



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

File #: 23-0593, Version: 1

PROPOSED RESOLUTION

PROPOSED RESOLUTION FOR THE CREATION OF THE 2023 PROPERTY TAX RELIEF LOAN PROGRAM

WHEREAS, The Cook County (the “County”) is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, As the County continues to confront the twin crises of the COVID-19 pandemic and inflation, the very same residents who are struggling to make ends meet are now facing large increases in their property tax bills; and

WHEREAS, The reliance on property taxes to fund government functions has put a tremendous strain on our residents - particularly those facing displacement and other pressures from gentrification; and

WHEREAS, This year, the overall property tax burden increased upwards of \$468,000,000, with homeowners picking up approximately 60% of the increase while tax bills for the majority of commercial properties actually decreased after the appeals process; and

WHEREAS, According to a report issued by the Cook County Treasurer, the increase in residential property taxes is particularly and acutely affecting fast-gentrifying communities and majority-minority communities - particularly Latino communities - including the Lower West Side (46%), Humboldt Park (30%), Avondale (27%), South Lawndale (25%), Rogers Park (25%), Irving Park (21%), Chicago Lawn (20%), Hermosa (19%), Armour Square (19%), Logan Square (18%), Grand Boulevard (18%), O'Hare (18%), Douglas (17%), Gage Park (17%), Kenwood (16%), and West Ridge (16%); and

WHEREAS, While there are certainly many causes of these increases - including increases in assessed values, lingering effects of assessments during the early stages COVID-19 pandemic, the impact of property tax appeals shifting the tax burden from big commercial properties to residential properties, the proliferation of TIF districts, a recent state law that allows taxing bodies to recapture certain refunded property taxes, or simple increases in levies from the various taxing bodies - many of our residents need assistance now, particularly since this year's property tax bills are the first to be issued in a new triennial assessment cycle; and

WHEREAS, The last time the County's residents were faced with a property tax increase like this was in 1998, and the a loan program was developed to provide much needed relief; and

WHEREAS, Since the 1998 program, the pressures of displacement and gentrification have only increased, and the County must take immediate action to ensure that increases in property tax bills are not furthering the displacement of the long-term residents who have - and continue - to turn the neighborhoods into communities; and

WHEREAS, Housing is a human right and Cook County needs to take swift action to ensure residents do not lose their home due to an unexpected increase in their property taxes.

NOW THEREFORE, BE IT RESOLVED, that the Cook County Budget Director and Comptroller are authorized to create and implement a fund utilizing ARPA or any other source as determined by the Budget Director for a program to help mitigate the impact of recent property tax increases in Cook County (“2023 Property Tax Relief Loan Program”), and

BE IT FURTHER RESOLVED, that the Bureau of Economic Development (“Bureau”) will be charged with administering the 2023 Property Tax Relief Loan Program (“Program”) fund and implementation; and

BE IT FURTHER RESOLVED, To be considered for the Program, Cook County residents must submit an application to the assigned administrator in a form prescribed by the Bureau. Timely submission of the application does not guarantee selection for a Program Loan. Applications that contain incomplete or inaccurate information will be rejected. The assigned administrator shall review all applications for completeness and accuracy and shall determine whether applicants are eligible for Program Loans.

BE IT FURTHER RESOLVED, Loan Terms shall be set as the following:

Maximum Loan Amount: Not to exceed the difference between the increased property taxes attributable to the dwelling unit and the Countywide average

Borrowers: More than one Recipient is allowed on a given Program Loan, but not more than one Program Loan is permitted per dwelling unit that serves as the primary residence of a Recipient

Term: 10 years from the date of the Program Loan

Interest: 3 percent (3%) per annum

Security: Junior mortgage to the senior mortgage, or to any replacement senior mortgage undertaken during the Term or other security acceptable

BE IT FURTHER RESOLVED, Following approval of an application to receive a Program Loan and the execution of any related documents in accordance with this ordinance, Recipients will receive a one-time disbursement in an amount not to exceed the Maximum Loan Amount. The Department shall deliver disbursements to Recipients in a manner that prioritizes payment security and minimizes the need for additional actions by the

Recipient; and

BE IT FURTHER RESOLVED, Upon the expiration of the term of the Program Loan, the full amount of the Program Loan, including any accrued interest, shall be forgiven. In the event that the dwelling unit is sold by the Recipient or otherwise ceases to be the primary residence of the Recipient prior to forgiveness, the entire amount of the Program Loan, plus any accrued interest, shall become due and payable. The assigned administrator may use any legal means to recapture Program Loan payments from Recipients who knowingly misrepresent any material information in their application to the Program, or who violate any laws or rules governing the Program; and

BE IT FURTHER RESOLVED, To the extent permitted by law, no payments under the Program shall affect any recipient's eligibility, and no such payment shall be taken into account when determining any recipient's income level or assets, for any current or future City, State, or Federal program or benefit administered by the County which is based upon income level or assets; and

BE IT FURTHER RESOLVED, The assigned administrator, in consultation with the Bureau, may promulgate rules for the administration and enforcement of this program.