

C. **Definition of Family or Business Ties.** DCA defines the meaning of the term “family or business ties” as follows:

- Family: “A group of people related by ancestry or marriage; relatives.”
- Business: “The buying and selling of commodities and services; commerce, trade.”
- Ties: “Something that connects, binds or joins; bond; link.”

D. **Exceptions:** Upon written request, DCA may grant an exception to the provisions of paragraph A above, on a case-by-case basis, before federal funds are expended. Exceptions can only be granted when DCA determines that the exception will serve to further the purpose of the CDBG-DR Program and the effective and efficient administration of the CDBG-DR program or project. To seek an exception, a written request for an exception must be submitted by the unit of local government to DCA which:

- Fully discloses the conflict or potential conflict of interest, prior to the unit of government undertaking any action which results or may result in a conflict of interest, real or apparent; and
- Describes how the conflict of interest was publicly disclosed; and
- Includes a written opinion of the local government’s attorney that the interest for which the exception is sought would not violate state or local law.

Please find enclosed a sample attorney’s letter and a sample certified meeting minutes document concerning possible conflicts of interest regarding CDBG-DR applications and/or grants.

If you have any questions or concerns regarding this Federal law, please call me as soon as possible. Please contact me immediately if there is the possibility of a conflict-of-interest issue.