

# CITY OF OAKLAND



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October 4, 2022

Council President Fortunato Bas and Members of the City Council  
One Frank H. Ogawa Plaza, Second Floor  
Oakland, California 94612

**RE: RESOLUTION**

- 1) **AMENDING RESOLUTION NO. 89376 C.M.S. TO ADD BUILDING OPPORTUNITIES FOR SELF-SUFFICIENCY (BOSS) AS THE FISCAL SPONSOR FOR GRANTEE “FAMILY SUPPORT ADVOCATES” AND TO ADD THE SOCIAL GOOD FUND INC. AS THE FISCAL SPONSOR FOR GRANTEE “HOMIES EMPOWERMENT”;**
- 2) **RATIFYING RESOLUTION NOS. 88678, 88921, 89245 AND 89376 C.M.S., WHICH AUTHORIZED GRANT AGREEMENTS BETWEEN THE CITY OF OAKLAND AND THE EAST OAKLAND YOUTH DEVELOPMENT CENTER (“EOYDC”), TO THE EXTENT NECESSARY TO RESOLVE ANY POTENTIAL CONFLICTS OF INTEREST RELATED TO COUNCILMEMBER TREVA REID’S REMOTE INTEREST IN EOYDC; AND**
- 3) **RATIFYING SUCH GRANT AGREEMENTS BETWEEN THE CITY OF OAKLAND AND EOYDC**

Dear Council President Fortunato Bas and Members of the City Council:

**I. INTRODUCTION**

Councilmember Treva Reid contacted this Office to inform us that she is a member of the East Oakland Youth Development Center (“EOYDC”) Board, that she believed she had voted on certain City Council resolutions that authorized awarding grant funds to EOYDC and sought assistance to address any issues related to these matters. Based upon this inquiry, we asked Councilmember Reid to provide us with information regarding her position with EOYDC and to disclose any compensation she received from EOYDC.

October 4, 2022

**Re: Amending Resolution No. 89376 C.M.S. AND Ratifying Resolution Nos. 88678 C.M.S., 88921 C.M.S., and 89245 C.M.S., and Grant Agreements Between the City of Oakland and the EOYDC Arising Therefrom**

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Councilmember Reid advised us that (1) she is as an unpaid, volunteer community board member of EOYDC and began service on the Board before she commenced her term as City Councilmember in January 2021; (2) EOYDC has not contributed money, goods, or services related to the Councilmember's campaigns for City Council or for Mayor; and (3) the Councilmember does not receive an honorarium or travel expenses for serving on the EOYDC board.

The EOYDC is a registered 501(c)(3) nonprofit corporation (California Corporation No. C679982, EIN: 23-7334590) located at 8200 International Blvd, Oakland, CA 94621. We also confirmed that Councilmember Reid recused herself regarding two resolutions that the Council passed in 2021 authorizing the award of grant funds to EOYDC.

Based on Councilmember Reid's disclosures and EOYDC's status as a 501(c)(3) nonprofit corporation, Councilmember Reid's role as a volunteer community board member of EOYDC does not result in an apparent direct financial interest in the EOYDC grant agreements. However, the Councilmember may be deemed to have a "remote interest" under California Government Code section 1091, which provides that an officer of a nonprofit entity exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) or a nonprofit corporation has a "remote interest." We advised Councilmember Reid and Council President Bas of the potential conflict and have prepared a curative resolution for consideration by remaining members of the City Council.

The resolution, if passed by the remaining members of the City Council, authorizes, approves and ratifies the four EOYDC grant resolutions that Councilmember Reid voted on (Resolution Nos. 88678 88921, 89245, and 89376 C.M.S.) and the allocation of grant funds to EOYDC or grant agreements between the City and EOYDC resulting from those resolutions, to the extent necessary to resolve any potential conflict of interest related to Councilmember Reid's remote interest in EOYDC. California Government Code section 1091(a) expressly provides that if the fact of a remote interest is disclosed to the body, here the City Council, noted in the Council's official records and the Council thereafter authorizes, approves or ratifies the contract without counting the vote of the officer with the remote interest, the officer "shall not be deemed to be interested in a contract."

## **II. BACKGROUND**

EOYDC is a registered 501(c)(3) nonprofit organization (California Corporation No. C679982, EIN: 23-7334590) located at 8200 International Blvd, Oakland, CA 94621.

In August 2022, Councilmember Treva Reid contacted this Office to report that she had believed she had not recused herself from certain City Council resolutions awarding grants to EOYDC. She sought assistance to address the issue.

We notified Councilmember Reid that we would investigate the matter to determine whether a conflict existed and what action, if any, was required. We also reported the matter to Council President Fortunato Bas.

Councilmember Reid was elected to City office as Councilmember for the District 7 in November 2020. Her term of office as Councilmember commenced January 1, 2021.

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The City Council has allocated grant funds to EOYDC and authorized the City Administrator to execute grant agreements between the City and EOYDC both before and after Councilmember Reid commenced her term as a City Council member in January 2021.

As part of our due diligence we asked Councilmember Reid to disclose any financial interests in EOYDC. Councilmember Reid advised that she is an unpaid volunteer community board member of EOYDC and began serving on the board before she commenced her term as a City Councilmember. Councilmember Reid also advised that EOYDC has not contributed money, goods, or services to any of her campaigns for City Council or for Mayor and that she does not receive an honorarium or travel expenses for serving on the EOYDC board.

Based on these disclosures, our Office believes that Councilmember Reid's position as a volunteer community board member of EOYDC results in no apparent direct financial interest in the grant agreements but may be deemed a remote interest under California Government Code section 1091.

California Government Code section 1091(a) provides in pertinent part:

An officer shall not be deemed to be interested in a contract entered into by a body or board of which the officer is a member within the meaning of this article if the officer has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the officer is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote interest.

With staff's assistance, our Office identified six City resolutions that awarded grant funds and authorized the City Administrator to execute grant agreements between the City and EOYDC during Councilmember Reid's term of office:

- (1) Resolution No. 88559 C.M.S. (March 16, 2021);
- (2) Resolution No. 88678 C.M.S. (June 1, 2021);
- (3) Resolution No. 88735 C.M.S. (July 6, 2021);
- (4) Resolution No. 88921 C.M.S. (Nov. 16, 2021);
- (5) Resolution No. 89245 C.M.S. (June 7, 2022); and
- (6) Resolution No. 89376 C.M.S. (July 26, 2022).

Based upon our review of each resolution we confirmed that Councilmember Reid recused herself from voting on the following two resolutions: (1) Resolution No. 88559 C.M.S. (March 16, 2021); and (2) Resolution No. 88735 C.M.S. (July 6, 2021). However, Councilmember Reid did not recuse herself and cast votes on the remaining four resolutions: (1) Resolution No. 88678 C.M.S. (June 1, 2021); (2) Resolution No. 88921 C.M.S. (Nov. 16, 2021); (3) Resolution No. 89245 C.M.S. (June 7, 2022); and (4) Resolution No. 89376 C.M.S. (July 26, 2022).

Although Resolution No. 88678 C.M.S., Resolution No. 88921 C.M.S., Resolution No. 89245 C.M.S., and Resolution No. 89376 C.M.S. would have passed without Councilmember Reid's vote, Government Code section 1091(a) requires a vote of the City Council, without

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Councilmember Reid, to authorize, approve or ratify these four resolutions and any allocation of grant funds to EOYDC and grant agreements with EOYDC that resulted from those resolutions.

The resolution we have prepared, if passed by the remaining members of the City Council, authorizes, approves and ratifies Resolution Nos. 88678, 88921, 89245, and 89376 C.M.S. and any allocation of grant funds to or grant agreements between the City and EOYDC resulting from those resolutions to the extent necessary to resolve any potential conflict of interest caused by Councilmember Reid's remote interest in EOYDC.

### **III. RECOMMENDATION**

We recommend that the Council pass the resolution ratifying Resolution Nos. 88678, 88921, 89245 and 89376 C.M.S. and grant agreements between the City of Oakland EOYDC arising therefrom.

Very truly yours,



**BARBARA J. PARKER**  
City Attorney