

PROPERTY TAX RELIEF TASK FORCE
Subcommittee: Social and Economic Disparities

Meeting Notes
Saturday, October 12th, 2019
4:00 PM

St. Luke Missionary Baptist Church
7262 S. Coles
Chicago IL 60649

MEETING START

Meeting Scheduled to Start: 4:00pm. It began approximately at 4:15pm.

AGENDA

- I. Welcome/Roll Call.** Two members were noted in attendance and thus quorum was not met.

Name	Present
Representative Mary E. Flowers	Yes
Representative LaToya Greenwood	No
Representative La Shawn K. Ford	No
Representative Marcus C. Evans, Jr.	No
Representative Delia C. Ramirez	No
Representative Curtis Tarver	No

Name	Present
Representative Sam Yingling	No
Representative Lamont J. Robinson, Jr.	No
Representative Thomas Morrison	No
Senator Christopher Belt	No
Senator Robert Peters	Yes

II. Open Discussion.

- I. Donyetta Jenkins welcomed the everyone and introduced Pastor Onque. Pastor Onque addressed the crowd, roll call was taken for subcommittee members and introduction made of those present.
- II. Senator Petes stated that in the midst of the property taxes crisis that the community faces he calls for more equity in the system, currently lower income people are paying more than their fair share. He hopes to prevent gentrification in his community. He stated that he was glad to be here.
- III. Representative Flowers explained the purpose of the Task Force. Public Act 101-0181 states that the subcommittee is tasked with utilizing a racial and economic lens to identify the causes of increasingly burdensome property taxes and review best practices and make recommendations to assist in development of short and long term administrative and legislative changes. And that the purpose of this particular meeting was to collect the communities' testimonies. Flowers stressed that nothing was going to be done overnight. The Chicago Tribune showcased an

study called the Tax Divide about the disparities subsidizing other people's property taxes. Flowers introduced the panelists and the guests set to give testimony.

- IV. Revin Fellows – National Black Agenda Consortium (NBAC) – Fellows is a co-founder of NBAC and grew up in the Southshore community. Mentioned that the Obama library is slated to be developed in the community as well as a 98-million-dollar a steel factory, projected to be built on 79th street and Rainbow and along the Indiana border. As these developments move forward, we can expect the community's taxes and rents to go up. Fellows gave a brief historical account of the attempts to prime the community for these developments. A decade ago, Chicago saw massive school closings and the succession of charter schools, magnet schools, STEMs schools, math and science academies under the renaissance 2010 plan. In housing they saw MacArthur beginning to conduct research and studies in 14 different communities and generated a 2020 plan with the findings for improvements. Ten years later, the 2020 plan has done little to prevent foreclosures, school closings and a lack of economic development. Transportation was another area of projected development fueled by Chicago's bid for the 2016 Olympics. Most of these plans had no African-American inclusion. Gentrification is further leading to a loss of African-American businesses.
- V. Sam Salustro explained that there are 90 members in the property tax relief taskforce committee and gave the crowd an overview of the seven subcommittees: Assessments, School Funding, Pensions, TIF districts, PTELL laws, consolidation and economic disparities. Salustro also directed anyone wanting more information to go to the IL Department of Revenue website to access more information about the different subcommittees.
- VI. Revin Fellows – explained Mary Flowers was bringing the Task Force to the community.
- VII. Anthony Travis – Reported that Illinois has about 7,000 units of government, more than any other state in the country. Subsequently Illinois is the 2nd highest property taxes in the nation. Illinois has 2,075,000 students and 856 school districts, while Florida has 2,700,000 students and only 74 school districts. Illinois has 9,000 school administrators making about \$100,000/year each, along with millions of dollars in pension plans being funded by local taxpayers via property taxes. New Jersey has been trying to consolidation school districts. A month ago when capital budget was approved the legislature put \$400-\$600 million in education and changed the school formula, but if the bulk of these funds are being exclusively funneled to administration, problems are not being solved. People are leaving the state because of property taxes. 60%-70% of property taxes goes to fund schools and that's why the paradigm must change. Research recommends that IL should consolidate school districts from 856 to 102 and unify K-12 districts. In the village of Harvey there are 4 school districts within blocks of each other. Aurora has 6 school districts. Under the law each school district must have a superintendent, their salaries range from \$160,000 to \$400,000. Governor Pritzker's property tax relief task force's subcommittee on pension recommends the consolidation of pension programs into 5 or 6 but they're not including

Chicago. The study revealed that the protection clause wanted to cap COLAs (3%) at \$70,000. Crain's Business put out that 85% of businesses were in favor of these recommendations. Thanked chairwoman Flowers for bringing this information to the people.

- VIII. Emcee Jenkins wanted the community to be informed of the things that affect them, ensuring that their voices are being heard when decisions are being made that impact their communities. She explained that rent and property taxes are linked and that neighborhood schools were being closed without their input.
- IX. Professor Lashonda Graves "The Apartment Lady," founder of Apartment Housing Rental Foundation (AHRF). Property taxes are a problem, landlords are unable to maintain renter's apartments, forced to raise rents to help cover their expenses, which leads to some rents charging 60% of tenants' overall income. Many times, landlord turn to foreclosure because property taxes are too high. Graves explains that an AHRF landlord had a home valued at \$230,000 but had property taxes that were over \$14,000, that means landlords are paying \$1,167 a month in taxes. So, for an AHRF client interested in that 3-bedroom unit, their rent will hover around \$2,000. Renters are on the ground, recipients of all the legislative changes that happen in Illinois. Renters have to be the first in line when we're pushing for change. She made sure they would be in the community and not just downtown.
- X. Clifton Graham said he has been complaining about property taxes for 20 years as a resident, landlord and businessman. As an activist he always tried to push economic issues in the community, sees property taxes as a discriminatory practice, not just in Chicago but across the country. In African-American communities' taxes will go up while values go down. White neighborhoods go down while values go up. He uses an example of a business he owns in Chicago, where he pays cheaper property taxes than the southern suburbs. Considers having a business in Chicago a tax break. Brother had his home taken away, but they made him keep it because the value was so low. Has a 3-flat rental building in Indiana, where he pays \$2000 a year in property taxes, considers himself an affordable landlord and doesn't worry about having vacancies because most of his tenants are coming from Chicago. Most of his tenants are single mothers. His wife has been an administrator for a nursing home for 16 years and has seen changes within the community. Many institutions take advantage of senior citizens by strategically taking their properties. Allowing seniors to live in senior housing in exchange for handing over their property for 10% of what it's currently worth. He thanked Representative Flowers for the opportunity to speak. Encouraged everyone to read Tax Divide in the Chicago Tribune. Encouraged people to get involved and talk to their representatives so that the South Chicago community can be a part of demanding changes to rejuvenate their community.
- XI. Lakia Colquitt – Colquitt asked the audience if they knew anyone that was sick or disabled? Disabled people watch their incomes drop and they lose their homes and cars and other things. Property taxes are too high which in turn makes it too hard to save. Colquitt shared that her own property taxes are \$1,000 a month. If she could save even half of that she could and have an emergency fund. Encouraged people to not be satisfied with the status quo.

XII. William D. Moore was an attorney that focuses on housing related issues and he has been to a few subcommittee hearings on property taxes. He applauded Representative Flowers for addressing this issue of high property taxes in Illinois head on and bring much needed change to her community. Chicago taxes are a little cheaper because the suburbs are pockets of fewer people sharing the tax burden. To put into context how severe the issue of property taxes has become he tells the group he received a call from a woman the previous day. She wanted to put her mother on her deed to qualify for a senior exemption and a senior freeze and thus lower her property taxes. Moore communicated to the caller that it would be illegal to go through that process because the caller's mother did not own the property. He wanted to highlight this example of how desperate people are getting in addressing increases in property taxes. Moore has been working in foreclosure defense for about 20 years, helping people keep their homes has long been a priority. Following the subprime mortgage crisis, banks responded to pressure by lowering interest rates, but people were ignoring the raising property taxes, and unable to modify their loans, people started losing their homes again. Moore suggests freezing foreclosures while tax appeals are being processed. Passing such a legislative bill is a short-term form of assistance. Currently, an individual to sue a homeowner of an abandoned building and petition the court to claim the property for rehab and affordable housing. The downside for the investors interested in turning abandoned building into functional building in the community is the back taxes and the interest on the taxes that deters investors from revitalizing blighted buildings. The Amended House Bill 28, sponsored by Rep. Andre Thapedi and LaToya Greenwood, will waive those back taxes and interest. This is an example of another short-term solution. A long-term solution would back-tax amnesty program that could bring people current on their taxes.

III. Public Comment

- I. Karen Liscomb recently moved back to the Chicagoland area from Memphis, TN. Originally left Chicago because of the lack of affordable housing, she was a young single mother of 4 children experiencing homelessness. Always had her own place in Memphis, have not had a single-occupancy apartment. She has returned to Chicago but is now on a fixed income, wants to better herself, but it's hard to even get an apartment. Safety is another housing issue.
- II. Tio Isaac is a landlord who owns a few properties in Chicago. Isaac rhetorically asked why politicians were getting elected if they weren't working for the better of the populace. He recently spoke to his Alderman who has a lot of confidence and love for the previous mayor, who increased taxes and utility fees like water. Tenants can add to the costs if he is not vigilant about conserving water for example. Isaac is deeply disappointed in Chicago's ability to curb the housing costs in the City. People of lower resources are really feeling the affordable housing crisis. He acknowledged Flowers fought when San Simeon cut high school technical programs. He believes these services are needed services in the community, the skills he learned in electrical work helped him upkeep his properties as a landlord. Young people need second chances, he knows from experience of being a young man and getting into trouble.

- III. Brian Thompson is a landlord lives in an owner-occupied building. In 2014, he purchased a condominium property in South Shore. His taxes at the time were \$282.19, \$303.05 the following year and in 2016 the taxes didn't increase much but they increased assessed evaluation and taxes went up to \$1,200. He had three units and 2 were rented out. In response I had to raise the rents accordingly. In addition to being a landlord, Thompson is also a tax scavenger participant. He scouts abandoned properties with back taxes dating back at least 3 years. He purchases the taxes on the property, but still has to wait 2 years before he can do anything with the property. That two-year wait period further deteriorates the property. He would like to recommend that the statute be amended so that the 6-month waiting period afforded to commercial properties and vacant land also applies to documented vacant building that are purchased through the tax scavenger sale. There is another problem he noted - land banks are allowed to take taxpayer money and bid on properties. Entities are raising taxes, forcing people out, then land banks are coming and buying up property for nothing. If the intended purpose is to improve the neighborhood, it would be wise to mandate that they take a second position in the deal. In other words, that the land banks can only enter no cash bids after the property has been offered and not sold by letting community people have a chance to bid first. Land banks have too many properties, they are not fixing or maintaining them. They are simply holding on to them in hopes of getting an increased value to sell them back. Thompson is originally from Michigan, where 30 years ago the state decoupled schools from property taxes and the state has been better for it, making the process fairer. There are simple steps and we can take to ensure that the community succeeds. When one is able to take a board-up and make it into a viable occupied property, especially when one can capitalize on a city program that can cut permit costs in half, it's good for the community. As an example, he recalled the time he installed two small skylights to a property he purchased, he ended paying \$186 for skylights but the permit was \$225.
- i. Flowers responded to Thompson and noted she understood his point in getting the abandoned properties. However, the abandoned properties have been robbed from the people who once occupied them, so Flowers wouldn't support Thompson proposal to shorten the time a property owner has to build on the property in order to afford the previous owner time to recuperate their property if they can. Flowers wants to find ways to put the original families back into the home. When Flowers' grandmother was ready to retire into an assisted living facilities Catholic Charites denied her because she had not paid into social security. Flowers went back to Mississippi where she originates from and found the landowner who owned the plantation where she was born. He had been her grandmother's employer for many years. He was still alive, and she had the opportunity to ask him if he had cheated her grandmother and not paid into her social security money. He was honest and said that he had in fact cheated her. We should find a way to help families that have been overcharged, over assessed and help them stay in their homes. This community has not been able to pass down wealth to our children.

- IV. Stacy Willis is a resident of 34th ward. Willis remembers a time when community meetings such as these were full of people, it saddens her more people are not involved. Willis was the sole caregiver of her parents in their declining health and during that difficult time she fell behind on her property tax payments and soon became unaffordable to catch up. The taxes on her home were sold and she has been trying to tap into resources that may help her keep her home. Unfortunately, she is not the only person in her neighborhood that finds herself in this situation. Some neighbors have abandoned their homes already. If there are any resources available to recuperate homes whose taxes were bought out she can help disseminate the information to needy community residents.
- i. Moore said that once taxes are sold there is a specific period of time given to redeem. Otherwise that tax buyer can claim the property. Other people have filed for bankruptcy chapter 13, which restructures the debt to allow a payment plan for individuals who cannot afford to pay the back taxes. Moore states that it is unfortunate that there are not more options.
- V. Yorli Huff is a real estate investor, construction company owner and housing developer. She is originally from Chicago's west side, but her business takes her all over Illinois. Huff believes we need to include education as a part of the process because a more comprehensive answer is needed. Huff pointed to redlining occurring, she says we know from algorithms that property taxes are unfairly assessed to the west and south sides of the City, often favoring the wealthier areas of the Chicagoland area. People sometimes are unaware of how to appeal their taxes. Businesses are leaving and driving up commercial taxes in the poor areas. Misuse of TIF money diverts funding away from communities it was supposed to help. There are schools closing, and those municipal dollars are not being recaptured by the community but rerouted up to the northside of the City. There is no accountability for money lost. Huff believed that before we add new suggestions to rectify the tax structure, we need to repair the holes of the structure. Huff used the example of the time she got a loan modification and had to sue the City Mortgage company, but she was fortunate to know and understand that process. She has also participated in tax scavenger sales and witnessed the land banks out-bidding and acquiring massive amounts of properties, the upside to this is that the land banks also can wipe away taxes and utility bills eliminating the back taxes and fees. International conglomerates can invest in communities like Englewood and South Chicago, because of the favorable rate on investment investing. Huff stresses the importance of educating the community/
- i. Flowers thanked Ms. Huff for sharing her testimony. These testimonies are necessary draft legislation and pass bills that help people. Referring to the land banks she asks what right they had to take homes from people just to give it to someone else. Our communities are subsidizing Chicago's Northside educational system, mortgages, taxes. Flowers stated that northsiders already low property taxes, then they appeal it even lower. Agrees that its all about education to get ahead. Moore explained the origin of the land bank. In 2013, the neighborhood stabilization program from HUD was implemented in order to revitalize communities by addressing a surplus of vacant. The land bank was one of the eligible activities that an entitlement

community could use. Cook County was considered an entitlement community. One of the stipulations for the federal money was that the funds could not be used to pay for property taxes. House Bill 28, the Abandoned Properties and Rehabilitation Act, would allow for the removal of taxes for non-profits and put affordable housing in communities.

- VI. Rose Joshua is the President NAACP Chicago south side. She wanted to thank Rep. Flowers, the panelists and everyone else in the room for being there. She also mentioned that next month, general membership meeting is hosting a free financial literacy workshop with a focus on homeownership, debt reduction and estate planning.
- VII. Winston Drain is from County Club Hills. He commended Representative Flowers for putting the event together. He is impressed and excited that this important debate took place. Drain's line of work is in health and wellness, feels that HB28 should have a health wellness component. Mental health is critical, and it is affecting our communities rampantly in the form of stress, trauma, etc. People are losing their home, communities face a lot of stress, we must look at ways to incorporate health and wellness.
 - i. Flowers interjects to say that she is chair of the healthcare committee. She recently had a committee hearing on mortality where it was testified that stress kills more people in our community than guns and bullets.
- IV. Pastor Onque thanked everyone. Believes that this input is going to help. Meeting adjourned at 6:15pm.