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May 17, 2006

The Council of the City of Los Angeles
c/o Office of the City Clerk
City Hall, Third Floor
Los Angeles, California 90012

**RE: REAPPOINTMENT TO THE BOARD RENT ADJUSTMENT COMMISSION - MS.
KAFI D. BLUMENFIELD**

Honorable Members:

On April 24, 2006, the Mayor transmitted to the City Clerk the appointment of Ms. Kafi D. Blumenfield to the Rent Adjustment Commission. The City Ethics Commission received Ms. Blumenfield's pre-confirmation Statement of Economic Interests on May 10, 2006, and following our review of that Statement, is providing this letter to the Council for your consideration as part of the confirmation process. A copy of this letter is also being provided to Ms. Blumenfield at this time to assist her in avoiding any potential conflicts of interest that may arise in the course of her term as a City official on the Rent Adjustment Commission.

Ms. Blumenfield reports on her Statement a salary income interest in Liberty Hill Foundation, a community foundation. Therefore, should any matter involving these interests come before the Commission, Ms. Blumenfield should seek the advice of the City Attorney before acting regarding whether she will be required to disqualify herself.

We are unable to assess if, or how frequently, Ms. Blumenfield would be in a position of having to recuse herself. For your information, when a member of a Board or Commission is disqualified from acting on three or more agenda items in a year because of a conflict caused by the *same interest*, the City Ethics Commission is required by Section 707 of the City Charter to determine if the Commissioner has a significant and continuing conflict. If the City Ethics Commission so determines, it may order divestment of the interest causing conflict.

In addition, please be advised, however, that interests disclosed on CA Form 700 (Statement of Economic Interests) are not the only interests that can give rise to a conflict of interest. As an example, in some cases certain business activities of the clients of board or commission members' employers or sources of income may require recusal by that board or commission member. Additionally, recusal may be required on matters under City Charter Section 222. That section provides that the City Attorney, upon request, provides a written opinion concerning the obligation of a City official or board to refrain from acting on a matter that may violate State law or where action may otherwise not be in the public interest for the board or commission member to act in a particular matter, contract, sale or transaction. In the event that any matter comes before the Board that raises potential conflict of interest issues, we encourage the nominee to seek the advice of the City Attorney before acting.

If circumstances arise that do require the nominee to recuse herself from acting on any matter, the enclosed Recusal Notification Form should be used by the nominee to notify the City Ethics Commission for purposes of Charter section 707, as well as the Mayor's Office pursuant to Executive Directive 2005-1.

For your additional information, as a part of its review process, the City Ethics Commission also regularly requests and verifies that nominees to boards and commissions are registered electors within the City of Los Angeles. We have received a completed Residence Verification Form whereby the nominee affirms that she is registered to vote in the City of Los Angeles.

This staff report will be scheduled for formal review by the City Ethics Commission at its next meeting pursuant to Los Angeles Municipal Code Section 49.5.7. If the Commission's formal review results in a different conclusion at that time, our office will notify the City Council.

Sincerely,

A handwritten signature in black ink, appearing to read "LeeAnn M. Pelham", with a long horizontal flourish extending to the right.

LeeAnn M. Pelham
Executive Director

cc: Mayor Antonio R. Villaraigosa
Ms. Kafi Blumenfield