



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

November 9, 2021

Mayor Tom Stallard
City of Woodland
tstallard@legintent.com

Re: No Action Closure Letter
FPPC Case No. 2020-00216; Stallard

Dear Mr. Stallard:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act.¹ In August 2019, we received a complaint alleging that you violated the Act's conflict of interest provisions in March 2016, when you voted to approve a hotel redevelopment project for a site that was near commercial retail property that you owned.

In response to the complaint, you noted that the hotel site was approximately 971 feet from your commercial real property. At the time of your vote, it appears you may have been under the impression that there was no conflict of interest due to the distance being more than 500 feet.

The Act prohibits a public official at any level of state or local government from making, participating in making, or in any way attempting to use his official position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.² A public official has a disqualifying financial interest if the decision will have a reasonably foreseeable, material financial effect, directly on the official, the official's immediate family, or on certain financial interests, including real property in which the official has an interest worth \$2,000, or more.³

The Commission has enacted regulations to determine whether a conflict of interest has occurred.⁴ Through regulatory amendments, these rules have changed considerably in recent years.

Prior to May 31, 2014, there was a rebuttable presumption that the financial effect of a governmental decision was "material" as to any nearby property within 500 feet. This was known as the "500 foot rule," and it was very unusual for the Enforcement Division to pursue a conflict-of-interest case involving real property that was more than 500 feet away.⁵ However, on May 31, 2014, the Commission abolished this long-standing rule.⁶

¹ The Political Reform Act—sometimes simply referred to as the Act—is contained in Government Code sections 81000 through 91014. All statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to this source.

² Section 87100.

³ Section 87103; Regulation 18700, subdivision (c)(6).

⁴ See Regulations 18700, et seq.

⁵ See Regulations 18704.2, subdivision (a)(1)—and 18705.2, subdivision (a)(1)—as in effect on and before May 30, 2014.

⁶ See Regulation 18705.2, subdivision (a)(11)—as in effect May 31, 2014 through February 19, 2019.

Later, in February 2019, the regulations changed to a tiered system. This brought back something similar to the old “500 foot rule,” except where the distance is more than 500 feet, but less than 1,000 feet, there may be a conflict of interest if certain conditions are met—and where the distance is 1,000 feet or more, there is a rebuttable presumption of no conflict.⁷

In March 2016, the rules were such that your real property interests were not automatically outside of the conflict of interest provisions based upon the distance between your property and the property involved in the governmental decision.

However, in part due to staffing issues related to the COVID-19 pandemic, the 5-year statute of limitations has passed for your March 2016 vote. Therefore, we will not pursue this issue further.

Included in our investigation, we determined there were other votes for governmental decisions that you cast relative to the hotel project:

1. You voted in September 2017 to extend close of escrow for the hotel project, but according to Erika Bumgardner, Business Development Liaison for the City of Woodland, this vote was not necessary for the hotel project to move forward. (Bumgardner prepared the staff report for this matter.) It does not appear that this vote would have had a reasonably foreseeable material financial effect on your real property, given Bumgardner’s statement, and given that the hotel project already had been approved. This vote was not included in the complaint, but it is a potential, related allegation that has been disproven.
2. Two more hotel-related matters came before the city council. In April 2018, you properly recused yourself from the vote. So this potential allegation has been disproven. In November 2018, you recused yourself, but the evidence is insufficient to establish whether you recused yourself timely. So there is insufficient evidence to establish a violation of the recusal rules.

To date, the hotel has not been built, and we are closing this matter without further action. For information about how to request advice in the future, please see our website here:
<https://www.fppc.ca.gov/advice.html>.

Thank you for your attention to this matter. Do not hesitate to call if you have any questions.

Very truly yours,

Neal P. Bucknell

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cc: Mr. Matt Rexroad (sworn complainant)

⁷ See Regulation 18702.2, subdivisions (a)(7)-(8), and (b)—as in effect on and after February 20, 2019.