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7  
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**COUNTY OF BUTTE**

9 ANN SCHWAB; ERIC NILSSON; KATE  
10 SHEEHY; JOCELYN AHERN; JULIA  
11 CRUSE; KELSEY SIMMEN; THEODORE  
KETAJ; and CELESTE BAILEY PACE,

12 Petitioners and Plaintiffs,

13 v.

14 KASEY REYNOLDS, in her official capacity  
as Mayor of the City of Chico; DEBORAH  
15 PRESSON, in her official capacity as Clerk of  
the City of Chico; CHICO CITY COUNCIL;  
16 and CITY OF CHICO,

17 Respondents and Defendants.

CASE NO. 26CV01533

**OPPOSITION TO MOTION FOR  
PRELIMINARY INJUNCTION**

Hearing Date: May 27, 2026

Time: 9:00 a.m.

Dept: 1

Judge: Hon. Tamara L. Mosbarger

Petition Filed: May 6, 2026

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1 **INTRODUCTION**

2 Petitioners ask this Court for a drastic remedy. They ask this Court to silence the elected  
3 Mayor of Chico. Twice. First, by voiding her recorded vote on April 21 (and asking the Court to  
4 simply decree a legislative outcome Petitioners wanted but did not obtain). Second, by enjoining  
5 her from any future participation in decisions on the Downtown Chico Revitalization Project at all.  
6 The requested relief reaches beyond Mayor Reynolds. It reaches every Chico resident who voted  
7 for her. It is unprecedented. It is unconstitutional. And the record before this Court does not begin  
8 to justify it.

9 Petitioners base their requested relief on the strength of a Political Reform Act conflict-of-  
10 interest theory that, on examination, falls apart at every prong. Mayor Reynolds is a month-to-  
11 month lessee of a small ice cream shop on East Seventh Street, located outside the actual streetscape  
12 modifications that the Project would implement. The Fair Political Practices Commission has  
13 applied the Act to substantially identical facts and reached the conclusion Petitioners insist this  
14 Court reject.

15 Three published FPPC advice letters resolve this case in Mayor Reynolds’ favor.

16 The *Snow Advice Letter* (2020) (FPPC Advice Letter, No. A-20-116) holds that a mayor  
17 who leased commercial space across the street from a rezoning area had no disqualifying conflict  
18 because the rezoning would not change the lease termination, allowable use, or use and enjoyment  
19 of the leased property, and no specific redevelopment was “planned or imminent.”

20 The *Chopra Advice Letter* (2018) (FPPC Advice Letter, No. A-18-254) holds that a  
21 councilmember who owned a Baskin-Robbins ice cream store had no source-of-income conflict  
22 regarding decisions affecting nearby property because the retail-customer exception of section  
23 87103.5 applied.

24 The *Stroud Advice Letter* (2023) (FPPC Advice Letter, No. A-23-131) holds that a  
25 councilmember whose restaurant was located *within* the boundaries of an area plan had no business-  
26 entity conflict, and that a mayor pro tem with leased commercial space inside the plan area had no  
27 leasehold conflict, because the relevant materiality thresholds were not reasonably foreseeable to  
28 be triggered.



1                   **B. The Downtown Chico Revitalization Project.**

2                   The Downtown Chico Revitalization Project is a streetscape redesign focused on Main  
3 Street and Broadway. (Petition Exh. 8.) The Project’s physical components consist of sidewalk  
4 widening, bike lane reconfiguration, crosswalk improvements, and similar streetscape  
5 modifications. (*Id.*) The Project does not include changes to East Seventh Street, where Shubert’s  
6 is located. (*Id.*)

7                   Shubert’s is approximately 130 feet from Wall Street and 160 feet from Main Street.  
8 (Petition Exh. 12.) The Project area, as defined by the City’s planning documents, includes the  
9 block on which Shubert’s sits, but the actual streetscape modifications occur on streets other than  
10 East Seventh. (Petition Exh. 8.)

11                   **C. Councilmember van Overbeek’s Recusal and the FPPC Advice Letter.**

12                   In 2024, Councilmember Tom van Overbeek requested an FPPC advice letter regarding his  
13 potential conflict of interest with respect to the Project. (Petition ¶¶ 21-28.) Van Overbeek owns a  
14 two-story commercial building on Main Street, directly along the Project’s actual streetscape  
15 modifications. (*Id.*) The FPPC concluded he had a disqualifying conflict because he *owned real*  
16 *property* (an office building) inside of the Project area, triggering the bright-line materiality  
17 presumption of California Code of Regulations title 2, section 18702.2(a)(7). (*Lam FPPC Advice*  
18 *Letter*, No. A-24-036, at 4 (see Request for Judicial Notice (“RJN”), and **Exh. A** thereto).) Van  
19 Overbeek thereafter recused himself from Project-related decisions. (Petition ¶¶ 21-28.)

20                   **D. The April 21, 2026 Vote.**

21                   On April 21, 2026, the City Council voted on a motion to approve Project Alternative 1 and  
22 direct staff to apply for state grant funding. (Petition ¶ 42.) Three Councilmembers voted in favor;  
23 two voted against; Mayor Reynolds voted against. (*Id.*) The motion failed by a 3-3 tie. (*Id.*) Mayor  
24 Reynolds did not recuse herself.

25                   Mayor Reynolds did not approach the April 21 vote casually. She reviewed FPPC published  
26 guidance on conflicts of interest before the vote. (Reynolds Decl. ¶ 11.) She concluded that recusal  
27 was not required. (*Id.* ¶ 12.) Mayor Reynolds has recused herself when she has determined recusal  
28

1 is required, including from a January 2023 vote on Downtown Chico Business Association funding  
2 and an April 2023 vote on downtown signage. (*Id.* ¶ 13.) Her participation in the April 21 vote was  
3 the considered judgment of a public official who takes her recusal obligations seriously. Petitioners’  
4 Petition includes a quoted statement attributed to Mayor Reynolds following the April 21 vote.  
5 (Pet. ¶ 43.) Mayor Reynolds expressly denies the allegation. (Reynolds Decl. ¶ 14.)

6  
7 **E. This Action.**

8 Petitioners filed this action on May 6, 2026, fifteen days after the vote. The Petition seeks  
9 to void the vote, declare the ordinance adopted, and order the Council to advance the Project to the  
10 City staff for implementation. The Motion now before the Court seeks a preliminary injunction to  
11 the same effect.

12 **LEGAL STANDARD**

13 A preliminary injunction is an “extraordinary” remedy that should be rarely exercised in  
14 doubtful cases. (*Tahoe Keys Property Owners’ Association v. State Water Resources Control Board*  
15 (1994) 23 Cal.App.4th 1459, 1470-1471; *Dawson v. East Side Union HS. Dist.* (1994) 28  
16 Cal.App.4th 998, 1040.) Courts proceed with “great caution” in exercising this power and require  
17 a clear showing that the threatened and impending injury is great and can be averted only by  
18 injunction. (*Wilkins et al. v. Oken et al.* (1958) 157 Cal.App.2d 603, 606; *City Tiburon v.*  
19 *Northwestern Pacific Railroad Co. et al.* (1970) 4 Cal.App.3d 160, 179.) These equitable principles  
20 apply to requests for injunctive relief under the PRA, Government Code section 91003. (*City of*  
21 *Vernon v. Central Basin Mun. Water Dist.* (1999) 69 Cal.App.4th 508, 516-517.)

22 To obtain a preliminary injunction, the moving party must show a reasonable likelihood of  
23 prevailing on the merits and that the balance of harms favors the issuance of the injunction. (*White*  
24 *v. Davis* (2003) 30 Cal.4th 528, 554; *Butt v. State of California* (1992) 4 Cal.4th 668, 677-78.)  
25 Courts evaluate two “interrelated factors”: (1) the likelihood that the plaintiff will prevail on the  
26 merits at trial; and (2) the interim harm that the plaintiff is likely to sustain if the injunction were  
27 denied as compared to the harm that the defendant is likely to suffer if the preliminary injunction  
28 were issued. (*Board of Supervisors v. McMahon* (1990) 219 Cal.App.3d 286, 295.) Before the trial

1 court can exercise its discretion to issue an injunction, the applicant must demonstrate a real threat  
2 of “immediate and irreparable injury” due to the inadequacy of legal remedies. (*Choice-in-*  
3 *Education League et al. v. Angeles Unified School District* (1993) 17 Cal.App.4th 415, 422; *Lezama*  
4 *v. Justice Court* (1987) 190 Cal.App.3d 15, 21.) This test is applicable to injunctions sought under  
5 the Political Reform Act, as Petitioners do here. (*City of Vernon, supra*, 69 Cal.App.4th 508, 517-  
6 18.) Finally, as to the Petitioners’ request for a mandatory injunction, such injunctive relief is  
7 particularly disfavored. (*Teachers Insurance & Annuity Assn. v. Furlotti* (1999) 70 Cal.App.4th  
8 1487, 1493 [a “preliminary mandatory injunction is rarely granted”].)

## 9 ARGUMENT

### 10 **I. PETITIONERS CANNOT SHOW A LIKELIHOOD OF SUCCESS ON THE MERITS.**

11  
12 Petitioners’ merits theory rests on three asserted financial interests under Government Code  
13 section 87103: (a) Mayor Reynolds’ ownership stake in Shubert’s (subdivision (a), business entity  
14 interest); (c) her income from Shubert’s (subdivision (c), source of income); and arguably (b) her  
15 leasehold interest in the Shubert’s storefront (subdivision (b), real property interest). For each  
16 prong, controlling FPPC precedent applied to Mayor Reynolds’ situation establishes there is no  
17 disqualifying conflict.

#### 18 **A. Mayor Reynolds Has No Disqualifying Real-Property Interest.**

19 Petitioners attempt to draw an analogy between Mayor Reynolds and Chico Councilmember  
20 van Overbeek, but the analogy collapses on the controlling FPPC precedent. Van Overbeek *owned*  
21 a commercial building on Main Street, directly along the Project’s streetscape modifications. (*Lam*  
22 *FPPC Advice Letter, supra*, No. A-24-036, at 3 (see RJN, and **Exh. A** thereto).) The FPPC’s  
23 materiality finding rested entirely on Regulation 18702.2(a)(7)’s 500-foot bright-line rule for  
24 *owned* real property. (*Id.* at 4.) The FPPC was explicit that this rule applies “*other than*” to  
25 leasehold interests:

26 [T]he reasonably foreseeable financial effect of a governmental  
27 decision on a parcel of real property in which an official has a  
28 financial interest, *other than a leasehold interest*, is material  
whenever the governmental decision involves property located 500

1 feet or less from the property line of the parcel . . . .

2 (*Lam Advice Letter, supra*, at 4 [emphasis added].)

3 Mayor Reynolds is not the owner of any property in or near the Project area. (Reynolds  
4 Decl. ¶ 7.) She is a month-to-month *lessee* of the storefront at 178 East Seventh Street. (*Id.* at ¶¶ 2-  
5 6.) Her interest is governed *not by* Regulation 18702.2(a)(7)'s 500-foot rule, but by the markedly  
6 narrower leasehold standard of Regulation 18702.2(c). Subdivision (c) of 18702.2 provides that the  
7 financial effect of a decision is material as to a leasehold interest *only* if the decision will:

- 8 (1) Change the termination date of the lease;  
9 (2) Increase or decrease the potential rental value of the property;  
10 (3) Change the official's actual or legally allowable use of the property; or  
11 (4) Impact the official's use and enjoyment of the property.

12 (2 Cal. Code Regs. § 18702.2(c) (see RJN, and **Exh. B** thereto.)

13 *None* of these triggers is present, and Petitioners offer no evidence that any of them are.

14 **First**, the Project does not change the termination date of Shubert's month-to-month lease at 178  
15 East Seventh Street. (Reynolds Decl. ¶ 6, Exh. A.) **Second**, the Project does not increase or decrease  
16 the potential rental value of the property. Shubert's is located on East Seventh Street, where the  
17 Project introduces no streetscape modifications; the modifications occur along Main Street and  
18 Broadway. (Reynolds Decl. ¶ 8.) Petitioners offer no evidence, and indeed no theory, that a  
19 streetscape redesign one block away foreseeably changes the rental value of the building Shubert's  
20 occupies. Their argument is that construction may temporarily affect Shubert's revenue. Revenue  
21 is not rental value. The two are distinct under the regulation, and Petitioners erroneously conflate  
22 them. **Third**, the Project does not change Shubert's allowable use of the leased premises. Shubert's  
23 may continue to operate as a retail confectionary; the Project authorizes no rezoning, no land-use  
24 modification, and no change in permitted uses at 178 East Seventh Street. (Reynolds Decl. ¶ 9.)  
25 **Fourth**, the Project does not impact Mayor Reynolds' use and enjoyment of the leased premises.  
26 The Project authorizes no construction on or directly adjacent to the Shubert's property. (*Id.*)

27 The FPPC's *Snow Advice Letter* is squarely on point. There, the Beverly Hills Mayor Lestor  
28 Friedman leased commercial office space *directly across the street* from real property that would

1 be subject to a proposed Mixed-Use Overlay Zone. (*Snow FPPC Advice Letter*, No. A-20-116, at  
2 2-3 (see RJN, and **Exh. C** thereto).) Under the new Overlay Zone, neighboring commercial  
3 properties could be redeveloped into mixed-use buildings of greater height (a five-story limit, up  
4 from the existing three-story commercial limit). (*Id.* at 2-3.) Applying Regulation 18702.2(c), the  
5 FPPC concluded:

6  
7 Imposing the Overlay Zone would not change the termination date  
8 of the lease, nor would it change Mayor [Friedman]’s actual or  
9 legally allowable use of the property. Hypothetically, approving the  
10 imposition of the Overlay Zone could impact Mayor [Friedman]’s  
11 use and enjoyment of the property, or increase or decrease the  
12 potential rental value of the property . . . . However, although  
13 redevelopment . . . would be possible, there is nothing indicating  
14 that redevelopment close to Mayor [Friedman]’s leased property is  
15 planned or imminent. Accordingly, under the Act, Mayor  
16 [Friedman] does not have a disqualifying conflict of interest based  
17 on his leasehold real property interest.

18 (*Snow Advice Letter, supra*, at 6.)

19 The reasoning applies *a fortiori* to Mayor Reynolds. The *Snow Advice Letter* involved actual  
20 zoning entitlements that could have permitted neighboring commercial buildings to nearly double  
21 in height. The Project here does no such thing; it changes how a roadway is striped.

22 The *Stroud Advice Letter (2023)* reinforces this conclusion. There, Mayor Pro Tem Cody  
23 Bass leased both his residence and the commercial space for his wellness business, Tahoe Wellness  
24 Center (“TWC”), within the boundary of the proposed Tahoe City Area Plan (“TCAP”). (*Stroud*  
25 *FPPC Advice Letter (2023)*, No. A-23-131, at 2 (see RJN, and **Exh. D** thereto) (*Stroud 2023 Letter.*)  
26 The FPPC analyzed his leasehold interest under Regulation 18702.2(c) and concluded that none of  
27 the four triggers was satisfied:  
28

29 Mayor Pro Tem Bass leases his residence and the space for his  
30 business, TWC, within the boundary of the TCAP. Under the facts  
31 presented, there would be no change to the termination or value of  
32 the lease, the actual or legally allowable use of the property, or  
33 impact on the Mayor Pro Tem’s use and enjoyment of the property.  
34 There are no facts to suggest that the Mayor Pro Tem will be  
35 required to pay additional or less rent, or that his lease may not be  
36 renewed because of the new plan.

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(*Stroud 2023* at 9.)

In the *Stroud 2023 FPPC Advice Letter*, the FPPC also considered South Lake Tahoe’s Councilmember Scott Robbins’s leasehold interest in the space occupied by his restaurant, Shedcat, LLC, which was also located inside the plan boundary:

Councilmember Scott Robbins is a partner with a direct investment worth \$2,000 or more in Shedcat, LLC, a restaurant and distillery, which has a 3-year *lease* for commercial space at a property *within the boundary of the TCAP*.

(*Stroud 2023* at 3 (emphasis added).)

In determining Councilmember Robbins maintained no disqualifying interest in the lease interest for his restaurant located inside the plan boundaries, the FPPC advised:

Regarding Councilmember Robbins’ interest in the leasehold interest held by Shedcat LLC, we must determine if there will be any changes to the lease term, rental value, or Shedcat LLC’s use of the property. Here, there are no facts that the terms of the lease, rental value of the property, or Shedcat, LLC’s allowable use of the property will change. Shedcat LLC is a restaurant and distillery that will continue to operate as it currently does regardless of any decision made surrounding the plan, and there are no facts to suggest the landlord for the building will change the lease terms as a result of the TCAP. Further, while there will be general zoning changes throughout the TCAP, it is not reasonably foreseeable that Councilmember Robbins’ enjoyment of the property will change as the facts presented to not indicate that there would be an impact to the restaurant through the changes.

Here, for the reasons noted above, the Councilmember does not have a disqualifying interest in Shedcat LLC as a business or source of income and does not have a disqualifying interest in the lease for Shedcat LLC in the decision of whether to approve the area plans because it is not reasonably foreseeable there will be a material financial effect on these interests as a result of the decision.

(*Stroud 2023* at 7.)

The FPPC’s most recent application of Regulation 18702.2(c) is to the same effect. (*Van Mullem FPPC Advice Letter*, No. A-25-043 [Santa Barbara County Supervisor whose restaurant was governed by proposed county fee changes had no leasehold conflict because none of the four

1 18702.2(c) triggers was satisfied] (see RJN, and **Exh. E** thereto.) The *Snow, Stroud, and Van*  
2 *Mullem* letters share a common analytical thread: speculation about future market conditions does  
3 not create a leasehold conflict. Regulation 18702.2(c) requires the *decision itself* to do one of four  
4 specific things to the leased property. (2 Cal. Code Regs. § 18702.2(d) [“only if the governmental  
5 decision *will*”].) The Project here does none of them. The leasehold prong fails as a matter of law.

6 A separate and independent ground confirms that no leasehold conflict exists. Regulation  
7 18702.2(d)(1) provides that the financial effect of a governmental decision “is not material if . . .  
8 [t]he decision solely concerns repairs, replacement or maintenance of existing streets, water, sewer,  
9 storm drainage or similar facilities.” (2 Cal. Code Regs. § 18702.2(d)(1).) The FPPC has applied  
10 this exception to substantial municipal infrastructure work. In the *Roberto Advice Letter*, the  
11 Commission analyzed a Costa Mesa project to “reconstruct” an existing pedestrian and bicycle trail  
12 approximately 1,400 feet from a Councilmember’s leased residence. (*Roberto FPPC Advice Letter*,  
13 No. A-17-277 at 5-6 (see RJN, and **Exh. F** thereto).) Notwithstanding that the project in *Roberto*  
14 involved reconstruction rather than mere repair, the Commission concluded that Regulation  
15 18702.2(d)(1) applied and that no material financial effect existed. (*Ibid.*) The Commission’s  
16 reading reflects a sensible understanding of the regulation: “replacement” of existing infrastructure  
17 encompasses redesigning and updating that infrastructure, not merely like-for-like swaps.

18 The Downtown Chico Project falls squarely within the (d)(1) exception. The Project’s  
19 physical components, as the *Lam Advice Letter* describes them, consist of “redesigning streets to  
20 incorporate features such as wider sidewalks, bike lanes, improved crosswalks, and enhanced  
21 landscaping.” (*Lam Advice Letter, supra*, at 2.) Wider sidewalks replace existing sidewalks. Bike  
22 lanes replace existing road striping and lane allocation. Improved crosswalks replace existing  
23 crosswalks. The work occurs entirely within the existing public right-of-way along Main Street and  
24 Broadway. Petitioners’ contrary reliance on *Lam* is misplaced for the reasons already discussed:  
25 that letter applied Regulation 18702.2(a)(7)’s bright-line 500-foot rule, which by the regulation’s  
26 express terms *does not apply to leasehold interests*. The (d)(1) exception, by contrast, applies to  
27 “real property in which an official has a financial interest,” owned or leased. (2 Cal. Code Regs. §  
28 18702.2(d).) On this independent ground, no material financial effect on Mayor Reynolds’

1 leasehold interest exists as a matter of FPPC regulation.

2  
3 **B. Mayor Reynolds Has No Disqualifying Source-of-Income Interest Because the  
Retail Customer Exception of Section 87103.5 Applies.**

4 Petitioners next assert that Mayor Reynolds is disqualified under section 87103(c) by virtue  
5 of the income she derives from Shubert’s. (Mot. at 7.) That theory cannot be reconciled with section  
6 87103.5(a) and the FPPC’s on-point decision in the “Chopra Advice Letter.”

7 Section 87103.5(a) provides:

8 Notwithstanding subdivision (c) of Section 87103, a retail customer  
9 of a business entity engaged in retail sales of goods or services to  
10 the public generally is not a source of income to an official who  
11 owns a 10-percent or greater interest in the entity if the retail  
12 customers of the business entity constitute a significant segment of  
the public generally, and the amount of income received by the  
13 business entity from the customer is not distinguishable from the  
amount of income received from its other retail customers.

14 (Gov. Code, § 87103.5(a).)

15 Where the exception applies, “the Councilmember does not have a source of income  
16 interest” under section 87103(c). (*Chopra FPPC Advice Letter* No. A-18-254, at 4 (see RJN, and  
17 **Exh. G** thereto) at 4.)

18 The *Chopra Advice Letter* is ice-cream-shop-on-point. There, the Mountain View City  
19 Councilmember was the sole proprietor of a Baskin-Robbins ice cream store. (*Id.* at 2.) The FPPC  
20 squarely held that the Baskin-Robbins’s retail customers “constitute a significant segment of the  
21 public generally” under Regulation 18702.3(d):

22 The Baskin-Robbins is located within the City, open to the public,  
23 and heavily patronized by a broad base of ice cream customers. The  
24 facts presented provide no indication that the Baskin-Robbins’  
25 broad base of customers is not representative of the City as a whole,  
26 or confined to any specialized occupation, profession, or business.  
Therefore, the Baskin-Robbins’s retail customers constitute a  
significant segment of the public generally for purposes of the  
exception set forth in Section 87103.5(a) . . . .

27 (*Chopra Advice Letter*, at 3.)

28 The FPPC then found the second prong met because individual customer purchases were

1 small enough that the official could not “recognize a significant monetary difference” between any  
2 one customer and the general clientele. (*Id.* at 4.) Both prongs satisfied, no source-of-income  
3 conflict existed. (*Id.*)

4 Shubert’s Ice Cream and Candy is, in every relevant respect, the same kind of business as  
5 the Baskin-Robbins in the *Chopra Advice Letter*. It is a retail ice cream and candy store located  
6 within the City of Chico. (Reynolds Decl. ¶¶ 2-5.) It is open to the public during posted hours. (*Id.*)  
7 It serves a broad base of customers, walk-in retail, representative of the Chico community as a  
8 whole, including students, professionals, families, and visitors. (*Id.*) No specialized occupation or  
9 trade is required to be a customer. (*Id.*) Mayor Reynolds’ ownership interest exceeds the 10-percent  
10 threshold. (*Id.*)

11 The FPPC has consistently applied the retail customer exception to similarly situated  
12 officials. (*Van Mullem FPPC Advice Letter, supra*, No. A-25-043, at 5 n.5 [noting that the retail  
13 customer exception of section 87103.5(a) applies to officials owning 10% or more of a business  
14 engaged in retail sales to the public generally].) Petitioners cannot identify a single contrary FPPC  
15 decision involving a public-facing retail business of the kind Mayor Reynolds co-owns.

16 Once section 87103.5(a) is applied, Mayor Reynolds’ asserted source-of-income interest  
17 under section 87103(c) drops out of the case entirely. The *Chopra Advice Letter* establishes that for  
18 the owner of a small retail business, individual customers and decisions affecting them do not create  
19 section 87103(c) interests. The same is true here.

20  
21 **C. Mayor Reynolds Has No Disqualifying Business-Entity Interest Because Petitioners  
Cannot Show a Reasonably Foreseeable Material Effect.**

22 Petitioners’ remaining theory is that Mayor Reynolds has a disqualifying business-entity  
23 interest under section Government Code 87103(a) because Shubert’s could be financially affected  
24 by the Project. (Mot. at 7-9.) That theory fails for two related reasons: Petitioners cannot show that  
25 any material financial effect on Shubert’s is reasonably foreseeable, and the controlling FPPC  
26 precedent applied to substantially identical facts confirms that no conflict exists.

27 FPPC regulation 18702.1 sets the materiality thresholds for business-entity interests. The  
28 financial effect on a business entity is material if the decision may result in (a) an increase or

1 decrease of the entity’s annual gross revenues equal to or greater than \$1,000,000, or 5% of annual  
2 gross revenues with the change at least \$10,000; or (b) cause the entity to incur or avoid expenses  
3 equal to or greater than \$250,000, or 1% of annual gross revenues with the change at least \$2,500.  
4 (2 Cal. Code Regs. § 18702.1(a)(2)-(3).) The financial effect must also be *reasonably foreseeable*,  
5 meaning a “realistic possibility” rather than a “hypothetical or theoretical” one. (*Id.* § 18701(b).)

6         Petitioners cannot meet either standard. They concede they have no information about  
7 Shubert’s actual gross revenues or expenses. (Mot. at 8 [“Gross revenue figures are not presently  
8 known.”].) They proceed instead on the basis of two academic articles and one trade-publication  
9 headline asserting that nearby road construction projects *can* affect business revenues. (Mot. at 8  
10 nn.1-4.) Petitioners’ generalized literature about road-construction effects on businesses cannot  
11 establish foreseeability as to Shubert’s specifically. Shubert’s has operated continuously at 178 East  
12 Seventh Street since 1938, through prior streetscape changes, decades of downtown development,  
13 and economic cycles. (Reynolds Decl. ¶ 4.) Petitioners offer no project-specific evidence that the  
14 Project foreseeably crosses Regulation 18702.1’s materiality thresholds for this business. That is  
15 not the “realistic possibility” of crossing the materiality thresholds that section 18701(b) requires.  
16 It is precisely the kind of “theoretical or hypothetical” effect that the regulation excludes.

17         The *Stroud 2023 Advice Letter* is dispositive on this exact issue. In *Stroud 2023*,  
18 Councilmember Robbins was a partner in Shedcat, LLC, a restaurant and distillery located *within*  
19 the boundaries of the proposed area plan. (*Stroud 2023 Advice Letter, supra*, at 3.) The FPPC, like  
20 Petitioners here, did not have specific gross-revenue data for Shedcat. (*Id.*) The FPPC nonetheless  
21 concluded that, even at the lowest materiality thresholds, “it is not reasonably foreseeable the  
22 decision surrounding general zoning changes in the area would increase or decrease the business’  
23 revenues by \$1,000,000 or 5%.” (*Id.* at 6.) The FPPC reached the same conclusion on the expense  
24 side. (*Id.*)

25         That holding controls here. Like Shedcat, Shubert’s is a small food service business in the  
26 area of a planned project. Like Shedcat, the record lacks specific gross-revenue data for Shubert’s.  
27 Like Shedcat, Shubert’s (which is outside the boundaries of the project area) would experience, at  
28 most, generalized indirect effects of the kind that affect any small business near any urban planning

1 decision. The FPPC has already held that such effects are not reasonably foreseeable to satisfy  
2 Regulation 18702.1’s materiality thresholds.

3           Petitioners attempt to fill the evidentiary gap with citations to studies that nearby road  
4 construction can reduce business revenue by “up to 40%.” (Mot. at 8.) But generalized industry  
5 studies are not evidence of a reasonably foreseeable material effect on Shubert’s. The Project  
6 includes streetscape modifications on Main Street and Broadway, not on East Seventh Street where  
7 Shubert’s is located. (Petition Exh. 8.) The studies Petitioners cite involve construction immediately  
8 adjacent to the businesses studied. There is no construction immediately adjacent to Shubert’s under  
9 the Project as designed.

10           Moreover, Petitioners’ own theory is internally inconsistent. They argue Mayor Reynolds  
11 had a financial interest in voting against the Project to avoid construction-related disruption to  
12 Shubert’s revenue. But they then cite long-term studies showing that downtown revitalization  
13 projects sometimes *increase* business revenue by 8.8% and similar amounts. (Mot. at 8 & nn.3-4.)  
14 If the Project would increase Shubert’s long-term revenue, then Mayor Reynolds presumably had  
15 a financial incentive to vote in *favor* of the Project, not against it. The fact that she voted against it  
16 is inconsistent with the conflict theory Petitioners advance.

17           **D. The 2025 Heather Stroud Advice Letter Petitioners Rely Upon Is Distinguishable.**

18           Petitioners rest their merits theory primarily on a different advice letter, addressed to  
19 Heather Stroud as City Attorney for South Lake Tahoe in May 2025. (*Stroud Advice Letter*, No. A-  
20 25-017, 2025 (the “*Stroud 2025 Letter*”) (see RJN, and **Exh. H** thereto); Mot. at 9.) That letter is  
21 materially distinguishable on at least four independent grounds.

22           **First**, the disqualifying interest in the *Stroud 2025 Letter* arose under a statutory chain that  
23 has no analog here. City of South Lake Tahoe Councilmember Roberts was the Chief Operating  
24 Officer of Tahoe Investment Capital and Stewardship (“TICS”), a three-employee management  
25 company whose entire revenue came from management fees paid by seven hospitality businesses  
26 owned by a single individual, the owner of TICS itself. (*Stroud 2025 Letter* at 3-4.) The FPPC  
27 found Councilmember Roberts disqualified because (i) the Chateau project would foreseeably  
28

1 increase the gross revenues of those seven hospitality businesses; (ii) the increases in those  
2 businesses' revenues would foreseeably increase TICS's own management-fee revenue; and (iii)  
3 the TICS owner was therefore Councilmember Roberts's source of income under Regulation  
4 18700.1(a)(2)(A) as a 50-percent-or-greater owner of his employer. (*Id.* at 5-7.) The  
5 disqualification ran from project → client businesses → employer → employer's 50-percent owner  
6 → city councilmember's source of income. Mayor Reynolds is differently situated at every step:  
7 she has no employer, no employer's owner, and no concentrated set of clients of her business that  
8 would be benefited by a third-party project. She is the direct part-owner of a single retail business.

9         **Second**, the FPPC's foreseeability analysis in the *Stroud 2025 Letter* was tethered to a  
10 specific factual theory that does not extend to this case. The Commission found "it is reasonably  
11 foreseeable that the Chateau project decisions may *increase* the annual gross revenue" of the TICS  
12 owner's businesses because "restaurants and bars in particular would be the exact kinds of  
13 businesses that would benefit from such a project in such close proximity." (*Stroud 2025 Letter* at  
14 6-7 [emphasis added].) That is the only foreseeability theory the *Stroud 2025 Letter* applies. The  
15 FPPC did not analyze whether decisions affecting a project would foreseeably *decrease* the revenue  
16 of nearby businesses through construction-related disruption, the theory Petitioners advance here.  
17 (See Mot. at 8 & nn.1-2.) Although Regulation 18702.1(a)(2) accommodates either an increase or  
18 a decrease for purposes of measuring materiality, the *Stroud 2025 Letter* did not find both directions  
19 reasonably foreseeable; it found one. Petitioners therefore ask the Court to apply the *Stroud 2025*  
20 *Letter's* holding to a foreseeability theory the FPPC did not analyze.

21         Petitioners' theory also faces an internal tension that the *Stroud 2025 Letter* did not.  
22 Petitioners assert Mayor Reynolds had a financial incentive to oppose the Project to avoid  
23 construction-related disruption (Mot. at 8 & nn.1-2), but they simultaneously cite long-term studies  
24 indicating that downtown revitalization projects *increase* nearby business revenues by  
25 approximately 8.8% (Mot. at 8 & nn.3-4). If those long-term studies are predictive of the Project's  
26 effects on Shubert's, then a decision in favor of the Project would have benefited Mayor Reynolds  
27 financially, and her vote against it is inconsistent with the financial-interest theory Petitioners  
28 advance. If those studies are not predictive, then Petitioners offer the Court no reasoned basis for

1 crediting the short-term-disruption studies they cite either. The *Stroud 2023 Advice Letter* applied  
2 to Councilmember Robbins's Shedcat LLC restaurant resolves this kind of evidentiary gap directly:  
3 where there are no specific revenue facts and only generalized industry studies, “it is not reasonably  
4 foreseeable” that the materiality thresholds will be triggered. (*Stroud 2023 Advice Letter* at 6-7.)

5 **Third**, the Chateau project was *qualitatively different* from the Downtown Chico Project.  
6 The Chateau project was a transformative mixed-use destination development consisting of  
7 345,879 square feet of hotel use, a 95,302-square-foot conference facility with capacity for 4,400  
8 concert attendees, a 9,035-square-foot nightclub, and 535 new parking spaces. (*Id.* at 2.) Two of  
9 the seven affected hospitality businesses sat directly across U.S. 50 from the project site; all seven  
10 were within a quarter-mile. (*Id.* at 4.) Against that record, the FPPC found foreseeable revenue  
11 increases at neighboring hospitality businesses. The Downtown Chico Project is a streetscape  
12 redesign on Main Street and Broadway, sidewalk widening, bike lane reconfiguration, crosswalks,  
13 and landscaping. (Petition Exh. 8.) Shubert’s is not adjacent to the actual streetscape modifications;  
14 it operates from a leased storefront on East Seventh Street, where the Project introduces no roadway  
15 changes. (Reynolds Decl. ¶¶ 8-9.) The foreseeability theory the FPPC accepted in the *Stroud 2025*  
16 *Letter*, that a transformative hospitality-driving destination would foreseeably increase the gross  
17 revenues of nearby restaurants and bars, does not translate to a streetscape redesign and a small ice  
18 cream and candy store on a side street.

19 **Fourth**, the materiality finding in the *Stroud 2025 Letter* was supported by an affirmative  
20 representation from the City itself. The advice letter recites: “you state that it is plausible that future  
21 City Council decisions regarding the Chateau site may result in an increase of 5 percent of a nearby  
22 business’s gross income in an amount of at least \$10,000.” (*Stroud 2025 Letter* at 4.) The FPPC's  
23 conclusion expressly relied on this representation: “This conclusion is supported by the City's  
24 understanding that the Chateau site decisions may trigger the gross revenue threshold.” (*Id.* at 7.)  
25 Petitioners have no analogous representation here. The City of Chico has not represented to anyone,  
26 let alone to the FPPC, that the Project will foreseeably trigger Regulation 18702.1’s materiality  
27 thresholds for businesses on East Seventh Street. Petitioners offer instead their counsel’s literature  
28 review of unrelated road construction studies. (Mot. at 8 nn.1-4.) That is not the kind of foundation

1 on which the *Stroud 2025 Letter*'s materiality finding rested.

2 In sum, the *Stroud 2025 Letter* is plainly distinguishable on the statutory chain that produced  
3 disqualification, on the direction of the foreseeability analysis, on the scale and nature of the  
4 underlying project, and on the foundation for the materiality finding. It does not displace the FPPC's  
5 controlling guidance in the *Snow, Chopra, Stroud 2023*, and *Van Mullem* advice letters discussed  
6 in Sections A through C above.

7 **E. The “Public Generally” Inquiry Is Misframed by Petitioners.**

8  
9 Petitioners argue that Mayor Reynolds cannot satisfy the “public generally” exception of  
10 Regulation 18703 because Shubert’s is allegedly distinguishably affected by the Project. (Mot. at  
11 10.) That argument confuses two separate regulatory inquiries. Materiality and the “public  
12 generally” exception are independent questions. An official who has no reasonably foreseeable  
13 material financial interest does not need to invoke the “public generally” exception, because there  
14 is no disqualifying interest to neutralize. (See Cal. Code Regs., tit. 2, § 18703(a) [exception applies  
15 where there is a “financial effect on the public official’s financial interest” that is “indistinguishable  
16 from its effect on the public generally”].) Mayor Reynolds’ defense rests on the absence of a  
17 reasonably foreseeable material financial effect, as established in Sections A through D above. The  
18 “public generally” question therefore does not arise on this record, and Petitioners’ arguments  
19 addressed to that exception are misdirected.

20 Even if the Court were to reach the “public generally” inquiry, more than 25% of the City’s  
21 commercial properties, and an even higher percentage of downtown businesses, are likely  
22 experience identical temporary construction effects and long-term revitalization benefits. Exactly  
23 as the FPPC held in *Stroud 2023* (28.6% and 35.5% of commercial properties inside the plan areas),  
24 the effect on Shubert’s is indistinguishable from the effect on the public generally.

25 **II. THE EXTRAORDINARY MANDATORY INJUNCTIVE RELIEF PETITIONERS**  
26 **SEEK IS UNAVAILABLE AS A MATTER OF LAW.**

27 Even if Petitioners could establish a conflict, which they cannot, the Motion fails on a  
28 wholly independent ground. The relief Petitioners seek is unprecedented and unconstitutional. It

1 cannot lawfully be granted at any stage of this litigation, much less on a preliminary injunction  
2 motion. That alone requires denial.

3           Petitioners do not merely ask the Court to enjoin Mayor Reynolds’ future participation in  
4 Project-related decisions. They ask the Court to declare that the ordinance was adopted as if the  
5 April 21 vote had been 3-2 rather than the actual recorded 3-3 tie, and to order the City Council,  
6 the City Clerk, and City staff to advance the Project on that basis. (Petition, Prayer ¶¶ 2-4.)  
7 Petitioners’ own counsel admitted in writing that they “have not found precedent for an analogous  
8 situation.” (Washington Decl. ISO Ex Parte App. ¶ 3.) There is no such precedent because such  
9 relief lies outside the constitutional authority of any California court.

10           **A. Separation-of-Powers Principles Forbid a Court From Substituting Its Own Decree**  
11 **for a Recorded Legislative Outcome.**

12           The California Constitution provides that “[t]he powers of state government are legislative,  
13 executive, and judicial. Persons charged with the exercise of one power may not exercise either of  
14 the others except as permitted by this Constitution.” (Cal. Const., art. III, § 3.) The California  
15 Supreme Court has emphasized that “principles of comity and separation of powers place  
16 significant restraints on courts’ authority to order or ratify acts normally committed to the discretion  
17 of other branches or officials.” (*Butt v. State of California, supra*, 4 Cal.4th at 695.) Courts must  
18 tailor judicial remedies to directly address the harm at issue, and “should always strive for the least  
19 disruptive remedy adequate to its legitimate task.” (*Id.* at 696.) “No branch of government can  
20 exercise the complete power constitutionally vested in another.” (*People v. Bunn* (2002) 27 Cal.4th  
21 1, 16.) “The judiciary may be asked to decide whether a statute is arbitrary or unreasonable for  
22 constitutional purposes but no inquiry into the ‘wisdom’ of underlying policy choices is made.” (*Id.*  
23 at 17.)

24           The Court of Appeal applied these principles to invalidate a preliminary injunction in  
25 *O’Connell v. Superior Court* (2006) 141 Cal.App.4th 1452. There, the trial court had issued a  
26 preliminary injunction barring enforcement of California’s high school exit examination  
27 requirement as to the class of 2006. (*Id.* at 1462-63.) The Court of Appeal vacated the injunction  
28 on separation-of-powers grounds. (*Id.* at 1475-78.) Citing *Butt* and *Serrano v. Priest*, the Court

1 explained that to comport with separation-of-powers principles, an injunction must be limited to  
2 “directing the legislative and executive branches to find a way to redress the particular  
3 constitutional violation identified by the judicial branch,” not to imposing its own remedy in the  
4 place of executive/legislative action. (*Id.* at 1475.) The trial court had erred precisely because it  
5 “imposed its own remedy by enjoining the enforcement of the statute” rather than directing the  
6 responsible branches to address the issue. (*Id.* at 1475-76.) “[A] court should always strive for the  
7 least disruptive remedy adequate to its legitimate task.” (*Id.* at 1476, quoting *Butt, supra*, 4 Cal.4th  
8 at 696.)

9 The relief Petitioners seek is far more constitutionally problematic than the injunction the  
10 Court of Appeal struck down in *O’Connell*. The injunction rejected by the Court of Appeal in  
11 *O’Connell* merely barred *enforcement* of an existing statutory requirement. (*Id.* at 1463, 1476.)  
12 Petitioners ask this Court to go several steps further: not merely to enjoin enforcement, not merely  
13 to void Mayor Reynolds’ recorded vote, but to **decree** what the vote tally should have been (3-2),  
14 to **declare** an ordinance adopted that the Council did not adopt, and to **order** the legislative and  
15 executive branches of the City government to act on that judicial decree. That is the precise scenario  
16 *O’Connell* describes as outside a court’s constitutional authority. (*Id.* at 1475-76.) The Court would  
17 not be directing the City Council to consider the matter again. The Court would be *casting the*  
18 *deciding vote* on a question of municipal policy that the California Constitution commits to the City  
19 Council.

20 The City Council members exercised their lawful discretion on April 21 when they voted  
21 on the motion to approve Project Alternative 1. Three voted yes; three voted no, including Mayor  
22 Reynolds. The motion failed. Petitioners ask the Court to override that exercise of legislative  
23 discretion and decree a different result. The Constitution forbids it. *Butt* and *O’Connell* forbid it.

24 No California court has issued the kind of order Petitioners ask this Court to issue, and the  
25 consistent pattern of reported decisions under section 91003 confirms why: courts have voided  
26 tainted past actions (see *Downey Cares v. Downey Community Development Com.* (1987) 196  
27 Cal.App.3d 983, 989) and exercised broad discretion to deny injunctive relief altogether (see *City*  
28 *of Vernon v. Central Basin Mun. Water Dist., supra*, 69 Cal.App.4th at 517-18). Petitioners cite no

1 case, and Mayor Reynolds is aware of none, in which any California court has ordered a substitute  
2 legislative outcome under section 91003 or any other authority. The absence of such precedent is  
3 not an oversight. It reflects the absence of any constitutional or statutory basis for such relief.

4  
5 **B. The Speculative Nature of Petitioners’ Counterfactual Vote Tally Independently  
6 Defeats the Requested Remedy.**

7 Beyond the constitutional problem, Petitioners’ theory of relief rests on speculation that no  
8 court can credit. Petitioners contend that, but for Mayor Reynolds’ vote, the motion would have  
9 passed 3-2. That conclusion presumes the other five Councilmembers would have voted identically  
10 had Mayor Reynolds been recused from the start. The presumption is unwarranted.

11 Recusal at the outset would have changed the deliberative landscape of the April 21  
12 meeting. The other Councilmembers might have allocated their speaking time differently. Members  
13 of the public who attended the meeting might have addressed different concerns to a five-member  
14 Council than they did to a six-member Council that included Mayor Reynolds. The  
15 Councilmembers who voted yes might have shifted their position knowing they were one vote  
16 closer to passage; those who voted no might have shifted theirs to avoid a 3-2 split they preferred  
17 to a 3-3 tie. Council deliberation is not a series of independent, deterministic acts. It is a dynamic  
18 process in which each participant’s contribution affects every other participant’s analysis. (See *Butt*,  
19 *supra*, 4 Cal.4th at 696 [judicial remedies must “strive for the least disruptive remedy”].)

20 A court asked to decree a counterfactual legislative outcome would be engaged in pure  
21 speculation about how five individuals would have voted in a meeting that did not occur. That is  
22 not the kind of judgment courts are equipped to make, and it is not the kind of judgment the  
23 California Constitution permits courts to make. The relief Petitioners seek is not merely  
24 unprecedented, it is incoherent.

25 **C. The Relief Petitioners Seek Imposes Extraordinary Costs on Representative  
26 Government.**

27 The relief Petitioners seek implicates more than the recorded vote of one Councilmember.  
28 It implicates a foundational principle of representative government, that the residents of a city are  
entitled to have their elected representative speak and vote on their behalf in the deliberative

1 process. The voters of District 2 elected Mayor Reynolds as their councilmember to represent them.  
2 Blocking Mayor Reynolds from her official duties, as Petitioners ask this Court to do, results in  
3 substantial consequence for not only Mayor Reynolds, but on every constituent whose voice she  
4 was elected to carry.

5 The principle has deep constitutional roots. As the United States Supreme Court explained  
6 in *Powell v. McCormack* (1969) 395 U.S. 486, the foundational concern of the framers in protecting  
7 legislative seats from improper exclusion was “the right of the [people] to be represented by  
8 [wo]men of their own choice.” (*Id.* at p. 547 [this is so “essential for the preservation of [the  
9 people’s] rights, that it ought to be considered as one of the most sacred parts of our constitution”].)  
10 The Court returned to this principle in *Bond v. Floyd* (1966) 385 U.S. 116, observing that  
11 constituents must “be represented in governmental debates by the person they have elected to  
12 represent them.” (*Id.* at pp. 136-137.)

13 [C]itizens voice their support and lend their aid because they wish  
14 to confer the powers of public office on those whose positions  
15 correspond with their own. That dynamic, moreover, links the  
16 principles of participation and representation at the heart of our  
17 democratic government. Just as candidates announce positions in  
18 exchange for citizens’ votes, *Brown v. Hartlage*, 456 U.S. 45, 55-56  
19 (1982), so too citizens offer endorsements, advertise their views, and  
assist political campaigns based upon bonds of common purpose.  
These are the mechanisms that sustain representative democracy.  
See *ibid.*

20 (*Nevada Commission on Ethics v. Carrigan* (2011) 564 U.S. 117, 131-32 (conc. opn. of  
21 Kennedy, J.).)

22 The California Supreme Court has likewise recognized that an elected councilmember’s  
23 votes and deliberations are “cast in furtherance of [the councilmember’s] rights of advocacy and  
24 communication with their constituents.” (*City of Montebello v. Vasquez* (2016) 1 Cal.5th 409, 423.)  
25 The vote at issue here does not belong to the councilmember alone. It belongs, in equal measure,  
26 to the constituents who elected the councilmember to cast it.

27 The representative-democracy principle does not bar all conflict-of-interest enforcement  
28 under the Political Reform Act. But it does counsel exceptional caution before issuing the kind of

1 extraordinary mandatory injunctive relief Petitioners seek here. Even Petitioners' fall-back relief  
2 would effectively silence the residents Mayor Reynolds was elected to represent on this matter. It  
3 would also retroactively *negate* her recorded vote, which she cast as mayor and the district 2 council  
4 representative. The thousands of Chico residents who elected Mayor Reynolds would find their  
5 chosen representative silenced. That is an extraordinary intrusion on the democratic process. It is  
6 not justified on this record, where Petitioners have failed to establish a disqualifying conflict in the  
7 first place.

8           Petitioners seek an order from the Court that, in effect, silences the voice of an entire  
9 constituency, the voters in District 2. The cautious exercise of judicial power in this domain is itself  
10 a structural protection for representative government.

11 **III. THE BALANCE OF HARMS FAVORS DENYING THE INJUNCTION.**

12           Even setting aside the legal defects in Petitioners' merits theory and proposed remedy, the  
13 equities decisively favor denying the injunction. "Where, as here, the plaintiff seeks to enjoin public  
14 officers and agencies in the performance of their duties[,] the public interest must be considered."  
15 (*Tahoe Keys Property Owners' Assn. v. State Water Resources Control Bd.*, *supra*, 23 Cal.App.4th  
16 at 1472-73.) The public interest is not served by judicial overrides of legislative outcomes. Granting  
17 the requested mandatory injunction would also interfere with the City Council's legislative  
18 prerogative and the strong public interest in downtown revitalization that has already been  
19 expressed through the Council's 3-3 vote.

20           The balance-of-harms analysis is not merely a discretionary equitable inquiry in a Section  
21 91003 case. It is statutorily mandated. Section 91003(b) provides that, "[i]n considering the  
22 granting of preliminary or permanent relief under this subdivision, the court shall accord due weight  
23 to any injury that may be suffered by innocent persons relying on the official action." (Gov. Code  
24 § 91003(b).) The statute thus requires the Court to weigh the asserted harm to Petitioners against  
25 the harm injunctive relief would impose on those who relied on the recorded outcome of the April  
26 21 vote, including the Councilmembers who voted, the City staff who must implement Council  
27 decisions, and the public who has an interest in the legislative finality of Council deliberation. (See  
28

1 *Cota v. County of Los Angeles* (1980) 105 Cal.App.3d 282, 292 [in balancing comparative harms,  
2 courts accord the public interest greater weight than private interests].) That statutorily required  
3 balance favors denial.

4 Petitioners’ theory of irreparable harm rests on a single date: June 22, 2026, the application  
5 deadline for ATP Cycle 8 funding. (Pet. ¶ 20; Mot. at 11.) Petitioners ask the Court to treat that  
6 deadline as creating irreparable harm. It does not. California’s Active Transportation Program  
7 operates on a two-year cycle and has done so since its inception. (RJN **Exh. I**, Active Transportation  
8 Program (ATP) page, California Transportation Commission [listing past cycles: 2017, 2019, 2021,  
9 2023, 2025, 2027].) The next funding cycle, the 2029 ATP, is not speculative or hypothetical. The  
10 California Transportation Commission has already outlined its Fund Estimate for the 2027 ATP  
11 cycle that expressly contemplates the 2029 ATP cycle, including \$200 million in funding  
12 adjustments specifically earmarked for “[r]esources for future ATP cycle programming” in the  
13 2029 cycle. (RJN **Exh. J**, Caltrans Memorandum (Mar., 2026), at 2, 4.)

14 Thus, what Petitioners characterize as a hard deadline is, in reality, a step in an ongoing  
15 two-year cycle that the State of California has already programmed forward through 2030-31. (*Id.*  
16 at 4 [Four-Year Funding Table].) Even on Petitioners’ own framing, the consequence of “missing”  
17 the June 22, 2026 deadline is not the permanent loss of grant funding for the Downtown Chico  
18 Project. It is, at most, the deferral of an application to the next biennial cycle. That is not the kind  
19 of harm a preliminary injunction is designed to prevent. Irreparable harm means harm that cannot  
20 be undone by a later remedy. (See *Tahoe Keys, supra*, 23 Cal.App.4th at 1471 [preliminary  
21 injunction “extraordinary” and reserved for cases of genuine “irreparable” harm].) A delay in  
22 pursuing one funding cycle, in a biennial program that has already programmed multiple future  
23 cycles, is not irreparable.

24 Indeed, the Project itself, a streetscape redesign of Main Street and Broadway, is not on a  
25 clock. The Project will be undertaken if and when it secures funding, whether that funding comes  
26 through Cycle 8 (2027) or Cycle 9 (2029), or if the City itself funds the Program. Petitioners offer  
27 no evidence that ATP funding for downtown streetscape projects like this one will become  
28 categorically unavailable after the June 22 deadline. The two-year cycle is the rule, not the

1 exception. Petitioners' invocation of a single application deadline to justify extraordinary injunctive  
2 relief mistakes a procedural milestone for an irreparable loss.

3 Finally, Petitioners have other remedies available to them that do not require the  
4 extraordinary preliminary injunction they seek. They have filed an FPPC complaint that the  
5 Commission may investigate and act upon. They may pursue this action to final judgment on the  
6 merits, where the issues can be litigated with full discovery and a complete record. They may seek  
7 a re-vote through a special Council meeting. None of these avenues requires the Court to issue  
8 mandatory injunctive relief on the basis of an accelerated briefing schedule and an unprecedented  
9 form of remedy.


10 **CONCLUSION**

11 The Fair Political Practices Commission has applied the Political Reform Act and FPPC  
12 Regulations to facts substantially identical to Mayor Reynolds' circumstances and reached the  
13 conclusion Petitioners ask this Court to reject. The leasehold prong fails under the *Snow Advice*  
14 *Letter* and the 2023 *Stroud Advice Letter*. The source-of-income prong is foreclosed by the retail  
15 customer exception of Section 87103.5 and the *Chopra Advice Letter*. The business-entity prong  
16 fails for want of a reasonably foreseeable material effect, as the FPPC held in the 2023 *Stroud*  
17 *Advice Letter* on substantially identical facts. And the relief Petitioners seek exceeds what Section  
18 91003 and separation-of-powers principles permit.

19 Mayor Reynolds respectfully requests that the Court deny the Motion for Preliminary  
20 Injunction in its entirety.

21 Dated: May 13, 2026

BELL, McANDREWS & HILTACHK, LLP

22 BY:   
23 Brian T. Hildreth  
24 Attorney for Respondent  
25 Kasey Reynolds  
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**PROOF OF SERVICE**

1. I am over the age of 18 and not a party to this cause. I am employed in the county where the mailing occurred. The following facts are within my first-hand and personal knowledge and if called as a witness, I could and would testify thereto.
2. My business address is 455 Capitol Mall, Suite 600, Sacramento, CA 95814.
3. On May 13, 2026, I served the foregoing document entitled

**OPPOSITION TO MOTION FOR PRELIMINARY INJUNCTION**

on each person named below by attaching a PDF addressed as shown in Item 4 and by transmitting, by email to the offices of the addressee following ordinary business practices during ordinary business hours.

4. Name and address of each person served:

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*City of Chico*  
*Chico City Council*  
*City Clerk of Chico*

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 13, 2026, at Sacramento, California.

  
\_\_\_\_\_  
Kiersten Merina