

information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, sub-contract 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.

(b) The appropriate HUD Field Office may grant an exception to the exclusion in paragraph (a) of the section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Rental Rehabilitation Program and the effective and efficient administration of the local rental rehabilitation program or the project. An exception may be considered only after the grantee or State recipient has provided 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 an opinion of the grantee's or State recipient's attorney that the interest for which the exception is sought would not violate State or local laws. In determining whether to grant a requested exception, HUD shall 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 local rental rehabilitation program or the project that would otherwise not be available;

(2) Whether an opportunity was provided for open competitive bidding or negotiation;

(3) Whether the person affected is a member of a group or class intended to be the beneficiaries of the rehabilitation 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;

(4) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process, with respect to the specific rehabilitation activity in question;

(5) Whether the interest or benefit was present before the affected person

was in a position as described in this paragraph;

(6) Whether undue hardship will result either to the grantee, State recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(7) Any other relevant considerations.

**§ 511.13 Nondiscrimination, equal opportunity, and affirmative marketing requirements.**

In addition to the nondiscrimination and equal opportunity requirements set forth in 24 CFR part 5, the following requirements apply:

(a) *Affirmative marketing.* The grantee shall adopt appropriate procedures and requirements for affirmatively marketing units in rehabilitated rental rehabilitation projects through the provision of information regarding the availability of units that are vacant after rehabilitation or that later become vacant. Affirmative marketing steps consist of good faith efforts to provide information and otherwise to attract eligible persons from all racial, ethnic and gender groups in the housing market area to the available housing. (These affirmative marketing procedures will not apply to units rented to families with housing assistance provided by a PHA.) The grantee shall establish procedures, requirements and assessment criteria for marketing units in the Rental Rehabilitation Program that are appropriate to accomplish affirmative marketing objectives. The grantee shall annually assess the affirmative marketing program to determine: Good faith efforts that have been made to carry out such procedures and requirements; objectives that have been met; and corrective actions that are required.

(1) For each grantee, the affirmative marketing requirements and procedures adopted must include:

(i) Methods for how the grantee will inform the public, owners and potential tenants about Federal fair housing laws and the grantee's affirmative marketing policy (such as the use of the Equal Housing Opportunity logotype or

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slogan in press releases and solicitations for owners, and written communications to fair housing and other groups);

(ii) Requirements and practices each owner (including the grantee or any other public owner) must adhere to in order to carry out the grantee's affirmative marketing procedures and requirements (*e.g.*, use of commercial media, use of community contacts, use of the Equal Housing Opportunity logo-type or slogan, display of fair housing poster);

(iii) Procedures to be used by owners (including the grantee or any other public owner) to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (*e.g.*, use of community organizations, churches, employment centers, fair housing groups or housing counseling agencies);

(iv) Records that will be kept describing efforts taken by the grantee and by the owners (including the grantee or any other public owner) to affirmatively market units and records to assess the results of these actions;

(v) A description of how the grantee will assess the affirmative marketing efforts of owners (including the grantee or any other public owner), and the results of those efforts, and what corrective actions will be taken where an owner fails to follow these affirmative marketing requirements.

(2) For States distributing rental rehabilitation grant amounts to units of general local government, the affirmative marketing procedures and requirements shall also set out the actions that State recipients must take to meet the objectives set out in §511.13(b), the record keeping and reporting requirements such State will require of State recipients, and the procedures that such State will follow to determine what action has been taken by State recipients to assess the results of these affirmative marketing efforts.

(3) The grantee or State recipient shall require compliance with the conditions of its affirmative marketing requirements and procedures adopted under paragraph (b) of this section by means of an agreement with the owner

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that shall be applicable for a period of ten years beginning on the date of completion of rehabilitation, as defined in §511.2.

(b) [Reserved]

(Approved by the Office of Management and Budget under control number 2506-0080)

[55 FR 20050, May 14, 1990, as amended at 61 FR 5208, Feb. 9, 1996]

### §511.14 Tenant assistance, displacement, relocation, and acquisition.

(a) *General policies.* The grantee and any State recipient shall:

(1) Ensure that the rehabilitation will not cause the displacement of any very low income family by a family that is not a very low income family.

(2) Consistent with the other goals and objectives of this part, minimize displacement. To the extent feasible, residential occupants shall be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary and affordable dwelling unit in the project (see paragraph (g)(1)(iii) of this section).

(3) Administer all phases of the RRP, including the selection of units to be rehabilitated and the provision of notices, counseling, referrals, other advisory services and relocation payments, in a manner that does not result in discrimination because of race, color, religion, sex, age, handicap, familial status or national origin.

(4) Adopt and make public a written tenant assistance policy (TAP) that describes the assistance that will be provided to tenants who reside in the project and which includes a statement of nondiscrimination policy consistent with paragraph (a)(3) of this section. The TAP shall comply with the provisions of this section. Each tenant in the project shall be provided a copy of the TAP and advised of the impact of the project on him or her. For privately owned projects, such notice shall be given immediately after submission of the application by the owner of a property, or earlier. For publicly owned projects, such notice shall be given immediately after the commitment (defined in §511.2), or earlier.

(b) *Relocation assistance for displaced persons.* A displaced person (defined in paragraph (g) of this section) must be provided relocation assistance at the