



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION

1102 Q Street • Suite 3050 • Sacramento, CA 95811

January 12, 2026

Kane Thuyen
Senior Assistant City Attorney
275 E. Olive Ave
Burbank, CA 91502

**Re: Your Request for Formal Advice
Our File No. A-25-166**

Dear Mr. Thuyen:

This letter responds to your request for advice on behalf of Burbank (“City”) City Councilmember Christopher Rizzotti 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.

QUESTION

Under the Act, may Councilmember Rizzotti take part in governmental decisions regarding the City’s budget allocation for regulatory programs affecting his property rights as an owner of four residential rental properties?

CONCLUSION

No, because the decisions would impact the permitted use of, and restrictions placed on his residential real property interests, the Act prohibits him from taking part. Further, although the programs affect a significant segment of the City’s residential real property, Councilmember Rizzotti would be uniquely affected based on his multiple affected interests. It may be possible, however, for the City to segment the budget decisions to allow Councilmember Rizzotti to take

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.

part in budgetary decisions not involving the regulatory programs, and to also take part in the final approval or rejection of the City's budget, as discussed in greater detail below.

FACTS AS PRESENTED BY REQUESTER

On July 30th, 2024, the City Council adopted a tenant protection ordinance ("Tenant Protection Ordinance") that increased relocation assistance for all no-fault just cause evictions, added anti-retaliation tenant protection provisions, and established a local enforcement mechanism by authorizing legal action and certain administrative remedies for violations of the Tenant Protection Ordinance. The Tenant Protection Ordinance was effective on August 31, 2024. Councilmember Rizzotti was elected to the City Council in November of 2024 and has recused himself from participating in modifications to the Tenant Protection Ordinance based upon potential conflicts of interest arising from his ownership of four residential rental units within the City and the tenants residing in them as sources of income ("Rental Properties").

On May 29, 2025, the FPPC issued an Advice Letter opining that Councilmember Rizzotti had a real property and source of income conflict of interest related to citywide tenant protection- and landlord-related regulations based upon his Rental Properties. The Advice Letter also opined that Councilmember Rizzotti did not qualify for the public generally exception based upon limited data provided to the FPPC and because Councilmember Rizzotti owned more than three residential rental units within the City.

On October 28, 2025, the City Council held a study session on additional tenant protection- and landlord-related regulations. Based upon the Advice Letter, Councilmember Rizzotti recused himself, and the remainder of the City Council directed the City to create the following regulations:

1. **Universal Just Cause Regulation:** This regulation imposes a new universal just cause eviction requirement, which limits evictions for all residential rental units in Burbank, including those currently excluded under AB 1482, with exceptions for affordable housing and certain institutional housing circumstances. Based upon the City's current Housing Element, the City has 44,978 residential housing units, and this regulation will affect more than 25 percent of the City's residential real property units. The City's list of deed-restricted properties within the City currently totals 1,248 residential units. The institutional housing exception is intended to address incidental uses of other commercial, institutional, or public uses, such as hospitals, religious institutions, transitional living facilities, and educational institutions, which are not classified as residential units under planning, zoning, or housing law. Accordingly, the Universal Just Cause Regulation will apply to 43,730 residential units, which is approximately 97% of the total number of residential real property within the City.
2. **Renovation Eviction Regulation:** Like the Universal Just Cause Regulation, this regulation imposes limitations on evictions related to renovations to rental property and would apply to all residential real property.

3. **Soft Rent Cap:** This regulation will impose a “soft rent cap” at 4 percent, with increases above 4 percent triggering additional relocation payments, and will make both parties eligible for voluntary, City-sponsored mediation. The Soft Rent Cap will not apply to residential rental units excluded under AB 1482 and would not have the same exceptions for affordable housing and certain institutional housing circumstances. Instead, the Soft Rent Cap is intended to apply to all residential rental properties within the City other than those excepted by the Costa-Hawkins Rental Housing Act. The City Council also requested a higher 10 percent soft rent cap that would trigger additional relocation payments for residential rental properties subject to or covered by the Costa-Hawkins Rental Housing Act.
4. **Relocation Assistance Program:** This would establish a new City-sponsored relocation assistance program funded through non-general fund monies. Councilmember Rizzotti’s tenants may be eligible to apply for such relocation assistance.

The City anticipates that the Relocation Assistance Program will appear for future City Council review, adoption, and funding, and that enforcement of the other regulatory programs mentioned above may need to be funded annually as part of the budgetary process. The City traditionally provides a document setting forth all the budgetary allocations for the upcoming fiscal year for City Council review and adoption, and would prefer to continue that process. If general budgetary funding decisions unrelated to the substantive components of these programs presents a conflict for Councilmember Rizzotti, the City is considering separating (and segmenting) the decisions on the budgets for the upcoming programs related to the Tenant Protection Ordinance, including the Universal Just Cause Regulation, Renovation Eviction Regulation, Soft Rent Cap, and Relocation Assistance Program, for approval first, before the remainder of the budget is approved.

ANALYSIS

Under Section 87100 of the Act, “[a] public official at any level of state or local government shall not make, participate in making or in any way attempt to use the official’s position to influence a governmental decision in which the official knows or has reason to know 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 the official, a member of the official’s immediate family,” or on certain specified economic interests. (Section 87103.) Among those specified economic interests are:

- (a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.
- (b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.
- (c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to,

received by, the public official within 12 months prior to the time when the decision is made.

(Section 87103.) Councilmember Rizzotti has a real property interest in his residence, as well as his four residential rental properties. He also has a business entity interest in his rental business, as well as source of income interests in his business and any tenant, who has provided income exceeding \$500 or more in the 12 months prior to the decision.

Regulation 18701(a) provides the applicable standard for determining the foreseeability of a financial effect on an economic interest explicitly involved in the 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).”

The reasonably foreseeable financial effect of a governmental decision on a parcel of real property in which an official has a financial interest, other than a leasehold interest, is material whenever the governmental decision changes the permitted use of, or restrictions placed on, the official’s property. (Regulation 18702.2(a)(5).) Each of the regulations and programs at issue here—that is, the Universal Just Cause Regulation, the Renovation Eviction Regulation, the Soft Rent Cap, and the Relocation Assistance Program—would impact the permitted use of, and restrictions placed on, Councilmember Rizzotti’s real properties. Consequently, his participation in decisions impacting the funding of those regulations and programs is prohibited under Regulation 18702.2(a)(5).)

Commonly referred to as the “public generally” exception, Regulation 18703 permits a public official to take part in a governmental decision 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. (See Section 87103.) A public official may take part in a governmental decision that affects one or more of the official’s interests if the official establishes that a significant segment of the public is affected and the effect on the official’s financial interest is not unique compared to the effect on the significant segment. A significant segment of the public includes 25 percent of all residential real property within the official’s jurisdiction. (Regulation 18703(b)(1)(B).) A unique effect on a public official’s financial interest includes a disproportionate effect on the official’s interests in business entities or real properties resulting from the cumulative effect of the official’s multiple interests in similar entities or properties that is substantially greater than the effect on a single interest. (Regulation 18703(c)(3).)

You have indicated that each of the regulations and programs at issue apply to more than 25 percent of the jurisdiction’s residential real properties. Therefore, governmental decisions on the funding of those regulations and programs would affect a significant segment of the public. However, Councilmember Rizzotti owns several residential properties, and there is no indication that a significant segment of the public would be similarly affected. In other words, the regulations and programs would have a unique effect on Councilmember Rizzotti based on their

cumulative effect on his multiple interests, which is substantially greater than the effect on a single interest. As such, the public generally exception does not apply, and he is prohibited from taking part in governmental decisions involving the funding of the regulations and programs.

Although Councilmember Rizzotti is prohibited from taking part in agency decisions to the extent they involve the regulations and programs discussed above, Regulation 18706 specifies how an agency may segment decisions so that an otherwise disqualified official may take part in other decisions. Regulation 18706 provides that an agency may segment a decision in which a public official has a financial interest, to allow participation by the official, provided all of the following conditions 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.

(Regulation 18706(a).) The regulation also explains that “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).)

Additionally, with respect to budget decisions affecting an entire jurisdiction, Regulation 18706 provides, “[o]nce all the separate decisions related to a budget or general plan affecting the entire jurisdiction have been finalized, the public official may participate in the final vote to adopt or reject the agency’s budget” (Regulation 18706(c).)

If the City Council is able to segment the decisions in the manner described in Regulation 18706(a), Councilmember Rizzotti may permissibly take part in the remaining decisions not involving the regulations and programs discussed above, assuming he has no other potentially disqualifying interests in the decisions. Likewise, once all separate decisions relating to the budget allocation for the regulations and programs have been made, Councilmember Rizzotti may take part in the final vote to adopt or reject the City’s budget.

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

Sincerely,

Dave Bainbridge
General Counsel

By:



Kevin Cornwall
Senior Counsel, Legal Division

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