



California Fair Political Practices Commission

October 30, 1987

Honorable Dan McCorquodale
Member of the Senate
State Capitol, Room 4032
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. I-87-264

Dear Senator McCorquodale:

Thank you for your letter regarding the concerns which the City of Oakdale has raised with respect to the Commission's Rotman Opinion (No. 86-001, copy enclosed). Prior to receiving your letter, we received a call from Assemblyman Condit's office about this same issue and held a conference call with Mike Lynch, Assemblyman Condit's Chief of Staff, Tom Hallinan, Oakdale City Attorney and the Oakdale City Manager. In that conversation, I explained that in the Rotman Opinion, which the Oakdale representatives had not yet read, the Commission recognized that project area committees are specifically intended to represent and include persons with financial interests in the project area. Accordingly, the following language from the opinion describes the very limited circumstances under which a particular project area committee member must disqualify from a decision:

We recognize that project area committees are required to include residents, businesses, and members of organizations in the project area, many of whom will have financial interests in the project area. It has been argued that application of the Act to these individuals will result in wholesale disqualification of project area committee members from various decisions of the project area committee. However, disqualification is required only if it is reasonably foreseeable that a decision will have a material financial effect, distinguishable from its effect on the public generally, on the official's economic interest. (Section 87103.)

Regulation 18703 provides:

A material financial effect of a governmental decision on an official's interests, as described in Government Code Section 87103, is distinguishable from its effect on the public generally unless the decision will affect the official's interest

in substantially the same manner as it will affect all members of the public or a significant segment of the public. Except as provided herein, an industry, trade or profession does not constitute a significant segment of the general public.

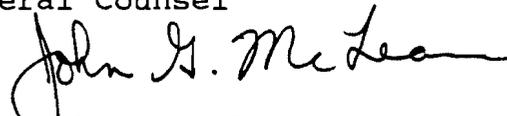
The purpose of the project area committee is to provide input from residents, businesses, and members of organizations in the project area regarding issues which affect persons in the project area. (Health and Safety Code Sections 33865 and 33386.) It is not the role of project area committee members to represent the interests of individuals outside of the project area. Thus, the "public" with respect to a project area committee is those persons in the project area. Accordingly, members of project area committees are required to disqualify themselves from participating in decisions which will materially affect their economic interests only if the effect of the decision will be distinguishable from the effect on all other persons in the project area or on a significant segment of the persons in the project area. For example, if persons owning businesses in the project area constitute a significant segment of the persons in the project area project area committee members who own businesses in the project area are disqualified from participation in decisions of the project area committee only if the decision will have a material financial effect on their business which is distinguishable from other businesses in the project area.

We have forwarded a copy of the Rotman Opinion to the Oakdale representatives, and, as always, have offered our assistance in advising them on particular factual situations.

If you have any questions, or if I can provide further assistance, please contact me at (916) 322-5901.

Sincerely,

Diane M. Griffiths
General Counsel



By: John G. McLean
Counsel, Legal Division

DMG:JGM:mek
cc: Mike Lynch
Tom Hallinan

- STATE CAPITOL
ROOM 4032
SACRAMENTO, CA 95834
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MODESTO, CA 95354
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SAN JOSE, CA 95115
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Senate

California Legislature

DAN McCORQUODALE
SENATOR
TWELFTH DISTRICT

STANDING COMMITTEES
AGRICULTURE
BUSINESS AND PROFESSIONS
CONSTITUTIONAL AMENDMENTS
HEALTH AND HUMAN SERVICES
INSURANCE, CLAIMS AND
CORPORATIONS
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WILDLIFE
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AND CONTRABAND
CALIFORNIA'S WINE INDUSTRY
CITIZEN PARTICIPATION IN
GOVERNMENT CHAIR
MARITIME INDUSTRY
MOBILE HOMES
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JOINT COMMITTEES
PUBLIC PENSION FUND INVESTMENTS
STATE'S ECONOMY

SUBCOMMITTEES
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PRACTICES CHAIR
AGING
HEALTH CARE COST MANAGEMENT
MENTAL HEALTH, DEVELOPMENTAL
DISABILITIES AND GENETIC
DISEASES CHAIR

October 21, 1987

Fair Political Practices Commission
428 J Street, Suite 800
Post Office Box 807
Sacramento, CA 95804

Attention: Legal Division/Barbara Milman

Dear Ms. Milman:

Recently there have been several concerns in regards to the Fair Political Practices Commission. The City of Oakdale's Project Area Committee, City Council and Redevelopment Agency have had difficulties with the progress of their Downtown Hershey Visitor Center. A recent Political Reform Act (Rotman Opinion No. 86-001) has disqualified all members of their local Project Area Committee.

The citizens of Oakdale would appreciate any information which would help them proceed with their project. I look forward to your reply.

Cordially,

Dan McCorquodale
Senator, 12th District

DM/ac
cc: Virgil Thompson
Phyllis Pottle

**First
Interstate
Bank**

**First Interstate Bank
of California**
325 East F Street
Oakdale, CA 95361
209 847-0361 869-1212

Virgil L. Thompson
Vice President and Manager

September 28, 1987

Dan McCorquodale, Senator
801 15th Street, Suite E
Modesto, Ca. 95354

RECEIVED

OCT 05 1987

**STANISLAUS COUNTY
DISTRICT OFFICE**

Subject: Project Area Committees of Local Redevelopment
Agencies

Dear Dan,

Attached to this letter is a copy from a mailing that
out City Attorney, Tom Hallinan, received which states
that the Political Reform Act applies to Project Area
Committees. Dan, as you know we are in the midst of
a major redevelopment project involving the downtown
area and the relocation of the Hershey's visitor's center
to downtown.

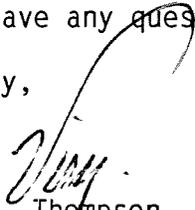
When the Redevelopment Agency in Oakdale was formed the
laws stated that in order for an individual to serve on
the Project Area Committee they had to have an interest
in the area, work in the area, own property or business
in the area, and/or belong to an organization that was
in the redevelopment area. The attached sheet states
that the Rotman Opinion No. 86-001 says that if a mem-
ber of the Project Area Committee has an interest in
the area they are ineligible to vote. This opinion in
essence eliminates all of the Project Area Committees
by virtue of the fact that to serve on the Committee
you had to have an interest and now if you have an in-
terest you can not participate.

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Dan, your assistance in doing what ever is possible to have this opinion reversed or some type of legislation that will enable the Project Area Committees to function is needed as soon as possible. Any help that you can give us will be greatly appreciated.

If you have any questions please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Virgil L. Thompson". The signature is written in dark ink and is positioned above the typed name.

Virgil L. Thompson
Vice President and
Manager

VLT/bc

encl.



California Fair Political Practices Commission

October 23, 1987

Honorable Dan McCorquodale
Member of the Senate
State Capitol, Room 4032
Sacramento, CA 95814

Re: 87-264

Dear Senator McCorquodale:

Your letter requesting advice under the Political Reform Act was received on October 22, 1987 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact John McLean, 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 if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Adm. Code Sec. 18329).)

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,

Diane M. Griffiths
Diane M. Griffiths
General Counsel

DMG:plh