Code Section 14.00 A2

Parks, playgrounds or recreation or community centers in the A, R, or C1 Zones - Code Section 14.00 A5

Shelter for the homeless with no more than 30 beds in the R3, M1, M2 and M3 Zones - Code Section 14.00 A8

Shelter for the homeless in no more than 6 trailers by a church, religious institution, or philanthropic institution - Code Section 14.00 A9

Zoning Administrator (Conditional Uses, Plan Approvals & Other Similar Quasi-Judicial Approvals)

Local Community Conditional Uses

Miniature or pitch and putt golf courses in the A, R, or C1 Zones - Code Section 12.24 W 26

Mortuaries or funeral parlors in the C2, C4, C5, CM, or M1 Zones - Code Section 12.24 W 29

Nurseries in the R, C1 and C1.5 Zones - Code Section 12.24 W 31

Private clubs in the A, R1, RU, RZ, RMP, RW1, R2, RD, RW2, R3, or R4 Zones - Code Section 12.24 W 35
Second dwellings on large lots in the RA, RS, or R1 Zones - Code Section 12.24 W 44

Wireless telecommunication facilities in the A, R, C, or MR Zones - Code Section 12.24 W 49

Hotels and motels under various conditions in various zones - Code Section 12.24 W 24

Second dwelling unit in the A, RA, RE, RS, R1, RMP, or RW1 Zones - Code Section 12.24 W 43

Automobile service stations, tire repairing, battery servicing, or automobile lubrication in the C1.5 Zone - Code Section 12.24 W 2

Sale of merchandise in the open or at an indoor swap meet under various conditions and in various zones - Code Section 12.24 W 42

Automobile service stations, tire repairing, battery servicing, and automobile lubrication in the C4 Zone - Code Section 12.24 W 3

Bovine feed or sales yards in the A1 or A2 Zones - Code Section 12.24 W 5

Rental or storage of household moving rental trucks and utility rental trailers in the C2, C5, CM and MR1 Zones - Code Section 12.24 W 39

Entertainment uses - dance halls, hostess dance halls and massage parlors in various zones - Code Section 12.24 W 18

Penny arcades in the C2, C5, CM, M1, M2, or M3 Zones - Code Section 12.24 W 34

Sale of alcoholic beverages for off-site consumption in the C and M Zones - Code Section 12.24 W 1

Alcoholic Beverage Sales in the South Central Specific Plan Area - Ord. No 171,681

Nightclubs in Westwood Village - Code Section 12.24 W 30

Automotive repair in the C2, C5, CM and M1 Zones within 300 feet of an A or R Zone - Code Section 12.24 W 4

Sale of firearms or ammunition in the C1, C1.5, C2, C4, C5, CM, M1, M2, and M3 Zones - Code Section 12.24 W 41

Churches in the A, RE, RS, R1, RU, RZ, RMP, RW1, R2, RD, RW2, R3, C1, C1.5, CM, or M Zones - Code Section 12.24 W 9
Fraternity or sorority houses in the A, R1, RU, RZ, RMP, RW1, R2, RD, RW2, or R3 Zones - Code Section 12.24 W 21

Mini-shopping centers and commercial corner developments in the C, M1, M2, or M3 Zones where use does not comply with Sec. 12.22 requirements - Code Section 12.24 W 27

Outdoor eating areas for ground floor restaurants in the CR, C1, and C1.5 Zones when not permitted by right - Code Section 12.24 W 32

Floor area ratio averaging in unified developments - Code Section 12.24 W 19

Drive-through fast food establishments in all C Zones except the CR Zone when located close to a residential zone or use - Code Section 12.24 W 17

Pawnshops in the C2, C5, CM, M1, M2, and M3 Zones - Code Section 12.24 W 33

Restaurants for the use of the general public in the MR1 and MR2 Zones - Code Section 12.24 W 40

Other ZA/Local Actions

Vesting Conditional Use Permits (Applies only to CUPs listed in the Zoning Code) - Code Section 12.24 T

Conditional Use Plan Approvals - Code Section 12.24 J, L, M

Slight Modifications - Code Section 12.28

Adjustments to Yard, Area, Height and Building Line requirements - Code Section 12.28

Plan Approvals - variances - Code Section 12.27 U

Zoning Administration Interpretations (Yards/ Hillside) - Code Section 12.21 A 2

Foster Care Homes - Code Section 12.24 X 9

Dwellings Adjacent to Equinekeeping Uses - Code Section 12.24 X 5

Fences not to exceed 8 ft. in height in the required front, side, or rear yard in the A and R Zones - Code Section 12.24 X 7

Fences not to exceed 6 ft. in height in the front yards within groups of lots - Code Section 12.24 X 8

Standards for tennis courts in the A and R Zones - Code Section 12.21 C 4
Certified farmers' markets - Code Section 12.24 X 6

To permit an automotive repair business existing prior to 12/31/98 to utilize front portion of lot for open storage - Code Section 12.24 X 4

To permit a restaurant, seating no more than 50 persons, to serve alcoholic beverages - Code Section 12.24 X 2

To permit buildings in the A1, A2, RA, RE, RS, R1, and RD Zones which are located in a Hillside Area to exceed various height, yard, area, and parking requirements - Code Section 12.24 X 11

To permit buildings on lots in the A1, A2, RA, RE, RS, R1, and RD Zones which are located on a Substandard Hillside Limited Street - Code Section 12.24 X 21

Joint living and work quarters for artists and artisans in commercial and industrial buildings in the CR, CM, MR1, M1, MR2, M2 and M3 Zones, and such quarters with reduced parking in the C1, C1.5, C2, C4, and C5 Zones - Code Section 12.24 X 13

To permit buildings on a lot in the RA, RE20, RE15, RE11, RE9, RS, R1, and R2 Zones where the lot is not located in a Hillside Area or Coastal Zone to exceed the maximum height or stories permitted, or to reduce the required side yards - Code Section 12.24 X 10

Historic buildings - Code Section 12.24 X 12

To permit Adaptive Reuse Projects in the M Zones in the Downtown Project Area pursuant to Sec. 12.22 A 28 - Code Section 12.24 X 1

Parking Requirements for Commercial or Industrial Uses with Parking Management Alternatives in C or M Zones - Code Section 12.24 X 17

To permit uses which support motion picture and television production and other entertainment industries - Code Section 12.24 X 23

Continuation of Nonconforming Buildings and Uses - Code Section 12.23 A 6

Coastal Permits - Pre-Certification - Code Section 12.20.2

Coastal Permits - Post Certification - Code Section 12.20.2.1
Supplemental Use Districts

G - Surface Mining Districts Permit for Surface Mining Operations within established districts - Code Section 13.03 D5

O - Oil Districts (methods/conditions of operation) - Code Section 13.01

Other Actions (Building and Safety Appeals)

Other ZA / Local Actions

Appeal from Building Department Orders - Code Section 12.26 K

Other Actions (Revocations & Nuisance Use Abatement)

Variances - Code Section 12.27

Area Planning Commission (Conditional Uses, Plan Approvals, Specific Plan Exceptions & Other Similar Quasi-Judicial Approvals)

Specific Plans

Exception from Geographically Specific Plan - Code Section 11.5.7 F

Local Community Conditional Uses - 6

Mixed commercial / residential development - Code Section 12.24 V2

Buildings over 6 stories in the Wilshire - Westwood Scenic Corridor - Code Section 12.24 V1

Conditional Use Plan Approvals - Code Section 12.24 J, L, M

Vesting Conditional Use Permits (Applies only to CPUs listed in the Zoning Code) - Code Section 12.24 T

Other ZA / Local Actions

Transfer of Development Rights - Central Business District Redevelopment Project Area Code Section 14.5.1 - 14.5.8
Director of Planning Approvals (Site Plan Review & Design Review)

Director's Authority

Site Plan Review - Code Section 16.05

Director's Determination on Open Space Requirements for 6 or more Residential Units - Code Section 12.21 G3

Zone Boundary Adjustments C or M and P or PB Adjustments - Code Section 12.30 H, 12.30 K

Private Streets - Code Section 18.00 - 18.12

To permit a reduction in the required parking spaces for a commercial or industrial building when located within 1,500 feet of a transit or bus station - Code Section 12.24 Y

Design Review - specific plans - Code Section 16.50 E3

Historic Preservation Zone (Certificate of Appropriateness) Director or APC/APC or CCL) - Code Section 12.20.3

Supplemental Use Districts

CA - Commercial and Artcraft Districts Alternate procedures for waiver of public hearing - Code Section 13.06 E3

POD - Pedestrian Oriented Districts For projects that cannot meet development standards - Code Section 13.07

CDO - Community Design Overlay Districts Plan Approvals - Code Section 13.08 E

Specific Plans

Specific Plan Project Permit Compliance - Code Section 11.5.7 C

Modification of Specific Plan Project Permit Compliance - Code Section 11.5.7 D

Specific Plan Project Permit Adjustment - Code Section 11.5.7 E

Director of Planning Approvals
Director's Authority

Amendments of the "T: Classification and Clarifications of "Q" Classification, or "D" Limitation - Code Section 12.32 H

Subdivision of Land (Above Threshold)

Director's Authority

Any development project (tract or parcel map) which creates or results in 50,000 or more gross square feet of nonresidential floor area (current site plan review standard), or

Any development project (tract or parcel map) which creates or results in 50 or more dwelling units or guest rooms or combination thereof (site plan review standard), or

Any application without a proposed project description having less than 65,000 square feet of lot area (mini-shopping center standard).

Advisory Agency Authority

Tract Maps - Code Section 17.01 - 17.13

Parcel Maps - Code Section 17.50 - 17.58

Condo Conversion Projects - residential & residential to commercial / industrial - Code Section 12.95.2

Condo Conversion Projects - commercial / industrial & commercial / industrial to residential - Code Section 12.95.3

Modification of Recorded Final Maps - Code Section 17.14

Vesting Tentative Maps - Code Section 17.15

Reversion to Acreage - Code Section 17.10 A

SEC. 49.7.52. CITY COUNCIL MAY ADOPT ADDITIONAL REGULATIONS AND AMEND SECTIONS 49.7.50 AND 49.7.51 AS NECESSARY

The City Council may adopt amendments to Sections 49.7.50 and 49.7.51 and such other ordinances and additional regulations that are necessary to carry out the purposes of the ordinance enacting Sections 49.7.50 and 49.7.51.
Dear Los Angeles Ethics Commissioners,

My name is Michelle Lim, voting rights policy advocate at Asian Americans Advancing Justice-LA. I am writing you to support the potential changes to the LA City's campaign public financing program. Our letter is attached below.

Please let me know if you have any questions. I can be reached at 213-241-0255.

Thank you for your consideration,
Michelle

--
Michelle Lim
Pronouns: she, her
Voting Rights Policy Advocate
Asian Americans Advancing Justice | Los Angeles
1145 Wilshire Blvd  Los Angeles, CA 90017
T: (213) 977-7500 213-241-0255
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Building upon the legacy of the
Asian Pacific American Legal Center

Matching Funds Support Letter - Advancing Justice LA.docx
113K
August 1, 2018

Los Angeles Ethics Commission
200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the Los Angeles Ethics Commissioners:

On behalf of Asian Americans Advancing Justice-Los Angeles (“Advancing Justice-LA”), we urge you to support important changes that will strengthen Los Angeles’ public campaign finance system.

Advancing Justice-LA is the nation’s largest legal and civil rights organization for Asian American, Native Hawaiian and Pacific Islander communities. For many years, Advancing Justice-LA has advocated for language access to the ballot for limited-English proficient voters, fair representation for communities of color, and the voting rights of our communities generally.

These public campaign finance reforms would give grassroots candidates with strong ties to the community, candidates of color, and candidates from low-income or working class backgrounds a better chance to run for office and represent their own communities. A more robust public financing system would promote opportunities for a more diverse set of candidates to run for office, regardless of their personal wealth or access to wealth. These reforms would also allow candidates to campaign without spending the bulk of their time constantly fundraising, would encourage candidates to spend more time talking with constituents, not just wealthy donors, and hold elected officials accountable to local voters.

The following reforms would strengthen the program:

- **Raise Matching Funds Rate:** We strongly support raising the current match rate to 6:1 for both the primary and general elections. This rate would put Los Angeles on par with cities like New York and Berkeley and counties such as Montgomery County, MD.

- **Raise Maximum Matching Fund Amounts:** We strongly support increasing the total amount of matching funds given to qualifying candidates, following Ethics’ staff recommendations, adjusted for CPI. However, we suggest rounding up the numbers slightly for the following office:
  - City Council: Primary - $175,000; General - $200,000
  - City Controller: Primary - $450,000; General - $525,000

For City Attorney and Mayor, we agree with the numbers proposed by Ethics staff.

We appreciate your efforts to examine potential changes to the Los Angeles’ campaign public financing program. We urge you to consider stronger and more equitable approaches to our city’s campaign finance system. We believe these changes will give Los Angeles voters greater ownership in local elections, increase participation, broaden the kinds of donors who contribute,
and encourage more people from various economic, political, racial, gender, and traditionally underrepresented backgrounds to run for office.

Thank you for your consideration.

Sincerely,

Michelle Lim
Voting Rights Policy Advocate
Asian Americans Advancing Justice-Los Angeles
June 19, 2018

Dear Los Angeles City Ethics Commission,

The California Clean Money Campaign is writing to STRONGLY OPPOSE several parts of the Commission’s proposed amendments to key campaign finance laws.

We do support proposals (4) to remove the unnecessary two-tiered signature qualifying requirement, (5) to increase the maximum funds available to candidates, and (6) to update the contributor certifications.

However, we strongly oppose the following changes that will dramatically weaken the intent of the matching funds program to have candidates engage more with their constituents and to encourage small donations from city residents, especially in candidates’ districts.

STRONGLY OPPOSE Proposal 1, Option 2 to eliminate the in-district $5 contribution requirement. Most council candidates raise the vast majority of contributions outside their districts, especially in the less wealthy districts, substantially decreasing their engagement with constituents. The requirement to gather 200 $5 contributions to qualify gives them at least some incentive to raise funds from their constituents.

While it’s possible that lowering the threshold as proposed in Option 1 could be warranted if candidates are finding it too difficult to qualify – though we would prefer it be lowered to only 150 rather than 100 -- completely removing the in-district contribution requirement would return LA’s matching funds system to the bad old days where participating candidates didn’t have to raise a single dollar from their districts.

OPPOSE Proposal 2 to allow candidates to participate in town halls rather than debates. One of the key purposes of public financing is to increase how much people hear from competing candidates. Allowing participating candidates to shirk debates by engaging in a town hall meeting of their choosing without competing candidates involved goes completely against this. It would be reasonable to amend this proposal to say that candidates can engage in a town hall instead of a debate if they do not have any opponents.

STRONGLY OPPOSE Proposal 2 to increase the aggregate contribution thresholds. It is hard enough for some of the smaller candidates to qualify and get their voices heard with the current thresholds, and we have not seen an onslaught of qualified candidates with the current thresholds. There is no reason to raise the thresholds by 50% to shut even more small candidates out of the system.

STRONGLY OPPOSE Proposal 2 to allow contributions from outside the city to be used to qualify. These are Los Angeles taxpayer dollars going to support Los Angeles candidates for Los Angeles elected offices. Candidates who cannot qualify raising funds from City residents should not qualify. Period.

STRONGLY OPPOSE, Amendment Not Previously Discussed, to increase the amount that gets matching for council candidates from $250 to $300 and for citywide candidates from $500 to $700. The whole point of matching funds systems is to boost the power of small donors. The maximum amount that gets matched per contributor should be lowered, not increased. As the attached study of New York donors shows, donors who can contribute above well above $100 do not reflect the racial or income diversity of the city. A study of Los Angeles donors would almost certainly show the same.
Demographic Diversity at Different Donation Levels

Charts are from a 2013 Public Campaign study of New York City donors in their 6-1 matching funds system (memo included).

Racial Minorities by Donor Level

Median Income by Donor Level

Poverty Rate by Donor Level

3916 Sepulveda, Suite 208, Culver City, CA 90230
Tel: (800) 566-3780 • www.CAclean.org • info@CAclean.org [Printed in-house]
Letter to the Ethics Commission from CA Common Cause re: campaign finance review

Sylvia Moore <SMoore@commoncause.org>  
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Jun 18, 2018 at 7:59 PM

Please see our attached letter. Thank you.

Sylvia Moore  
Southern California Organizer  
California Common Cause 
453 S. Spring St, Suite 401  
Los Angeles, CA 90013  
213.623.1216 | smoore@commoncause.org  
ca.commoncause.org  
Twitter @sylviacc | @CommonCauseCA  
Facebook California Common Cause  
YouTube CA Common Cause TV  
LinkedIn Sylvia Moore

CCC letter to Los Angeles Ethics Commission re_campaign finance_6_19_18.docx  
295K
Los Angeles Ethics Commission
200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the LA Ethics Commissioners:

On behalf of California Common Cause, we appreciate the LA Ethics Commission’s efforts to examine potential changes to Los Angeles’ campaign public financing program. At the April general meeting, the Commission asked a number of important questions for which we have provided our recommendations below.

That said, we are extremely concerned that the Commission may be abandoning the previous commitment to a public process that would strengthen the public financing program, and instead only examine changes that would reinforce incumbent advantage. There has been growing storm of public anger around special interest money flowing to city officials – to only focus on how to allow candidates to raise more money from private donations ignores the warning signs. We strongly urge the Commission re-commit to considering the entire range of reforms that would restore public trust in our city elected officials.

Matching Funds Rate

We strongly support raising the current match rate to 6:1 for both the primary and general elections. This rate would put Los Angeles on par with cities such as New York and Berkeley and counties such as Montgomery County, MD. Boosting the rate will have a positive impact of incentivizing candidates to communicate with a broader and more diverse base of constituents in neighborhoods across the city, instead of focusing only on the wealthiest of donors.

In-District Contribution Requirement

We strongly support a requirement that candidates raise a certain number of contributions within their districts (for City Council) or within the city of Los Angeles (Citywide candidates). Candidates must demonstrate some basis of support within their communities. We are open to considering an adjustment of the total number of in-district contributions required from 200 residents to a different number.

Qualifying Signature Requirement

We strongly recommend eliminating the requirement that candidates gather an extra 500 signatures to qualify for the full matching funds. This additional requirement does nothing to encourage constituent contact as most campaigns simply pay signature-gatherers.

Debate Participation Requirement

We strongly support the requirement that candidates participate in a town hall or debate before receiving matching funds.
Increasing the Per-Candidate Maximum Amounts

We strongly support increasing the total amount of matching funds given to qualifying candidates, following Ethics' staff recommendations, adjusted for CPI. However, we suggest rounding up the numbers slightly for the following offices:

- City Council: Primary - $175,000; General - $200,000
- City Controller: Primary - $450,000; General - $525,000

For City Attorney and Mayor, we agree with the numbers proposed by Ethics staff.

Restrictions on Developer Contributions

We agree with Councilmember David Ryu that a ban on contributions from developers would be a positive step toward reforming our elections, opening them up to a broader array of candidates, and developing a more even playing field for candidates of varying economic backgrounds.

In the event that such a ban is found to be difficult to administer, we strongly recommend a clean ban on all non-individual contributions, similar to the federal ban and San Diego’s ban.

Contributor Certification

We support the idea that campaign donors should be required to sign a form attesting to their contribution, whether that be a paper form or online form. Not only would this provide some accountability to the system, but also protect contributors and candidates alike. And such a form would make it easier for Ethics staff to track contributions if there later on there is a complaint.

Conclusion

California Common Cause urges the Ethics Commission to consider stronger and more equitable approaches to Los Angeles’ campaign finance system. We believe such changes will increase voter participation in local elections, broaden the kinds of donors who contribute and encourage more people of various economic backgrounds and political views to run for office.

Sincerely,

Sylvia Moore, Southern California Organizer
California Common Cause
California Common Cause Recommendations

Improvements to the LA City Campaign Finance Matching Funds System
August 2018

We are respectfully requesting, after much extensive research and discussion, that the Los Angeles Ethics Commission support a proposal to improve the matching funds system to reward candidates who prioritize communicating with City residents and constituents, in order to promote City government that is responsive and reflective of all residents.

California Common Cause is proposing the following. We focus these recommendations on City Council races, but would support adjusting amounts for city-wide races accordingly:

1. **Super Match system – 6:1.** (Increase the match rate to $6 of public dollars for each $1 of personal contribution made that meets certain requirements).

2. **Qualification threshold.** A candidate for City Council would need to raise $25,000 (contribution threshold) and agree to participate in a debate or town hall (debate agreement). To meet the contribution threshold:
   a. Only contributions from LA City residents (individual persons) may count toward the contribution threshold and be matched.
   b. Only contributions up to 1/6 of the contribution limit (for 2020, that would be approximately $135) may count toward the contribution threshold and be matched.
   c. A council candidate must receive at least 100 contributions from residents of the district.

3. **Maximum Matching Funds.** The maximum amount that any qualified Council candidate will receive per primary or general election is $150,000 (i.e. Qualifying threshold of $25,000 x 6).

4. **LA City Residents only.** Only contributions from individual LA residents will be matched.

5. **Debate bonus.** Create an award of $25,000-50,000 for candidate participation in a qualified debate or town hall. Candidates who meet all other qualifications for matching funds are eligible for the debate bonus. A qualified debate or town hall must be: 1) open to and advertised the public and media, 2) invite more than one candidate to attend, 3) allow constituents/audience to interact with candidates.

6. **Eliminate the signature requirement.** Eliminate the 500 signature requirement, since there are not different levels of matching fund ratios.

Attached, we provide a quick chart that compares the current system to the proposed changes. Thank you for your consideration. Should you have any questions at all, we would happy to discuss this proposal, 213.623.1216. Unfortunately, we will not be able to attend the August Ethics Commission meeting.

Kathay Feng
Executive Director, California Common Cause

Sylvia Moore
Southern California Organizer, California Common Cause
## Attachment A

### Side by side comparison of Current System and Proposed System

<table>
<thead>
<tr>
<th>Moderate Match What we have now</th>
<th>Super Match 6 to 1 proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To qualify for matching funds, a candidate must:</strong></td>
<td><strong>To qualify for matching funds, a candidate must:</strong></td>
</tr>
<tr>
<td>- Raise <strong>$25,000 total</strong> (&quot;Qualifying Threshold&quot;)</td>
<td>- Raise <strong>$25,000 total</strong> (&quot;Qualifying Threshold&quot;)</td>
</tr>
<tr>
<td>- In amounts of $250 or less</td>
<td>- In amounts of $135 or less (or 1/6 of the contribution limit)</td>
</tr>
<tr>
<td>- From any LA City resident</td>
<td>- From any LA City resident, and</td>
</tr>
<tr>
<td>- City Council candidates must also raise donations from at least <strong>200 district residents</strong>.</td>
<td>- City Council candidates must also raise donations from at least <strong>100 district residents</strong>.</td>
</tr>
<tr>
<td>- To get the 2:1 match, gather <strong>500 signatures</strong></td>
<td>- <strong>No signature requirement</strong></td>
</tr>
</tbody>
</table>

The same rules start over again and apply for the general elections.

### Maximum Matching Funds:

The total matching funds disbursed for a qualified City Council candidate in the primary is **$100,000**.

The total matching funds disbursed for a qualified City Council candidate in the primary is **$125,000**.

### Debate Agreement:

To qualify for matching funds, a candidate must agree to participate a debate (but is not required to show up).

### Contribution limits:

In 2020, City Council Candidates may raise from Los Angeles City residents up to **$800/contributor**.

### Maximum Matching Funds:

The total matching funds disbursed for a qualified City Council candidate in the primary is **$150,000**.

The total matching funds disbursed for a qualified City Council candidate in the primary is **$150,000**.

This amount may be adjusted by CPI each year.

### Debate Bonus:

A qualified candidate may receive a debate bonus (TBD, between $25,000-$50,000) by participating in a qualified debate or town hall.

### Contribution limits:

In 2020, City Council Candidates may raise from Los Angeles City residents up to **$800/contributor**.
Los Angeles Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, California 90012

Dear Members of the Commission:

Year in, year out since 1974, the League of Women Voters has fought for comprehensive campaign finance reform to address the abuses in the existing system, supporting bills that curbed special-interest contributions and provided public financing for candidates who accepted voluntary spending limits. The League expended incredible effort in the five-year campaign for the Bipartisan Campaign Reform Act (BCRA).

Our current formal position states that “the methods of financing political campaigns should ensure the public’s right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office and allow maximum citizen participation in the political process.”

We are proud of the role that the League of Women Voters of Los Angeles has played in shaping L.A. politics, including the creation of the Los Angeles Ethics Commission in 1990 and the passing of major charter reforms in 1999. We urge the Los Angeles Ethics Commission to recommend that the City Council take action in time for the 2020 election to:

1. Increase the amount of public funding available to candidates. The current amount has remained the same for almost 30 years, not keeping pace with inflation.
2. Increase the matching funds program to a 6:1 rate for both the primary and general elections, which will empower small donors as well as grassroots candidates.
3. Ban contributions from developers who have large projects needing Council approval. This ban would remove the appearance of corruption.
4. Require publicly funded candidates to face their opponents in a debate/forum. In 1952, the League hosted the first nationally televised presidential debate in U.S. History. State and Local Leagues continue to provide forums so that voters can see candidates outside of their controlled campaign environment.

Public funding allows candidates to respond to potential constituents rather than focus on big donors. Your efforts will help make Democracy work.

Sincerely,

[Signature]

Martha Sklar and Crissi Avila, Co-Presidents
League of Women Voters of Los Angeles
Statement for the public record
1 message

Sean McMorris
To: "ethics.policy" <ethics.policy@lacity.org>

Hello,

Represent Los Angeles-San Gabriel Valley is submitting public comments for the upcoming Ethics Commission meeting. We support improvements to L.A.’s campaign finance laws that the Ethics Commission will be reviewing and making recommendations on. Please forward my statement to the Ethics Commissioners.

Regards,
Sean McMorris
Chapter Leader, Represent Los Angeles-San Gabriel Valley

2nd letter to Los Angeles Ethics Commission.pdf
48K
Los Angeles Ethics Commission  
200 North Spring St.  
City Hall, 24th Floor  
Los Angeles, CA 90012  

To the Commissioners:  

On behalf of Represent Los Angeles-San Gabriel Valley, an affiliate of the non-partisan organization, Represent Us, I want to thank the Ethics Commission for considering improvements to L.A.'s campaign finance laws.  

Represent Us has dozens of chapters across the country with one aim: a fairer electoral process that is not beholden to money, but rather a candidates message, qualifications, and will to equally represent all constituents regardless of their wealth.  

The Represent Los Angeles-San Gabriel Valley chapter has been following L.A.’s campaign finance reform process closely. Our members are hopeful that the Ethics Commission will recommend the implementation of reforms that further level the playing field and encourage more candidates to run for city office by minimizing barriers and increasing matching funds.  

Represent Los Angeles-San Gabriel Valley supports California Common Cause's recommendations for reform, specifically:  

Matching Funds Rate  
We strongly support any increase in the match rate, but hope that the Commission will support raising the current match rate of 2:1 for primary elections and 4:1 for general elections to 6:1 for both primary and general elections. Raising the match rate to 6:1 will open the door to many qualified candidates who would not otherwise consider running for city office because of the severe financial burden of getting their message out to a majority of residents in their district.  

In-District Contribution Requirement  
We strongly support mandating that a percentage of contributions come from a councilperson's district, and, in the case of the Mayor, the City of Los Angeles. Ideally, a majority of donations would come from a councilperson's district, but demographic and economic disparities between districts could disadvantage fundraising efforts for candidates in some districts more so than candidates in other districts. Nonetheless, a councilperson and the mayor should be first and foremost beholden to their constituents, not outside interests. Requiring that a certain number of contributions come from within districts and the City will better ensure that this is so.
Qualifying Signature Requirement

We strongly support eliminating any additional candidate signature-gathering requirements. Signature gathering is extremely cumbersome and time-consuming. It is also costly. Many candidates pay signature gathers, which puts candidates who cannot afford petition circulators at a disadvantage. Increasing the number of signatures is also counterproductive to the efficacy of the process (inducing candidates to knock on doors and speak to residents), as it will likely cause more candidates to pay people to gather their signatures, reducing candidate-resident face time and interaction.

Debate Participation Requirement

We strongly support requiring candidates to participate in a town hall or debate before receiving matching funds. A town hall or debate is an opportunity for residents to ask candidates questions and find out what they stand for, which fosters informed voting.

Increasing the Per-Candidate Maximum Amounts

We strongly support an increase in the total amount of matching funds, adjusted to CPI, given to qualifying candidates. Increasing the pool of public money available to candidates will 1) increase candidate messaging power, 2) foster more competitive elections, and 3) allow candidates who opt-in to the matching funds program to better compete with wealthy or well-connected big-money-donor-candidates who do not participate in the program.

Restrictions on Developer Contributions

We strongly support a ban on contributions from developers, not because they are lesser people, but because they are not greater people. Development in L.A. is immense and often controversial. As it is a billion dollar industry, the incentives are great for developers to spend lavishly on lobbying efforts for their projects as well as their preferred candidates, and even circumvent L.A.’s campaign finance laws, in an attempt to curry favor and undue influence at City Hall. A developer’s means so far exceed the means of the average person that they have a significant leg up in the policymaking process already, more so than 99% of L.A. residents. Thus, additional restrictions on developers are justified within a system of government based on equality. Furthermore, placing restrictions on developers is a natural extension to L.A.’s current donor restrictions on lobbyists and City bidders.

If the Commission finds that such a ban is unfeasible, we hope the Commission will consider a clean ban on all non-individual contributions, similar to San Diego's ban.
Contributor Certification

We support requiring donors to certify their contributions by signing a form, as it would provide greater accountability, transparency and protection, and aid investigations of wrongdoing.

Conclusion

Represent Us, Los Angeles-San Gabriel Valley, thanks the Ethics Commission for seeking to improve Los Angeles’ campaign finance laws through re-evaluation and public debate. We encourage the Commission to adopt the reforms outlined in our letter. We strongly believe that such reforms will greatly improve the City's electoral process and foster a purer political and governmental environment in Los Angeles, absent the undue influence of big-money and power-brokering that so often plagues our elections and democratic institutions.

Thank you for your time and consideration.

Sincerely,
Sean McMorris
Chapter Leader, Represent Los Angeles-San Gabriel Valley

401 E. Live Oak Street, Suite 8
San Gabriel, CA 91776
August 13, 2018

To: Vice President Serena Oberstein
Commissioner Andrea Sheridan Ordin
Commissioner Araceli Campos
Commissioner Melinda Murray
Commissioner Shedrick (Rick) Davis
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, California 90012

Cc: Heather Holt, Executive Director,
David Tristan, Deputy Executive Director,

Re: Recommendations Regarding Campaign Finance Reforms

Dear Members of the Los Angeles City Ethics Commission:

Nearly three decades ago LA voters approved changes to our city’s charter creating the framework for the campaign finance system we have today. As you finalize your recommendations for City Council, it is essential that this commission upholds three key purposes articulated in those charter amendments: 1) “to reduce the excessive fund-raising advantage of incumbents and thus encourage competition for elective office,” 2) the “financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates,” and 3) “to increase the value to candidates of smaller contributions.”

We respectfully ask you to consider those key purposes as you weigh the following proposals:

1. **Increase the Maximum Amount of Public Funding Available to Candidates by at Least 51%.**

   The maximum amount of public funding available to a candidate has not been increased in the last 30 years. In that time, each council district has grown by approximately 50k residents and the buying power of a dollar has decreased by about 42%. With city elections moving from odd numbered years into alignment with Federal elections, candidates will need to reach a much

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1 LA Charter, Sec. 470 & 471, Findings and Purposes
larger electorate with drastically higher voter turnout compared to the 10-25% turnout we are used to. In the November 2016 Presidential Election LA County saw a 69% turnout. Turnout will also likely increase beyond that in 2020 with the implementation of new early vote reforms. Voters in California will now have the additional option of casting their ballot at an early vote center in the 10 days prior to election day. City candidates should be expect to face a turnout significantly higher than any LA City election in nearly 50 years.\(^2\) Additionally, the length of campaigns will grow substantially. The period of time between the primary and general elections will extend from about 10 weeks to 8 months.

2. **Increase the Match Rate to 6:1 for Both the Primary and General Election**

   As the Ethics Commission has previously recommended, a 6:1 match rate will greatly empower small donors and allow grassroots candidates to mount viable campaigns. The last time an incumbent LA City Councilmember lost to a challenger was 15 years ago, and only one incumbent has been forced into a runoff since then.

   If the commission opts for something less than an equal 6:1 match for both the general and primary, we ask that a higher 6:1 match rate be designated for the primary, and a lower match rate for the general. This will ensure that meaningful funding is available for serious challengers when it matters most, and early enough for them to build the proper campaign infrastructure (Note: candidates may not receive public funding until they are certified to appear on the ballot, 4 months prior to the primary). Once candidates make the runoff they have the attention and focus necessary to raise money.

3. **Require an Aggregate of 25k In-City Contributions**

   Raising the aggregate qualification threshold above 25k would present a significant barrier to serious candidates that have demonstrated support and viability through a number of other criteria. While this aggregate threshold has not been adjusted for inflation, the additional in-district contribution requirements have since been added to ensure public funding goes to serious candidates with local support.

4. **Require 100 In-District Contributions**

   The current requirement of 200 in district contributions should be lowered to 100. This still requires a significant measure of local support and will allow ethics commission staff to spend their time more efficiently. Requiring 100 in-district contributions properly calibrates what currently poses as a significant hurdle for all candidates seeking to qualify for public funds, and grassroots candidates in particular.

5. **End the Requirement of 500 Additional Signatures**

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\(^2\) In 1969 the LA City General Election saw a record turnout of 76%.
Currently for candidates to receive the highest match rates available they must gather an additional 500 signatures in district beyond the 500 needed to qualify for the ballot. This requirement offers little obstacle for incumbents with wide name recognition and those with the ability to hire paid signature gatherers, but offers significant challenges to candidates without pre-existing name recognition and/or a large pre-existing donor base to pay for signature gatherers.

6. **Match the first $100 of a contribution**
   A core purpose of the campaign finance charter reforms was to increase the value of small contributors to candidates. Currently the city matches qualifying in-city contributions up to the first $250 dollars for City Council candidates ($500 for city-wide). Lowering this to $100 for City Council ($250 for City-wide) is essential to empowering small donors, adjusting for a higher overall match-rate, preserving money designated for public financing, and accounting for aggregate limits the Supreme Court has struck down.

7. **Strengthen the Debate Requirement**
   Candidates should be required to actually follow through and participate in debates. If the commission decides to allow town halls as a substitute it should specify requirements for the participation of opposing candidates in the same event, and the participation of the public.

8. **Ban Contributions from Large Developers with Proposals Under Review**
   Councilmember Ryu has presented a closely drawn ban on contributions from large developers with items under city review. We also support his alternative proposal based upon the Metro-Recusal model.

9. **Keep the Current Contribution Limit**
   Unlike many other provisions, the individual contribution limit already accounts for inflation. No additional increase beyond that is necessary.

Lastly, we would like to thank the Ethics Commission and staff for their comprehensive approach and ongoing work in this effort.

Sincerely,

LA Forward  
March and Rally Los Angeles  
Our Gov LA  
Represent Los Angeles-San Gabriel Valley  
The League of Women Voters of Los Angeles
Los Angeles Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012

To the Commissioners,

Citizens Take Action, a nonprofit organization based in Los Angeles, respectfully asks that you support important changes that will strengthen Los Angeles’ public campaign finance system. We believe reforms recently proposed including a ban on contributions from developers, and an increase in the matching funds rate will greatly enhance the voices of individuals within the political process.

These reforms would allow candidates to campaign without spending the bulk of their time constantly fundraising, and would encourage candidates to spend more time talking with constituents, not just wealthy donors. A more robust public financing system would promote opportunities for a more diverse set of candidates to run for office, regardless of personal wealth or access to wealth. The reforms would also hold elected officials accountable to local voters, and give candidates with strong ties to the community a better shot at running a viable campaign.

In addition, a ban on contributions from developers is a significant step in the right direction. In a city with affordable housing issues like Los Angeles, developers should not have undue influence over the Los Angeles City Council. Restricting those contributions will ensure are more equitable discussion of critical issues.

As an organization that works on campaign finance reform at the federal level, we believe it is important for Los Angeles to set an example for other cities across the country to follow. Therefore, we strongly encourage you to work toward a campaign finance system that make it easier for individuals to mount competitive campaigns for elected office, and for individuals to have a meaningful say after elections have taken place. We believe these changes would give voters in Los Angeles greater ownership in local elections, and broaden political participation. In a time of increasing wealth inequality, it is imperative that everyone have equal access to the political process.

The people of Los Angeles deserve an even more effective public finance system. The time is now. We strongly urge you to promptly pass the reforms supported by Common Cause and other organizations throughout the city of Los Angeles.

Thank you.

Sincerely,

David Edward Burke
President and Founder
Citizens Take Action
Ban donations from corporations & unions. Commit to a robust public matching funds program that amplifies the voices of Angelenos.

WAYNE WILLIAMS
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Mon, Jun 18, 2018 at 6:10 PM

Dear Ethics Commission members and Council President Wesson:

As a board member of the California Clean Money Campaign I am outraged that the process to move forward with a 6:1 matching funds system has been dropped even from public discussion let alone proceeding with the recommendations of previous Los Angeles Ethics Commissions recommendations.

I urge you to support strengthening the Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions.

It’s time we give Los Angeles voters a greater voice in local elections. It has often been said, that when money is speech, speech is no longer free.

Please immediately put the 6:1 matching funds recommendation back in place, establish a limit of no more than $100 per donation and remove corporations, city contractors and unions from the contribution process in elections.

Failure to act on a system that is working effectively in other major cities is a affront to citizens of Los Angeles who clearly do not believe the election process validates they need to participate, proven by such low voter turn out in past elections. Our democracy is failing, and money is the root of the problem.

I look forward to your positive and effect response by reinstating the process of establishing a 6:1 matching funds process and send such recommendations to the city council for a vote. That is the democratic process we all can respect.

Sincerely,
Wayne

Wayne Williams
Board Member
California Clean Money Campaign

Secretary/Treasurer
California Clean Money Action Fund

Email:

"If money is speech, then speech is no longer free" - Derek Cressman
An ethical city

Thomas Walsh
Reply-To: Thomas Walsh
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Mon, Jun 18, 2018 at 6:22 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and and only contributions.

Union contributions can still happen, but without the matching.

It’s time we give Los Angeles voters a greater voice in local elections.

Thank you,

Tom Walsh
Proud Los Angeles resident
Hi there,

As a resident of Hollywood Los Angeles, I'm urging you to support a stronger public financing system in LA, and to ban corporate & union contributions. Please put residents before businesses, and give voters more of a voice in local elections.

Thank you,
-Phillip Kaiser
Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Regards,

Fiona Priskich
Dear Ethics Commission/Council President Wesson:

Los Angeles deserves better. It's time for an outright ban on donations from corporations and unions. And it's time to commit to a robust public matching funds program that amplifies the voices of Angelenos. And it's time to commit to a robust public matching funds program that amplifies the voices of Angelenos.

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Jeffrey Imber
Los Angeles County Resident
Campaign finance restrictions

Siegfried Othmer
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 7:14 PM

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Siegfried Othmer, Ph.D.
Woodland Hills
Campaign Financing

Charles Wolfe  
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 7:28 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Yours,
Charles Wolfe

Sylmar, CA
Campaign finance ethics

Lisa S. Larsen, PsyD
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 7:28 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching fund's rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Sincerely,
Lisa S. Larsen, PsyD
Psychologist and coach helping you listen to your body and mind for a happier life
http://www.lisaslarsen.com
campaign finance reform

Suju Vijayan
To: ethics.policy@lacity.org

To the Ethics Commission:

Indivisible CA29 - part of the network of thousands of indivisible groups representing every Congressional district in our country - respectfully asks that you support important changes that will strengthen Los Angeles' public campaign finance system. We believe reforms recently proposed by the city's Ethics Commission will greatly enhance the voices of working people in Los Angeles.

These reforms would allow candidates to campaign without spending the bulk of their time constantly fundraising, and would encourage candidates to spend more time talking with constituents, not just wealthy donors. A more robust public financing system would promote opportunities for a more diverse set of candidates to run for office, regardless of personal wealth or access to wealth. The reforms would also hold elected officials accountable to local voters, and give candidates with strong ties to the community a better shot at running a viable campaign.

The following reforms would strengthen the program:

- **Raise Matching Funds Rate** – Raise the match rate to 6:1 for all qualifying contributions.
- **Raise Maximum Matching Fund Amounts**

We believe these changes would give voters in Los Angeles greater ownership in local elections, and broaden political participation. In a time of increasing wealth inequality, it is imperative that everyone have equal access to the political process. The people of Los Angeles deserve an even more effective public finance system. Council President Wesson, time is of the essence, so we urge you and the City Council to promptly pass these reforms in time for the next election cycle.

Thank you.

Sincerely,

Suju Vijayan

Chrystal Baker

Tula Jeng

Steering Committee, Indivisible CA29
Campaign Financing -- Time for Real Change

Paul A. Beck
To: "ethics.policy@lacity.org" <ethics-policy@lacity.org>

Mon, Jun 18, 2018 at 8:30 PM

Dear Ethics Commission and Council President Wesson:

I urge you – in the strongest possible terms – to support strengthening the City of Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning all corporate and union contributions. It's high time we give Los Angeles voters a greater voice in local elections.

You know this is right. Please follow through. Otherwise, we will continue to be at the mercy of wealthy corporations and developers, and institutions, instead of listening to the citizens, the people, who actually are your constituents and who actually reside in Los Angeles.

Thank you.

Very truly yours,

Paul A. Beck

Paul A. Beck
Law Offices of Paul A. Beck
A Professional Corporation
13701 Riverside Drive, Suite 202
Sherman Oaks, California 91423
Tel: (818) 501-1141
Fax: (818) 501-1241
Email: pab@pablaw.org
Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Best,

Kristy Pace
LA Resident
Campaign Financing

Carolina Goodman  
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Mon, Jun 18, 2018 at 8:50 PM

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Thank you,

Carolina Goodman

Sherman Oaks, CA  91401
campaign financing

susan rosen
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Mon, Jun 18, 2018 at 8:57 PM

To Whom It May Concern:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

It's simply unacceptable to have huge donations by private corporations or any huge entity, influence your decision making. Money does talk, and it should come from the communities you serve, not the folks with the deepest pockets.

Thank you for your attention,
Susan Rosen
Van Nuys, CA
re: Campaign finance system

June Stepansky
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Jun 18, 2018 at 9:11 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It’s time we give Los Angeles voters a greater voice in local elections. It is an important step to strength our democracy.

Sincerely,

June Stepansky
Dear Ethics council,

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

John Hydar
Dear Ethics Commission members and Council President Wesson:

As a board member of the California Clean Money Campaign I am outraged that the process to move forward with a 6:1 matching funds system has been dropped even from public discussion let alone proceeding with the recommendations of previous Los Angeles Ethics Commissions recommendations.

I urge you to support strengthening the Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions.

It's time we give Los Angeles voters a greater voice in local elections. It has often been said, that when money is speech, speech is no longer free.

Please immediately put the 6:1 matching funds recommendation back in place, establish a limit of no more than $100 per donation and remove corporations, city contractors and unions from the contribution process in elections.

Failure to act on a system that is working effectively in other major cities is a affront to citizens of Los Angeles who clearly do not believe the election process validates they need to participate, proven by such low voter turn out in past elections. Our democracy is failing, and money is the root of the problem.

I look forward to your positive and effect response by reinstating the process of establishing a 6:1 matching funds process and send such recommendations to the city council for a vote. That is the democratic process we all can respect.

Sincerely,

Kathryn MacDonald
Banning Corporate and Union Contributions in Local Elections

Michael Caughey  
Reply-To:  
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 10:21 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It’s time we give Los Angeles voters a greater voice in local elections.

Michael Caughey
Dear President Wesson

Salvador Rios
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 10:26 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It’s time we give Los Angeles voters a greater voice in local elections.

----

Salvador Rios
Los Angeles' campaign finance system

Elio Zarmati
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 10:48 PM

Dear Ethics Commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Elio Zarmati
Campaign Finance

Suzanne Habbershaw

Mon, Jun 18, 2018 at 11:25 PM

Reply-To: Suzanne Habbershaw

To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

We need to get money out of politics - know that sounds like a pipe dream, but it would make everything better.

Thanks for "listening."

Suzanne Habbershaw
Shadow Hills 91040
Fight "Business as Usual" Money Politics in Los Angeles

James Chi
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Dear Ethics Commission and Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Regards,

James Chi
Los Angeles, CA
campaign contributions by corporations

vicnep@acl.com  ethics.policy@lacity.org

To: ethics.policy@lacity.org

Tue, Jun 19, 2018 at 1:00 AM

I urge you to support strengthening Los Angeles’ campaign finance system by banning campaign contributions by corporations. It’s time we give Los Angeles voters a greater voice in local elections. No more pay-to-play!

Sincerely,
Victor Nepomnyashchy
North Hills (Los Angeles), CA
Public financing

Vaientine Miele
To: ethics.policy@lacity.org

Tue, Jun 19, 2018 at 2:17 AM

To the ethics commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Vaientine Miele
Glendale, CA
LA Campaign Finance System

Theresa Stewart <theresa@tmstewartcpa.com>  
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>  

Tue, Jun 19, 2018 at 7:40 AM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It’s time we give Los Angeles voters a greater voice in local elections.

Theresa M. Stewart, CPA

Theresa M. Stewart, CPA, An Accountancy Corporation
28005 Smyth Drive, Suite 152
Valencia, CA 91355
661-254-2981 x801 Office
661-254-2981 Fax

E-mail: theresa@tmstewartcpa.com  Website: www.tmstewartcpa.com

(Member of California Society of Certified Public Accountants Since 1986)
California Insurance License #OE68285

Securities offered through H.D. Vest Investment ServicesSM, Member SIPC
6333 North State Highway 161, Fourth Floor, Irving, Texas 75038 (972)870-6000

Theresa M. Stewart, CPA, An Accountancy Corporation is not a registered broker/dealer or registered investment advisory firm.
I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Christa Spinelli

Sent from my iPhone
Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Paulette

Sent from my iPad
Ethnic reform is needed!

1 message

stella zarakhovsky

To: ethics.policy@lacity.org
Cc: Gary and Darby Manning

Tue, Jun 19, 2018 at 10:29 AM

Dear

Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles’ campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

It's time to stop wealthy developers to rule in the City departments!

Respectfully,
Stella Grey
Campaign Finance
1 message

Julie Hoy  
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Tue, Jun 19, 2018 at 10:37 AM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections and set an example for the nation on ethical campaign finance.

Thank you,
~Julie
Real LA campaign finance reform needed today

1 message

Kate Tews
To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Tue, Jun 19, 2018 at 10:49 AM

To the Ethics Commission and Council President Wesson:

Los Angeles voters need the greatest voice in local elections—not corporate donors and union donors. Please strengthen the Los Angeles campaign finance system by raising the matching funds rate to 6-1 for all resident contributions, while banning corporate and union contributions.

Studies of other major cities that raised the matching rate reduces the influence of special interests in local elections. It also incentivizes those running for office, and those working on issue campaigns, to address individual constituents rather than chasing money.

It’s offensive to me that it costs so much to run for office in Los Angeles in particular, California on a larger scale, and America in general. It should never be about money.

Please do the right thing and commit to amplifying the voices of Los Angeles citizens.

Sincerely,
Kate Tews
Los Angeles, CA 90039
Developers rule.
That is why the city is ruined.

-Pep, retired but not tired.
Dear Honorable Councilmember Wesson,

I urge you to support Los Angeles Campaign Finance System by raising matching funds 6 to 1 for all resident contributions.

Please ban donations from Corporations and Unions.

You need to make it fair and allow a matching fund program so that actual human angelenos voices will be heard. Please stop wealthy developers and unions from having all the power. LA needs fairness and balance.

LA Voters deserve better and we need a greater voice in our local elections!

Thank You for Your Time and Service.

Darby and Gary Manning
LA, California 90069
Stronger financial system in los angles
1 message

George:  
To: ethics.policy@lacity.org

Sent from my iPad
I too urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Kae Bender
Lancaster CA 93536-4827
Strengthening LA campaign finance system
1 message

Carey Kayser
To: ethics.policy@lacity.org

Tue, Jun 19, 2018 at 7:29 PM

Dear Ethics Commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

-Carey Kayser
Los Angeles, 90027
Dear Ethics Commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Thank you for your time.

Best,

Angela Gunn
August 13, 2018

Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, California 90012

To the Members of the Los Angeles City Ethics Commission:

Thank you for taking public comment and for revisiting, as provided by the city charter, the critical issue of campaign finance reform.

I am writing as a longtime resident of Los Angeles to encourage the Commission to recommend that City Council overhaul the current campaign finance system as soon as possible, and replace it with a more politically egalitarian system.

As you well know, the Ethics Commission was founded by the people in an act of direct democracy; in 1990, Los Angeles voters approved Charter Amendment H, establishing the Commission and creating a host of ethic reforms, including the matching funds program.

The intent of the resulting Campaign Finance Ordinance (CFO) was clear: to create an Ethics Commission that would develop, among other good government initiatives, a "comprehensive campaign finance system" with the outspoken aim "to encourage real choices for voters and help restore public trust in government."

The Supreme Court has made carrying out that intent difficult, but not impossible. The Commission's recommended policy should be designed around amplifying the voices of small donors, increasing democratic participation through the resulting small donor interaction, and lowering the barriers to entry for non-institutional candidates, including reducing current signature requirements, as well as lowering, not increasing, the current qualifying threshold.

The Sea Breeze scandal has taken its toll on City Hall's public image. The last time an incumbent city councilmember lost an election was in 2003. Voters and countless non-voters have legitimate concerns about the appearance and practice of corruption in city government.

The Commission should be bold in its recommendations. Simply increasing the match amount without also tailoring the program to be more democratic and accessible would only strengthen the status quo – which would go against the ethos of the Ethics Commission and the legislative intent of the CFO.

Thank you for your time,
Calvin Sloan
Good afternoon,

I am writing to submit the following Public Comment for the August 21 Ethics Commission meeting:

I want to draw attention to the City’s Matching Funds Program, a well-intentioned policy voted into being by the Los Angeles electorate in an attempt to push campaign finance in the right direction, but which is functionally ineffective and outdated as currently implemented. Elected office in this City should not be available only to the wealthy and those with deep-pocketed, influential friends, but it is. It’s time for Los Angeles to catch up to New York City and:

1) Bolster the matching funds program to 6:1 in both primaries and general elections
2) Lower the barrier to entry for receiving matching funds

For candidates abstaining from private corporate donations, the current 2:1 primary/4:1 general matching system makes it all but impossible for to run any campaign for City office, let alone a competitive one. Right now, a primary City Council candidate who manages meet the bare minimum of the exhaustive “200 qualified donations of $5” (or $1,000) necessary to get any matching funds will, for all their effort, receive only an additional $2,000 in matching funds. Meanwhile, a candidate receiving maximum individual contributions ($800) will surpass this total with just *four* large donations. When 200 small individual contributions are required to even come close to four large ones, the system is broken.

Six-to-one matching and less restrictive access to the funds would exponentially lower the burden of participation and allow the people of Los Angeles the opportunity to divest its elections from the grip of corporate interests. Instead of requiring a dozen average small individual contributions ($33) for every maximum contribution, six-to-one matching would require grassroots candidates to obtain just 4 average small contributions to keep up with each max individual contribution of their competitors.

One final note: The matching fund at present has $16 million available to eligible candidates and that number is only growing. What’s the point of having all that money set aside if no one can access it and it doesn’t accomplish its stated goal?

Thank you for your time.

Nathan Aderhold
Los Angeles Resident
What is the Matching Funds Program?
The City’s matching funds program was enacted by the voters and provides limited public funding to help qualified candidates run their campaigns for City office. To receive funding, candidates must agree to participate in the program and meet the program’s qualification requirements.

How do I agree to participate in the Matching Funds Program?
You can agree to participate in the program by filing an “Acceptance or Rejection of Matching Funds” (Form 20) with the Ethics Commission. Your decision to accept or reject public funds is binding for both the primary election and the general election.

Is there a deadline to agree to participate?
You may file Form 20 any time after filing your fundraising paperwork with the Ethics Commission, but it must be filed by the end of candidate filing week.

What are the qualification requirements?
You must do all of the following to qualify to receive public funds:

- Qualify to appear on the ballot;
- Be opposed by a candidate who is also qualified to appear on the ballot;
- Agree to participate in debates;
- Limit your personal and campaign spending to a specific amount in each election;
- Receive specific amounts of qualified contributions from individuals who reside in the City; and
- Receive 200 qualified contributions of at least $5 from individuals who reside in your council district (if you are a City Council candidate) or in the City (if you are a Citywide candidate);
- Attend a training session conducted by the Ethics Commission;
- File all required campaign statements.

How do I receive public funds?
Public funds are provided as a match to qualified contributions that you receive from private individuals. Up to $250 per contributor may be matched for City Council candidates, and up to $500 per contributor may be matched for Citywide candidates.

You must submit a “Matching Funds Request for Qualification or Claim for Payment” (Form 22) to request qualification and to request public funds. You may submit a Form 22 any time after you submit your Form 20. You must provide supporting documentation for every contribution in your Form 22s. Supporting documentation includes but is not limited to contributor checks, credit card transactions, and information cards. Please contact the Ethics Commission for assistance before filing a Form 22.

How much funding can I receive?
It depends on the type of election and the office you seek. Maximum funding ranges from $100,000 for a qualified City Council candidate in a primary election to $800,000 for a qualified Mayoral candidate in a general election.

This is only an overview; additional City and state laws apply. Anyone who participates in City elections is responsible for understanding and complying with all of the laws, whether referred to here or not.
Enhanced Matching Funds Program and its Impact on Nominating Petition Verification

Program Overview (as it affects Election Division staff)
- To qualify for accelerated matching funds, candidates must submit either:
  a. No less than 1000 valid signatures on Nominating petitions, or
  b. No less than 500 valid signatures on Nominating petitions AND file a Form 21 Petition containing no less than 500 valid signatures, with no replication of signatures between the Nominating petition and Form 21 petitions.
- Petition results are forwarded to Ethics Commission.

Background Information
- Before 2014, an average of 2% of all nominating petitions contained 1,001 to 2,000 signatures, thereby waiving the filing fee.
- Overall for 2014 and 2016, 27% of candidates filing for city offices contained 1,001 to 2,000 signatures.

2014 Nominating Petition Summary Data
Total Petitions filed: 65
Petitions filed for City offices: 37
Of those filed for City offices, 11 petitions with over 1,000 signatures filed (29.7%)
  (10 were sufficient, 1 was insufficient)
Form 21 Petitions filed: 2
Overall candidates 13 attempting to qualify for accelerated matching funds (35.1%)

2016 Nominating Petition Summary Data
Total Petitions filed: 99  (87,545 signatures filed)
Petitions filed for City offices: 67  (67,158 signatures filed)
Form 21 Petitions filed: 0
Of those filed for City offices, 17 petitions with over 1,000 signatures filed (25.4%)
Percent of total signatures processed versus total signatures filed: 76.7%
Processing costs per signature: $3.09 (total labor costs/# of total processed signatures)
Additional signatures due to Enhanced Matching Funds program\(^1\): 10,730 (base on increases of fee-waived petitions)
Approximate costs to process increase in signatures: $33,159

Petitions (filing fee paid, 500-1,000 signatures)): 50
  # signatures filed: 41,135  (823 ave.)
  # signatures verified: 33,416  (669 ave.)
  # insufficient petitions 11  (636 ave.)
Petitions (filing fee waived, 1,001-2,000 signatures) filed: 17
  # signatures filed: 26,023  (1,531 ave.)
  # signatures verified: 21,460  (1,262 ave.)
  # insufficient petitions: none

\(^1\)Based on increases in 2014 and 2016 of fee-waived petitions filed and Form 21 petitions.
[Campaign Masthead]

I would like to make a contribution of: □ $800 □ $500 □ $250 □ $100 □ Other: $________

Type of contribution:
□ Cash ($25 maximum).
□ Check made payable to [committee name].
□ Credit card:

Name on Card: ___________________________ Exp. Date: ___________________________
Card Number: ___________________________ Security Code: _______________________
Billing Address: __________________________
Email: ___________________________ Phone: ___________________________

*** The information and certifications below are required by law. ***

☐ I am an individual, and this contribution is from my personal funds.

Name: ___________________________
Address: ___________________________
Street (no PO boxes) City State Zip Code
☐ This is my residence address (required for public matching funds).
☐ This is not my residence address.
Occupation: ___________________________
I am: ☐ Self-employed, and the name of my business is:

☐ Not self-employed, and my employer is:

☐ I am a business, and this contribution is from my business funds.

Name: ___________________________
Address: ___________________________
Street (no PO boxes) City State Zip Code

I certify the following:
• This contribution is not being made under a false name, is not being made under another person’s name, and has not been and will not be reimbursed.
• This contribution does not cause me to exceed my contribution limit of $XXX. I understand that all contributions I make to this candidate or committee must be cumulated. I understand that a contribution from another individual or entity whose contribution activity I control, such as a business that I own or control, must be aggregated with this contribution, and both contributions will be treated as a single contribution from me.
• I am a United States citizen or a lawfully admitted permanent resident (i.e., green card holder).
• I am not a lobbyist or lobbying firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(11).
• I am not a bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(12) or 609(e).

I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that all of the information above is true and correct.

Name ___________________________ Date ___________________________
Signature ___________________________ Title (if signing for a business) ___________________________
Suggestions to draft contributor form

nancy dolan  Tue, Jun 12, 2018 at 3:52 PM
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>, "david.tristan@lacity.org" <david.tristan@lacity.org>

Thank you for creating a mandatory form for use by all committees. I think it would be helpful for everyone to use the same basic form. And I absolutely think that the use of this form/remit envelope will save all of us time in the long run and reduce the confusion by donors that have previously commented that they didn’t need to provide as much information as I asked for to other committees that they donated to.

I do have a few suggestions for the draft contributor form.
   1. Cash (should indicate max allowable cash contribution)
   2. Credit Card - add a line for Billing address (if different than below) Often we have to call donors because they put their home address and the billing address is different, so the card will not go through.
   3. Address Lines should indicate: Address/City/State/Zip (otherwise, folks will just put in street address. Also should indicate No P.O. Boxes.
   4. Need to add donor phone/ email - which we need to contact donors that have not provided the necessary info or to tell them that we must return their contribution.
   5. Additionally, there has to be enough room on the form/remit envelope to include the required "Paid for by..." disclaimer, as well as The Campaign Masthead must have room for Campaign Committee address, phone, fax, email.

I am happy to answer any questions or provide additional input.
Nancy Dolan
(Campaign Finance Director)
The amounts in the far right column apply to City elections in which the primary election fundraising window opens after March 1, 2018. They do not apply to LAUSD elections.

<table>
<thead>
<tr>
<th>Office</th>
<th>2017 Adjustment</th>
<th>2018 CPI Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mayor</strong></td>
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<tr>
<td>Per-person Contribution Limit</td>
<td>$1,400</td>
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<td>Aggregate Limit on Anonymous Contributions</td>
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<tr>
<td>Aggregate Limit on Non-individual Contributions</td>
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<td>Per-person Cash Contribution Limit</td>
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<td>Aggregate Limit on Anonymous Contributions</td>
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The Ethics Commission was created by Los Angeles voters in 1990 to impartially administer and enforce the City’s governmental ethics, campaign financing, and lobbying laws.
Recommended Changes

Campaign Finance Ordinance

Los Angeles Municipal Code, Chapter IV, Article 9.7

SEC. 49.7.2. DEFINITIONS.

T. “Qualified contribution” means a contribution that meets all of the following criteria:

1. The contribution is lawful under federal, state and City law.

2. The contribution was received by a participating candidate.

3. The contribution was not received from the participating candidate or the participating candidate’s immediate family.

4. The contribution was received from an individual residing within the City.

5. The contribution is monetary and is not a loan or pledge.

6. The contribution was received no later than three months after the date of the election, no earlier than the opening of the applicable fundraising window in Section 49.7.10, and no earlier than the following dates: on which the candidate filed a Declaration of Intent to Solicit and Receive Contributions for that election.

   a. For primary elections, the date on which the candidate filed a Declaration of Intent to Solicit and Receive Contributions.

   b. For general elections, the date on which the candidate was permitted to begin soliciting and accepting contributions.

SEC. 49.7.3. CHARTER-BASED ADJUSTMENTS.

The Ethics Commission has a duty under Charter Section 702(h) to annually adjust limitations and disclosure thresholds in City law to reflect changes in the Consumer Price Index (CPI).

A. The duty applies to the following provisions in the City’s campaign finance laws:

1. The per-person limits on campaign contributions in Charter Sections 470(c)(3) and 470(c)(4).

2. The per-person limits on loans in Charter Section 470(c)(8).
3. The aggregate limits on campaign contributions in Charter Section 470(c)(6).

43. The aggregate limits on campaign contributions from non-individuals in Charter Section 470(c)(7).

54. The per-person limit on cash contributions in Charter Section 470(d).

65. The aggregate limit on anonymous contributions in Charter Section 470(e).

76. The limit on expressions of congratulations or condolences by officeholder committees in Section 49.7.19(D)(12).

87. The aggregate limits on contributions and transfers to and expenditures by City Council officeholder committees in Sections 49.7.19(G)(1)–(3).

98. The aggregate limits on contributions to and expenditures by Citywide officeholder committees in Sections 49.7.19(H)(1)–(3).

9. The aggregate contribution thresholds for participating candidates in Section 49.7.23(C)(1)(a).

10. The limits on the amount per contributor that participating candidates may use toward the aggregate contribution thresholds in Section 49.7.23(C)(1)(a).

1011. The limits on the expenditure of personal funds in a campaign in Section 49.7.23(C)(4).

1112. The limits on expenditures by participating candidates in Section 49.7.24.

1213. The independent expenditure threshold that lifts the expenditure ceilings for participating candidates in Section 49.7.25.

14. The maximum amount per contributor that may be matched for participating candidates in Section 49.7.29(A).

15. The maximum matching funds available to participating candidates in a primary election in Section 49.7.29(A).

16. The maximum matching funds available to participating candidates in a general election in Section 49.7.29(B).

B. Pursuant to Charter Sections 240, 470(f), and 702(h), the following apply to CPI adjustments.

1. The adjustments shall be automatically calculated and published by the Ethics Commission staff no later than March 1 of each year.
2. Adjustments shall reflect the percent change in CPI for All Urban Consumers that is published by the United States Bureau of Labor Statistics for the region that includes the Los Angeles metropolitan area from December 2011 to the December immediately prior to the adjustment using the following formula: divide the CPI for the December immediately prior to the adjustment by 231.567 (the CPI for December 2011); multiply the resulting number by each value below; and round as specified in paragraph 3.

a. $700 for the per-person limits on contributions and loans to City Council candidates.

b. $1,300 for the per-person limits on contributions and loans to Citywide candidates.

c. ($700 times the number of City Council offices on a ballot) plus ($1,300 times the number of Citywide offices on a ballot), but not less than two times the limit on contributions to City Council candidates, for a person’s aggregate limit on contributions in a single election.

dc. The following aggregate limits on non-individual contributions:

i. $202,300 to City Council candidates.

ii. $539,400 to City Attorney and Controller candidates.

iii. $1,213,800 to Mayoral candidates.

ed. $25 for the per-person limit on cash contributions.

fe. $200 for the aggregate limit on anonymous contributions.

gf. $140 for the limit on expressions of congratulations or condolence by officeholder committees.

hg. $93,000 for the aggregate limits on contributions and transfers to and expenditures by City Council officeholder committees.

ih. $150,000 for the aggregate limits on contributions and transfers to and expenditures by Citywide officeholder committees.

i. The following aggregate contribution thresholds for participating candidates:

i. $34,000 for City Council candidates.

ii. $101,000 for City Attorney and Controller candidates.
iii. $202,000 for Mayoral candidates.

j. The following limits on the amount per contributor that participating candidates may use toward the aggregate contribution thresholds:

i. $300 for City Council candidates.

ii. $700 for Citywide candidates.

jk. The following limits on the expenditure of personal funds by participating candidates:

i. $31,100 for City Council candidates.

ii. $124,500 for Citywide candidates.

kl. The following expenditure limits for participating candidates in primary elections:

i. $480,000 for City Council candidates.

ii. $1,119,000 for Controller candidates.

iii. $1,259,000 for City Attorney candidates.

iv. $2,798,000 for Mayoral candidates.

lm. The following expenditure limits for participating candidates in general elections:

i. $400,000 for City Council candidates.

ii. $840,000 for Controller candidates.

iii. $979,000 for City Attorney candidates.

iv. $2,237,000 for Mayoral candidates.

mn. The following independent expenditure thresholds that lift the expenditure limits for participating candidates:

i. $77,000 in City Council races.

ii. $155,000 in Controller and City Attorney races.

iii. $309,000 in Mayoral races.
o. The following limits on the amount per contributor that may be matched for participating candidates:

i. $300 for City Council candidates.

ii. $700 for Citywide candidates.

p. The following maximum matching funds for participating candidates in a primary election:

i. $135,000 for City Council candidates.

ii. $360,000 for Controller candidates.

iii. $405,000 for City Attorney candidates.

iv. $900,000 for Mayoral candidates.

q. The following maximum matching funds for participating candidates in a general election:

i. $169,000 for City Council candidates.

ii. $405,000 for Controller candidates.

iii. $472,000 for City Attorney candidates.

iv. $1,079,000 for Mayoral candidates.

3. Adjustments shall be rounded as follows:

a. To the nearest $10 for the values in Subsections B(2)(e) and B(2)(g).

b. To the nearest $100 for the values in Subsections B(2)(a) through B(2)(d) and B(2)(f), B(2)(i), and B(2)(o).

c. To the nearest $1,000 for the values in Subsections B(2)(h) through B(2)(mi), B(2)(k) through B(2)(n), B(2)(p), and B(2)(q).

SEC. 49.7.16. CONTRIBUTOR INFORMATION.

A. A contribution may not be deposited into the checking account of a City controlled committee unless the following is on file in the committee’s records:
1. For individuals, the contributor’s name, address, occupation, and employer (or name of business if self-employed), and certification in Subsection B.

2. For non-individuals, the contributor’s name and address, and certification in Subsection B.

B. All fundraising and contribution forms and the electronic equivalent A contributor shall allow contributors the option to certify the following information under penalty of perjury:

1. The contribution is not being made under a false name, is not being made under another person’s name, and has not been and will not be reimbursed;

2. The contribution does not exceed the contributor’s aggregate to cumulatively or in the aggregate exceed the applicable contribution limit in Charter Section 470(c)(6), Section 49.7.3(B)(2)(a), Section 49.7.3(B)(2)(b), Section 49.7.19(F), or Section 49.7.20(B)(3);

3. The contribution is not from a person who is prohibited from contributing, including the following:
   a. A lobbyist or lobbying firm who is prohibited from contributing under Charter Section 470(c)(11); and
   b. A bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Charter Section 470(c)(12) or Charter Section 609(e).

4. Whether the contribution is being made with business funds or an individual’s personal funds.

5. For individuals, whether the address provided is the contributor’s residence address.

6. The information provided regarding address, occupation, and employer is correct.

C. Obtaining the certification in Subsection B is evidence that the committee that received the contribution acted in good faith.

SEC. 49.7.22. ACCEPTANCE OR REJECTION OF MATCHING FUNDS.

A. Each candidate for elected City office shall file with the Ethics Commission a statement of acceptance or rejection of matching funds. The statement may not be filed earlier than the date the candidate files a Declaration of Intent to Solicit and Receive Contributions under Charter Section 470(c)(1) and may not be filed later than the final date to file a Declaration of Intention to Become a Candidate under City Election Code Section 301.
B. A candidate who agrees to accept matching funds shall comply with the requirements of the program, including, but not limited to, the expenditure ceilings.

C. A candidate who has filed a statement of acceptance of matching funds may subsequently reject matching funds up to five business days after the final filing date for the Declaration of Intention to Become a Candidate if another candidate in the same race has rejected matching funds. A candidate who subsequently rejects matching funds is a non-participating candidate, shall return to the City any matching funds payments received for that election, and may not receive any further matching funds payments for that election.

SEC. 49.7.23. PARTICIPATION AND QUALIFICATION REQUIREMENTS.

A. Agreeing to participate in the matching funds program is binding on the candidate for both the primary election and the general election.

B. A participating candidate who qualifies to receive matching funds in the primary election automatically qualifies to receive matching funds in the general election. A participating candidate who does not qualify to receive matching funds in the primary election, may qualify to receive matching funds through the candidate’s controlled committee for the general election.

C. Qualification means that a participating candidate has met all of the following requirements:

1. The candidate and the candidate’s controlled committee received qualified contributions that meet the following criteria:

   a. The contributions meet or exceed the following aggregate amounts:

      i. $25,000-34,000 for City Council candidates;

      ii. $75,000-101,000 for City Attorney and Controller candidates;

      iii. $150,000-202,000 for Mayoral candidates.

      The first $500-700 from each contribution contributor counts toward the threshold for Citywide candidates, and the first $250-300 from each contribution contributor counts toward the threshold for City Council candidates. Loans, pledges, and non-monetary contributions do not count toward the thresholds. The thresholds and the per-contributor limits are subject to adjustment under Section 49.7.3

   b. The contributions are not from the candidate or the candidate’s immediate family.
2. The candidate receives qualified contributions of at least five dollars each from 200 individuals residing within the City or, for City Council candidates, within the council district for which election is sought. [Alternate: Delete paragraph]

3. The candidate is certified to appear on the ballot for the election and is not a write-in candidate.

4. The candidate is opposed by a candidate running for the same office who has qualified to appear on the ballot for that election and is not a write-in candidate.

5. The candidate does not contribute or lend more than the following aggregate amounts in personal funds per election:
   a. $31,100 for City Council candidates.
   b. $124,500 for Citywide candidates.

These amounts are subject to adjustment under Section 49.7.3.

6. The candidate agrees in writing to have participated in at least one debate with one or more opponents in the primary election and in at least two debates with the opponent in the general election or conducted a town hall meeting with the public.

7. The candidate agrees in writing not to exceed the applicable expenditure ceilings.

8. The candidate or the candidate’s controlled committee has filed all previously due campaign statements required by the Political Reform Act, the Charter, this Code, or the Administrative Code.

9. The candidate and the candidate’s treasurer have attended the training required under Section 49.7.12.

10. The candidate does not use matching funds in violation of federal, state or City law.

11. The candidate does not use matching funds to pay fines, penalties, or inauguration expenses.

D. A participating candidate who does not abide by the terms of the Matching Funds Program is disqualified from receiving matching funds for the remainder of the election cycle and may be required to return all matching funds received for that election cycle.
SEC. 49.7.24. EXPENDITURE CEILINGS.

A. Participating candidates and their controlled committees for election to City office may not make or incur campaign expenditures above the following amounts:

1. City Council candidates: $480,000 per primary election and $400,000 per general election.

2. Controller candidates: $1,119,000 per primary election and $840,000 per general election.

3. City Attorney candidates: $1,259,000 per primary election and $979,000 per general election.

4. Mayoral candidates: $2,798,000 per primary election and $2,237,000 per general election.

B. The expenditure ceilings are subject to adjustment under Section 49.7.3.

C. The following payments do not count toward the expenditure ceilings when made by the participating candidate in connection with candidacy for the office specified in the participating candidate’s Declaration of Intent to Solicit and Receive Contributions:

1. Fees paid under Election Code Section 310(c) or California Government Code Section 84101.5.

2. Refunded campaign contributions.

3. Returned matching funds.

SEC. 49.7.25. EXPENDITURE CEILINGS LIFTED.

The applicable expenditure ceiling is no longer binding on a participating candidate in either of the following scenarios:

A. A non-participating candidate in the same race makes or incurs campaign expenditures in excess of the expenditure ceiling; or

B. Independent expenditure communications under Section 49.7.31(A)(1) in support of or opposition to any candidate in the same race exceed, in the aggregate, the following amounts:

1. $77,000 in a City Council election;

2. $155,000 in a City Attorney or Controller election;
3. $309,000 in a Mayoral election.

These amounts are subject to adjustment under Section 49.7.3.

SEC. 49.7.26. NOTICE REGARDING EXPENDITURE CEILINGS.

A candidate shall notify the Ethics Commission in writing within one calendar day of the date the candidate has received more than 100 percent of the applicable expenditure ceiling and again on the day the candidate makes or incurs expenditures totaling more than 100 percent of the applicable expenditure ceiling. The Ethics Commission shall notify all other candidates for the same office within one business day of receiving the candidate’s notice.

SEC. 49.7.27. MATCHING FUNDS FORMULA.

A. A qualified contributions will be matched with public funds up to the following amounts:

1. $250,000 per qualified contribution for City Council candidates;
2. $500,000 per qualified contribution for Citywide candidates.

These amounts are subject to adjustment under Section 49.7.3.

B. A qualified contribution will be matched with public funds at the following rates:

1. For participating candidates who have qualified to receive matching funds but have not met the criteria in Subsection C, one dollar in matching funds will be paid for each dollar in qualified contributions in both the primary election and the general election.

21. For participating candidates who have qualified to receive matching funds and have met the criteria in Subsection C, in a primary election, two dollars in matching funds will be paid for each dollar in qualified contributions for the primary election and four dollars in matching funds will be paid for each dollar in qualified contributions for the general election.

32. In a general election, each participating candidate will receive a grant of one-fifth of the amount specified in Section 49.7.29(B) upon the later of being certified to appear on the general election ballot or qualifying to receive matching funds. The remaining four-fifths will be paid at the rate that applies under either paragraph 1 or paragraph 2 of four dollars in matching funds for each dollar in qualified contributions.
C. Participating candidates who have qualified to receive matching funds are eligible for the rate of match in Subsection B(2) if they submit to the City Clerk either of the following by the last date to submit nominating petitions for the primary election:

1. For candidates choosing not to pay a filing fee pursuant to Section 310 of the City Elections Code, a nominating petition that includes the signatures of at least 1,000 qualified registered voters; or

2. For candidates choosing to pay a filing fee pursuant to Section 310 of the City Elections Code, a nominating petition that includes the signatures of at least 500 qualified registered voters and a Matching Funds Additional Signatures Form, prescribed by the Ethics Commission, that includes the signatures of at least 500 and no more than 1,000 additional qualified registered voters of the City for Citywide candidates, or of the district for Council candidates.

a. The City Clerk shall review and verify the signatures on the Matching Funds Additional Signatures Form using the same process that is used for reviewing and verifying the signatures on nominating petitions, and the City Clerk’s process for nominating petitions shall not be altered by this requirement. The City Clerk shall only review the signatures on a candidate’s Matching Funds Additional Signatures Form after the City Clerk has determined that the candidate has qualified for the ballot.

b. Extra signatures that are submitted on a nominating petition but are not required for qualification for the ballot shall not be counted for purposes of determining a candidate’s qualification for the rate of match in Subsection B(2).

c. The signatures on the Matching Funds Additional Signatures Form that are used to qualify for the rate of match in Subsection B(2) must be distinct from the signatures on the nominating petition that are used to qualify for the ballot, so that the candidate obtains signatures from at least 1,000 qualified registered voters of the City for Citywide candidates, or of the district for Council candidates.

d. The City Clerk’s review of the Matching Funds Additional Signatures Form shall be completed by the last day of the City Clerk’s review period for nominating petitions.

Within one business day after the close of the review period for nominating petitions, the City Clerk shall notify the Ethics Commission of all candidates who have been verified as having submitted the signatures of at least 1,000 qualified registered voters.
SEC. 49.7.28. REQUESTS FOR MATCHING FUNDS PAYMENTS.

A. A participating candidate may not request a single matching funds payment that represents less than $10,000 in matchable portions of qualified contributions, as determined by the formula in Section 49.7.27(A), except in the following circumstances:

1. Beginning 14 days before an election and ending on the last day to submit requests for payment, as identified in Administrative Code Section 24.34(c)(3), a participating candidate may request a single matching funds payment that represents $1,000 or more in matchable portions of qualified contributions.

2. A participating candidate may request a matching funds payment that represents any amount in matchable portions of qualified contributions if the payment requested would result in the participating candidate receiving the maximum matching funds for that election.

B. If a contribution that forms the basis of a request for a matching funds payment cannot be negotiated or is returned or refunded, the candidate must either return all matching funds received as a result of that contribution or submit an alternate qualified contribution.

C. Requests for matching funds payments shall contain the information required by the Ethics Commission.

D. A candidate who makes a request for matching funds payment and knows or should know that the request is false or that a contribution that forms the basis of the request is misrepresented is guilty of a misdemeanor and shall return all matching funds received as a result of the request. If the candidate holds or is elected to office, the false request constitutes a violation of official duties and, if it is deemed appropriate by a court under Charter Section 207(c), shall be removed from office.

SEC. 49.7.29. MAXIMUM MATCHING FUNDS.

A. The following maximum amounts may be paid to qualified participating candidates in a primary election:

1. $100,000\text{,}000\text{,}000 for City Council candidates;

2. $267,000\text{,}000\text{,}000 for Controller candidates;

3. $300,000\text{,}000\text{,}000 for City Attorney candidates; and

4. $667,000\text{,}000\text{,}000 for Mayoral candidates.
B. The following maximum amounts may be paid to qualified participating candidates in a general election:

1. $125,000/169,000 for City Council candidates;
2. $300,000/405,000 for Controller candidates;
3. $350,000/472,000 for City Attorney candidates; and
4. $800,000/1,079,000 for Mayoral candidates.

C. The maximum amounts are subject to adjustment under Section 49.7.3.

SEC. 49.7.30. MATCHING FUNDS PAYMENTS TO CANDIDATES.

A. The Ethics Commission shall process each request for matching funds payment within four business days after the later of receiving all information necessary to process the request or determining that the participating candidate has met all qualification requirements.

B. The Controller shall make matching funds payments in the amount certified by the Ethics Commission within two business days after receiving the certification from the Ethics Commission.

C. Except for the general election grant, a matching funds payment may not be made before the Ethics Commission determines the sufficiency of the Public Matching Funds Trust Fund under Administrative Code Section 24.33. If the Ethics Commission determines that the balance of the Public Matching Funds Trust Fund is not or may not be sufficient to pay the maximum matching funds to all qualified participating candidates, the Commission shall notify the Controller to withhold amounts sufficient to ensure that each qualified participating candidate will receive a pro rata share of the applicable maximum. The amounts withheld will be paid if the Ethics Commission subsequently determines that there is sufficient money to pay the maximum matching funds.
Sec. 24.31. Procedural Regulations for the Public Matching Funds Program.

(a) Scope. This chapter sets forth the procedural requirements of the Matching Funds Program.

(b) Definitions. The following terms used in this Chapter have the meanings identified below. Other terms used in this Chapter have the meanings identified in the Political Reform Act, Charter Sections 470 and 471, and Municipal Code Sections 49.7.1, et seq.

(4) “Debate” means a discussion between two or more candidates who have qualified to appear on a ballot for elected City office that is moderated by an independent third party and attended by the public.

(11) “Town Hall Meeting” means an event that is conducted by a participating candidate, attended by the public, and focused on communicating the candidate’s views.

(142) “Treasurer” means the treasurer identified on a participating candidate’s Statement of Organization (California Fair Political Practices Commission Form 410).

Sec. 24.32. Accepting and Qualifying For Matching Funds.

(a) Statement of Acceptance or Rejection of Matching Funds.

(1) Each candidate for elected City office must file with the Ethics Commission a Statement of Acceptance or Rejection of Matching Funds as required by Municipal Code Section 49.7.22.

(2) The following must be provided in every Statement of Acceptance or Rejection of Matching Funds:

(A) The candidate’s name and an address and telephone number at which the candidate can be reached during regular business hours;

(B) The elected City office the candidate is seeking;

(C) The election for which the statement is filed;
(D) Whether or not the candidate elects to accept public matching funds;

(E) A statement that the candidate understands that the acceptance or rejection of matching funds is effective for both the primary election and the general election;

(F) The candidate’s certification under penalty of perjury; and

(G) The candidate’s signature.

(3) Participating candidates must also certify the following on the Statement of Acceptance or Rejection of Matching Funds:

(A) The candidate understands the requirements in the City’s Campaign Finance Ordinance (Municipal Code Sections 49.7.1, et seq.) and that those requirements must be satisfied before the candidate may receive public funds;

(B) The candidate agrees to understand that the candidate must either participate in at least one a debate with one or more opponents in the primary election and at least two debates with the opponent in the general election or conduct a town hall meeting;

(C) The candidate has not made and will not make expenditures in excess of the expenditure ceilings in Municipal Code Section 49.7.24, unless those limits have been lifted under Municipal Code Section 49.7.25;

(D) The candidate has not used and will not use personal funds for the election in excess of the limits in Municipal Code Section 49.7.23(C)(5);

(E) The candidate has not used and will not use matching funds in violation of federal, state, or City law or to pay fines, penalties, or inauguration expenses;

(F) The candidate understands that the candidate and the candidate’s treasurer must attend the training required by Municipal Code Section 49.7.12 before receiving any matching funds;

(G) The candidate understands that the acceptance of matching funds is effective for both the primary and general elections;

(H) The candidate understands that if another candidate for the same office is a non-participating candidate, the candidate may withdraw from the program up to five business days after the final filing date for filing a Declaration of Intention to Become a Candidate; and
(I) The candidate understands that not abiding by the terms of the program will result in disqualification from the program and may require the candidate to return all matching funds received for that election.

(b) **Determination of Qualification.**

(1) A participating candidate must meet all qualification requirements in this Chapter and Municipal Code Sections 49.7.1 et seq. in order to receive matching funds.

(2) A participating candidate must file a request for qualification with the Ethics Commission.

(A) The request must include the following information:

   (i) The date of the request;

   (ii) The information in Sections 24.34(a)(1)–(47);

   (iii) The information in Sections 24.34(a)(78)(B)(i)–(iv) for each qualified contribution used to comply with Municipal Code Section 49.7.23(C)(1)(a) and 49.7.23(C)(2). Contributions must be listed alphabetically by the last names of the contributors, with contributions required under paragraph (C) alphabetized separately;

   (iv) The documentation required by Sections 24.34(a)(85), 24.34(a)(8)(B)(ii), and 24.34(a)(9); and

   (v) The certification required by Section 24.34(a)(910).

(B) The request must be filed with the Ethics Commission prior to the date of the primary election. For candidates who do not qualify to receive matching funds in the primary election and proceed to the general election, the request must be filed prior to the date of the general election.

(C) The request must identify at least 200 contributions that comply with the requirements in Municipal Code Section 49.7.23(C)(2). The participating candidate and treasurer must certify under penalty of perjury that, to the best of their knowledge and belief, the identified contributions comply with the requirements. [Alternate: delete paragraph]

(D) The request and the first matching funds claim may be the same document, as long as all required information is provided.
Sec. 24.34. Matching Funds Payments.

(a) Claim Form. A participating candidate must file a matching funds claim form with the Ethics Commission to receive matching funds. The form must include all of the following:

1. The participating candidate’s name and an address and telephone number at which the participating candidate may be reached during regular business hours;

2. The elected City office the participating candidate is seeking;

3. The election for which the form is filed;

4. The name and identification number of the participating candidate’s controlled committee;

5. The date the candidate participated in a debate with one or more opponents or conducted a town hall meeting, along with a copy of the invitation to or announcement of the event.

6. The date the claim is submitted;

7. The total amount of matching funds claimed through the form;

8. A list of all qualified contributions for which the participating candidate claims matching funds;

   A. The list must be alphabetical by the last names of the contributors; and

   B. The following information must be provided for each qualified contribution:

      i. The contributor’s name, residence address, occupation, and employer (or, if the contributor is self-employed, the name of the contributor’s business);

      ii. The contributor’s certification that the information provided under paragraph (i) is correct and that the address provided is the contributor’s residence address required by Municipal Code Section 49.7.16(B);

      iii. The date the contribution was received;

      iv. The amount of the contribution;

      v. The cumulative amount of contributions received from that contributor for the same election;
(vi) The portion of the contribution for which matching funds are claimed; and

(vii) The cumulative amount of matching funds already received for the same election based on contributions from that contributor.

A true and correct copy of documentation that supports each listed contribution. Supporting documentation includes copies of checks, credit card transaction receipts, and cash receipts; and

A certification signed under penalty of perjury by both the participating candidate and the treasurer that all contributions have been deposited into the controlled committee’s campaign checking account and that, to the best of their knowledge and belief, the form and all supporting documents are true and complete and all contributions are from City residents.