

City of Niagara Falls, New York

To: Niagara Falls City Council
From: Seth Piccirillo, Director of Community Development
Re: Informational Item to be Received and Filed (Does Not Require Council Vote)
Public Disclosure of Exception Request
Date: October 9, 2019

The purpose of this notification is full and proactive compliance with section 24 CFR 576.404(b) of the Code of Federal Regulations, which limits the ability of grantee employees to obtain a financial interest or benefit from an assisted activity, have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or those whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure. This notification also follows the ethical precedent set by the Niagara Falls Community Development Department (NFCDD) by similar communication in 2018.

The intent of the aforementioned regulations is not to uniformly prohibit situations where past grantee employees are employed by past sub recipient organizations, but to establish a procedure by which the United States Department of Housing and Urban Development (HUD) can review such situations. The regulations provide an expectation process for persons who fall under the regulations. The procedure requires determination by the Corporation Counsel concerning the potential for a violation of state or local law, and requires public notice. The Niagara Falls Corporation Counsel deemed that there is no conflict with local code of ethics law on October 7, 2019.

I will be resigning City of Niagara Falls employment on November 1, 2019. The City Administrator and Human Resources Department were notified on October 7, 2019, to allow for an organized transitional period. After departing from city employment, I may be considered for employment by local organizations that have received HUD funds via annual action plans administered NFCDD. In September 2019, I contacted both HUD Buffalo and the Corporation Counsel to ensure the public disclosure requirement was met in this situation and any future situation.

After resigning from municipal employment, I plan to enter into a contractual agreement with the Society of Saint Vincent de Paul (SVDP) to provide institutional advancement services. SVDP was awarded a \$6,761.13 commercial loan subsidy in May 2018, via the Commercial Façade Renovation Program administered by NFCDD. SVDP was awarded funds based on its eligibility with the publicly available program.

Factors which were considered as part of this process in regards to an exception under 24 CFR 576.404 (b)(3):


- Established in 1992, the Commercial Façade Renovation Program, funded with annual United HUD Community Development Block Grant (CDBG) entitlement funds administered by NFCDD, is a publicly advertised assistance program available to property owners within designated geographic areas in the City of Niagara Falls. To further ensure open and competitive bidding for commercial CDBG assistance, NFCDD converted the Commercial Façade Renovation Program to the Small Business Support Funds (SBSF) in February of 2019, soliciting competitive applications twice annually, rather than on a rolling basis.

- As Director, I do not select or approve applications to commercial or housing renovation assistance programs funded by the city's federal entitlement. Those tasks are executed by the Neighborhood Development Specialist for commercial programs and the Housing Rehabilitation Supervisor for residential programs in consultation with federal guidelines. However, as Director I do sign the final agreements with all applying entities and individuals. I do not have specific influence on what projects are funded, as NFCD adheres to programmatic guidelines rather than staff preference.
- As the NFCD staff is aware that my employment with the City of Niagara Falls is nearing completion, I have removed myself from any role in financial application/agreements that would require any signature, review or supervision, to eliminate any future conflicts of interest. I notified both my supervisors, NFCD employees that are involved with public funding applications and the City's Corporation Counsel of this removal on September 18, 2019, via email. My avoidance of any functions or responsibility for the selection of CDBG recipients does not create undue hardship on me or NFCD, as my current role is already limited by programmatic guidelines and transferring signature responsibilities to another staff member is consistent with my transition out of my current role by November 1, 2019.
- Any future contractual agreement with SVDP would not be funded by CDBG dollars allocated or administrated by NFCD during my employment. The awarded commercial loan subsidy was specific to physical improvements that have been completed. A future contractual agreement with SVDP would not provide a significant cost benefit to SVDP, as the 2018 grant awarded a minor repairs and the organization qualifies for federal assistance absent my involvement with it. I, nor any member of my family, do not benefit from services provided by SVDP, nor will we if I enter into a future contractual agreement with the organization.
- Such a contractual agreement does not conflict with or violate local municipal law. The Corporate Counsel confirmed that there was no conflict with local municipal law on October 7, 2019.

This communication, and notification process was initiated by me. This communication is intended to satisfy the public disclosure requirement. No action by City Council is required.

PUBLIC NOTICE is hereby provided on October 9, 2019 that an exception is being requested to the regulation for the following: Past employee as of 11/1/2019: Seth Piccirillo. Program: HUD CDBG Nature: Past employee considering contractual agreement with an entity that received \$6,761.13 in CDBG funds in 2018.

Respectfully Submitted,



Seth Piccirillo