

# MEMORANDUM

**To:** Board of Directors

**Date:** September 14, 2017

**From:** Thomas O. Freeburger, Assistant General Counsel  
CALIFORNIA HOUSING FINANCE AGENCY



**Subject:** Updates to California Housing Finance Agency's Conflict-of-Interest Code (Resolution 17-22)

## Background

California's Political Reform Act of 1974 (the "Act") requires that each state agency enact by regulation a conflict-of-interest code pursuant to standards set forth in the Act. The California Housing Finance Agency's ("CalHFA" or "Agency") Conflicts of Interests Code is set forth in regulation, at Title 25, Code of California Regulations, section 10001 ("Code").

The Code designates personnel positions within the Agency required to file annually a Statement of Economic Interests (Form 700) and specifies types of business interests and sources of incomes that must be reported.

Personnel positions ("designated employees") within the Agency that are required to file the Form 700 are generally Board positions, management positions, and consultants. In addition, employees holding staff positions that directly interact with and influence those decision makers are also covered by the Code.

Reportable interests and investments ("disclosure categories") are specific to the Agency's business. The disclosure categories include interests in real property, investments in businesses that provide financial services and/or real estate services, persons or entities that contract with the Agency, and computer hardware, software, and consultant companies.

As personnel classifications and titles change over time, and as the Agency's business plan evolves, the Agency must update the Code to reflect accurately the nature of those changes. The proposed amendment, attached hereto, approves updates to the Code.

## Proposed Changes

The proposed amendment text to the Code updates the designated employees (revises divisions to comport with revised organizational chart, adds new positions, reclassifies positions within divisions, deletes titles of positions not being utilized by the Agency) and revises the General Provisions to comport with the FPPC's new place of filing language.

The proposed amendments are attached, in both clean and redlined versions. In the redlined version, proposed deletions are shown in red strikeout (~~red strikeout~~) font, and proposed additions are shown in blue underline (blue underline) font.

Updates to the Code are subject to the rulemaking process, which includes public notice, public comment period, public hearing (if requested), review and approval by Fair Political Practices Commission; submission to Office of Administrative Law, and certification by Secretary of State.

We respectfully request the Board's approval of the proposed updates to CalHFA's Conflict-of-Interest Code, and authorization to proceed with the rulemaking process, including authorization to make non-material revisions to the proposed amendment text, without further Board approval, as may be appropriate.

**Attachments:**

1. CalHFA Conflict-of-Interest Code, Proposed Amendment Text
2. Resolution 17-22