



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

February 26, 2026

Jeffrey S. Ballinger  
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655 West Broadway, Suite 1500  
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**Re: Your Request for Advice  
Our File No. A-26-007**

Dear Mr. Ballinger:

This letter responds to your request for advice on behalf of City of San Juan Capistrano (“City”) Councilmember John Taylor regarding the conflict of interest provisions of the Political Reform Act (the “Act”).<sup>1</sup>

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.

### QUESTION

Does the Act prohibit Councilmember Taylor from taking part in governmental decisions related to implementing recommendations from the Downtown Parking Study, where the Downtown area that is the subject of the study is located within 500 feet of his primary residence and rental property?

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<sup>1</sup> 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.

## **CONCLUSION**

While Councilmember Taylor has a potentially disqualifying financial interest in the decisions, the governmental decisions that regulate on-street parking or improve public safety will fall under the Limited Neighborhood Effects exception as the decisions will encompass more than 50 residential properties with no unique effect on the Councilmember's residential properties. Accordingly, Councilmember Taylor is not disqualified from taking part in the decisions related to implementing recommendations from the Downtown Park Study, as discussed below.

## **FACTS AS PRESENTED BY REQUESTER**

The City is in the process of conducting a parking study in Downtown San Juan Capistrano ("Downtown Parking Study"). The Downtown Parking Study analyzes parking within the Downtown area and may provide recommendations, which include, but are not limited to, time limits and other restrictions for on-street parking, potentially implementing paid parking at certain locations, and potentially exploring public/private partnership agreements to increase parking availability. The recommendations from the Downtown Parking Study may result in ordinances or other formal actions focused on regulating on-street parking and improving public safety in the Downtown area. The City has engaged the services of a qualified traffic consulting firm in order to prepare the Downtown Parking Study and advise the City Council regarding the various options available to the City Council.

Councilmember Taylor was elected to represent District 4. The Downtown Parking Study is limited to Downtown San Juan Capistrano, which is located within District 4 and encompasses more than 50 residential properties in his district. The Downtown Parking Study will lay the groundwork for developing and imposing ordinances or other formal actions that regulate or restrict on-street parking and improve public safety in the Downtown area.

Councilmember Taylor owns a residential property in the City, which he rents to his son to use as a primary residence. Councilmember Taylor receives rent from his son in an amount of more than \$500 per year. His son is employed by, and receives a fixed monthly salary from, a local development company ("Employer") that owns and develops commercial and residential properties throughout the City and Orange County generally, including several in the Downtown area of the City. Councilmember Taylor's son is a salaried employee and does not have any investment or management interest in any business entity. Nor does his son have any interest in any real property, aside from the residence he rents from Councilmember Taylor on a month to month tenancy. Councilmember Taylor's son's main position with his Employer is to locate tenants for his Employer's properties. Currently, he is mainly focused on the Great Park project, located in Irvine California. That project is approximately 20 miles from the City.

Councilmember Taylor lives on the same parcel as his son, though in a separate residential structure, which he uses as his primary residence. Councilmember Taylor's residential property has a fair market value of \$2,000 or more and is located within 500 feet of the Downtown area that is the subject of the Downtown Parking Study and the anticipated parking and public safety decisions.

### 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 entity<sup>2</sup> in which the public official has a direct or indirect investment worth \$2,000 or more (Section 87103(a)) and any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management. (Section 87103(d).)
- 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,<sup>3</sup> 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, Councilmember Taylor has real property financial interests in his primary residence and rental property. Also, Councilmember Taylor has a business entity and a source of income financial interest in his rental business. You confirmed Councilmember Taylor's son is a rental tenant who pays more than \$500 per year to Councilmember Taylor. As such, Councilmember Taylor also has a source of income financial interest in his son, who we assume from these facts is an adult.

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

<sup>3</sup> 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).) Standards for foreseeability vary depending on whether an interest is explicitly involved in a governmental decision.

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 the applicable standard for determining the foreseeability of a financial effect on a financial interest is found in Regulation 18701(b) which provides:

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.

### *Real Property Financial Interest*

Regulation 18702.2 provides the standards for determining if the financial effect of a governmental decision on a real property financial interest is material. Relevant to these facts, the reasonably foreseeable financial effect of a governmental decision on a parcel of real property is material whenever the decision involves property located 500 feet or less from the property line of the parcel unless there is clear and convincing evidence that the decision will not have any measurable impact on the official's property. (Regulation 18702.2(a)(7).)

Additionally, as referenced above, the reasonably foreseeable financial effect of a governmental decision on a parcel of real property is also material under Regulation 18702.2(a)(6) if it:

Involves construction of, or improvements to, streets, water, sewer, storm drainage or similar facilities, and the parcel will receive new or improved services that provide a benefit or detriment disproportionate to other properties receiving the services.<sup>4</sup>

Councilmember Taylor's parcel, which includes his primary residence and rental property, is located within 500 feet of the Downtown area, which is the subject of the Downtown Parking Study, at issue here. Due to the proximity of Councilmember Taylor's parcel from the Downtown area, any decisions related to implementing recommendations from the Downtown Parking Study are presumed to have a reasonably foreseeable material financial effect on his parcel. This presumption can be rebutted by clear and convincing evidence that the decisions would have no measurable impact on Councilmember Taylor's parcel of real property. However, no evidence was presented to rebut this presumption. Thus, Councilmember Taylor has a disqualifying financial interest and may not take part in any decisions related to implementing recommendations from the Downtown Parking Study, unless an exception applies.

As noted above, Councilmember Taylor also has financial interests in his rental business and in his tenant. However, it is unnecessary to analyze the materiality of any reasonably foreseeable financial effect on these interests because, as discussed below, the public generally exception will permit Councilmember Taylor to take part in the relevant decisions as long as his interests are not uniquely affected and the City gathers sufficient evidence to support the need for the action.

### Public Generally Exception

When an official has a disqualifying financial interest under the Act, an official may still participate under the "public generally" exception if it applies. Commonly referred to as the "public generally" exception, Regulation 18703(a) permits a public official to take part in a governmental decision under the Act that affects one or more of the official's interests if the decision's financial effect on the interest is indistinguishable from its effect on the public generally.

Specific rules govern the application of the public generally exception to special circumstances. One specific rule, which applies to Limited Neighborhood Effects, provides that the financial effect on a public official's financial interest is deemed indistinguishable from that of the public generally where there is no unique effect on the official's interest if the official establishes: that the decision affects residential real property limited to a specific location,

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<sup>4</sup> The facts indicate that the parking decisions will likely involve exploring public/private partnership agreements to increase parking availability.

encompassing more than 50, or 5 percent of the residential real properties in the official's jurisdiction, and the decision establishes, amends, or eliminates ordinances that restrict on-street parking, impose traffic controls, deter vagrancy, reduce nuisance or improve public safety, provided the body making the decision gathers sufficient evidence to support the need for the action at the specific location. (Regulation 18703(e)(3).)

Relevant to these facts, the decisions would have a unique effect on Councilmember Taylor's interests if the decisions would have a disproportionate effect on:

- The development potential or use of the official's real property or on the income producing potential of the official's real property or business entity. (Regulation 18703(c)(1).)
- The official's business entity or real property resulting from the proximity of a project that is the subject of a decision. (Regulation 18703(c)(2).)
- A person's income, investments, assets or liabilities, or real property if the person is a source of income or gifts to the official. (Regulation 18703(c)(5).)

Based on the facts provided, the recommendations from the Downtown Parking Study may result in ordinances or other formal actions focused on regulating on-street parking and improving public safety in the Downtown area. The decisions may include parking time limits and other restrictions for on-street parking, potentially implementing paid parking at certain locations, and potentially exploring public/private partnership agreements to increase parking availability.<sup>5</sup>

Councilmember Taylor's parcel is located within 500 feet of the Downtown area. Governmental decisions that will address current parking concerns or create additional parking may impact the parcel's fair market value, its rental marketability, and rental value. However, no facts are presented that indicate the anticipated decisions will result in a unique effect on his residential property in comparison to other residential properties within 500 feet of the

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<sup>5</sup> We note that the facts provided do not clearly identify how the parking availability would be increased. We must caution that our conclusion is limited to parking time limits and other restrictions for on-street parking. To the extent the City pursues a public/private partnership agreement to increase parking availability which would result in the construction of parking facilities, the new facility may have a unique effect on Councilmember Taylor's parcel and business, depending on the scope and nature of the facilities including the distance between the facilities and the residential rental property. To the extent the Downtown Parking Study recommends the construction of additional facilities, Councilmember Taylor should seek additional advice prior to taking part in any decisions relating to the facilities.

Downtown area, such as a disproportionate effect on the development potential, use of the parcel, or its income-producing potential. Additionally, while Councilmember Taylor has a source of income interest in his tenant, there is no indication from the facts that the parking decisions would impact the tenant's income, assets or liabilities related to his employment or otherwise. Because the decisions will not have a unique effect on Councilmember Taylor's financial interests, the Limited Neighborhood Effects exception applies to the parking decisions as long as there is sufficient evidence to support the need for action by the City and the City's Downtown area encompasses more than 50 residential real properties within District 4.

Based on the facts provided, the Downtown area exceeds 50 residential real properties and the decisions will occur only after the completion of a Downtown Parking Study analyzing parking with the Downtown area. Therefore, governmental decisions relating to implementing recommendations based on the Downtown Parking Study that restrict on-street parking or improve public safety would fall under the Limited Neighborhood Effects exception and Councilmember Taylor is not prohibited from taking part in the decisions.

If you have other questions on this matter, please contact me at [JRinehart@fppc.ca.gov](mailto:JRinehart@fppc.ca.gov).

Sincerely,

Dave Bainbridge  
General Counsel

**JennaRinehart**

By: Jenna C. Rinehart  
Senior Counsel, Legal Division

JR:aja