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HDALGO URBAN COUNTY
SEP 19 2018 AM 10:20

September 18, 2018

Hidalgo County Urban County Program
Attn: Diana R. Serna, Director
427 E. Duranta Avenue, Suite 107
Alamo, Texas 78516

Via Email
& United States Regular Mail

RE: Request by Hidalgo County's Urban County Program for Exception to
Conflict of Interest Regulation, 24 C.F.R. § 92.356 re: Ms. Amelia Saenz

Ladies and Gentlemen:

This opinion is being rendered pursuant to 24 C.F.R. § 92.356(d)(2) and at the request of the Hidalgo County Urban County Program ("UCP") relating to its request of the Department of Housing and Urban Development of the United States to grant UCP an exception to the provisions of paragraph (b) of 24 C.F.R. §92.356 for the application of Ms. Amelia Saenz. According to the information you provided Ms. Amelia Saenz is Owner-Occupied Rehabilitation Program applicant. The applicant Amelia Saenz, stated she is the aunt of the spouse of Mr. Steve de la Garza, the Division Manager II, UCP Housing.

In connection with the foregoing we have reviewed the Chapter 171 and 176 of the Texas Local Government Code, the HOME Program Conflict of Interest policy, and have verified with Mr. Valde Guerra, Chief Executive Officer of Hidalgo County, that Hidalgo County has no conflict of interest policies other than Chapters 171 and 176 of the Texas Local Government Code. We have examined written correspondence from your office and such other instruments and documents which we have deemed necessary or advisable to examine for the purpose of this opinion. With respect to such examination, we have assumed that the statements of fact made by UCP and the applicant, Amelia Saenz in all such documents and instruments are true, accurate and complete.

Based on the foregoing, and having due regard for such legal considerations as we deem relevant, and subject to the limitations and assumptions set forth herein, including without limitation the matters set forth in the previous two (2) paragraphs hereof, we are of the opinion that:

To the best of our knowledge, the approval of the application of Ms. Amelia Saenz, for the Owner-Occupied Rehabilitation Program would not violate Texas state or local laws.

In rendering the opinion, we have assumed (i) the due authorization, execution and delivery by all parties of all documents that we have examined, (ii) the genuineness of all signatures on conformed copies, (iv) the legal capacity of natural persons, (v) the conformity to authentic original documents of all documents submitted to us as copies, (vi) the enforceability of all documents against all parties thereto other than the County and (vi) the validity of all information furnished to us by UCP.

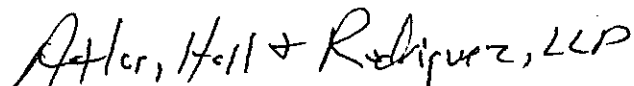
The opinions expressed herein are subject to the following limitations, qualifications, assumptions and exceptions.

We are furnishing this letter solely for your benefit at your request. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be relied upon by any other person or entity or by you in any other context without our express written consent.

This opinion is based on and is limited to the laws of the State of Texas, and the laws of the United States of America. Insofar as the foregoing opinion relates to matters of law other than the foregoing, no opinion is hereby given.

This opinion is as of the date hereof, and we undertake no obligation to supplement the opinions set forth herein as facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

Very truly yours,

A handwritten signature in black ink that reads "Atlas, Hall & Rodriguez, LLP". The signature is written in a cursive, flowing style.

ATLAS, HALL & RODRIGUEZ, LLP

Conflict of Interest Affidavit Countywide

Instructions: Please check below if you are related to any of the individuals listed.

County Officials:

- Ramon Garcia, Hidalgo County Judge
- David L. Fuentes, Commissioner - Pct. 1
- Eduardo "Eddie" Cantu, Commissioner - Pct. 2
- Joe M. Flores, Commissioner - Pct. 3
- Joseph Palacios, Commissioner - Pct. 4
- _____, Pct.

Urban County Program Staff:

- Diana R. Serna, Director Other: _____
- Antonio Barco, Deputy Director
- Steve De La Garza, Division Director, UCP Housing

Please check the appropriate box below. If you are related to any of the listed above, please state how the individual is related to you, if he/she is providing you with any assistance, and if he/she has any interest on your property.

I am **not** related to any of the listed elected officials or staff members.

I am related to the elected official or staff member so designated.

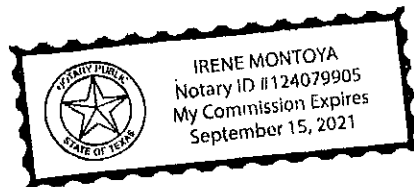
Amelia Saenz 1/26/18
Signature Date

Signature Date

STATE OF TEXAS
COUNTY OF HIDALGO

Amelia Saenz, personally appeared before me and declared that he/she signed this affidavit in the capacity designated, if any, and further states that he/she has read the above document and the statements therein contained are true.

Solely described and sworn before me this 26th Day of January, 2018.



[Signature]
Notary Public, State of Texas

AFFIDAVIT

STATE OF TEXAS §

COUNTY OF HIDALGO §

I, Steven de la Garza, certify that my wife's aunt, Amelia Saenz, has applied for housing rehabilitation services with the Hidalgo County Urban County Program (UCP), where I am employed as the Division Manager II, Housing. As such, I also certify that I have no interest in her property and will abstain from any participation in connection with this matter.

I understand that the UCP Owner-Occupied Rehabilitation Program is federally funded by the US Department of Housing and Urban Development. Furthermore, I certify, that all information provided to the UCP staff is true and correct and that *any false information given may result in the termination of Ms. Amelia Saenz Owner-Occupied Rehabilitation Contract including re-payment in full* of the funds granted for the rehabilitation of the home at A tract of land containing 0.67 acres, more or less out of FARM TRACT 1123, ADAMS TRACT SUBDIVISION, Hidalgo County, Texas.

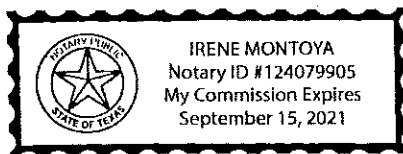
WARNING: SECTION 1001 OF TITLE 18, UNITED STATES CODE PROVIDES: "WHOEVER, IN ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES KNOWINGLY AND WILLFULLY FALSIFIES, CONCEALS OR COVERS UP, A MATERIAL FACT, OR MAKES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS, OR MAKES OR USES ANY FALSE WRITING OR DOCUMENT KNOWING THE SAME TO CONTAIN ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR ENTRY, SHALL BE FINED NOT MORE THAN \$250,000 OR IMPRISONED NOT MORE THAN 5 YEARS, OR BOTH."

CERTIFICATION: I/We certify that the information provided to Urban County Program staff is true and correct and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information submitted to Urban County Program may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq. and liability for monetary damages to Urban County Program staff, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this agreement and Contract.

Steven de la Garza
Steven de la Garza

4/13/18
Date

This instrument was acknowledged before me on the 13 day of April, 2018 by Steven de la Garza.



Irene Montoya
Notary Public, State of Texas
Irene Montoya
Notary's Name (Printed)
September 15, 2021
Notary's Commission Expires

3. Participating jurisdictions, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Participating jurisdictions must require certification as to compliance with the provisions of this section before making any payment under such contract.
- b. *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.
- c. *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

§ 92.355 Lead-based paint

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

[64 FR 50224, Sept. 15, 1999]

§ 92.356 Conflict of Interest

- a. *Applicability.* In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.
- b. *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decisionmaking process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- c. *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.
- d. *Exceptions: Threshold requirements.* Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this

section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 2. An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.
- e. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:
1. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
 2. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 3. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;
 4. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
 5. Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
 6. Any other relevant considerations.
- f. *Owners and Developers.*
1. No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.