

Jodi Gingiss

Community Development Administrator



May 13, 2015

Mr. Ray Willis  
Director, Community Planning & Development  
US Department of Housing & Urban Development  
Ralph Metcalfe Federal Building – 24th Floor  
77 W. Jackson Boulevard  
Chicago, IL 60604-3507

500 West Winchester Road, Unit 101  
Libertyville, IL 60048-1371  
Phone 847.377.2139  
Fax 847.984.5745  
jgingiss@lakecountyl.gov

Dear Mr. Willis:

Lake County ("County") is writing to request that the US Department of Housing & Urban Development provide a waiver to the Code of Federal Regulation (CFR) requirements at 24 CFR 570.611 - Conflict of Interest. A waiver is requested in the following case:

**Potential for up to \$400,000 investment by Lake County of CDBG 2015-17 funds in business district revitalization of a business district in which a property owner serves as a member of the Lake County Housing & Community Development Commission (HCDC) which makes CDBG funding recommendations to the Lake County Board.** The size of the property owned by the HCDC member (and spouse) is a single lot with a single office building that is used for the member's law office. Please see the map attached as **Exhibit A**.

Under 24 CFR 570.611 paragraph (d), an exception can be granted on a case-by-case basis when certain threshold requirements are met and certain factors are considered. In determining to request an exception to paragraph (b) of the Conflict of Interest section found at 24 CFR 570.611, the County has confirmed the situation meets the following federal threshold requirements:

- ✓ 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. (**Exhibit B**); and
- ✓ An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law (**Exhibit C**).

In determining to request an exception to paragraph (b) of the Conflict of Interest section found at 24 CFR 570.611, the County has confirmed the federally required factors to be considered for exceptions:

<b>24 CFR 570.611(d)(2) - Conflict of Interest Exception Factors</b>	<b>Exception Factor Review</b>
Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available	<i>Not applicable</i>
Whether an opportunity was provided for open competitive bidding or negotiation	<b>Confirmed:</b> Lake County CDBG funding is awarded through an open, competitive and well-advertised annual round of funding applications. Nearly 60 applications for CDBG 2015 funding have been received, and funding allocations recommendations by the HCDC to the County Board have not yet been made.

Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted 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	<i>Not applicable</i>
Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question	<b>Confirmed:</b> The HCDC member who owns one parcel in the target business district will recuse himself from all votes related to CDBG investment in that business district.
Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section	<b>Confirmed:</b> The HCDC member and his spouse have been owners of this property since 2004, nearly a decade before the member joined the HCDC in 2011.
Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict	<b>Confirmed:</b> The business district under consideration for CDBG revitalization funds adjoins a low/moderate income census tract eligible for low/moderate income area benefit (LMA) activities.
Any other relevant considerations	<i>Not applicable</i>

Thank you for your consideration of this matter. To enable consideration by the HCDC to invest 2015 funds in this business district revitalization, it would be most helpful to know HUD's response if possible by a sub-committee meeting on May 28, 2015 and no later than the second public hearing of the 2015 Action Plan on June 10, 2015.

Thank you!

Sincerely,

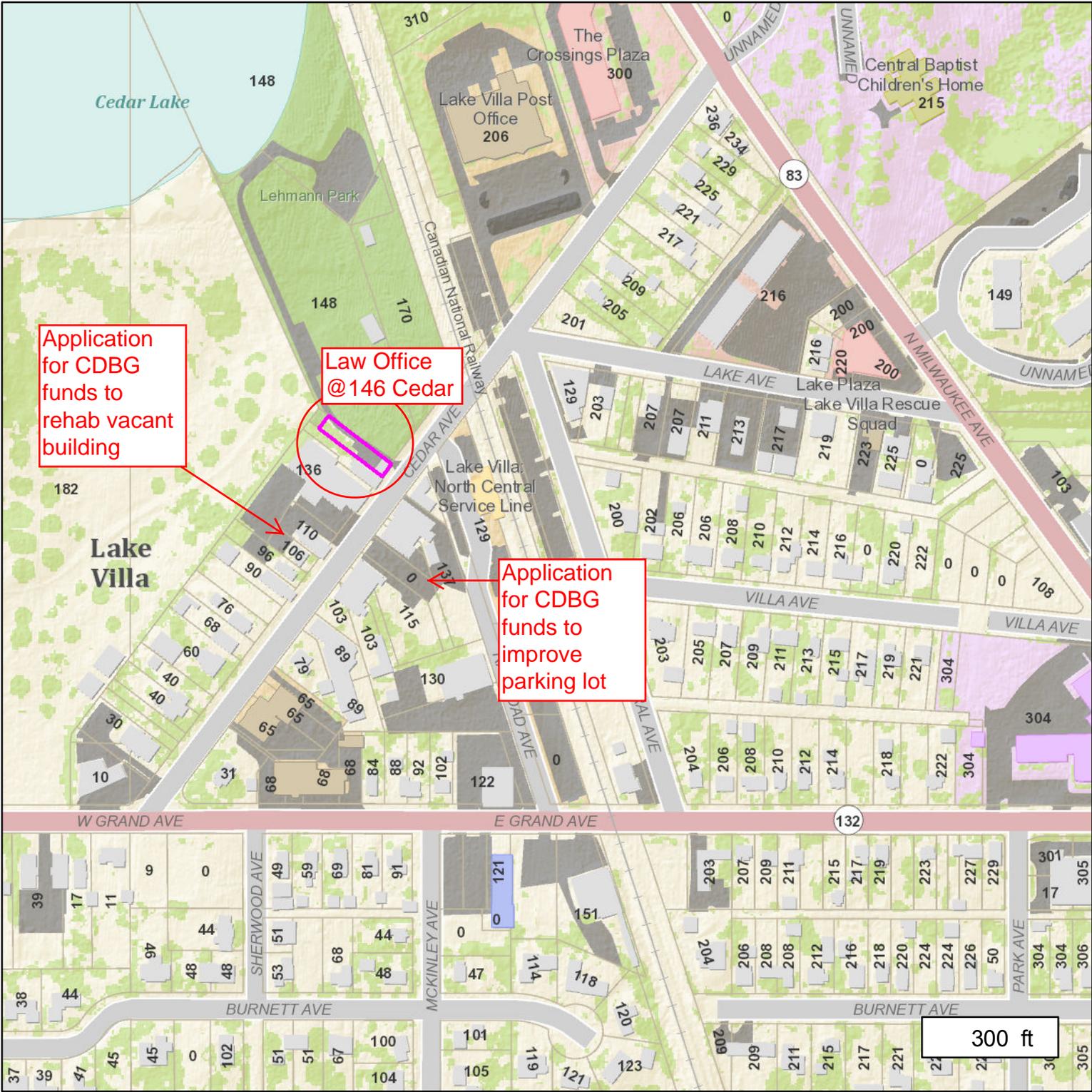


Jodi Gingiss  
Community Development Administrator

# Exhibit A

*Map of Lake Villa Business District*

# Lake County, Illinois



Application for CDBG funds to rehab vacant building

Law Office @ 146 Cedar

Application for CDBG funds to improve parking lot

300 ft




**Lake County**  
 Geographic Information System  
 Lake County  
 Department of Information Technology  
 18 N County St  
 Waukegan IL 60085  
 (847) 377-2373  
 Map Printed on 5/8/2015  
 Parcel 0233305002 is outlined.

N



Selected Features:  
Various Tax Parcels

- Tax Parcels
- Tax Parcels
- Municipalities

**Disclaimer:** The selected feature may not occur anywhere in the current map extent. A Registered Land Surveyor should be consulted to determine the precise location of property boundaries on the ground. This map does not constitute a regulatory determination and is not a base for engineering design. This map is intended to be viewed and printed in color.

# Exhibit B

*An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law*



OFFICE OF THE  
**STATE'S ATTORNEY**  
 LAKE COUNTY, ILLINOIS

**MICHAEL G. NERHEIM**  
 STATE'S ATTORNEY

May 4, 2015

Mr. Ray Willis  
 Director, Community Planning & Development  
 US Department of Housing & Urban Development  
 Ralph Metcalfe Federal Building – 24th Floor  
 77 W. Jackson Boulevard  
 Chicago, IL 60604-3507

Re: Village of Lake Villa Bus. Dist. Rehab Project  
 Busy Brains Children's Museum Rehab Project  
 CDBG – conflict of interest waiver

Dear Mr. Willis:

I am an attorney for the County of Lake, Illinois ("County"). The County has requested that I opine on the question of whether a grant of federal CDBG funds from the County, as recipient of those funds, to the Village of Lake Villa for its Business District Rehabilitation Project, and to Busy Brains Children's Museum for its Build It Up! Rehabilitation Project violates state or local law. In particular, you state that the Chairman of the County's Housing and Community Development Commission ("HCDC") owns a building located on Cedar Avenue, which is the street that the Village of Lake Villa will improve and beautify with the grant funds, and where the Busy Brain Museum is located. After a review of the applicable state statutes and County ordinances, as well as the representations described below, it is my opinion that neither of these grants would violate state law or Lake County ordinances.

The County would like to consider awarding up \$100,000 per year for up to 3 years to the Village of Lake Villa toward the costs of rehabilitating Cedar Avenue such as for replacing deteriorated sidewalks, rehabbing a parking facility, and creating street-scaping aspects to beautify the business district. The County would like also to consider awarding \$100,000 to the Busy Brains Children's Museum to rehab a building on Cedar Avenue. The County states that Mr. Dan Venturi, who is a member of the HCDC, is co-owner with his wife of an office building located on the portion of Cedar Avenue that will be improved by the Lake Villa grant. Additionally, the Children's Museum to be rehabilitated is located along the same block where Mr. Venturi's building is located. For the grants to be approved by the County, they must first be presented to the HCDC for its approval. If the HCDC recommends approval of the grants, the grants would then come before the County Board for its final approval.

**Lake County Building**  
 18 N. County St.  
 Waukegan, IL 60085  
 (847) 377-3000  
 Fax (847) 360-1538

**Child Support**  
 18 N. County St.  
 Waukegan, IL 60085  
 (847) 377-3131  
 Fax (847) 360-1097

**Children's Advocacy Center**  
 123 N. O'Plaine Rd.  
 Gurnee, IL 60031  
 (847) 377-3155  
 Fax (847) 360-6850

**Civil Division**  
 18 N. County St.  
 Waukegan, IL 60085  
 (847) 377-3050  
 Fax (847) 360-0661

**Felony Division  
 Drug Division  
 Cyber Division  
 Special Investigations**  
 18 N. County St.  
 Waukegan, IL 60085  
 (847) 377-3000  
 Fax (847) 360-1538

**Felony Review Division**  
 Robert H. Babcox  
 Justice Center  
 20 S. County St.  
 Waukegan, IL 60085  
 (847) 377-3025  
 Fax (847) 263-6179

**Juvenile Trial Division**  
 Robert W. Depke  
 Juvenile Justice Complex  
 24647 N. Milwaukee Ave.  
 Vernon Hills, IL. 60061  
 (847) 377-7850  
 Fax (847) 634-8831

**Misdemeanor Division  
 Traffic Division**  
 18 N. County St.  
 Waukegan, IL 60085  
 (847) 377-3000  
 Fax (847) 625-7129

I have reviewed the Illinois Public Officer Prohibited Activities Act (50 ILCS 105/1 et seq.), the Illinois Gift Ban Act (5 ILCS 430/10-1 et seq.), and the Illinois Criminal Code (720 ILCS 5/33-3). Based on the representations of the County as set forth above, and in the absence of any information or documentation to suggest that Mr. Venturi has or will have any direct or indirect pecuniary interest in the Museum or Village Properties to be improved by the said grants, it is my opinion that the County's proposed grant of CDBG funds to the Village and the Museum do not violate any of these statutes. Additionally, I am not aware of any other Illinois statute that is implicated or violated by this contemplated transaction.

Finally, I have also reviewed the Lake County Ethics Ordinance and the Conflict of Interest provisions of the By-Laws of the HCDC. It is my opinion that neither the County Ethics ordinance nor the HCDC's conflict of interest provisions are violated by the contemplated transaction.

In summary, then, based on the representations that have been made to me concerning this transaction, it is my opinion that the County's contemplated award of the said grants do not violate Illinois law or Lake County ordinances.

Very truly yours,

MICHAEL G. NERHEIM  
State's Attorney of Lake County



GUNNAR GUNNARSSON  
Assistant State's Attorney

cc: Lake County Community Development

# Exhibit C

*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.*