

A light blue outline of the state of Illinois is positioned on the left side of the page, partially overlapping the main title.

2024 Housing Matters

STRENGTHENING COMMUNITIES IN ILLINOIS & BEYOND

Responding to the Supreme Court Decision on Property Tax Delinquencies

Policy Recommendations for IL

**Presented by: Danielle Stanley, MPA
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Friday, October 18, 2024**

Agenda

Introduction: Who is Neighborhood Housing Services of Chicago?

- Mission and key programs
- Role in advocating for homeowners and preventing displacement

Context: Property Tax Delinquencies and Impact

- Overview of property tax delinquencies in Illinois

Racial and Geographic Disparities in Tax Sales

- Data on evictions and impacted communities
- Impact on racial wealth gaps and intergenerational wealth transfer

Illinois Policy Recommendations

- New proposals after the *Tyler* decision (HB 1238, SB 74)
- Payment plan options and exemptions for vulnerable homeowners

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Call to Action and Next Steps

- Building partnerships with policymakers, nonprofits, and banks
- Advocating for long-term solutions to prevent displacement

Q&A

Who is Neighborhood Housing Services of Chicago?

Mission: To create opportunities for people to live in affordable homes, improve their lives, and strengthen their neighborhoods.

Core Programs:

- Affordable lending and foreclosure prevention
- Homeownership counseling and education
- Advocacy to address systemic housing inequities
- Community Engagement initiatives



CLIENT SUCCESS

Mercedes Pickett

West Garfield Park

- Mercedes was introduced to NHS at a young age. Her mother was going through a tough time financially, and reached out to receive help with her mortgage.

NHS saved the Pickett family home from foreclosure, giving Mercedes the financial freedom to pursue homeownership herself.

Mercedes completed NHS' Homebuyer Education and personalized counseling, which propelled her to buy a 2-flat in West Garfield Park.

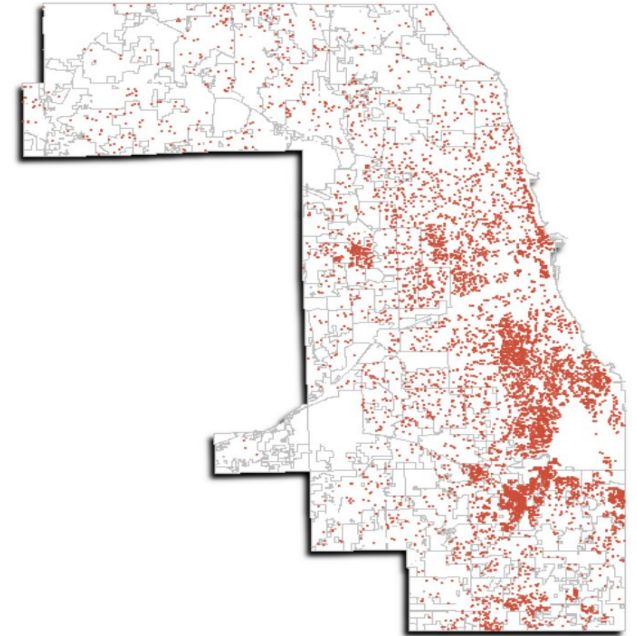
"Due to the NHS program, I was in the best possible situation to invest in a home," Mercedes said.

With teammates at NHS, Mercedes has unlocked the wealth-building power of homeownership while also being able to provide affordable housing to tenants.

Overview of the Issue – Property Tax Delinquencies and Impact

2022 Annual Tax Sale Impact on Cook County

- Approximately 8,449 owner-occupied residential homes were eligible for the annual tax sale, only 17% of all 49,912 properties eligible for the sale.
- 1 in 4 homes owe less than \$1,000.
- \$2,054 is the average owed by owner-occupied households. An extra \$456 is owed in interest.
- 95% of homeowners redeem their taxes under the current system BUT they are paying tax buyers at exorbitant interest rates.



Source: Housing Action Illinois

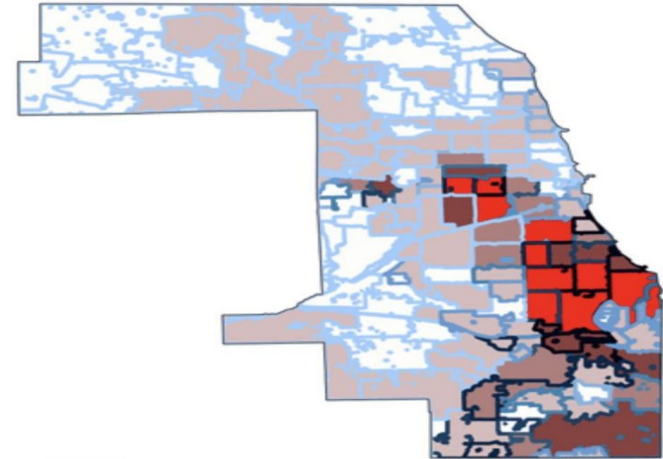
Racial and Geographic Disparities

- In the 11 zip codes with the highest number of tax sale evictions (40-46 evictions), 73% of people identified as Black and 21% identify as Latino
- Among the 44 zip codes with zero tax sale evictions, 82% of people identified as white.
- More than 95% of the evictions were from residential properties—mostly single-family

Consequences of Current System:

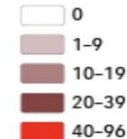
- Risk of displacement, especially for seniors and disabled homeowners.
- Homeowners pay exorbitant interest rates to private tax buyers.

TAX SALE EVICTIONS FROM RESIDENTIAL PROPERTIES IN COOK COUNTY



LEGEND

Tax Sale Evictions



Population Identifying as Black



Illinois Policy Recommendations After Tyler v. Hennepin

- If a tax deed sale system is enacted in Illinois, homeowners should be given a full repayment timeline of three years, starting from the delinquency of the second tax bill and ending at the tax deed sale, with interest accruing at a rate of .75% per month.
- Monthly payment plans for delinquent property taxes to prevent displacement (implemented in Cook County Summer 2024).
 - The Cook County Treasurer's Office should continue and expand enrollment for their monthly payment plan program.
- Interest rate reductions and other interventions should be put in place throughout the three-year repayment plan:
- Payments should be applied to the principal first for delinquent balances, not interest.
- Taxpayers should have the opportunity to apply payments beyond the current year's delinquency to the oldest principal first.

Source: Housing Policy Taskforce Bill of Rights

Call to Action – Building a Fairer System

collaboration Needed:

- Engage community organizations, financial institutions, and policymakers to adopt these recommendations.
- Advocate for additional reforms aligned with the Tyler v. Hennepin decision.

Closing Message: Together, we can reduce displacement and build equitable communities.



Thank you

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