



U.S. Department of Housing and Urban Development

Detroit Field Office
Office of Community Planning and Development
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March 19, 2018

Tim Dempsey
Director
Planning, Building & Development
410 Abbot Road
East Lansing, MI 48823

Dear Mr. Dempsey:

SUBJECT: Abbot Road Sidewalk Reconstruction Project (IDIS Activities #371 and #391)

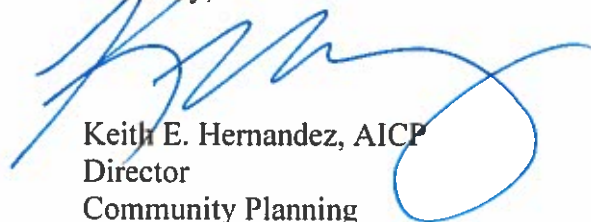
HUD's Office of Community Planning and Development has concluded that the City of East Lansing should have requested a conflict of interest determination from this office regarding the Abbot Road Sidewalk Reconstruction Project, completed in 2013. The project included the rebuilding of a retaining wall that sits on property owned by attorneys contracted by East Lansing to perform duties that include writing easements for city engineering work. The specifics of the project should have been submitted to HUD prior to construction to request a determination on whether the attorneys should be formally recused from working on the project or if complete disqualification from the project's benefits would have been in order. We have determined that there was a conflict of interest stemming from the contracted attorneys' property receiving a direct benefit of the city's re-construction of the retaining wall.

After further review of the project, it has been determined that the project itself is an ineligible activity and should not have been paid for with CDBG funds. There has been no national objective met with the rebuilding of a retaining wall on private property. The total cost of the project, \$134,330.03, should be returned to HUD from non-Federal funds. This office will make any unexpired returned funds available to the grantee for use on eligible activities until the expenditure deadline.

Any unexpended funds in the line of credit will be recaptured by the U.S. Treasury and will be lost to the grantee at the expenditure deadline. If you have questions regarding the process of returning funds to HUD, please contact Cynthia Vails, Senior Financial Analyst, at (313) 234-7335 or via email at Cynthia.c.vails@hud.gov.

If you have any further questions, feel free to contact me at (313) 234-7326 or via email at keith.e.hernandez@hud.gov

Sincerely,



Keith E. Hernandez, AICP
Director
Community Planning
and Development

cc: Amy Schlusler
Office of General Counsel