



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

December 6, 2024

Rosario Rodriguez

Via email: rrodriguez@folsom.ca.us

Re: Closure Letter FPPC No. 2023-00492, In the Matter of Rosario Rodriguez

Dear Rosario Rodriguez,

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to an anonymous complaint alleging that Rosario Rodriguez (“Rodriguez”), as a city council member for the City of Folsom, had a conflict of interest with respect to decisions in 2021 and 2022. The Enforcement Division completed its investigation and found that there is insufficient evidence that a violation occurred. As such, the Enforcement Division will close its file on this matter without further action.

Under the Act, no public official may make, participate in making, or influence a governmental decision in which they have a financial interest.² A public official 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 the official, on a member of their immediate family, or on certain specified financial interests such as a business entity.³ A governmental decision, for purposes of the conflict of interest regulations, is defined as any action taken by a government agency that has a financial effect on any person other than the governmental agency making the decision.⁴ A financial effect means an effect that provides a benefit of monetary value or provides, prevents, or avoids a detriment of monetary value.⁵

A governmental decision will have a material effect on a business entity if the governmental decision would result in an increase or decrease of the entity’s annual gross revenues, or the value of the entity’s assets or liabilities, in an amount equal to or more than: a) \$1,000,000 or b) five percent of the entity’s annual gross revenues and the increase or decrease is at least \$10,000.⁶ Additionally, a governmental decision will have a material effect on a business entity if the governmental decision would cause the entity to incur or avoid additional expense or to reduce or eliminate expenses in an amount equal to or more than: 1) \$250,000 or 2) one percent of the entity’s annual gross revenues and the change in expenses is at least \$2,500.⁷

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in sections 18104 through 18998 of Title 2 of the California Code of Regulations.

² Section 87100.

³ Section 87100 and Regulation 18700.

⁴ Regulation 18700, subdivision (c)(4).

⁵ Regulation 18700, subdivision (c)(5).

⁶ Regulation 18702.1, subdivision (a)(2).

⁷ Regulation 18702.1, subdivision (a)(3).

In late 2021 and early 2022, Rodriguez, in her capacity as a member of the Folsom City Council, made decisions related to the city's decisions related to applicants for businesses that would be located in Folsom's Historic District. The District features an array of businesses, including boutique shops, dining establishments, breweries, and wine bars. The two applicants at issue were the Barley Barn Tap House project (the applicant has since withdrawn from consideration) and Uncle Charlie's Firehouse and Brew project (according to a recent news article, the project is going ahead and is expected to open sometime in 2025.) The City made several governmental decisions related to the permitting and opening of these two business proposals, including denying appeals to approvals issued by the Folsom Historic District Commission, and in the case of the Uncle Charlie's Firehouse and Brew project, the City considered and approved the lease application of this project for a tenancy within a city-owned parking structure. The two projects were for brewery style businesses, where food and beer would be served.

Rodriguez's financial interest at issue is the Sutter Street Taqueria, a taqueria owned by Rodriguez. The taqueria serves tacos, burritos, quesadillas, nachos, etc. The taqueria is located close to the sites proposed by both of the above-referenced project applicants.

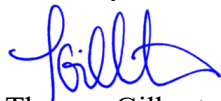
The first step in a conflict of interest analysis is to consider whether it is reasonably foreseeable that the governmental decision would have a financial effect. The effect need not be likely but must be a realistic possibility. As the governmental decision concerned two nearby businesses that would serve food and drink to customers, it is reasonably foreseeable that the decision may have a financial effect on Rodriguez's financial interest.

The next step is to determine whether the financial effect is material. As discussed above, the standard when the business entity is not the subject of the decision is to determine whether the governmental decision may cause the business to gain or lose annual gross income of at least 5% of the business's annual gross income. Rodriguez's business is located in a busy corridor that contains numerous restaurants, breweries, and wine bars. The introduction of an additional, similar business is not likely to cause a large enough effect. The proposed businesses have a different business models and are not likely to directly compete with Rodriguez's business. Based on the foregoing, there is insufficient evidence that the effect of the decisions and we are therefore closing our file in this matter.

Even though we are closing our file, please be advised of the conflict of interest provisions of the Act, including the provisions on proper recusal, in any future actions you may take. If you need guidance regarding the Act's conflict of interest provisions, contact the Commission's Advice team by calling 1-866-275-3772 or sending an email to advice@fppc.ca.gov. There is also information pertaining to the conflict of interest provisions available on the Commission's website, www.fppc.ca.gov.

If you have any questions regarding this matter, please feel free to contact me at (279) 237-5960 or tgilbertson@fppc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gilbertson", with a stylized flourish at the end.

Theresa Gilbertson
Senior Commission Counsel
Enforcement Division