

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance • • Administration • • Executive/Legal • • Enforcement
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April 19, 1984

Lorraine Grindstaff, Esq.
Patten, Faith & Sandford
625 West Foothill Boulevard
Monrovia, CA 91016-2097

Re: Your Request for Advice
Our File No. A-84-051

Dear Ms. Grindstaff:

This letter is sent in response to your request for advice on behalf of Ms. Lois Shade. Ms. Shade is a member of the City Council and the Redevelopment Agency of the City of Glendora. As I discussed with you on the phone, your request raises very general questions concerning the conflict of interest provisions of the Political Reform Act^{1/} and Ms. Shade's participation in decisions of the Redevelopment Agency. Since there are no specific decisions pending before the Agency about which I can advise Ms. Shade, in this letter I will set forth the analysis which should be used when a Redevelopment matter does come up for a decision by the Agency. When specific matters do arise, you can contact this office for further advice on those matters.

My understanding of Ms. Shade's relevant financial interests is as follows. Ms. Shade's husband has a one-half interest in a lot located at 133 S. Vermont Avenue in Glendora which he and his partner improved with a block building and leased to an auto repair business. This lot is not within any of the Redevelopment Areas, but it is very close to Areas 2 and 3.^{2/} Ms. Shade's husband and his partner own another lot located at 500 S. Vermont Avenue in Glendora which is also improved and leased to an auto repair business. This lot is located within

^{1/} Government Code Sections 87100, et seq. All statutory references are to the Government Code.

^{2/} You provided a map of Glendora with the boundaries of the four Redevelopment Areas indicated.

Lorraine Grindstaff, Esq.
April 19, 1984
Page 2

Redevelopment Area 3. Ms. Shade's residence is also located in Glendora, but it is not within or near any of the Redevelopment Areas.

Based on these financial interests, you asked whether Ms. Shade must disqualify herself on any or all Redevelopment Agency decisions.

As a public official, Ms. Shade is required to disqualify herself from any governmental decisions in which she has a financial interest in the outcome. Section 87100. She has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on:

(a) Any business entity in which the public official has a direct or indirect investment worth more than one thousand dollars (\$1,000).

(b) Any real property in which the public official has a direct or indirect interest worth more than one thousand dollars (\$1,000).

(c) Any source of income, other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

Section 87103.

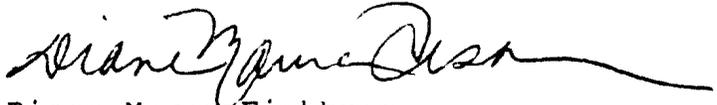
Ms. Shade's husband's investments and interests in real property and one-half of all income he receives are deemed to be hers under the Act. Sections 82030, 82033 and 82034. Accordingly, she must refrain from participation in Agency decisions which could foreseeably have a material financial effect on the value of her husband's real property, on his business as a commercial lessor, or on any of his sources of income, i.e. his tenants. The individual circumstances surrounding each decision must be analyzed to determine whether disqualification is required.

Lorraine Grindstaff, Esq.
April 19, 1984
Page 3

Some factors which would probably be relevant to these determinations are the intended effects of the decision, the proximity of the lot or lots which are the subject of the decision, and the number of lots or businesses affected by the decision. It would also make a difference whether the decision involves the rehabilitation of a single lot or the approval of a larger redevelopment project. The latter might well enhance the property values of all of the property located in the Redevelopment Area or otherwise in the vicinity. It is also possible that the Agency could make decisions which could enhance the value of businesses in the area, e.g. decisions intended to result in an increase of vehicular and pedestrian traffic in the area. As you can see, it is not possible to conclude either that Ms. Shade will never or that she will always have a conflict of interest with respect to Redevelopment Agency decisions. At this time, she needs just to remain alert to the possibility of a conflict of interest. We would be happy to consult with you or Ms. Shade regarding any future decisions of the Agency.

I have enclosed copies of pertinent Commission regulations, opinions and staff advice letters. If I can be of further assistance, please feel free to contact me.

Sincerely,



Diane Maura Fishburn
Staff Counsel
Legal Division

DMF:plh
Enclosures

Patten, Faith & Sandford

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*PROFESSIONAL CORPORATIONS

March 6, 1984

Fair Political Practices Commission
Legal Division
1100 K Street
Sacramento, California 92814

Re: Possible conflict of interest

Dear Commissioners:

This firm represents Lois Shade, member of the City Council and the Redevelopment Agency of the City of Glendora. Enclosed for your convenience is a map which shows the four redevelopment areas within the City. The map also shows the locations of Ms. Shade's residence and the commercial properties in which she owns financial interests.

As you can see, Project Area No. 3 is a very long and narrow strip which runs east and west along the major commercial thoroughfare in Glendora.

Ms. Shade has two questions:

- (1) Must Ms. Shade excuse herself from voting on all projects in Project Area No. 3 because of a conflict of interest created by her ownership interest in commercial property located within the project area?
- (2) To what extent must Ms. Shade excuse herself from voting on projects in Project Areas No. 1, 2 and 4 because of her ownership interests in commercial properties within the City of Glendora?

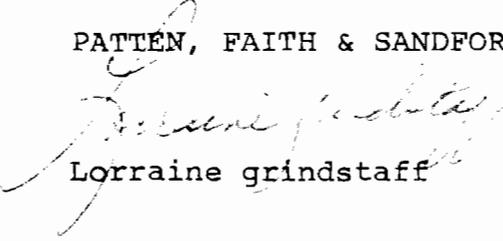
If you need further information upon which to base an opinion, please call me as soon as possible so that I can

Fair Political Practices Commission
Page Two
March 6, 1984

get the required information to you. Thank you for your
attention to this matter.

Very truly yours,

PATTEN, FAITH & SANDFORD



Lorraine grindstaff

Lg:sm

cc: Lois Shade