



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

February 6, 2026

Paul Solis
Chief Ethics Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

Re: Your Request for Advice
Our File No. A-26-002

Dear Mr. Solis:

This letter responds to your request for advice on behalf of Los Angeles County Metropolitan Transportation Authority (“LA Metro”) Board Member Holly Mitchell regarding the conflict of interest provisions of the Political Reform Act (the “Act”).¹

Please note that we are only providing advice under the conflict of interest provisions of the Act and not under other general conflict of interest prohibitions such as common law conflict of interest or Section 1090.

Also note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

QUESTIONS

1. As a Board member for LA Metro, does the Act prohibit Director Mitchell from taking part in the decision related to the Locally Preferred Alternative (“LPA”) for the K Line Northern Extension (“K Line”) project, when each of the alternatives anticipates for one of the station entrances to be located within 1,000 feet of her real property?

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

2. If Director Mitchell has a disqualifying financial interest in the decision related to the LPA for the K Line project, what actions may she take in the future related to the K Line project?

CONCLUSION

1. Yes. The Act prohibits Director Mitchell from taking part in the governmental decision relating to the LPA for the K Line project because the addition of a station entrance within 1,000 feet of her real property would have a reasonably foreseeable material financial effect on the market value and income producing potential of her real property. Based on the facts presented, the public generally exception would not apply.
2. To the extent that the K Line project-related decisions can be segmented in a manner satisfying Regulation 18706(a), Director Mitchell may be permitted to take part in governmental decisions not involving those parcels within 1,000 feet of her real property.

FACTS AS PRESENTED BY REQUESTER

In early 2026, the LA Metro Board will vote on the LPA for the K Line project. Director Mitchell is an elected Los Angeles County Supervisor for the Second District. Due to Director Mitchell's position as a County Supervisor, she also serves as a member of LA Metro.

LA Metro's K Line Project

LA Metro's K Line project will be a transformative infrastructure project in Los Angeles County, potentially being the first major north-south rail line in Los Angeles. It would extend rail service from the Metro Expo/Crenshaw Station north to the Metro D Line stations currently under construction on Wilshire Boulevard, the Metro B Line, and potentially to the Hollywood Bowl. It would serve many communities, including the LAX area, South Los Angeles, Inglewood, South Bay, the Crenshaw Corridor, Mid-City, Central Los Angeles, West Hollywood, and Hollywood, allowing for further connections to points north in the San Fernando Valley via the Metro B Line. Generally, the K Line would operate entirely underground with the exception of the station entrances, which provide street-level access for riders. At the respective transfer stations, transfers between the K Line and the D and B Lines would be entirely underground and riders would be able to access both lines from any of the station entrances.

The project would improve connectivity with Metro's rail and bus network by linking four Metro Rail lines and six of the top ten busiest bus lines in LA County. The project will be located in the cities of Los Angeles and West Hollywood.

The LA Metro Board will choose between multiple alignments for its LPA vote, but all alignments anticipate a station constructed at Midtown Crossing. This station would be located in the City of Los Angeles beneath private property bounded by Venice Boulevard to the south, Pico Boulevard to the north, and San Vicente Boulevard to the northeast.

According to the 2024 Draft Environmental Impact Report ("DEIR"), "the station platform would be located on the southeast corner of the private property with a double crossover at the northwest section of the station box. A station entrance would provide access at street level along the west side of San Vicente Boulevard above the double crossover structure. Two knock-out panels would be provided, one on the east side of the station box near the crossover structure and the other on the west side at the southern end of the station box, to accommodate future entrances. A double crossover would be located at the north side of the station box, partially beneath Pico Boulevard and parallel to San Vicente Boulevard." Additionally, the DEIR states the following factors will have no impact or a less than significant impact on the surrounding areas: noise, aesthetics/views, air quality, and traffic.

The K Line project will include multiple stations along the alignments providing riders with nearby station options, like the Crenshaw/Adams station, roughly 1.7 miles away. Further, Director Mitchell's residential property has private parking that will not be available to the public. Concerning air quality and noise, the DEIR contains a full discussion of those impacts; however, the subway project will be entirely underground. Lastly, given the dense commercial and residential aspects of the Midtown Crossing station location, there are no current plans for residential development associated with the project, nor are there any re-zoning plans associated with the project.

Director Mitchell's Property Interests

Director Mitchell's property is a duplex located between 500 and 1,000 feet (approximately 900 feet) from the proposed Midtown Crossing station. Director Mitchell resides in one unit and rents the other unit. All required disclosures have been made on Director Mitchell's Form 700.

There are 671,329 residential real property units located within Supervisorial District 2. The City determined that 1,359 residential real property units, or less than 1 percent of the residential real properties in District 2, are within 1,000 feet of the proposed location for the Midtown Crossing station. Additionally, the City determined that 25 percent of the residential real properties are within 14,391 feet of the proposed location for the Midtown Crossing station.

ANALYSIS

Section 87100 prohibits a public official from making, participating in making, or in any way attempting to use the official's position to influence a government decision in which the official has a financial interest. A public 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 an interest specified in Section 87103, including:

- Any business entity² in which the public official has a direct or indirect investment worth \$2,000 or more. (Section 87103(a).)
- Any real property in which the public official has a direct or indirect interest worth \$2,000 or more. (Section 87103(b).)
- Any source of income aggregating \$500 or more in value provided or promised to,³ received by, the public official within 12 months prior to the time when the decision is made. (Section 87103(c).)

Based on the information you provided, Director Mitchell has a real property financial interest in a duplex in which she resides in one of the units. Also, based on the information you provided, Director Mitchell has financial interests in her duplex (rental business) as both a business entity and a source of income.

We note that Director Mitchell also has a source of income financial interest in any rental tenant who pays or promises to pay \$500 or more within 12 months of the decision; however, none were identified in regard to this decision. Because the facts do not provide information regarding any specific tenant of the duplex, we do not analyze this interest. To the extent a tenant of the duplex may be affected by the decision, outside of the potential effect on Director Mitchell's real property, Director Mitchell should seek further advice identifying the tenant and the potential effect of the decision on the tenant.

² "Business entity" means any organization or enterprise operated for profit. (Section 82005.)

³ Income is "promised to" the public official if the official has a legally enforceable right to the promised income. (Regulation 18700(c)(6)(C).)

Foreseeability and Materiality

For a conflict of interest to exist, it must be reasonably foreseeable that the governmental decision would have a material financial effect on the public official's financial interests. (Regulation 18700(d)(1)-(2).)

Regulation 18701(a) provides the applicable standard for determining the foreseeability of a financial effect on a financial interest explicitly involved in a governmental decision. It states, "[a] financial effect on a financial interest is presumed to be reasonably foreseeable if the financial interest is a named party in, or the subject of, a governmental decision before the official or the official's agency. A financial interest is the subject of a proceeding if the decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the financial interest, and includes any governmental decision affecting a real property financial interest as described in Regulation 18702.2(a)(1)-(6)."

Where an official's financial interest is not explicitly involved in a decision, as we have here, the applicable standard for determining the foreseeability of a financial effect on a financial interest is found in Regulation 18701(b). It states, "[a] financial effect need not be likely to be considered reasonably foreseeable. In general, if the financial effect can be recognized as a realistic possibility and more than hypothetical or theoretical, it is reasonably foreseeable. If the financial result cannot be expected absent extraordinary circumstances not subject to the public official's control, it is not reasonably foreseeable." (Regulation 18701(b).)

Regulation 18702.2 outlines when a financial effect of a governmental decision on real property is material. Relevant to these facts, the reasonably foreseeable financial effect of a governmental decision is material whenever the governmental decision involves property located more than 500 feet but less than 1,000 feet from the property line of the official's real property, and the decision would change the real property's: development potential; income producing potential; highest and best use; character by substantially altering traffic levels, intensity of use, parking, view, privacy, noise levels, or air quality; or market value. (Regulation 18702.2(a)(8)(A)-(E).)

Director Mitchell's real property is located approximately 900 feet from the proposed location of a station entrance at Midtown Crossing. You state that once operational, the new station entrance will have no impact, or a less than significant impact, on: traffic levels, parking, view, noise levels, or air quality. However, due to the close proximity of the proposed station entrance to Director Mitchell's real property, the decision has the potential to change the real property's market value and income producing potential, as properties located within walking distance to a major transportation hub improves accessibility, walkability, and reduces commute times.

Based on these facts, it is reasonably foreseeable that the addition of a station entrance within walking distance of Director Mitchell's real property will affect the market value and income producing potential of her real property. Thus, it is reasonably foreseeable that the proposed governmental decision would have a material financial effect on Director Mitchell's real property financial interest. Absent an exception, Director Mitchell has a disqualifying financial interest and may not take part in the decision.

Since we have determined the Act prohibits Director Mitchell from taking part in the governmental decision pertaining to the K Line project based on her real property financial interest, we do not need to further analyze whether she is also prohibited based on her financial interests in her duplex (rental business) as a business entity and source of income.

Public Generally Exception

Next, for a conflict of interest to exist, the material financial effect on the public official's financial interest must not be indistinguishable from its effect on the public generally. (Regulation 18700(d)(3).) A governmental decision's financial effect on a public official's financial interest is indistinguishable from its effect on the public generally if the official establishes that a significant segment of the public is affected and the effect on their financial interest is not unique compared to the effect on the significant segment. (Regulation 18703(a).)

Where an official has a financial interest in a decision other than that in their primary residence, as we have here, a "significant segment of the public" is at least 25 percent of all real property, commercial real property, or residential real property within the official's jurisdiction. (Regulation 18703(b)(1)(B).) An elected official's jurisdiction includes the designated geographical area the official was elected to represent. (Regulation 18703(d).) Thus, with respect to the decision at issue, the "significant segment of the public" is 25 percent of the residential real property within District 2.⁴

The facts presented do not establish that a "significant segment of the public," consisting of at least 25 percent of residential property within Director Mitchell's jurisdiction, District 2, would also be affected. Instead, the facts show that less than 1 percent of the residential real properties in District 2 would be similarly effected. Thus, the facts do not establish that the public generally exception applies and Director Mitchell's real property financial interest prohibits her from taking part in the decision.

⁴ Real property shall be deemed to be "within the jurisdiction" with respect to a local government agency if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction. (Section 82035.)

Segmentation

Additionally, you ask what actions Director Mitchell may take in the future related to the K Line project. We have advised that under certain circumstances, some large, complex decisions may be divided into separate decisions so that even if an official has a disqualifying financial interest in one component of the series of decisions, they may still participate as to the other components in which they have no disqualifying financial interest. (*Vanni* Advice Letter, No. A-23-022, *Fellows* Advice Letter, No. A-16-226, and Regulation 18706(a).) Regulation 18706(a) requires all of the following conditions to apply:

- (1) The decision in which the official has a financial interest can be broken down into separate decisions that are not inextricably interrelated to the decision in which the official has a disqualifying financial interest;
- (2) The decision in which the official has a financial interest is segmented from the other decisions;
- (3) The decision in which the official has a financial interest is considered first and a final decision is reached by the agency without the disqualified official's participation in any way; and
- (4) Once the decision in which the official has a financial interest has been made, the disqualified public official's participation does not result in a reopening of, or otherwise financially affect, the decision from which the official was disqualified.

For purposes of Regulation 18706, decisions are "inextricably interrelated" when the result of one decision will effectively determine, affirm, nullify, or alter the result of another decision. (Regulation 18706(b).)

As discussed above, Director Mitchell's real property is within 1,000 feet of the proposed station entrance at Midtown Crossing and over 1,000 feet from any other proposed station entrance for the K Line project. To the extent that the K Line project-related decisions can be segmented in a manner satisfying the above criteria and decisions regarding the proposed entrance are final, Director Mitchell may be permitted under Regulation 18706(a) to take part in governmental decisions involving the K Line Project not involving parcels within 1,000 feet of her real property. If you need additional assistance regarding the segmentation of any specific decision, it is advisable you seek further advice prior to Director Mitchell taking part in the decision.

If you have other questions on this matter, please contact me at JRinehart@fppc.ca.gov.

Sincerely,

Dave Bainbridge
General Counsel

JennaRinehart

By: Jenna Rinehart
Senior Counsel, Legal Division

JR:aja