

Local Homeless Coordinating Board

Conflicts of Interest

March 2024

Conflicts - Bylaws Article VIII

Article VIII - Conflict of Interest

Local Board members must disclose personal, professional, and/or financial relationships with respect to any person or entity involved in an item that comes before the Local Board. If there is a legal conflict of interest, the member must recuse themselves prior any discussion or vote. Local Board members should consult the City Attorney's Office to determine whether the member has a legal conflict in a particular matter.

Local Board members who are employees or officers of non-profit organizations who receive CoC funding must recuse themselves from any discussion or vote on matters that may affect their organization's financial interest.

When a member recuses, they must leave the room and their presence will not count towards establishing a quorum.

Government Code Section 1090

- ▶ City officers and employees may not make a contract in which they have a financial interest. Applies to members of advisory bodies like LCHB even though they are not City officers or employees.
- ▶ What is a financial interest under Section 1090?
 - ▶ Not defined, but the courts construe the term broadly.
 - ▶ Examples of financial interests: your employer, your clients, your investments
- ▶ What is making a contract under Section 1090?
 - ▶ Approving a contract or RFP, planning RFP, negotiations, preliminary discussions, influencing the award of a contract

Government Code Section 1090

Remote Interests - allow the member to recuse without violating Section 1090

- If financial interest is based on being an officer or employee of a non-profit. Gov't Code 1091(b)(1)
- If other financial interest at issue, seek advice

What are the penalties for violating Section 1090?

- ▶ The contract made is void and unenforceable
- ▶ May lead to assessment of fines, imprisonment, and disqualification from holding any public office.

Administrative Code and Code of Federal Regulations

- ▶ “The Coordinating Board shall adopt, and all members shall abide by, a written conflict of interest policy that complies with 24 CFR Section 578.95(b), as amended.” (Administrative Code Sec. 5.31-4)
- ▶ “Continuum of Care board members. No Continuum of Care board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.” (24 CFR Sec. 578.95(b))

Questions?

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