



REPORT

ITEM 105

DATE: For the Housing Commission Agenda of October 20, 2000

REPORT NO. HCR00-088

SUBJECT: Revision to Housing Commission Conflict of Interest Policy (Citywide)

SUMMARY

Issue: Should the Housing Commission recommend Housing Authority approval to consolidate Housing Commission policies concerning conflict of interest and business disclosures into a single amended policy to increase clarity and ease of use?

Recommendations: That the Housing Commission recommend that the Housing Authority:

- a. Consolidate and reorganize current policies PO101.000, Conflict of Interest Code and PO209.000, Mandatory Disclosure of Business Interests, into revised policy PO101.000 entitled Conflict of Interest Code and Related Provisions (Attachment 2).
- b. Eliminate language from the policy which duplicates provisions of Title 2 California Code of Regulations Section 18730, which previously had been incorporated into the policy by reference (Section 18730 is attached hereto as Attachment 1 for reference).
- c. Delegate authority for future amendments to the Conflict of Interest Policy to the Housing Commission.
- d. Delegate authority to the Chief Executive Officer to promulgate, adopt, amend and revise conflict of interest administrative regulations.

Previous Related Action(s): The Housing Commission approved revisions to the Conflict of Interest Code Policy on October 26, 1998; the Housing Authority adopted the policy on December 8, 1998.

Future Related Action(s): Subsequent revisions will be included in the next biennial review process conducted by the City Clerk in the year 2002.

BACKGROUND

On April 1, 1979, the Housing Commission adopted a Conflict of Interest Code Policy pursuant to California Government Code Section 87307. The Policy required that Commissioners disclose reportable items in a manner substantially equivalent to that of the Political Reform Act and regulations of the Fair Political Practices Commission. On April 11, 1980, the Policy was amended to include certain Designated Positions (when the Housing Commission separated from the City of San Diego and hired independent staff) and to incorporate amendments to the Government Code and Political Reform Act.

Subsequent revisions to incorporate legislated amendments and to clarify or update procedures were adopted November 1985, July 1988, June 1990, December 1990, August 1992, December 1994, April 1996, and December 1998. On November 26, 1996, the Executive Director was authorized to implement changes to Designated Positions during the regular, budget process; formal revisions would be forwarded for approval only during the biennial review process.

In 1994, the Housing Commission adopted a policy ensuring that all business interests relating to proposed actions be disclosed.

Biennially the City Clerk's Office requests that all departments and agencies review, amend and forward to the City Attorney's Office, their Conflict of Interest Code Policy to comply with the Government Code and California Code of Regulations. During their 1998 review process, the City Clerk's Office requested that conflict of interest codes be reviewed to clarify and eliminate unnecessary subsection information. The Commission complied with this request, and a revised policy was forwarded to their office with the required mandatory code revisions to ensure compliance with and consistency among City departments and to ensure disclosures are appropriate to positions.

In July of this year, the Housing Commission completed an agency-wide reorganization in a continuing effort to streamline its operations and to organize around purpose. The Designated Positions list has been revised by the Chief Executive Officer and updated to reflect changes as a result of the reorganization; the changes have been forwarded for document approval during this year's biennial review process by the City Clerk.

In accordance with regulations, Designated Filers have been advised of all proposed changes and will be afforded the opportunity to comment at the October 20, 2000 Housing Commission meeting.

DISCUSSION

Current policy specifies that policy changes be forwarded to the Housing Authority for approval. The recommendation would consolidate Housing Commission Policy P0209.000, Mandatory Disclosure of Business Interests (Attachment 3) and Conflict of Interest Policy P0101.00 into one comprehensive policy titled *Conflict of Interest Code and Related Provisions*, attached hereto as Attachment 2. It would further allow the CEO to adopt, revise and amend conflict of interest related administrative regulations, as needed, to reflect the provisions of amended *Conflict of Interest Code and Related Provisions, PO101.000*.

This amended policy 1) incorporates relevant language from Housing Commission policy P0209.000, Mandatory Disclosure of Business Interests; and 2) eliminates duplicative provisions from the policy which are incorporated by reference from 2 Cal. Code of Regulations, Section 18730. This code sets forth a standard Conflict of Interest Code that meets the requirements of State law (Government Code Section 87300), which requires that all public agencies adopt such a code and update it every two (2) years. It should be clearly understood that removing language from the Commission's policy does not remove responsibility to comply with the deleted text, all of which is incorporated by reference in the State Code.

The standard code includes required definitions, disclosure categories, the definition of designated employees, how and when statements of economic interest must be filed, requirements for the contents of the statements, the descriptions of interests in real estate, personal income, gifts, business positions, business entities and other reportable interests, prohibitions on the receipt of gifts in certain cases, loans to public officials, requirements for disqualification of employees in actions in which they have an interest, disqualification of state administrative officials in certain circumstances, provides for the assistance of counsel of the agency concerning the code and sets forth repercussions for violation of the code.

It is recommended that future revisions to the Housing Commission's conflict policy be delegated to the Housing Commission.

It should be noted that subsection 8.1(a) of 2 Cal. Code of Regulations, Section 18730 (Prohibition on Receipt of Gifts in Excess of \$300) has been amended to increase the prohibition of receipt of gifts by \$10 to a maximum of \$300 in a calendar year from any single source. This change is incorporated herein by reference into the Housing Commission's *Conflict of Interest Code and Related Provisions Policy 101.000* as outlined in *Recommendation A* of this staff report.

Approval of the staff recommendations will result in greater clarity of the policy and efficiency of use.

ALTERNATIVE

Continue the practice of bringing forward to the Housing Authority for approval all revisions and amendments to the Conflict of Interest Code policy.

Submitted by,

Approved by,

Signature on File with Original Document

Carrol Vaughan
Chief of Staff

Elizabeth C. Morris
Chief Executive Officer

Attachments:

1. 2 Cal. Code of Regulations, Section 18730 Provisions of Conflict of Interest Codes
2. SDHC Policy PO101.00 (Appendix A, B, C, D, and E) (Conflict of Interest Code and Related Provisions policy)
3. P0209.000 – Mandatory Disclosure of Business Interests