

# Zoning shift OK'd after nearby home bought

Alderman says his purchase of house was unrelated to approval of next-door plan

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In late 2003, a housing agency approached recently elected Chicago Ald. Rey Colon with a plan to build a \$5.5 million condominium building on a rubble-strewn lot in his West Side ward.

Within months, Colon bought the only home on the lot with a \$350,000, no-money-down loan from the property owner. The housing agency bought the rest of the property.

Then Colon green-lighted a zoning change that allowed the agency to build the condos.

The series of transactions offers an example of the often-cozy relationship between real estate interests and Chicago aldermen, who wield near-total control over zoning decisions in their wards.

Colon, 35th, said the house purchase and the zoning change were in no way linked. "As long as there was an open, public process, I don't really feel that it put me in any harm," Colon said.

But when Colon and his girlfriend bought the 105-year-old two-flat, the alderman's interest was hidden in a land trust.

Thomas Choate, the property owner, sold the home on North Humboldt Boulevard to Colon and Martha Ramos for \$350,000 and gave them an interest-only loan for the full amount. Choate then sold the rest of the property to Hispanic Housing Development Corp., a nonprofit agency, for more than \$1 million.

During the first two years Colon owned the home, the housing group paid the real estate taxes on both properties — a benefit worth more than \$7,000 to Colon. When the Tribune contacted Colon and the group, they blamed the issue on a records mix-up and Colon wrote a check for the taxes.

City ethics rules about loans were changed after a 1997 controversy involving former Ald. Patrick Huels, who resigned his 11th Ward seat after it was disclosed that he got a loan from a city contractor.

Now aldermen are required to obtain loans at "market rates." The rules were also changed to require aldermen to disclose private loans — but only if the lender has city business. Choate has none.

Colon likewise was not required to abstain from voting. He wrote a letter of support and voted for the zoning change.

Colon maintains he didn't get much of a deal. The home was "a handy special" surrounded by vacant lots and needed significant work, he said.

Choate said he often makes loans to buyers of his properties and said there was



no link between the sale to Colon and the alderman's support for the zoning change.

Hispanic Housing first approached Colon informally in late 2003 about the zoning change, according to ward records and interviews. That was about the time Choate and Hipolito "Paul" Roldan, president of Hispanic Housing, made their first political contributions to Colon.

Since Colon's 2003 election, Roldan has donated \$9,000 to the alderman's campaign fund and Choate has given \$1,000.

Roldan said the zoning change was crucial but denied he worked one out with Colon before buying the land in April 2004. "I knew that we needed to rezone it, because of what we were proposing to put on there," Roldan said. "I think I went to (Colon's) office and had a conversation about it."

Roldan acknowledged the three-story condominium project boosted prices for nearby property such as Colon's but said he could not be sure how much.

Colon's actions have been strongly criticized by former ally Bruce Anderson. "The whole thing was worked out before he gave it to me," said Anderson, who then led the zoning advisory commission set up by Colon. Anderson is



Colon

looking to back a challenger to Colon in the 2011 elections.

The advisory committee threw its support behind the proposal in September 2004, and at a subsequent community meeting residents generally supported the change, according to people who went.

"The majority of the people at that meeting were in favor of this proposal," Colon said. "It happened the same way that all other zoning changes happened in the ward."

Colon later made Ramos his chief of staff at a salary of \$78,000. The two obtained a traditional bank loan in 2009 and paid off Choate, who also made \$100,000 in interest from the couple, according to documents Colon provided.

The condo project was intended to be Hispanic Housing's first for-profit venture, but the group could not sell the units during the housing slump.

Hispanic Housing is now seeking city financial aid to convert the building into affordable apartments. Colon has written a letter supporting that effort.

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