

STANDARDS OF CONDUCT  
FOR COMMISSIONERS AND EMPLOYEES OF THE  
MISSOURI HOUSING DEVELOPMENT COMMISSION

MHDC POLICY OF SERVICE AND INTEGRITY

The Commissioners and the Employees of MHDC hold their respective positions with MHDC as a public trust for the benefit of the people of the State of Missouri. Honesty, integrity, and a spirit of public service are the hallmarks of that trust. Accordingly, in all matters related to MHDC, its Commissioners and Employees shall conduct themselves in a manner that places duty to the people of Missouri, as the intended beneficiaries of MHDC's actions, above their own personal interests. Commissioners and Employees of MHDC shall avoid potential and actual conflicts of interest between their duties to MHDC and their own personal interests. The professional and personal conduct of the Commissioners and Employees must be above reproach and avoid even the appearance of impropriety. The purpose of the Standards of Conduct is to provide Commissioners and Employees with clear guidance on acceptable behavior in connection with his or her MHDC activity. All capitalized terms shall bear the meaning identified in the definitions section attached hereto as Exhibit A.

PRIMARY PROVISIONS

1. Commissioners and Employees shall comply with all applicable federal and state laws including, but not limited to, the Sunshine Law, Mo. Rev. Stat. §§105.450-496 and the HOME conflict of interest regulations (24 CFR 92.356). To the extent any provisions in these Standards of Conduct conflict with, or are inconsistent with, any provision of the Sunshine Law, Mo. Rev. Stat. §§105.450-496, the HOME conflict of interest regulations, or any other federal or state law, as each may be amended or modified from time to time, Commissioners and Employees shall adhere to the most restrictive standard. The Counsel shall determine for any Commissioner or Employee which standard is the most restrictive for any factual scenario that comes to the attention of Counsel. Upon receiving any information regarding a potential violation under the Standards of Conduct, the Counsel is authorized to pursue the matter and determine whether or not the matter rises to a violation of the Standards of Conduct. In pursuing such a matter, the Counsel is empowered to engage outside counsel to investigate any matter where the Counsel deems that the use of an independent counsel would be in the best interest of MHDC.

2. Commissioners shall identify and disclose to the Director, the Chair and Counsel any Conflict within 24 hours of the time at which a reasonable person would have known of the existence of such Conflict. The Director shall make the disclosed Conflict known to all Commissioners prior to the next MHDC meeting or within 24 hours, whichever comes first. If a Commissioner discovers a Conflict at or during a MHDC meeting, the Commissioner shall immediately disclose to the Director and all Commissioners present at such open meeting that a Conflict exists. Any Commissioner who has a Conflict shall recuse themselves from any vote related to the identified Conflict. The recusal

from a vote shall be made prior to any discussion of the matter which has required the Commissioner to recuse themselves from voting on the matter.

3. MHDC Employees shall identify and disclose to their Division Director all Conflicts within 24 hours of the time at which a reasonable person would have known of the existence of such Conflict. The Division Director shall inform the Director and Counsel of the Conflict. The Employee with the Conflict shall receive written direction from the Counsel describing how the Employee shall address the Conflict. Once the Counsel identifies a Conflict, he or she shall notify all Commissioners within 24 hours or at the next regular meeting.

4. Commissioners and Employees shall adhere to all laws providing equal opportunity to all citizens, clients of MHDC, and persons who do business with MHDC. Commissioners and Employees shall not engage in any form of harassment or discrimination, including harassment or discrimination on the basis of race, color, religion, national origin, ancestry, sex, age, disability, actual or perceived sexual orientation, gender identity, marital status, or familial status, either at the workplace or in any context dealing with MHDC business.

5. Commissioners and Employees shall conduct the business of MHDC in a manner which inspires public confidence and trust and shall strive to avoid situations creating the appearance that they are violating these Standards of Conduct.

6. Commissioners and Employees shall act impartially and neither dispense, nor accept, special favors or privileges that improperly influence the performance of their official duties.

7. Commissioners and Employees shall not disclose confidential information gained by reason of their public position. The term confidential information shall bear the same meaning as defined in Mo. Rev. Stat. §105.450.5.

8. Commissioners and Employees shall to the best of their ability protect and conserve MHDC property.

9. Commissioners and Employees shall not engage in business with MHDC or state government, hold Financial Interests, or engage in outside employment when such actions are inconsistent with the conscientious performance of their official MHDC duties. Willful violation of this provision shall result in suspension/debarment of the individual and/or entity which has engaged in a Business Relationship with a Commissioner or Employee which is inconsistent with the conscientious performance of their official MHDC duties. The individual and/or entity shall be suspended/debarred from responding to any Competitive Matter, for a period of two years commencing immediately following a determination that the individual or entity and Commissioner or Employee violated this Section 9. Notwithstanding the foregoing, nothing in this Section 9 is intended to create a prohibition on a Commissioner or Employee from having non-direct and passive investment interests which otherwise would constitute a violation of this Section 9. Furthermore, a Commissioner or Employee may have a direct Financial Interest which would otherwise be a

violation of this Section 9, if the Financial Interest in question is placed in a blind trust prior to, and for the duration of, their status as a Commissioner or Employee.

10. The revised statutes of the State of Missouri contain provisions which address employment options for Commissioners and Employees following their discontinuation of service to MHDC (Mo.Rev.Stat §105.454(5-6)). MHDC wishes to expressly incorporate into these Standards of Conduct these sections and the statutory established definitions reference therein, as both may be amended from time to time.

Furthermore, Limited Individuals are disallowed from accepting an offer of employment from any Interested Party while they retain their position with MHDC. Any entity which establishes an employee or contractual relationship with a Limited Individual while the Limited Individual retains their position with MHDC shall be suspended /debarred for two years, commencing on the date the Commission determines the entity established a prohibited relationship.

All Interested Parties shall, as part of a response to any Competitive Matter, disclose the name of any former Commissioner or Employee whom they employ or with whom they have a contractual relationship.

11. Commissioners and Employees shall not purchase or sell MHDC Securities. If a Commissioner or Employee does purchase or sell a MHDC Security during or prior to their service with MHDC, they shall notify the Director, Chair, and Counsel of such action. Any newly appointed Commissioner or newly hired Employee is required to divest his or her interest in any MHDC Security upon the first year anniversary of their relationship with MHDC or at the time they have the ability to sell the MHDC Security at a yield which would match or exceed the yield of an investment in a 10 year U.S. Treasury for the period of time for which the Commissioner or Employee has owned the MHDC Security, which ever occurs first. If prior to divesting any MHDC Security, a Commissioner or Employee has a Conflict as a result of the same, the Commissioner or Employee shall follow the disclosure and recusal provisions provided for in these Standards of Conduct. Nothing in this Section 11 is intended to create a prohibition on a Commissioner or Employee from having non-direct, passive investment interest which may, but for this exception, violate this Section 11. Furthermore, a Commissioner or Employee may hold a direct Financial Interest which would otherwise constitute a violation of this provision, if the Financial Interest in question is placed in a blind trust prior to, and for the duration of, their status as a Commissioner or Employee.

12. Commissioners and Employees shall not knowingly invest in businesses that transact business with MHDC unless they fully disclose the nature of their investment and recuse themselves from any aspect of MHDC decision-making regarding the business in question. Disclosure and recusal shall be done in the manner described in Section 2 of these Standards of Conduct.

13. Commissioners and Employees shall not solicit, accept or retain any Consideration in exchange for taking any action or refraining from taking an action in their capacity as a Commissioner or Employee of MHDC.

Commissioners and Employees shall not accept any Benefit if the giver has a business relationship with MHDC. The Commissioner or Employee has an affirmative duty to inquire of the Director, the Chair and Counsel regarding the Benefit in question and the Counsel will determine if MHDC has a business relationship with the granting party prior to Employee receiving Benefit.

Commissioners and Employees may not accept payment of travel, lodging expenses or meals in connection with speaking engagements, conferences, conventions, association meetings, or similar functions other than the properly requested and process MHDC per diem amounts reimbursed from MHDC. Violation of this Section 13 will be handled in accordance with Section 18 of these Standards of Conduct, and any Conflict shall be disclosed during an open portion of a regular meeting of the MHDC.

14. Commissioners and Employees who run for or hold elective office may accept campaign contributions that are lawfully made, recorded and disclosed pursuant to applicable federal and state laws. However, this authorization is not an exception to the prohibition on receiving consideration in exchange for taking or refraining from taking an action in one's capacity as a Commissioner or Employee. Elected Commissioners shall have an affirmative duty to determine whether a given contribution would amount to a Conflict and, if so determined, notify the proper individuals pursuant to Section 2 herein. For the avoidance of doubt, Elected Commissioners who have identified a Conflict concerning a given campaign contribution shall recuse themselves from any Commissioner vote concerning the Conflict in the manner described in Section 2 herein.

15. Commissioners and Employees shall file all financial disclosure statements required by law with the appropriate agencies, including the Missouri Ethics Commission.

16. Commissioners who are unsure whether taking action or refraining from action would violate these Standards of Conduct shall seek guidance from Counsel. Employees who are unsure whether taking action or refraining from action would violate these Standards of Conduct shall disclose the potential Conflict to Counsel and abide by Counsel's directive.

17. In any application under a Competitive Matter, the applicant shall disclose the Owner and if applicable, the composition of their Development Team. MHDC is not charged with reviewing the disclosures provided for accuracy, completeness or validity; however, if brought to its attention, MHDC will review allegations that an application willfully failed to comply with this provision. If MHDC determines that an applicant willfully failed to provide accurate information pursuant to this section, then the Owner shall be suspended/debarred from applying pursuant to a Competitive Matter for a period of two years from the time a violation under this provision is determined.

18. Commissioners who violate these Standards of Conduct may be subject to appropriate lawful action by MHDC, and, if warranted, be reported to the Missouri Ethics Commission and/or appropriate law enforcement authorities. Employees who violate these Standards of Conduct may be subject to appropriate lawful action by their supervisors, MHDC, and, if warranted, be reported to the Missouri Ethics Commission and/or appropriate law enforcement authorities.

On August 28, 2009, the Counsel shall provide the Commission in an open regular meeting a process for reviewing violations of Section 9, 10, 17 and the Contact with Commissioners and Employees Policy of these Standards of Conduct. These procedures shall require a vote of the Commission in an open regular meeting of the MHDC. Based on the Counsel's review process, the Counsel shall provide a recommendation to the Commission in open regular meeting as to whether a violation has occurred that should result in the applicable remedy being enforced. The Commission shall then take a vote in open regular meeting as to whether the remedy should be implemented against the entity or individual making the violation. The Counsel and Director shall be responsible for ensuring full enforcement of remedies put in place by vote of the MHDC.

CONTACT WITH COMMISSIONERS AND EMPLOYEES

Commissioners and Employees may at any time and for any legal purpose initiate contact with anyone, including Interested Parties or agents of Interested Parties in the course of investigating any Competitive Matter.

If an Interested Party initiates communication, in any form, with a Commissioner or Employee regarding a Competitive Matter following submission of the Interested Parties proposal, application, bid or response, the Interested Party shall follow the following disclosure procedure: Within 24 hours of contacting a Commissioner or Employee, the Interested Party must file a written notice of the contact with MHDC. The written notice will include a written description of any oral communication from the Interested Party to the Commissioner or Employee, and the written notice will include copies of any written or recorded materials provided to the Commissioner or Employee. In addition, within 24 hours of filing the notice of contact with MHDC, the MHDC staff will deliver, either in person, by facsimile, or electronic mail or through overnight courier, a copy of the notice (including any attachments) to each and every other Interested Party.

During the Quiet Period, Interested Parties shall not initiate contact with Commissioners or Employees regarding a Competitive Matter.

Failure to honor the provisions set forth herein regarding the Disclosure Period and/or Quiet Period shall result in the disqualification of the Interested Party's proposal, application, bid or response.

The Counsel shall provide each Commissioner and Employee with a memo detailing the current disclosure and quiet period.

CERTIFICATE

The undersigned MHDC Secretary hereby certifies that these Standards of Conduct are a true and exact iteration of the Standards of Conduct of the MHDC as properly adopted on July 31, 2009 and as revised at a regular meeting of MHDC.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
MHDC Secretary

Date: \_\_\_\_\_, 2016

I have received, read and understand the MHDC Standards of Conduct.

By: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit A

### Definitions

**“Benefit”** - Gifts, meals, favors, or anything of value or personal benefit.

**“Business Relationship”** – Two or more parties being related or interrelated for the purpose of transaction business of any kind.

**“Chair”** - The chairperson of MHDC, as elected by MHDC.

**“Commissioner”** – All appointed and ex officio members of MHDC, including all proper designees of any member which are authorized to vote on behalf of the member they represent.

**“Competitive Matter”** – Any matter which shall be put to the Commission for a vote where two or more Interested Parties could benefit from an outcome of the vote, including, but not limited to, the award of any MHDC controlled or administered resources and any Commission approved contracts for services.

**“Conflict(s)”** - All conflicts of interest, potential conflicts of interest and situations where there may be any appearance of impropriety.

**“Consideration”** – Any personal benefit, gift, favor, service, loan, fee, bribe, kickback or other compensation.

**“Counsel”** - The general counsel of MHDC.

**“Development Team”** – The contractor, property manager, consultant, attorney, accountant, architect, title company, surveyor, physical needs firm, environmental firm, equity investor(s), bond purchaser, bond counsel, bond trustee, registered lobbyist.

**“Director”** – The executive director of MHDC.

**“Disclosure Period”** – The period of time after an Interested Party submits a proposal, application, bid or response in a Competitive Matter.

**“Division”** – The divisions of MHDC include: rental production, finance, asset management, operations, and general counsel.

**“Division Director”** – The highest ranking Employee in of each of the Divisions of MHDC.

**“Elected Commissioners”** – The ex officio members of MHDC.



**“Employee”** - The Director and all employees of MHDC.

**“Financial Interest”** – Any interest in any for-profit or non-profit entity of any kind, and relating to any type of business enterprise (not limited to housing) including, but not limited to, general partnership(s), limited partnership(s), limited liability companies, corporations, trusts, agency agreements, interlocking business agreements, and for which the interest is greater than 2% of the ownership in the same. Furthermore, for the purpose of non-profit entities the term "Financial Interest" shall describe all subsidiaries of the non-profit entity as well as disclosure of all such entity's board members.

**“Interested Party”** - Any person or entity (or anyone acting at their direction or on their behalf) who submits a proposal, application, bid or response to a solicitation, request, notice or invitation to do so vis-à-vis a Competitive Matter.

**“Limited Individuals”** – The Commissioners, Director, Counsel, and Division Directors.

**“MHDC”** – The Missouri Housing Development Commission, a governmental instrumentality of the State of Missouri.

**“MHDC Security”** – Any instrument of investment issued by MHDC.

**“Owner”** – The individual, entity or entities applying for MHDC owned or controlled resources, along with each general partner, member or other type of ownership interest in the ownership entity and the developer entity, all reduced to their respective Principal level irrespective of the number of entity layers which may be present for any entity. Furthermore, non-profit entities disclosed under Section 17 shall describe all subsidiaries of the non-profit entity as well as disclosure of all such entity's board members.

**“Principal”** – Any human being who has any interest in an entity identified as a result of the disclosure of the Owner.

**“Quiet Period”** - The period consisting of seven days prior to a scheduled MHDC decision on a Competitive Matter.

**“Standards of Conduct”** – The policy of MHDC which describes for Commissioners and Employees the standards of acceptable behavior in connection with their MHDC activity.

**“Sunshine Law”** – The State of Missouri open records law as codified at *Mo.Rev.Stat. §§610.010-225*, as may be amended from time to time.