

CONFLICT OF INTEREST POLICY

This section establishes Authority policy governing outside activities and interests that could pose a conflict of interest with the general operations and programs of the Authority. Section 108:13 Conflict of Interest Policy shall be the Authority's statement of incompatible activities.

I. PURPOSE

It is the basic policy of the Authority not to abridge any employee's civil or political liberties or other constitutionally guaranteed rights. However, the Authority is obligated to take reasonable steps to protect the public interest. Authority policy requires employees to refrain from participating in activities, employment or enterprises, which are in conflict with public interest and/or with his or her duties as an employee of the Authority. This policy provides notice to Employees (including Executive Director and Executive Staff) of the acts the Authority deems incompatible and prohibited, violation of which may subject Employees to disciplinary action.

Applicable statutes can be found in Appendix 108:H.

II. GENERAL

The Authority will follow all applicable statutes related to employment, activities and/or enterprises that may constitute a real or apparent conflict of interest in the administration of this Conflict of Interest Policy. The Authority adopts the prohibition of outside employment, activity or enterprise included, but not limited to, the acts outlined in Appendix 108:H.

A. Employees (including Executive Director and Executive Staff) of the Authority will avoid anything that constitutes a real or apparent conflict of interest as outlined via applicable government codes and throughout the Conflict of Interest Policy. Further stated, a conflict of interest exists in any situation in which an individual exploits his or her position with the Authority and/or his or her association with Authority programs for personal or financial gain. A conflict of interest occurs when an employee compromises professional judgment in carrying out Authority employment responsibilities, or public service activities because of an external relationship or situation that directly or indirectly affects the business or significant financial interest of the employee, an immediate family member, or an associated entity. Upon approval and implementation of this Conflict of Interest Policy, all Employees will complete the Outside Activities and Interests Form and include data as outlined throughout this policy. Employees shall include both current and retroactive data from up to one year prior to the implementation of the policy.

B. No Authority employee, nor his/her family member(s), (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister) shall knowingly own property that is owned, utilized or subsidized by the Authority

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under any subsidized housing program sponsored or administered by the Authority, nor may they have a financial interest in any firm doing business with the Authority.

All Employees will sign the Outside Activities and Interests form disclosing whether he or she has a financial interest in property involved in any tenant based program sponsored or administered by the Authority. Such a program, for example, would be the Section 8 Program. This form shall be signed upon hire and hereafter on at least an annual basis. The Outside Activities and Interests form is independent of the Statement of Economic Interest disclosure requirement pursuant to the City of Los Angeles Conflict of Interest Code for Designated Employees, which are employees who are in a position to make or participate in the making of decisions, which may have a foreseeable material effect on their financial interests.

- C. No employee will knowingly handle Authority matters related to his or her own tenant based case file nor the tenant based case file(s) of member(s) of their family. All employees, upon hire, and on at least an annual basis, will fill out the Outside Activities and Interests form disclosing the names of family members known by the employee to receive tenant based services from the Authority in order to assist the Authority in preventing and mitigating conflicts of interests between employees and tenants. Family members shall include the same lineage list outlined in Section II.B., above.

- D. No employee will knowingly supervise a member of his or her own family (family shall include the same lineage list outlined in Section II. B. above.) All employees, upon hire, and at least on an annual basis, will fill out the Outside Activities and Interests form disclosing the names of family members known to be employed with the Authority in order to assist the Authority in preventing and mitigating conflicts of interests between employees. Should a conflict be discovered, it shall be resolved via item II. F. the same date or no later than 90 days of disclosure and/or discovery.

- E. Employees are advised to use due diligence during the purchasing process of real property to determine in advance whether Authority program participants reside in the prospective real property. Should a conflict exist as it relates to real property, the employee has the responsibility to notify the Authority within 10 business days upon obtaining title to such property and resolve the conflict within twelve (12) months from when the conflict was disclosed. In instances of inheritance of Authority subsidized property, or other such transfer of interest in real property, the Authority must be notified within 10 business days of receipt of such property. In all cases, the conflict must be resolved via item F. below.

- F. Upon being notified that a conflict exists, the employee must promptly resolve the conflict by either:
 - 1. Receiving a signed waiver from the applicable authority (Executive Director or HUD);

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2. Terminating the outside activity;
3. Resigning from the Authority; or
4. In the case of familial employment relationships pursuant to II C and D above, cooperating in a reassignment that removes the supervisory relationship and/or caseload issue.

** Should the U.S. Department of Housing and Urban Development (HUD) take longer than the twelve months provided to resolve any conflict of interest to determine whether or not to grant a waiver, the Authority will, to the extent permitted by HUD, extend the time for the employee to resolve the conflict of interest.*

- G. With regards to ownership of real property, the employee may request a waiver for himself or herself from HUD or for a family member from the Executive Director or request assistance from the Authority to transfer administration of the contract to another agency.
- H. Failure to promptly resolve and/or disclose conflict of interest as described throughout this policy shall subject the Employee to disciplinary action, up to and including termination. In addition, where applicable, should the Employee also be violating federal, state, or local law, the Authority may notify the applicable authorities and cooperate as requested thereafter.
- I. Should an employee be subject to disciplinary action due to a violation of a prohibited act outlined in this Conflict of Interest Policy and wish to appeal the action recommended or taken to resolve such conflict, the Employee shall follow the appeal procedures of the appropriate M.O.U. or pursuant to Chapter 108:09 of the MPP Part I.

III. RELATIONSHIPS WITH CONTRACTORS, VENDORS AND TENANTS

- A. Employees are to avoid employment relationships with contractors, firms, or other organizations that are known to them to contract with or are in process to contract with the Authority where an apparent or real conflict may exist. Employment is defined as service performed for wages under a contract for hire, written or oral, expressed or implied, including service in interstate commerce. An Employee may be in conflict if his or her relationship with an actual or prospective Authority vendor or contractor is as follows:

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1. As an officer of the vendor/contractor corporation; or
 2. As an individual who, under the applicable law, in determining the employer-employee relationship, would be considered an employee of the vendor/contractor; or
 3. As an individual who performs services for remuneration (barter of services, payment or other such benefit) for any vendor or contractor.
- B. Employees shall not solicit and/nor accept either directly or indirectly any form of earned or unearned gift, gratuity, contribution, favor, loan, discount, credit, perk or any other such benefit of monetary value from the Authority's active or prospective contractors, vendors and/or tenants from which it reasonably could be substantiated that the gift was intended to influence the Employee in his/her official duties, or was intended as a reward for any official actions performed by the Employee. A non-monetary gift having a value of less than \$50.00 and which reasonably could be substantiated as not having been offered in any way to influence the Employee in his/her official duties, nor intended as a reward for any official actions performed by the Employee, will be excluded from this prohibition. Further, free admission and similar non-cash nominal benefits provided to an Employee in connection with his/her attendance at any public or private conference, convention, meeting, social event, meal or like gathering will also be excluded from this prohibition.
- Selling any services and/or products either directly or indirectly, that are not officially sponsored by the Authority to active or prospective contractors, vendors, and/or tenants is also prohibited. Employees who solicit and/or accept said gifts or other such benefits or sell products and/or services prohibited or not sponsored by the Authority shall be subject to disciplinary action pursuant to the appropriate M.O.U. or the provisions of the MPP Part I Personnel Rules Section 108:09. This section is not intended to regulate candy or merchandise of nominal value, which is sometimes displayed and sold in the workplace for a non-profit purpose.
- C. As an exception to item (B) above, Employees partaking in meals and/or entertainment in connection with business operations is acceptable if participation is infrequent and not lavish and expenditure, per vendor or contractor, does not exceed fifty dollars (\$50) in a calendar month, nor two hundred and fifty dollars (\$250) in a calendar year. Applicable disclosure regarding such benefit described herein will be made pursuant to Section VI. Statement of Financial Disclosure, below.
 - D. Employees are prohibited from using the name and/or resources of the Authority for personal gain. Employees shall not seek to receive a discounted rate, perk, credit or other such benefit due to being employed by and/or associated with the Authority. A

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government rate that is generically provided by vendor(s) to any and all government employees shall be exempted from this prohibition.

- E. Fraternization with tenants in a way that is detrimental to the landlord-tenant relationship or which otherwise tends to compromise the Authority's fiduciary relationship with its tenants shall be a conflict of interest and grounds for disciplinary action up to and including termination in accordance with the appropriate M.O.U. or Chapter 108:09 of the MPP Part I. Employees are strongly discouraged from entering into romantic relationships with individuals involved in any of the programs provided or administered by the Authority.

IV. OUTSIDE EMPLOYMENT OR ENTERPRISE

- A. Employees will not engage in outside employment, that constitutes a real or apparent conflict of interest. Should a conflict of interest be disclosed and/or discovered, the conflict must be resolved within thirty (30) days or if the conflict involves Authority subsidized real property, twelve (12) months, pursuant to the guidelines outlined in item F. in Section II.; above.
- B. Should any Employee seek to engage in outside employment, as defined by Section III, Item A. above, he/she shall complete the required Outside Employment form and receive signed permission from the Executive Director or designee within 10 days prior to engaging in the activity. The signed form will act as confirmation that there is no real or perceived conflict of interest. Should it be discovered that a conflict of interest exists related to outside employment activities, the employee must resolve the conflict within 30 days pursuant to item F. in Section II. above. On an annual basis, the employee shall renew any such Outside Employment approval that is granted by the Executive Director.

V. CONFIDENTIALITY

An employee using or having access to confidential information, available by virtue of employment with the Authority, for private gain or advantage or providing confidential information to persons whom issuance of this information has not been authorized is strictly prohibited. Upon hire, and/or as part of requirements for systems access to outside vendor databases, Employees will sign the Confidentiality Agreement, which shall be placed within his or her personnel file and a copy shall be given to the employee.

VI. STATEMENT OF FINANCIAL DISCLOSURE

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- A. The Authority will participate in the annual Statement of Economic Interest (SEI) or other required filing as mandated by local or state law as it relates to fair political practices and ethics in government.
- B. The Authority has adopted the "Conflict of Interest Code, City of Los Angeles, Agency: Housing Authority", utilized as part of the annual SEI process which is separate from this policy, and included as Exhibit 108:13B. Such separation is due to the limited number of those Employees in designated positions (which are employees who are in positions that make or participate in the making of decisions which may have a foreseeable material effect on their financial interest) who are required to file the annual SEI form(s) and to whom the guidelines for filing such SEI disclosure(s) apply.
- C. Schedule A (summary of designated positions) and B (description of filing requirements) of the Conflict of Interest Code (Exhibit 108:13B) will be updated utilizing the approved budgetary classifications at least every other year (or as otherwise mandated by the Fair Political Practices Commission or other such governing body) in order to ensure accuracy in SEI reporting.

VII. POLITICAL ACTIVITY

- A. The policy of the Authority regarding the political activities of its employees shall be to recognize and incorporate by reference the Hatch Act, as it relates to the prohibitions and exceptions with regards to employees influencing elections and taking part in political campaign activities.
 - 1. Employees, shall not participate in, nor attend political rallies and political meetings while on duty with the Authority. Employees are prohibited from engaging in political activity while on duty, in Authority offices, on Authority property, wearing an official Authority uniform, and/or using an Authority vehicle.
 - 2. No Employee on duty shall directly or indirectly, knowingly solicit campaign contributions from an Authority Employee to support or oppose the candidacy of any person for elective office or for the recall of any elective official, or for an officeholder account. Nothing shall prohibit employees from communicating through the mail or by other independent means, or requesting campaign funds or contributions from the general public, which may include officers or employees of the Authority.

VIII. AMENDMENTS TO POLICY

The Authority reserves the right to add, delete, clarify, or change the Conflict of Interest Policy herein. The Authority will give notice to the relevant labor associations and request

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the approval of the Board of Commissioners in making changes deemed necessary. Upon such approval, the policy herein will be amended to reflect such approved changes and notification of such changes will be provided to all Employees. Those provisions, which are within scope, are subject to the meet and confer process with the bargaining units upon request.

Upon approval of the Board of Commissioners to this and any amended Conflict of Interest policy, employees will sign an acknowledgement form (see Exhibit 108:13C) indicating receipt and understanding of the guidelines as stated herein. The signed acknowledgement form will be placed within his/her personnel file.

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EXHIBIT 108:13A

Outside Activities and Interests Form – please see next page

OUTSIDE ACTIVITIES AND INTERESTS PROCEDURES
FORM CI-JS-2005A

Name: _____	Work Location: _____
Department: _____	For the Calendar Year ending: _____
Title: _____	Submittal Date: _____

Statement and Questionnaire:

<p>1. Do you or your spouse own (in part or in full) any property that is under any HACLA subsidized programs (including but not limited to: Section 8) or are in the contracting process with a property that is currently owned? If yes, please indicated property address in the space below:</p> 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>2. Does any family member own (in part or in full) any property that is under any HACLA subsidized programs (including but not limited to: Section 8) or are in the contracting process with a property that is currently owned? For these purposes, family members are father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister. If yes, please indicate property address, name of family member, and relationship if you are not the direct owner:</p> 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know
<p>3. Do you have any family members currently employed by HACLA or receiving Section 8 assistance? For these purposes, family members are father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister. If yes, please explain:</p> 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know
<p>4. Do you own (full or partial interest) or operate a business that to your knowledge transacts business with HACLA, its vendors, and/or residents, including, but not limited to a part-time interest selling products unrelated to HACLA interests?</p> <p>If you answered "yes" above, please list the name and address of the business, the nature of the business and with which HACLA contractors, vendors, or residents it transacts business.</p> 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know

<p>5. Are you an employee and/or officer of a Corporation, Trust, Partnership, Limited Liability Company, Foundation or other such organization that to your knowledge transacts business with HACLA or its programs?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> Don't Know	<input type="checkbox"/> No
<p>If you answered Yes, please state your position, the name and address of the business or organization and the nature of its operations.</p>		
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<p>6. Are you a licensed contractor that transacts business with vendors/contractors who to your knowledge transact business with HACLA?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> Don't Know	<input type="checkbox"/> No
<p>If you answered "yes" above, please list the names and addresses of vendor(s) with which you transact business.</p>		
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<hr/>		
<p>7. Do you hold a Real Estate license that is held with a brokering firm that to your knowledge manages any HACLA subsidized property? If so, please provide the name and address of the brokerage firm below.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> Don't Know	<input type="checkbox"/> No
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<p>8. To the best of your knowledge, do you have a family member (including: father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister) that has contracts or are is in the process of bidding for vendor contracts with HACLA or any of its programs? If yes, please indicate name, relationship, and contract type in the space below:</p>	<input type="checkbox"/> Yes <input type="checkbox"/> Don't Know	<input type="checkbox"/> No
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Under penalty of perjury, under the laws of the State of California, I hereby certify that everything listed above is a true and full statement to the best of my knowledge and belief about my business interests, personal activities, outside employment, and nepotism. I understand and agree that any misstatements or omissions of material fact may grounds for disciplinary action up to and including termination.

Signed: _____ Date: _____

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EXHIBIT 108:13B

Conflict of Interest Code, City of Los Angeles, Agency: Housing Authority (for SEI Filing) – please see next page

CONFLICT OF INTERESTS CODE - CITY OF LOS ANGELES

AGENCY: HOUSING AUTHORITY

Pursuant to the provisions of Government Code Section 87300 et seq., the HOUSING AUTHORITY of the City of Los Angeles hereby adopts the following Conflict of Interest Code.

Section 100

"Decision" means a determination, involving the use of discretion, which constitutes official action or inaction.

Section 101

- A. A public official "makes a decision" when, acting within the authority of his or her office, he or she:
- (1) Votes on a matter;
 - (2) Appoints a person;
 - (3) Obligates or commits his or her agency to any course of action or inaction;
 - (4) Enters into any contractual agreement on behalf of his or her agency;
 - (5) Determines not to act within the meaning of subdivisions (1), (2), (3), and (4), except when such determination consists of a voluntary disqualification under this Code.
- B. A public official "participates in the making of a decision" when he or she, acting within the authority of his or her office:
- (1) Negotiates, without significant substantive review, with a governmental entity or private person regarding the decision; or
 - (2) Advises or makes recommendations to the decision-maker, either directly or without significant intervening substantive review, by:
 - (a) Conducting research or making any investigation which requires the exercise of judgment on the part of the official and the purpose of which is to influence the decision; or

- (b) Preparing or presenting any report, analysis or opinion, orally or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence the decision.
- C. A public official attempts "to use his or her official position to influence a governmental decision" when he or she furthers or attempts to affect in any manner any decision:
 - (1) Within or before his or her agency; or
 - (2) Before any agency which is appointed by or subject to the budgetary control of his or her agency.
- D. The making, participating in the making of or attempting in any way to use one's position to influence a decision, as defined in the preceding subsections, shall not include:
 - (1) Actions of a public official which are solely ministerial, secretarial, manual, or clerical;
 - (2) Public appearances as a member of the general public before a public official, board or commission to represent oneself on matters related to personal interests, so long as the public official discloses the interest at the time of the appearance;
 - (3) Actions by public officials relating to their compensation or terms and conditions of employment.

Section 102

A "financial interest" shall be:

- A. Any business entity in which the designated employee has a direct or indirect investment worth more than one thousand dollars (\$1,000); or
- B. Any real property in which the designated employee has a direct or indirect interest worth more than one thousand dollars (\$1,000); or
- C. Any source of income, other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the designated employee within twelve months prior to the time when the decision is made; or

- D. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a designated employee, by an agent on behalf of a designated employee, by a business entity or trust in which the designated employee, his or her agents, spouse and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

Section 103

- A. The financial effect of a governmental decision on a financial interest of a designated employee is material if the decision will have a significant effect on the business entity, real property or source of income in question.
- B. In determining whether it is reasonably foreseeable that the effects of a governmental decision will be significant within the meaning of the general standard set forth in Paragraph A, consideration should be given to the following factors:
- (1) Whether, in the case of a business entity in which the designated employee holds a direct or indirect investment of one thousand dollars (\$1,000) or more, or in the case of a business entity in which the designated employee is a director, officer, partner, employee, trustee or holds any position of management, the effect of the decision will be to increase or decrease:
- (a) The annualized gross revenues by the lesser of:
1. One hundred thousand dollars (\$100,000); or
 2. One percent if it is one thousand dollars (\$1,000) or more; or
- (b) Annual net income by the lesser of:
1. Fifty thousand dollars (\$50,000); or
 2. One half of one percent if it is one thousand dollars (\$1,000) or more.
- (c) Current assets or liabilities by the lesser of:

1. One hundred thousand dollars (\$100,000); or
2. One half of one percent if it is one thousand dollars (\$1,000) or more.

Current assets are deemed to be decreased by the amount of any expenses incurred as a result of a governmental decision.

- (2) Whether, in the case of a direct or indirect interest in real property of one thousand dollars (\$1,000) or more held by a designated employee, the effect of the decision will be to increase or decrease:
 - (a) The income producing potential of the property by the lesser of:
 1. One thousand dollars (\$1,000) per month; or
 2. Five percent per month if it is fifty dollars (\$50) or more per month; or
 - (b) The fair market value of the property by the lesser of:
 1. Ten thousand dollars (\$10,000); or
 2. One half of one percent if it is one thousand dollars (\$1,000) or more.
- (3) Whether, in the case of a source of income, as defined in Section 102 C, of two hundred fifty dollars (\$250) or more received by or promised to a designated employee within 12 months prior to the time the decision is made:
 - (a) The effect of the decision will be to directly increase or decrease the amount of income (other than rents) to be received by the designated employee by one hundred dollars (\$100) or more; or
 - (b) There is a nexus between the governmental decision and the purpose for which the designated employee receives income; or

- (c) In the case of a source of income which is a business entity, the business entity will be affected in a manner described in Subsection B (1) above; or
- (d) If the source of income is not a business entity, the decision will have a significant effect on the source.

C. Subsection A of this section notwithstanding, the making or participating in the making of a governmental decision by a contract consultant or by a person retained to provide information, advice, recommendation, or counsel has no material financial effect on a business entity or source of income in which such consultant or person retained is an officer, employee, sole proprietor or partner, if the only financial effects of the decision are the modification, perpetuation, or renewal of the contractual or retainer agreement and/or the opportunity to bid competitively on a project or contract.

Section 104

"Business entity" means any organization or enterprise operated for profit, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.

Section 105

- A. "Gift" means, except as provided in Subsection B, any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value.
- B. The term "gift" does not include:
 - (1) Informational material such as books, reports, pamphlets, calendars or periodicals. No payment for travel or reimbursement for any expenses shall be deemed "informational material";
 - (2) Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

- (3) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph;
 - (4) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974;
 - (5) Any devise or inheritance.
- C. No person shall make a gift of fifty dollars (\$50) or more in a calendar month on behalf of another, or while acting as the intermediary or agent of another to a person whom he knows or has reason to know may be required to disclose the gift pursuant to a conflict of interest code, without disclosing to the recipient of the gift both his own full name, street address, and business activity, if any, and the full name, street address and business activity, if any, of the actual donor. The recipient of the gift shall include in his Statement of Economic Interest the full name, street address, and business activity, if any, of the intermediary or agent and the actual donor.

Section 106

"Immediate family" means the spouse and dependent children. Whenever disclosure of investments or interest in real property is required by this Code, investments and interests in real property of members of the immediate family shall also be disclosed.

Section 107

- A. "Income" means, except as provided in Subsection B, a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction or not having done business

within the jurisdiction during the two years prior to the time any statement or other action is required under this Code.

B. "Income" also does not include:

- (1) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974;
- (2) Salary and reimbursement for expenses or per diem received from a state, local or federal government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization;
- (3) Any devise or inheritance;
- (4) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;
- (5) Dividends, interest or any other return on a security which is registered with the Securities and Exchange Commission of the United States government;
- (6) Redemption of a mutual fund;
- (7) Alimony or child support payments;
- (8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status if:
 - (a) Used to purchase the principal residence of filer; or
 - (b) The balance owed does not exceed ten thousand dollars (\$10,000);
- (9) Any loan from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin or the spouse of any such person, provided that a loan from any such person shall be considered income if the lender is acting as an agent or intermediary for any person not covered by this paragraph;

(10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status, so long as the balance owed to the creditor does not exceed ten thousand dollars (\$10,000).

(11) Payments received under a defined pension plan qualified under Internal Revenue Code Section 401(a).

Section 108

"Interest in real property" includes any leasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction owned directly, indirectly or beneficially by the designated employee, or his or her immediate family if the fair market value of the interest is greater than one thousand dollars (1,000), provided that a leasehold interest does not include a lessee's interest in a lease on real property which expires within 10 years of the first day of the period covered by the filer's Statement of Economic Interests. Interests in real property of an individual include a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10 percent interest or greater.

Section 109

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the designated employee, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this Code. No asset shall be deemed an investment unless its fair market value exceeds one thousand dollars (\$1,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency, investments of an individual include a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10 percent interest or greater.

The term "parent, subsidiary or otherwise related business entity" shall be specifically defined by regulations of the Fair Political Practices Commission.

Section 110

"Jurisdiction" means the City of Los Angeles. Real property shall be deemed to be "within the jurisdiction" if the property or any part of it is located within or not more than two miles outside the boundaries of the City of Los Angeles or within two miles of any land owned or used by the City of Los Angeles.

Section 111

"Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, and any other organization or group of persons acting in concert.

Section 112

"Public Official" means every member, officer, consultant or employee of a state or local government agency.

Section 113

- A. "Reporting period," with respect to the first annual statement filed by a designated employee, means the period starting on the date after the filing of an initial statement pursuant to Section 400 A, B, or C, and ending on December 31 or on the date on which the designated employee leaves the agency, whichever occurs first.
- B. "Reporting period," with respect to any subsequent annual statement, means the period starting on the date after the closing date of the previous annual statement, and ending on December 31 or on the date on which the designated employee leaves the agency, whichever occurs first.
- C. A designated employee shall be deemed to have left the agency if he or she terminated a designated position without having assumed a new designated position with the agency on the same date.

Section 200 - Designated Positions

The positions listed in Schedule A are "designated positions." A person holding or appointed to a designated position is a "designated employee" and is deemed to be in a position to make or participate in the making of decisions which may foreseeably have a material effect on a financial interest of such person.

Section 201 - Notice to Designated Employee

Within five (5) days after the effective date of this Code, each designated employee shall be given notice of his or her designated position, together with a copy of this Code. Each person elected or appointed to a designated position after the effective date of this Code shall be given such notice and copy within five (5) days after assuming office. Failure to give timely notice shall not constitute a violation of this Code.

Section 300 - Disclosure Statements

On Schedule A, each designated position is assigned a disclosure category on Schedule B. Each designated employee shall file an "annual statement" disclosing that employee's investments, interests in real property, and income designated as reportable under the category of Schedule B to which such position is assigned on Schedule A. An "initial statement" shall disclose the designated employee's reportable investments and interests in real property held on the date of assuming office or the date on which he or she becomes a designated employee by reason of an amendment to this Code, whichever occurs last. "Annual statements" shall include all reportable income, investments, and interests in real property received or held at any time during the preceding reporting period.

Section 301 - Contents of Statements of Economic Interests - Investments and Interest in Real Property

When an investment, or an interest in real property, is required to be disclosed under this Code, the statement shall contain:

- A. A statement of the nature of the investment or interest;
- B. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
- C. The address or other precise location of the real property;
- D. A statement whether the fair market value of the investment, or interest in real property, exceeds one thousand dollars (\$1,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand dollars (\$10,000) but does not exceed one hundred thousand dollars (\$100,000), or whether it exceeds one hundred thousand dollars (\$100,000);
- E. If the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal;
- F. For the purpose of disclosure statements filed pursuant to Section 300, an "interest in real property" does not include the principal residence of a designated employee.

Section 302 - Contents of Statements of Economic Interests - Income

- A. When income is required to be reported under this Code, the statement shall contain, except as provided in Subsection 3:
- (1) The name and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
 - (2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least two hundred fifty dollars (\$250) but did not exceed one thousand dollars (\$1,000), whether it was in excess of one thousand dollars (\$1,000) but was not greater than ten thousand dollars (\$10,000), or whether it was greater than ten thousand dollars (\$10,000);
 - (3) A description of the consideration, if any, for which the income was received;
 - (4) In the case of a gift, the amount and the date on which the gift was received.
 - (5) In the case of a loan, the annual interest rate and the security, if any, given for the loan.
- B. When income of a business entity, including income of a sole proprietorship, is required to be reported under this Code, the statement shall contain:
- (1) The name, address, and a general description of the business activity of the business entity;
 - (2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.

Section 400 - Time of Filing Disclosure Statements

- A. A person who is a designated employee on the effective date of this Code shall file an initial statement within thirty (30) days after the effective date of this Code.
- B. All persons elected or appointed after the effective date of this Code shall file initial statements not more than thirty (30) days after assuming office.

- C. A designated employee who is appointed to a Board of Commissioners or to the position of General Manager, shall, within thirty (30) days after he or she assumes the new office, amend his or her most recent Statement of Economic Interest to disclose any investments or interests in real property held on the date of such transfer which are made reportable by the new disclosure category but which were not previously reported.
- D. Annual statements shall be filed as follows:
- (1) On or before April 1 with respect to statements filed by persons holding designated positions on December 31 of the preceding calendar year; or
 - (2) Within thirty (30) days after leaving the agency with respect to any persons who left the agency on any date prior to December 31.
 - (3) If any designated employee is elected or appointed to a designated position in a different disclosure category than the one to which his or her previous position was assigned, the next succeeding annual statement of such designated employee shall disclose all reportable interests required by those categories of Schedule B applicable to the respective designated positions held during the preceding reporting period; provided, however, that such interests shall be reported pursuant to each category only for the period during which each applicable designated position was held.

Section 401 - Place of Filing Disclosure Statements

Disclosure statements shall be filed with the Executive Director (the agency head or his/her/its designee), who shall make and retain a copy of each such statement and transmit the original to the City Clerk.

Section 402 - Forms for Disclosure

Forms for disclosure statements shall be provided by the City Clerk and shall be substantially identical to the form for Statement of Economic Interests issued by the Fair Political Practices Commission.

Section 500 - Disqualification

- A. A designated employee must disqualify himself or herself from making, participating in the making, or using his or her official position to influence the making of any decision when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on a financial interest

of the designated employee in the category of Schedule B to which his or her position is assigned. No designated employee shall be required to disqualify himself or herself with respect to any matter which could not be legally acted upon or decided without his or her participation.

- B. A designated employee so disqualified shall notify the Executive Director (the agency head or his/her/its designee), in writing of any apparent conflict, stating the nature of the decision to be made and the conflicting interest of the employee.
- C. Nothing herein shall relieve any person from complying with Section 28.1 of the Los Angeles City Charter or from any other applicable provision of law.

Section 600 - Penalties

Except as otherwise provided herein, a violation of any provision of the Code shall constitute a misdemeanor as provided in Government Code Section 91000 and shall be subject to such additional penalties as are specified in the Political Reform Act of 1974 (Government Code Sections 81000, et seq.).

Section 700 - Interpretation

Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Section 81000 et seq.). This Code shall be interpreted in a manner consistent with the definitions and provisions of said Act and the regulations of the Fair Political Practices Commission. Any amendments to the Act or to the regulations, which affect the language of any provision of Sections 100 through 700 of this Code, shall be incorporated into the language of the affected section of this Code, without the need for formal amendment of this Code. Such incorporation shall be accomplished by the adoption by the City Council of a motion to reflect such changes in the language. The provisions of this Code are in addition to any other applicable provisions of state or local law.

CERTIFICATION OF APPROVAL OF CODE

The foregoing amended Conflict of Interest Code, having been submitted by the agency designated above, and further amended by the Council, was approved by order of the Council of the City of Los Angeles on JAN 11 1983 and is effective as of said date.

REX E. LAYTON, City Clerk

BY

Alice Boyajian
Deputy City Clerk

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
SCHEDULE "A" - DESIGNATED POSITIONS**

<u>DESIGNATED POSITION</u>	<u>CATEGORY</u>
<u>Commission</u>	
Member, Board of Commissioners	1
Board of Commissioner's Assistant	2
<u>Executive Office</u>	
Executive Director	1
Assistant Executive Director	1
Executive Assistant	2
Sr. Executive Assistant	2
Community Development Planner	2
Capital Fund Administrator	2
Financial Analyst	9
Administrative Analyst	9
<u>Asset Development Department</u>	
Acquisition Manager	2
Administrative Assistant	9
<u>Finance Department</u>	
Finance Officer	1
Finance Manager	2
Financial Analyst	2
Senior Accountant	2
Budget Manager	2
Budget Supervisor	2
Senior Budget Analyst	2
Budget Analyst	2
Auditor	2
<u>General Services Department</u>	
General Services Director	1
Purchasing Manager	1
Senior Buyer	1
Buyer	1
Assistant Buyer	1
Contracts Administrator	1
Central Warehouse Supervisor	9
Support Services Supervisor	10
Facilities Manager	14

<u>DESIGNATED POSITION</u>	<u>CATEGORY</u>
<u>Housing Services Division</u>	
Assistant Executive Director	1
Assistant Director	1
Senior Staff Attorney	1
Financial Control Manager	12
Administrative Assistant	9
Administrative Analyst	9
Buyer	1
(Housing) Manager (I, II, III)	2
Maintenance Supervisor	14
Working Foreman	14
Assistant Housing Manager	2
Construction Facilitator	14
Construction Ops. Planner	14
Construction Cost Estimator	14
Field Superintendent	4
Grounds Maintenance Supervisor	5
Housing Inspector	2
Housing Inspection Supervisor	2
Fleet Maintenance Supervisor	2
Environmental Coordinator	9
Construction Project Manager	3
Sup. Const. Project Manager	3
Inspector Supervisor	2
Construction Inspector	2
<u>Human Resources Department</u>	
Human Resources Director	7
Human Resources Manager	7
Training Coordinator	7
Resident Dev./Employment Specialist	8
Resident Dev. Program Coordinator	8
Sr. Human Resources Analyst	8
Human Resources Analyst	8
Risk Manager	7
Sr. Risk Management Analyst	9
<u>Information Technology Department</u>	
Information Technology Director	7
Database Manager	7
Network Manager	7

<u>DESIGNATED POSITION</u>	<u>CATEGORY</u>
<u>Intergovernmental Affairs Department</u>	
ICR Director	2
Planning Officer	2
Research & Program Dev. Manager	2
Systems and Procedures Supervisor	9
Administrative Analyst	9
Media Relations Specialist	9
<u>Public Safety</u>	
Captain	13
<u>Resident Relations</u>	
Resident Relations Director	2
Assistant Director	2
Fund Developer	2
Special Programs Coordinator	9
Administrative Specialist	9
Administrative Analyst	9
Administrative Assistant	9
Resident Dev. Program Coordinator	8
Resident Leadership Training Manager	2
Resident Leadership Training Coordinator	9
Community Service Center Project Director	2
Senior Community Case Manager	9
Job Developer	6
Language Services Coordinator	9
Budget Analyst	2
Senior Accountant	2
Demonstration Project Director	2
Principal Management Analyst	2
Project Accountant	2
<u>Section 8 Division</u>	
Section 8 Director	1
Assistant Director	1
(Section 8) Managers (I, II, III)	2
Assistant Housing Manager	2
Housing Inspection Supervisor	2
Housing Inspector	2
Budget Analyst	2
Special Programs Coordinator	9
Administrative Analyst	9
Administrative Assistant	9

Consultants*

*The Executive Director may determine in writing that a particular consultant, although a "designated position" is hired to perform a range of duties that is limited in scope and thus not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of the disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
SCHEDULE "B" - DISCLOSURE CATEGORIES

GENERAL PROVISION

A designated employee is not required to disclose that he or she is a director, officer, partner, trustee, employee or holds any position of management in a business entity. However, a designated employee who holds such a position is still subject to the disqualification provisions of Section 500 of this Code with respect to such position.

CATEGORY 1:

Any investment, interest in real property or income, as defined by this Code.

CATEGORY 2:

Any investment, interest in real property, or income, as defined by this Code (with the exception of any income received from any person or business entity which

(a) Has not done business with the Housing Authority of the City of Los Angeles within the past 24 months, and,

(b) Does not own an interest in real property located within 1/4 mile of any facility or proposed facility owned, leased or operated by the Housing Authority of the City of Los Angeles, consisting of 50 or more dwelling units, and

(c) Does not own an interest in real property located adjacent to any facility owned, leased or operated by the Housing Authority consisting of less than 50 dwelling units.

For purposes of this category, "proposed facility" shall mean any location that is being or during the past 24 months was considered for purchase, operation or lease by the Housing Authority of the City of Los Angeles.

CATEGORY 3:

1. Any interest in real property located within the City of Los Angeles or not more than two miles outside the boundaries of the City.
 2. Any investment in or income, as defined by this Code, from any person or business entity that provides architectural and/or engineering consulting services.
-

3. Any investment in or income, as defined by this Code, from any person or business entity that is a general or specialty building contractor.
4. Any investment in or income, as defined by this Code, from any person or business entity that is a supplier of building materials or maintenance supplies.

CATEGORY 4:

1. Any investment in or income, as defined by this Code, from any person or business entity that is a general or specialty building contractor.
2. Any investment in or income, as defined by this Code, from any person or business entity that is a supplier of building materials.
3. Any investment in or income, as defined by this Code, from any person or business entity which owns an interest in real property which is located on or within one-fourth mile of land owned, leased or operated by the Housing Authority of the City of Los Angeles.

CATEGORY 5:

1. Any investment in or income, as defined by this Code, from any person or business entity that sells nursery equipment or supplies.
2. Any investment in or income, as defined by this Code, from any person or business entity that sells mechanized street sweepers.

CATEGORY 6:

Any investment in or income, as defined by this Code, from any person or business entity providing employment referral agency services.

CATEGORY 7:

1. Any investment in or income, as defined by this Code, from any person or business entity providing employment referral agency services.
2. Any investment in or income, as defined by this Code, from any insurance company, with the exception of any such company that issued only title insurance.
3. Any investment in or income, as defined by this Code, from any person or business entity offering specialized personnel services, including computer services, personnel systems companies and personnel management consulting firms.

4. Any income, as defined by this Code, from any individual who is or during the past 12 months was employed by or was considered for employment by the Housing Authority of the City of Los Angeles.

CATEGORY 8:

1. Any investment in or income, as defined by this Code, from any person or business entity providing training or employment referral agency services.
2. Any income, as defined by this Code, from any individual who is or during the past 12 months was employed by or was considered for employment by the Housing Authority of the City of Los Angeles.

CATEGORY 9:

Any investment in or income, as defined by this Code, from any person or business entity which manufactures, sells or distributes any product or provides any service which is purchased by the Housing Authority of the City of Los Angeles.

CATEGORY 10:

Any investment in or income, as defined by this Code, from any person or business entity which manufactures, sells or distributes paper supplies, printing or duplicating equipment.

CATEGORY 11:

Any investment in or income, as defined by this Code, from any person or business entity which:

- (a) Distributes paper and office supplies;
- (b) Designs and supplies specialized fiscal and management forms, including data processing forms;
- (c) Manufactures or sells office equipment and business machines.

CATEGORY 12:

Any investment in or income, as defined by this Code, from any person or business entity which:

- (a) Owns, operates or is employed by any collection agency;

- (b) Owns, operates or is employed by any Banking Transport Protective Services.

CATEGORY 13:

Any investment in or income, as defined by this Code, from any person or business entity which:

- (a) Manufactures or sells specialized equipment used by the Public Safety Personnel, including uniforms, weapons and related equipment, radio transmitters and receivers, and other field equipment.
- (b) Owns or operates any commercial weapons firing range.

CATEGORY 14:

Any investment in or income, as defined by this Code, from any person or business entity that sells building materials or maintenance supplies.

CONFLICT OF INTEREST POLICY

EXHIBIT 108:13C

Employee Acknowledgement Form for Conflict of Interest – please see next page

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

ACKNOWLEDGEMENT FORM – CONFLICT OF INTEREST POLICY

I, the undersigned, acknowledge receipt of the Conflict of Interest Policy as provided to me on this _____ day of _____, _____.

Under penalty of perjury, I hereby certify that I understand that noncompliance with and/or nondisclosure of required information as stated in the Conflict of Interest Policy may subject me to disciplinary action up to and including termination.

I recognize that signing this document is a condition of employment with the Housing Authority of the City of Los Angeles.

Name: _____

Date: _____

CONFLICT OF INTEREST POLICY

APPENDIX 108:H

Applicable Statutes to the Conflict of Interest Policy – please see next page

CONFLICT OF INTEREST POLICY

APPLICABLE STATUTES

The following statutes were utilized in the development of the Authority's Conflict of Interest Policy. They are included here as Appendix 108:H as a reference for Employees should there be questions regarding actual code language.

A. California Government Code 1126.

- (a) Except as provided in Sections 1128 and 1129, a local agency officer or employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed. The officer or employee shall not perform any work, service, or counsel for compensation outside of his or her local agency employment where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of his or her employing body, unless otherwise approved in the manner described by subdivision (b).
- (b) Each appointing power may determine, subject to approval of the local agency, and consistent with the provisions of Section 1128 where applicable, those outside activities which, for employees under its jurisdiction, are inconsistent with, incompatible to, or in conflict with their duties as local agency officers or employees. An employee's outside employment, activity, or enterprise may be prohibited if it:
 - (1) involves the use for private gain or advantage of his or her local agency time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her local agency office or employment or,
 - (2) involves the receipt or acceptance by the officer or employee of any money or other consideration from anyone other than his or her local agency for the performance of an act which the officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his or her local agency employment or as a part of his or her duties as a local agency officer or employee or,
 - (3) involves the performance of an act in other than his or her capacity as a local agency officer or employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other officer or employee of the agency by which he or she is employed or
 - (4) involves the time demands as would render performance of his or her duties as a local agency officer or employee less efficient.
- (c) The local agency shall adopt rules governing the application of this section. The rules shall include provision for notice to employees of the determination of prohibited activities, of disciplinary action to be taken against employees for engaging in prohibited activities, and for appeal by employees from such a determination and from its application to an employee. Nothing in this section is

CONFLICT OF INTEREST POLICY

intended to abridge or otherwise restrict the rights of public employees under Chapter 9.5 (commencing with Section 3201) of Title 1.

- (d) The application of this section to determine what outside activities of employees are inconsistent with, incompatible with, or in conflict with their duties as local agency officers or employees may not be used as part of the determination of compensation in a collective bargaining agreement with public employees."

B. California Government Code Section 1127.

It is not the intent of this article to prevent the employment by private business of a public employee, such as a peace officer, fireman, forestry service employee, among other public employees, who is off duty to do work related to and compatible with his regular employment, or past employment, provided the person or persons to be employed have the approval of their agency supervisor and are certified as qualified by the appropriate agency.

C. California Government Code Section 1090.

Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

D. California Government Code Section 1091.

- (a) 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.

- (b) As used in this article, "remote interest" means any of the following:

- (1) That of an officer or employee 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, except as provided in paragraph (8) of subdivision (a) of Section 1091.5.

CONFLICT OF INTEREST POLICY

- (2) That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office and the officer owns less than 3 percent of the shares of stock of the contracting party; and the employee or agent is not an officer or director of the contracting party and did not directly participate in formulating the bid of the contracting party.

For purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer. Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other persons holding an interest in the contracting party are regarded as persons holding an interest in the contracting party are regarded as having the "real or ultimate ownership" of the contracting party.

- (3) That of an employee or agent of the contracting party, if all of the following conditions are met:
- (A) The agency of which the person is an officer is a local public agency located in a county with a population of less than 4,000,000.
 - (B) The contract is competitively bid and is not for personal services.
 - (C) The employee or agent is not in a primary management capacity with the contracting party, is not an officer or director of the contracting party, and holds no ownership interest in the contracting party.
 - (D) The contracting party has 10 or more other employees.
 - (E) The employee or agent did not directly participate in formulating the bid of the contracting party.
 - (F) The contracting party is the lowest responsible bidder.
- (4) That of a parent in the earnings of his or her minor child for personal services.
- (5) That of a landlord or tenant of the contracting party.
- (6) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm that renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest

CONFLICT OF INTEREST POLICY

- of 10 percent or more in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
- (7) That of a member of a nonprofit corporation formed under the Food and Agriculture Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.
- (8) That of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to his or her election or appointment to office.
- (9) That of a person subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the provisions of the California Land Conservation Act of 1965.
- (10) Except as provided in subdivision (b) of Section 1091.5, that of a director of or a person having an ownership interest of 10 percent or more in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor or creditor.
- (11) That of an engineer, geologist, or architect employed by a consulting engineering or architectural firm. This paragraph applies only to an employee of a consulting firm who does not serve in a primary management capacity, and does not apply to an officer or director of a consulting firm.
- (12) That of an elected officer otherwise subject to Section 1090, in any housing assistance payment contract entered into pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec 1437f) as amended, provided that the housing assistance payment contract was in existence before Section 1090 became applicable to the officer and will be renewed or extended only as to the existing tenant, or, in a jurisdiction in which the rental vacancy rate is less than 5 percent, as to new tenants, in a unit previously under a Section 8 contract. This section applies to any person who became a public official on or after November 1, 1986.
- (13) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity.
- (14) That of a person owning less than 3 percent of the shares of a contracting party that is a for-profit corporation, provided that the ownership of the shares derived from the person's employment with that corporation.
- (c) This section is not applicable to any officer interested in a contract who influences or attempts to influence another member of the body or board of which he or she is a member to enter into the contract.
- (d) The willful failure of an officer to disclose the fact of his or her interest in a contract pursuant to this section is punishable as provided in section 1097. That violation does not void the contract unless the contracting party had knowledge of the fact of the remote interest of the officer at the time the contract was executed.

CONFLICT OF INTEREST POLICY

E. California Government Code Section 1091.5.

"(a) An officer or employee shall not be deemed to be interested in a contract if his or her interest is any of the following:

- (1) The ownership of less than 3 percent of the shares of a corporation for profit, provided that the total annual income to him or her from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of his or her total annual income, and any other payments made to him or her by the corporation do not exceed 5 percent of his or her total annual income.
- (2) That of an officer in being reimbursed for his or her actual and necessary expenses incurred in the performance of official duties.
- (3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the body or board.
- (4) That of a landlord or tenant of the contracting party if the contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of the contract is the property in which the officer or employee has the interest as landlord or tenant in which event his or her interest shall be deemed a remote interest within the meaning of, and subject to, the provisions of Section 1091.
- (5) That of a tenant in a public housing authority created pursuant to Part 2 (commencing section 34200) of Division 24 of the Health and Safety Code in which he or she serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.
- (6) That of a spouse of an officer or employee of a public agency in his or her spouse's employment or officeholding if his or her spouse's employment or officeholding has existed for at least one year prior to his or her election or appointment.
- (7) That of a nonsalaried member of a nonprofit corporation, provided that this interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that this interest is noted in its official records.
- (8) That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give

CONFLICT OF INTEREST POLICY

particular consideration, and provided further that this interest is noted in its official records.

For purposes of this paragraph, an officer is "noncompensated" even though he or she receives reimbursement from the nonprofit, tax-exempt corporation for necessary travel and other actual expenses incurred in performing the duties of his or her office.

- (9) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity, unless the contract directly involves the department of the government entity that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of consideration of the contract, and provided further that the interest is noted in its official record.
- (10) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, services to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
- (11) Except as provided in subdivision (b), that of an officer or employee of, or a person having less than a 10-percent ownership interest in, a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower, depositor, debtor, or creditor.
- (12) That of (A) a bona fide nonprofit, tax-exempt corporation having among its primary purposes the conservation, preservation, or restoration of park and natural lands or historical resources for public benefit, which corporation enters into an agreement with a public agency to provide services related to park and natural lands or historical resources and which services are found by the public agency, prior to entering into the agreement or as part of the agreement, to be necessary to the public interest to plan for acquire, protect, conserve, improve, or restore park and natural lands or historical resources for public purposes and (B) any officer director or employee acting pursuant to the agreement on behalf of the nonprofit corporation. For purposes of this paragraph, "agreement" includes contracts and grants, and "park", "natural lands" and "historical resources" shall have the meaning set forth in subdivisions (d), (g), and (i) of Section 5902 of the Public Resources Code. Services to be provided to the public agency may include those studies and related services, acquisitions of property and property interests, and any activities related to those studies and acquisitions necessary for the conservation, preservation, improvement, or restoration of park and natural lands or historical resources.

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- (13) That of an officer, employee, or member of the Board of Directors of the California Housing Finance Agency with respect to a loan product or programs if the officer, employee, or member participated in the planning, discussions, development or approval of the loan product or program and both of the following two conditions exist:
- (A) The loan product or program is or may be originated by any lender approved by the agency.
 - (B) The loan product or program is generally available to qualifying borrowers on terms and conditions that are substantially the same for all qualifying borrowers at the time the loan is made.
- (b) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his or her sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower, depositor, debtor, or creditor."
- F. Pursuant to California Health & Safety Code Section 34281, a commissioner or employee of an authority shall not acquire any direct or indirect interest in any housing project or in any property included or planned to be included in any project, nor shall he/she have any direct or indirect interest in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project. If he/she owns or controls a direct or indirect interest in any such property, he/she shall immediately make a written disclosure of it to the authority and the disclosure shall be kept on file. Failure to disclose his/her interest constitutes misconduct in office.
- Nothing contained in this section or in any other provision of law shall be construed as precluding a tenant of an authority from serving as a commissioner of the authority, provided that the fact of such tenancy is disclosed to the authority in writing and entered upon its minutes immediately upon assuming office; nor shall any provision in this code or elsewhere be construed as in any manner inhibiting the right of such tenant commissioner to exercise the full powers vested in his/her office.
- G. Pursuant to the Code of Federal Regulations, Title 24 Housing and Urban Development, part 982.161 Conflict of Interest, neither the Authority nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during tenure or one year thereafter:
1. Any present or former member or officer of the Authority (except a participant commissioner);

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2. Any employee of the Authority, or any contractor, subcontractor or agent of the Authority, who formulates policy or who influences decisions with respect to the programs;
 3. Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or
 4. Any member of the Congress of the United States.
- H. Additionally, pursuant to the Code of Federal Regulations, Title 24 Housing and Urban Development, part 982.161 Conflict of Interest any member of the classes described in item G. above must disclose his/her interest or prospective interest to the Authority and HUD. The HUD field office for good cause may waive the conflict of interest prohibition described in item G. above. It is the responsibility of the employee or individual to apply for such a waiver.