



California Fair Political Practices Commission

January 5, 1987

James Longtin
City Attorney
City of La Quinta
78-105 Calle Estado
La Quinta, CA 92253

Re: Your Request for Advice
Our File No. I-86-330

Dear Mr. Longtin:

You have requested advice on behalf of William Hoyle, Mayor of the City of La Quinta, regarding his duties under the conflict of interest provisions of the Political Reform Act.^{1/}

QUESTION

On occasion, the La Quinta City Council, including Mayor Hoyle, makes decisions on land use and development proposals. Some of the proposals involve property owned by the Landmark Land Company ("Landmark"). Mayor Hoyle's wife, Fran Hoyle, is employed by Landmark as the general accounts manager. You have asked in what situations Mayor Hoyle would have to disqualify himself from city council decisions involving Landmark property.

CONCLUSION

Mayor Hoyle must disqualify himself from participating in any city council decision which would have a foreseeable material financial effect on Landmark. As explained below, the

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise noted. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.

Your letter states only a general question. Therefore, we consider it to be a request for informal assistance pursuant to Regulation 18329(c) (copy enclosed). Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Section 83114; Regulation 18329(c) (3).)

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Commission has established guidelines for determining when a decision will have a material financial effect upon a source of income to a public official.

FACTS

William Hoyle is the directly elected Mayor of the City of La Quinta and has the same powers and duties as a city council member. Mayor Hoyle's wife, Fran Hoyle, is employed by Landmark Land Company as general accounts manager, receiving an annual salary of \$40,000. For purposes of this advice request, we assume that Mayor Hoyle has a community property interest in his wife's income.

Landmark is a major land owner and developer in La Quinta. Landmark also acts as a wholesaler of land to other developers, entering into unrecorded land sale contracts which are conditional upon the buyer obtaining city approval of such things as tentative subdivision maps. If the buyer cannot obtain the city's approval, the conditional contract is not executed.

ANALYSIS

Section 87100 prohibits a public official from making, participating in, or attempting to influence any governmental decision in which he knows or has reason to know he has a financial interest. A public official has a financial interest in a decision if it is reasonably foreseeable that the decision would have a material financial effect, distinguishable from the effect on the public generally, on:

(c) Any source of income, other than gifts and 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.

Section 87103(c).

The definition of "income" under the Act includes "any community property interest in income of a spouse." (Section 82030.) Mayor Hoyle presumably has a community property interest in his wife's income from Landmark. Therefore, the Mayor may not participate in any decision which will have a reasonably foreseeable material financial effect on Landmark.

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In Regulations 18702 and 18702.2, the Commission has established guidelines for determining when a decision will have a material financial effect upon an official's interest. Depending on Landmark's financial size, a particular governmental decision may or may not materially affect Landmark such that Mayor Hoyle would be prohibited from participating. That definition must be made on a case-by-case basis using Regulation 18702.2, which governs the effects of decisions on business entities. We have included copies of these regulations for your convenience.

In conclusion, Mayor Hoyle must disqualify himself from participating in any governmental decision which would materially affect Landmark according to the tests of materiality in Regulation 18702.2. When the council faces specific governmental decisions involving Landmark properties, we would be pleased to respond with conflict of interest advice concerning those particular decisions.

If you should have any question, please contact the Legal Division at (916) 322-5901.

Sincerely,

DIANE M. GRIFFITHS
General Counsel

Steven R. Crooks
By: Steven R. Crooks *by DMS*
Staff Counsel

SC:sm
Enclosures



City of La Quinta

78-105 CALLE ESTADO - LA QUINTA, CALIFORNIA 92253 - (619) 564-2246

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December 3, 1986

Mr. John Keplinger, Executive Director
Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, California 95814

RE: Conflict of Interest Opinion Relative to William Hoyle,
Mayor of the City of La Quinta

Dear Mr. Keplinger:

The City of La Quinta, through its Mayor William Hoyle and City Attorney James Longtin, hereby requests a written opinion as to any potential conflict of interest under the Fair Political Practices Act relative to the following factual situation.

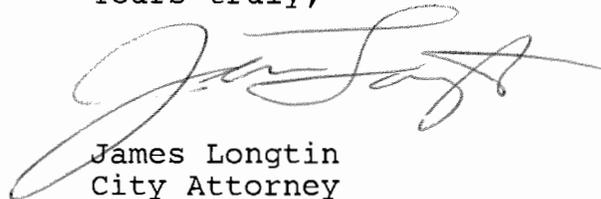
William Hoyle is the directly elected Mayor of the City of La Quinta, a general law city. As directly elected Mayor, Mr. Hoyle's powers and duties are the same as those of a city council member, except Mayor Hoyle is always the presiding chairman at city council meetings. Mayor Hoyle's wife, Fran Hoyle, is a full-time employee as General Accounts Manager of Landmark Land Company. In this position, Mrs. Hoyle is responsible for all accounts receivable and payable and data processing. She reports directly to the controller of the company and is the manager of approximately 35 employees. Her salary is approximately \$40,000.00 annually. She is not an officer or shareholder of the company. Landmark Land Company is and has been a major land owner and developer in the City of La Quinta. In addition to acting as a land developer, Landmark Land Company also acts as a wholesaler of land to other developers. A typical method of land wholesaling is for Landmark to sell a parcel of land, pursuant to an unrecorded land sales contract, which sale is subject to and conditional upon obtaining certain city approvals, such as a tentative subdivision map approval, which approvals are usually sought by the buyer/developer. If the approval is obtained, Landmark and the buyer/developer enter into an escrow to close the transaction and transfer title. If the approval is not obtained, the land sale contract is terminated and no sale is consummated. Mayor Hoyle and the City of La Quinta request a written opinion on the following potential conflicts of interest under the Fair Political Practices Act.

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1. In the event Landmark Land Company appears before the city council as an applicant on any type of land use or development proposal, does Mayor Hoyle have a conflict of interest which requires disclosure and abstention as a decision maker?
2. In the event any buyer/developer of land from Landmark Land Company, pursuant to land sale contract as previously described, appears before the city council as an applicant for a land use or development approval, does Mayor Hoyle have a conflict of interest which requires disclosure and abstention as a decision maker?
3. Does your office contemplate any other potential conflicts of interest of Mayor Hoyle relative to the above stated factual situation?

Mayor Hoyle requests an expeditious opinion in this matter in order that he may know how and in what manner to proceed relative to the Fair Political Practices Act. Your timely attention to this matter is sincerely appreciated.

Yours truly,



James Longtin
City Attorney

JL/jn

cc: Mayor Hoyle



California Fair Political Practices Commission

December 10, 1986

James Longtin
La Quinta City Attorney
P.O. Box 1504
La Quinta, CA 92253

Re: 86-330

Dear Mr. Longtin:

Your letter requesting advice under the Political Reform Act was received on December 3, 1986 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact Kathryn Donovan, an attorney in the Legal Division, directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days. You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

A handwritten signature in cursive script that reads "Diane M. Griffiths".

Diane M. Griffiths
General Counsel

DMG:plh
cc: William Hoyle