

**CODE OF ETHICS
AND
STANDARDS OF CONDUCT**

**HOUSING AUTHORITY OF THE
CITY OF CHARLOTTE**

CODE OF ETHICS AND STANDARDS OF CONDUCT

ARTICLE I. PURPOSE

The Authority has established this Code of Ethics and Standards of Conduct for its employees and members of its Board of Commissioners to make employees and commissioners aware of certain ethical requirements related to the conduct of business at the Authority.

ARTICLE II. STATE LAW

No commissioner or employee of the Authority shall acquire any interest direct or indirect in any housing project or in any project included or planned to be included in any project, nor shall (s)he have any interest direct or indirect in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project. If any commissioner or employee of the Authority owns or controls an interest direct or indirect in any property included or planned to be included in any housing project, (s)he shall immediately disclose the same in writing to the Authority and such disclosure shall be entered upon the minutes of the Authority. Failure to so disclose such interest shall constitute misconduct in office.¹

ARTICLE III. THE ANNUAL CONTRIBUTIONS CONTRACT WITH HUD

Section 19 of the Annual Contributions Contract (the “ACC”) with HUD provides the following:

(A)(1) In addition to any other applicable conflict of interest requirements, neither the Authority nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC in which any of the following classes of people has an interest, direct or indirect, during his or her tenure or for one year thereafter:

- (i) Any present or former member or officer of the governing body of the Authority or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the Authority or a business entity.
 - (ii) Any employee of the Authority who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the employee's partner.
 - (iii) Any public official, member of the local governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project(s) or the Authority.
- (2) Any member of these classes of persons must disclose the member's interest or prospective interest to the Authority and HUD.
- (3) The requirements of the subsection (A) (1) may be waived by HUD for good cause, if permitted under State and local law. No person for whom a waiver is requested may exercise responsibilities or functions with respect to the contract to which the waiver pertains.
- (4) The provisions of this subsection (A) shall not apply to the General Depository Agreement entered into with an institution regulated by a Federal agency, or to utility service for which the rates are fixed or controlled by a State or local agency.
- (5) Nothing in this section shall prohibit a tenant of the Authority from serving on the governing body of the Authority.
- (B)(1) The Authority may not hire an employee in connection with a project under this ACC if the prospective employee is an immediate family member of any person belonging to one of the following classes:
- (i) Any present or former member or officer of the governing body of the Authority. There shall be excepted from this prohibition any former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the Authority.

- (ii) Any employee of the Authority who formulates policy or who influences decision with respect to the project(s).
- (iii) Any public official, member of the local governing body, or State or local legislator, who exercises functions or responsibilities with respect to the project(s) or the Authority.

(2) The prohibition referred to in subsection (B)(1) shall remain in effect throughout the class member's tenure and for one year thereafter.

(3) The class member shall disclose to the Authority and HUD the member's familial relationship to the prospective employee.

(4) The requirements of this subsection (B) may be waived by the Authority Board of Commissioners for good cause, provided that such waiver is permitted by State and local law.

(C) The requirements of subsections (A) and (B) of this section do not apply to contracts entered into by an Indian Housing Authority, its contractors or subcontractors, although such contracts remain subject to other applicable conflict of interest requirements.

(D) For purposes of this section, the term "immediate family member" means the spouse, mother, father, brother, sister, or child of a covered class member (whether related as a full blood relative, or as "half" or "step" relative, e.g., a half-brother or stepchild).ⁱⁱ

ARTICLE IV. FEDERAL PROCUREMENT REGULATIONS

When utilizing grants or other funds from HUD for the procurement of goods or services from third parties, the Authority must take care to ensure the following:

No employee, officer or agent of the Authority or sub-grantee of the Authority shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (A) the employee, officer or agent of the Authority, (B) any member of his or her immediate family, (C) his or her partner, or (D) an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The Authority and the Authority's sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements. The Authority and its sub-grantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the Authority's or subgrantee's, employees, or agents, or by contractors or their agents. HUD or other

federal government awarding agencies may, by regulations, provide additional prohibitions relative to real, apparent, or potential conflicts of interest.ⁱⁱⁱ

ARTICLE V. GIFTS

No employee or commissioner of the Authority shall directly or indirectly solicit any gift or accept or receive any gift having a value of \$50.00 or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her, or could reasonably be expected to influence him or her, in the performance of his or her official duties, or was intended as a reward for any official action on his or her part.^{iv}

ⁱ See North Carolina General Statutes Section 157-3(12) and 157-7.

ⁱⁱ Section 19 of the Annual Contributions Contract with HUD

ⁱⁱⁱ 24 CFR §85.36(b)(3)

^{iv} Substantially similar to the City and County Ethics Codes