

MEMORANDUM

Office of Councilman Joel Wachs
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To: Rob
From: Greg
Re: Budget for Neighborhood Councils Network

October 5, 1998

It is hard to estimate costs at this point because the language being proposed for the Charter calls for the Department of Neighborhoods to develop the specific plan while abiding to certain fundamental principles that will be in the Charter.

The language does not limit the number of local offices that could be funded, nor does it set limits on the size of their budgets.

It won't be cheap. It will be measured in millions of dollars. But in order for neighborhoods and communities to be truly empowered, they need independence from City Hall. That means money for newsletters, full-time staff, offices, computers, fax machines, etc. Other cities have shown us how this works.

But if the neighborhoods are successful in preventing or reducing just one wasteful spending project, they will pay for themselves for years to come.

Examples:

1. Stopping the unneeded taxpayer subsidy of the new sports arena saved \$70 million over the next 20 years. (Confirmati
2. If DWP and the City Council had heeded the information they had for many years about overstaffing, they could have lost all or most of the employees by attrition thereby avoiding the recent \$399 million buyout of 2,000 employees. That's \$200,000 per employee, the highest in the nation's history.
3. After years of resistance from city departments, the City Council finally approved an reengineering of the purchasing system that will start saving the city \$23 million a year.
4. There have been several times when council members have argued to give city employee unions more money than they were asking from the city. However, there is no public record of this because it occurred in closed door sessions.

WOULD THIS CREATE A NEW LAYER OF BUREAUCRACY?

No. The neighborhood councils themselves would exist outside the formal city system. In order to be effective, they need to be independent of City Hall. They would act as lobbyists, advocates, and

community organizers.

The Department of Neighborhoods would exist just to provide support to the NCs. Unlike other departments, they would not provide services directly to the public, or be setting city policy. Therefore they could be very small, like 4-5 people once the NCs are organized and up and running.

WHY DO SOME OTHER CITIES HAVE LARGER NEIGHBORHOOD DEPARTMENTS?

Over the years, some cities have transferred existing functions to their Dept of Neighborhoods, making them seem larger. In Portland, half their funding comes from the police department which decided that it was more effective to give trained crime prevention specialists to each neighborhood councils cluster rather than do it themselves. They also run a special immigrant outreach program. The same transferring of functions could occur in Los Angeles.

FUNDING ALTERNATIVES

There are several possible alternative sources of funding for the NC network:

1. Existing Government Grants. In communities that qualify, existing grant funds could be used to support a neighborhood councils network.
2. New Government Grants. From time-to-time, new grants are made available that could be used. It is also possible that special demonstration grants could be created solely for the purpose of supporting a neighborhood councils network in Los Angeles that would serve as a national model.
3. Private Foundation Grants. Private foundations are hesitant about providing funding support to government, but because many of them have a keen interest in community empowerment and betterment, it is very possible, to provide training for the NC officers and staff through a non-profit organization that would secure a foundation grant. It is also possible that network councils might receive grants directly from foundations for special projects.
4. Transfers from City Agencies. Mentioned above.
5. Underwriting. At least one neighborhood council in St. Paul hired a part-time person to publish their newsletter. He sold enough advertising to local merchants to completely pay for the publishing and mailing costs. It is possible that private interests might want to be involved in the same way in our city.
6. City In-kind Contributions. The CAO believes that there might be enough office space available so that the cost of securing office space may not have to be a budgeted expense. There should be enough furniture in storage, as a result of the relocation of several offices from City Hall, to furnish the community councils offices. The City may also be able to help the network councils with purchasing of supplies and equipment, printing, etc. The City has been saving its old computer equipment.
7. Money Raised on Own.