

Lafayette City-Parish Consolidated Government
Conflict of Interest Policies and Procedures for
U.S. Department of Housing and Urban Development (HUD) Programs

I. Introduction

The Lafayette City-Parish Consolidated Government (LCG), as grantee, administers the following programs, which are sponsored and funded by United States Department of Housing and Urban Development (HUD): Community Development Block Grants (“CDBG”) and the Home Investment Partnerships Program (“HOME”) (collectively, the “HUD Programs”). The HUD Programs are governed by conflict of interest rules to prevent undue influence in the decision-making process and financial gain or other benefit from the expenditure of grant funds.

II. Applicability

These Conflict of Interest Policies and Procedures apply to all Covered Persons. A “Covered Person” is any person who is an employee, agent, consultant, officer, or elected or appointed official of LCG or of a HUD Program subrecipient.

III. Conflicts of Interest

Several conflict of interest regulations apply to the HUD Programs.¹ The result is multiple conflict of interest rules for different HUD Programs or activities. These conflict of interest rules have been combined and organized types of conflicts of interest: General Conflicts of Interest, Procurement Conflicts of Interest, and Program-Specific Conflicts of Interest.

A. General Conflicts of Interest

No Covered Person who:

1. Exercises or has exercised any function or responsibility with respect to activities assisted under a HUD Program,
2. Is in a position to participate in a decision-making process, or
3. Is in a position to gain inside information with regard to such activities,

may, either for him or herself or those with whom he or she has business or immediate family ties (defined in Subsection C), during his or her tenure or for one year thereafter, do either of the following:

¹ 2 C.F.R. § 200.318 (General Procurement); 24 C.F.R. § 84.42 (General Procurement, pre-2014 grants); 24 C.F.R. § 92.356 (HOME); and 24 C.F.R. § 570.611 (CDBG).

1. Obtain a financial interest or benefit from a HUD Program-assisted activity, or
2. Have a financial interest in any contract, subcontract, or agreement with respect to a HUD Program-assisted activity, or with respect to the proceeds of the HUD Program-assisted activity.

B. Procurement Conflicts of Interest

In the procurement of property (*e.g.* supplies, equipment), construction, or services, no Covered Person may participate in the selection, award, or administration of a contract supported by a HUD Program award if he or she, any member of his or her immediate family (defined in Subsection C), his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The Covered Person may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

C. HOME Conflict of Interest

In addition to the conflicts of interest described in Subsections (A) and (B) above, the following conflict of interest provision is applicable to the HOME program.

1. No owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in 24 C.F.R. § 92.252(e) or § 92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
2. **Exceptions.** Upon written request of a housing owner or developer, LCG may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:
 - a. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same

interests or benefits as are being made available or provided to the group or class;

- b. Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;
- c. Whether the tenant protection requirements of 24 C.F.R. § 92.253 are being observed;
- d. Whether the affirmative marketing requirements of 24 C.F.R. § 92.351 are being observed and followed; and
- e. Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

D. Immediate Family

Immediate family includes (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a Covered Person.

IV. Procedure for Handling Conflicts of Interest

A. Definitions.

1. An “*actual*” conflict of interest means a conflict of interest that already exists for the Covered Person.
2. A “*potential*” conflict of interest means a conflict of interest does not yet exist for the Covered Person because he or she has not engaged in the activity or entered into the contract that would create the conflict of interest.

B. Disclosure to LCG

Covered Persons must disclose all *actual* and *potential* conflicts of interest to the Department of Community Development on its disclosure form. Whenever possible, a *potential* conflict of interest should be disclosed before it becomes an *actual* conflict of interest so that appropriate action may be taken to avoid an *actual* conflict of interest.

C. Review of Disclosures

The Director of Community Development & Planning shall review each conflict of interest disclosure and determine whether a potential or actual conflict of interest exists.

1. If a *potential* non-procurement conflict of interest exists under Section III(A), the Director of Community Development & Planning, or his or her designee, will proceed with the HUD Exception procedure in Subsection C below.

2. If a *potential* procurement conflict of interest exists under Section III(B), the Director of Community Development & Planning, or his or her designee, will notify the Covered Person of the action that must be taken to avoid an *actual* conflict of interest.
3. If a *potential* HOME conflict of interest exists under Section III(C)(1) exists, the Director of Community Development & Planning will proceed with the exception procedure in Section III(C)(2), if an exception is requested by a housing owner or developer in writing.
 - a. If the Director of Community Development & Planning determines that the exception should be granted, he or she may grant the exception on behalf of LCG.
 - b. If an exception request is denied, or no exception is requested, the Director of Community Development & Planning, or his or her designee, will notify the Covered Person of the action that must be taken to avoid an *actual* conflict of interest.
4. If an *actual* conflict of interest exists, the Director of Community Development & Planning will first consult with the City-Parish Attorney, or his or her designee, then notify the Covered Person of how the conflict of interest will be handled in order to eliminate the conflict and address any other issues.
5. If no conflict of interest exists, the Director of Community Development & Planning, or his or her designee, will notify the Covered Person.

NOTE: HUD will not grant an exception for any *actual* conflict of interest or for a *potential* procurement conflict of interest.

D. HUD Exception

1. **Legal Review.** The City-Parish Attorney, or his or her designee, will review the conflict of interest and determine whether the interest for which the exception is sought would not violate State or local law. If there would be no violation of Louisiana or local law, a legal opinion to that effect will be provided to the Director of Community Development & Planning. If there would be a violation of Louisiana or local law, the Director of Community Development & Planning, or his or her designee, will notify the Covered Person that an exception cannot be requested from HUD for this reason, and that he or she may not engage in the activity or enter into the contract that will create an *actual* conflict of interest.
2. **Public Disclosure.** A public disclosure must be made of the nature of the conflict of interest, which shall include the name of the person(s) and/or organization(s) and the factual nature. Public disclosure will be made by publication one time in LCG's official journal.

3. **Formal Request.** After receiving the legal opinion and making the public disclosure, the Director of Community Development & Planning, or his or her designee, will submit a formal request to HUD for an exception to be granted for the potential conflict of interest. The request must be accompanied by (a) an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made, and (b) the legal opinion.
4. **HUD Determination.** The Director of Community Development & Planning, or his or her designee, will communicate the HUD determination to the Covered Person. If the exception is granted, he or she may engage in the activity or enter into the contract at issue. If the request for an exception is denied, he or she will be must take the necessary action to avoid an *actual* conflict of interest.

V. Procedure for Training and Certification

A. Training

All Covered Persons must receive annual training on HUD Program conflicts of interest. The Department of Community Development & Planning will arrange and schedule the training and keep records of each Covered Person's completion of the training.

B. Certification

Every Covered Person of the Department of Community Development & Planning, any other LCG department that may receive or administer funds under a HUD Program, the City Council, the Council Office, and HUD Program subrecipients, will annually submit a certification regarding outside businesses, outside employment, and volunteer positions on the form to be provided by the Department of Community Development & Planning.

VI. Louisiana Code of Governmental Ethics

These Conflict of Interest Policies and Procedures are in addition to, and do not supersede or modify, a Covered Person's obligations under the Louisiana Code of Governmental Ethics (La. R.S. 42:1101, *et. seq.*).