

me

March 13, 1991

CONFIDENTIAL

[REDACTED]

RE: Northwest Home Equity Assurance Commission
91038.A

Dear [REDACTED]

On March 6, 1991, you called on behalf of the Northwest Home Equity Assurance Commission. You stated in that telephone conversation that the Commission was not a City agency and therefore its members should not be required to complete the Statement of Financial Interests.

The Governmental Ethics Ordinance, found in the City's Municipal Code, requires "each appointed official" to file a Statement of Financial Interests with our Board. An official is defined as "any person holding any elected office of the City or any appointed, non-employee member of any City agency." § 2-156-010(q). An agency is defined as "the City Council, any committee or other subdivision thereof, any City department or other administrative unit, commission, board, or other division of the government of the City." § 2-156-010(b).

Chapter 24, paragraph 1601 et seq. of the Illinois Code, the "Home Equity Assurance Act," allows for the creation of a home equity assurance program in municipalities of 1,000,000 people or more within the State of Illinois. ILL. ANN. STAT. ch. 24, para. 1602. The program can be created by resolution, ordinance, or resident's petition. The commission is created pursuant to the Act as a result of the creation of the program. The mayor appoints the commissioners and the Commission's powers and duties are set forth in the Act. Id. at 1604 and 1605.

The Act provides that "the authority or duty to establish or prohibit the establishment of home equity programs . . . and the determination of the terms of such programs are declared to be exclusive powers and functions of the State which may not be exercised concurrently by any such municipality." Id. at 1620.



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INDIVIDUAL B of the Department of Housing ("DOH"), explained that the councils receive no funding from any source, including the City. The councils are strictly volunteer, although the DOH does provide some backup services and may do mailings for the councils. Any monies expended come from the DOH budget, as a general administrative cost. However, the chairmen of the councils also do their own mailings and are not reimbursed.

He confirmed that once a conservation area is established, the Urban Renewal Board must set up the council pursuant to State statute. The Board holds a public hearing at which time nominations for membership are taken from the public. The DOH staff reviews the nominations, and reports their evaluations to the Board. The Board makes recommendations to the Mayor, who ultimately chooses the council members. The appointees are not subject to City Council approval.

The Board's determination of whether a commission or board is a City agency is made on a case-by-case basis, the Board looking at various facts. The Urban Renewal Consolidation Act of 1961 specifically creates the conservation community council once the program is established and sets forth the council's powers and duties. While the City provides no funding to the councils, it does provide some support services to them. The councils provide advice and assistance to the DOH from the standpoint of what they believe is best for the community. Thus, the councils are more akin to community organizations rather than units of the government.

Based upon these facts, the Board finds that the conservation community councils are not City agencies. Therefore, the members of the councils do not fall within the purview of the Governmental Ethics Ordinance.

Our determination is based upon the facts as stated in this letter. If these facts are incorrect or incomplete, please notify us immediately, as any change may alter our decision. We appreciate your effort to comply with the ethical standards imposed by the Governmental Ethics Ordinance. If you have any further questions, please feel free to contact us.

Very truly yours,


Albert F. Hofsaid
Chairman

MEH:91039.L1

cc: Kelly Welsh, Corporation Counsel