



REQUEST FOR EXCEPTION TO CONFLICT OF INTEREST

Upon written request by the local government recipient of Community Development Block Grant Program (CDBG) funds through the California Department of Housing and Community Development (HCD), the Department may grant on a case-by-case basis an exception to the conflict-of-interest provisions involving an employee, agent, consultant, officer or elected official or appointee of the Implementing Partner. Exceptions may be granted provided the local government fully documents the request in compliance with all requirements of paragraph 24 CFR 570.489(h)(4) including the local government's position with respect to each factor at paragraph (h)(5). All supporting documentation shall be attached, and the request shall be made available for review by the public and HUD.

An exception may be granted if it is determined that such an exception will serve to further the purpose of the Act and the effective and efficient administration of the project or program of HCD or the local government as appropriate.

An exception may be granted only after the local government has provided all of the following:

1. The name, title, and classification of the person, and a brief description of the person's position as it relates to the CDBG assisted project or contract award. Name, Title, Classification, Description of person's position relative to the CDBG project
2. A disclosure of the nature of the Conflict of Interest. Explain the nature of the conflict
3. Proof that the disclosure has been made public. Proof of disclosure is attached. Explain any comments from the public
4. An opinion of the attorney for the state or the unit of general local government, as appropriate, that the interest for which the exception is sought would not violate state or local law. Legal opinion is attached.

In determining whether to grant an exception, HCD will consider the cumulative effect of the following factors (24 CFR 570.489(h)(5)):

1. Will the exception provide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available? Explain how
2. Was the opportunity for open competitive bidding or negotiation provided? Explain how
3. Is the person an eligible beneficiary of the CDBG assisted activity? Explain how
4. What mechanisms will be put in place to ensure that the person will only receive the same benefits as are being made available to other beneficiaries of the project or program? Explain how
5. Has the affected person withdrawn from their functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question? Explain how, including date of withdrawal
6. Was the project or program in place before the person was in their position as an employee, agent, consultant, officer or elected official of the grantee or sub-recipient of CDBG funds? Explain, giving dates
7. Would undue hardship result either to the local government, recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict? Explain, be specific
8. Are there any other relevant issues that HCD should be aware of? Explain



Appendix 4-6

The Chief Elected Official of the local government shall sign this request to be submitted to the HCD Federal Community Development Branch Chief

Chief Elected Official

Date

For internal use only

Exception: Granted Denied

Reason for denial:

By:

Federal Community Development Branch Chief

Date

HCD General Counsel

Date