

# 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  
(916) 322-5662 322-5660 322-5901 322-6441

August 9, 1984

Ronald J. Einboden  
City Attorney  
City of Covina  
c/o Oliver, Stoeber & Laskin  
1000 Sunset Boulevard  
Los Angeles, CA 90012

Re: Your Request for Advice  
Our No. A-84-192

Dear Mr. Einboden:

You have requested advice on behalf of Covina City Councilmember Jerry Edgar, who also serves as a Board member of the Community Redevelopment Agency.

## FACTS

The facts are as follows:

1. Mr. Edgar is a member of the Covina City Council and the Covina Community Redevelopment Agency (CRA).
2. The Covina Redevelopment Area Project Area No. 1 was adopted on or about 1974.
3. Within that area, the CRA and the City Council are currently considering a concept of an "Auto Row."
4. The Auto Row concept, if brought into fruition, would require the acquisition and/or condemnation of approximately 7 approved parcels of real property.
5. Mr. Edgar is the beneficiary of a Trust Deed on one of the subject properties. The value of the Trust Deed exceeds \$1,000.

ANALYSIS

Mr. Edgar has an "interest in real property" as defined in the Political Reform Act<sup>1/</sup> (the "Act"). Section 82033. His interest is a beneficial one. You have stated that the value of the Trust Deed exceeds \$1,000; consequently, the threshold level of economic interest has been satisfied.

An official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on:

\* \* \*

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

Thus, Mr. Edgar must disqualify himself as to decisions of either the City Council or the Community Redevelopment Agency if the decisions will have a reasonably foreseeable material financial effect upon the real property for which he holds the Trust Deed. (Section 87100.) We assume that these seven parcels will be affected in a manner which is distinguishable from the effect of the decisions on the public generally. (Section 87103.) Consequently, the only question remaining to be resolved is that of material financial effect.

Commission regulation 2 Cal. Adm. Code Section 18702 (copy enclosed) provides guidance on this question; particularly subdivision (b) (2).

If the effect of any given decision (or series of interrelated decisions) on the real property in question will be to raise or lower its fair market value by at least \$1,000 then it may be material. If the effect will increase or decrease the fair market value by at least \$10,000, then the effect will be deemed material. If the reasonably foreseeable effect will be between \$1,000 and \$10,000, then it will be deemed material if

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<sup>1/</sup> Government Code Sections 81000-91014. All statutory references are to the Government Code unless otherwise specified.

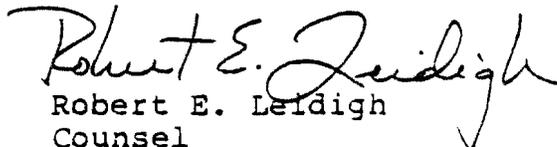
Ronald J. Einboden  
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the amount of change is at least one-half of one percent of the current fair market value. To illustrate: If the anticipated change in value as a result of the decision is \$5,000, the effect is material if the fair market value of the property is \$1,000,000 or less. If the current fair market value is greater than \$1,000,000, then a \$5,000 effect would not be considered material.

Presumably, the obligor under the Deed of Trust is a source of income to Mr. Edgar in excess of \$250 paid or promised during the last 12 months. (Section 87103(c).) Therefore, it is also important to consider the reasonably foreseeable effects of any decision on that person or entity. The test to be applied is that found in subdivision (b) (3) of regulation 2 Cal. Adm. Code Section 18702. Again, if materiality is found, the disqualification will be required.

If you have questions regarding the advice in this letter, please call me at (916) 322-5901.

Sincerely,



Robert E. Leidigh  
Counsel  
Legal Division

REL:plh  
Enclosure

JUL 24 1984

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OF COUNSEL:  
NORMAN G. OLVER

July 18, 1984

Barbara Milman  
General Counsel  
Fair Political Practices Commission  
P. O. Box 807  
Sacramento, CA 95804

Re: Request for Advice Letter

Dear Ms. Milman:

I am the City Attorney for the City of Covina and would request an Advice Letter on behalf of City Council Member and Community Redevelopment Agency Board Member, Jerry Edgar as to whether there would be a conflict of interest pursuant to Government Code Section 87100 et seq.

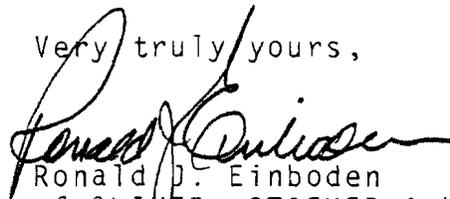
The facts are as follows:

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3. Within that area, the CRA and the City Council are currently considering a concept of an "Auto Row".
4. The Auto Row concept, if brought into fruition, would require the acquisition and/or condemnation of approximately 7 approved parcels of real property.
5. Mr. Edgar is the beneficiary of a Trust Deed on one of the subject properties. The value of the Trust Deed exceeds \$1000.00.

Barbara Milman  
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July 18, 1984

If you require further facts concerning this request kindly contact the undersigned. It would be appreciated if you would furnish your Advice Letter at the earliest possible date.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ronald J. Einboden".

Ronald J. Einboden  
of OLIVER, STOEVER & LASKIN

RJE:caj

cc: Councilman Jerry Edgar