



Chicago Mayor Richard M. Daley

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C O N F I D E N T I A L

1997

Alderman [redacted] City Hall, [redacted] 121 N. LaSalle St. Chicago, IL 60602

Re: Case No. 97008.Q

Dear Alderman [redacted]

On [redacted], you wrote our office to ask how the Governmental Ethics Ordinance affects your application for a tax credit from the Illinois Housing Development Authority for property you own in Chicago. It is staff's opinion that nothing in the Ethics Ordinance prohibits you from applying for and/or receiving this tax credit as described below. This letter states the facts as you have confirmed them, and explains how the Ordinance bears on those facts.

**FACTS:** You are Alderman of the [redacted] Ward. You told us that you own a piece of [redacted] property that you plan to rehabilitate. The property is located in the [redacted] Ward. To finance the rehabilitation, you have taken out mortgages from the [redacted] and from [redacted] Bank. In addition, you are seeking a Federal Low Income Housing Tax Credit from the Illinois Housing Development Authority ("IHDA"). You are not seeking any City funding for this project.

You said that the City of Chicago will have no role in the allocation of the tax credit you are seeking, and no City money will be involved. However, according to informational materials we received from IHDA, you will need to obtain documents from several City officials for your application. One of these documents is mandatory: a Certification of Consistency from the City's Housing Commissioner, Marina Carrott, stating that the project conforms to the City's IHDA-mandated Consolidated Plan. Other documents will contribute points toward your application's score, used by IHDA to evaluate candidates in competition for the credit. These documents include a letter from the local zoning administrator evidencing proper zoning, and letters from the local elected official (in this case, the [redacted] ward Alderman) assessing community impact and expressing community support. None of these documents has to be approved by City Council or by any council committee, and you have no official responsibilities relating to any of these requirements.

**LAW AND ANALYSIS:** The most relevant provisions of the Governmental Ethics Ordinance are § 2-156-030 and -080, "Improper Influence" and "Conflicts of Interest," which



Enclosure

Executive Director

Dorothy J. Eng  
*[Signature]*

Approved:

Legal Counsel

Ellen M. W. Sewell

Very truly yours,  
*[Signature]*

We appreciate your bringing this matter to our attention, and your concern to abide by the standards of the City's Governmental Ethics Ordinance. We enclose a copy of the Ordinance for your reference. Our conclusions in this case are based solely on the application of the Ethics Ordinance to the facts stated in this letter. If any of the facts presented here are incorrect or incomplete, please notify us immediately, as a change in the facts may alter our conclusion. Please note also that other laws or rules may apply to your situation, and a City agency (such as City Council) may adopt and impose rules stricter than those contained in the Ethics Ordinance. If you have any further questions, please do not hesitate to contact us.

The other relevant provision is § 2-156-110, "Interest in City Business." Under this provision, a City employee or elected official cannot have a financial interest in any contract, work, or business with the City "whenever the expense, price or consideration of the contract, work, business or sale is paid for with funds belonging to or administered by the City, or is authorized by ordinance." § 2-156-110. The Low Income Housing Tax Credit for which you are applying is paid for with federal funds, and is administered by the Illinois Housing Development Authority. It is not authorized by City ordinance. The tax credit is clearly not "City business," and thus it is staff's opinion that your interest in it is not prohibited by this provision.

prohibit City employees and officials from participating in, or trying to use their positions to influence, a governmental decision or action in which they have an economic interest. As you have described it, your involvement with the application will be as a private citizen; you will not be participating in any governmental decisions or actions connected with the application. It is staff's opinion that as long as you do not use or attempt to use your City position to influence the actions or decisions of the City officials whose letters and certifications will accompany your application, these provisions do not prohibit you from seeking or obtaining those letters and certifications.

*EMW*