

Cunningham Township Levy Referendum

August 6, 2020 by Supervisor Danielle Chynoweth

Proposal

Cunningham Township seeks to place a referendum on the November 3, 2020 ballot where the Urbana electorate would vote on whether to increase the Township levy for the purpose of providing assistance to low income households in need in Urbana. Proposed language is below.

Shall the limiting rate under the Property Tax Extension Limitation Law for Cunningham Township within Champaign County, Illinois, be increased by an additional amount equal to .0959% above the limiting rate for the **purpose of providing Assistance for Low Income Households in Urbana (including rent, job transportation, and other life saving assistance for those in need)** for levy year 2019 and be equal to .3015% of the equalized assessed value of the taxable property therein for levy years 2020, 2021, 2022.

Background

As per Illinois law, a taxing district is limited to an extension increase of 5% or the percentage increase in the Consumer Price Index (last year that was 1.9%) during the 12 month calendar year preceding the levy year, whichever is less. A taxing district may ask voters to approve an increase in the limiting rate for one or more years (not to exceed four years) as specified on the ballot.

Cunningham Township has been deficit spending, primarily in the General Assistance fund, for the past four years. It is anticipated that it will continue to do so without a restoration and increase in its levy. This situation resulted from several factors:

1. The Town Board reduced the Township levy in 2015 by \$176,711, citing low GA client rolls.
2. The levy remained flat, rather than increasing with the Consumer Price Index for 3 years.
3. A rental assistance program has been added to address increasing housing precarity. 66% of Urbana renters are rent burdened - paying more than a third of their income on rent; these residents struggle to save for emergencies.
4. The General Assistance client levels have increased in the past three years, returning to historic levels.
5. Urbana, along with the rest of the country, likely faces a protracted economic downturn due to the COVID-19 pandemic. Last year our office served 1 in 40 Urbana residents and we expect that to rise this year.

As a result, **the recently approved budget for FY21 anticipates a deficit of \$643,152**. Nearly all of the deficit (\$572,406) is in the General Assistance fund.

We anticipate an average of 175 GA participants and 14 rental assistance participants per month in FY21 at a total cost of \$730,000 in direct payments. We anticipate this deficit will narrow to about \$500,000 per year in FY22 with the reduction in Assessor staff by 1FTE and a tapering off of GA levels with the relaunch of our Community Work Program. **The increase requested equals the budget we expect without service cuts.**

Financials

If passed, this referendum would allow Cunningham Township the flexibility to levy up to \$1,746,782. This represents an additional \$572,544 per year (before TIF, EZ, and Build Urbana payments) for assistance. Although, this one time jump seems large, it is nearly equal to what the levy would be if it has increased by 5% each year since FY2016.

	FY2016	FY2017	FY2018	FY2019	FY2020	FY 2021 (budget)	2020 (projected)
Actual Levy Extension	\$1,303,476	\$1,126,765	\$1,126,891	\$1,126,927	\$1,184,454	\$1,227,339	\$1,799,884
Levy at 5% annual increase	\$1,303,476	\$1,368,650	\$1,437,082	\$1,508,936	\$1,584,383	\$1,663,602	\$1,746,782

The impact on a residence with fair market value of \$100,000 is estimated at \$36 per year. Again, this is after several years when the taxes for Township were decreased.

If the Town Board Approves the Referendum and It Passes

With a successful referendum, Cunningham Township Supervisor’s Office could continue to sustain our current programs, namely:

- General Assistance for those who are disabled or temporarily out of work.
- Rental Assistance for residents and families who are homeless or facing homelessness due to eviction or foreclosure.
- Grants to local Social Service Agencies to fill gaps Township either lacks capacity or expertise to fill.

In addition, CTSO could secure grants management support, allowing us to leverage our funds with state and federal grants. This will allow us to more quickly achieve our goal of **eliminating homelessness in Urbana** through:

- Providing Rapid Rehousing and Housing Advocacy to help homeless Urbana residents secure sustainable housing they can afford.
- Develop a program to address the urgent, unmet need to support homeless families with children in Urbana schools.

If the Town Board Does Not Approve the Referendum or it Fails

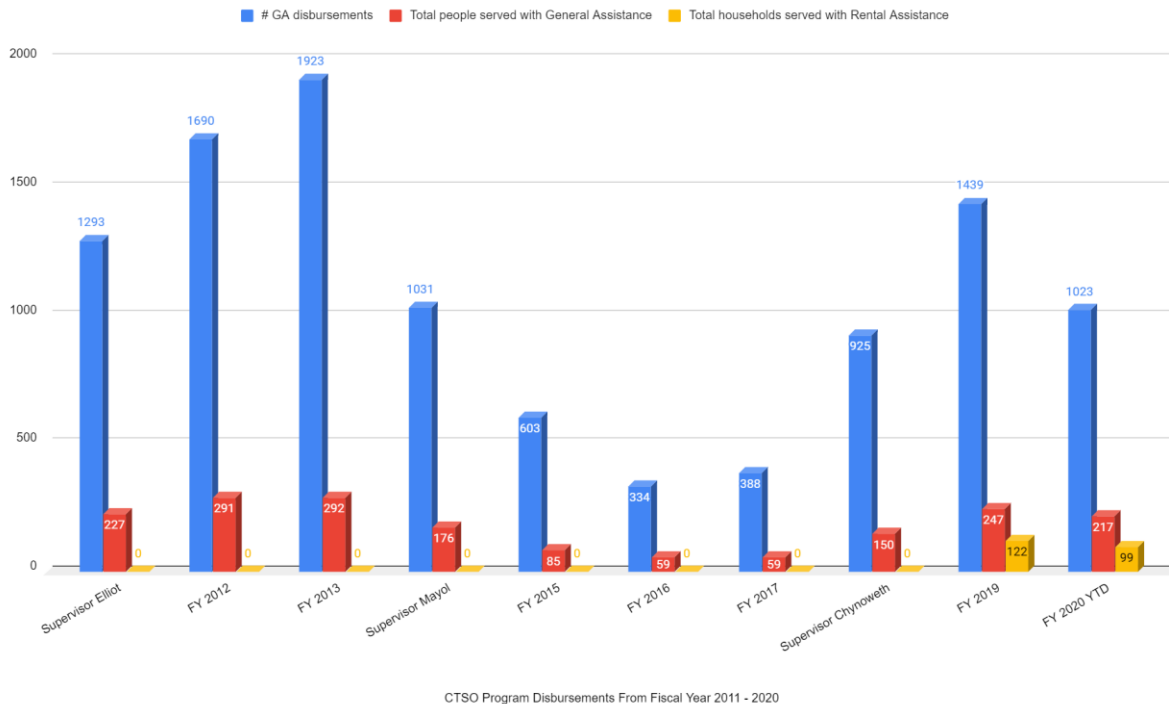
If necessary, CTSO could cut some or all of the social service funding (it has ranged from \$100,000-\$175,000 in recent budgets). Next, we could cut rental assistance funding in full (\$100,000) or by half so that we will discontinue this program each year when funds run out (about mid year). General Assistance is state mandated, but we could control costs through keeping payments at \$300 per month instead of increasing with inflation and imposing more requirements on our Community Work Program.

Timeline

- August 17th - Deadline to submit Town Board resolution for a referendum
- November 3rd - Election Day
- December - Ordinance to set the levy, representing any increase
- June 2021 - first disbursement of taxes

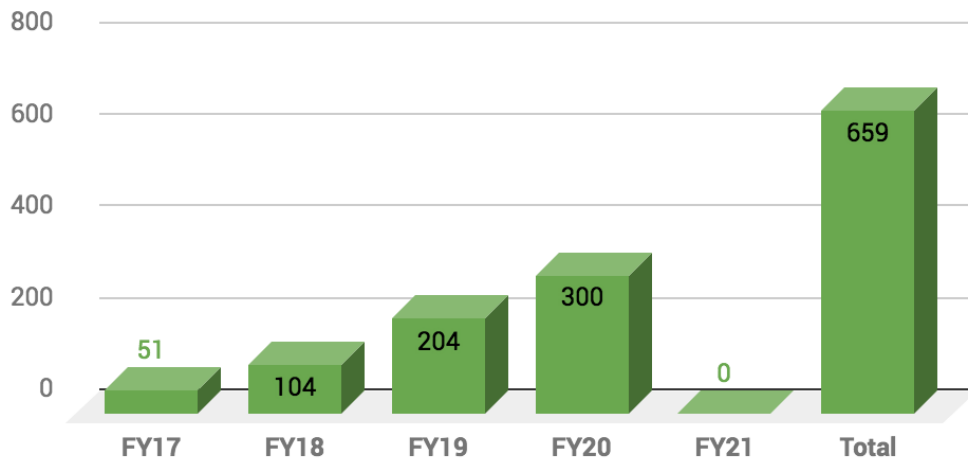
Data

Assistance Levels Under the Past Three Supervisors



By launching Rental Assistance at CTSO and helping to create a County Wide program involving City of Champaign Township, we have helped grow Rental Assistance from 51 households served in FY17 (RPC only) to 300 households served in FY20. Urbana has served 223 households to date including over 250 children.

Total Households Served with RA by all Agencies



RESOLUTION No. T-2020-08-009R

**RESOLUTION PLACING A REFERENDUM REGARDING AN INCREASE IN THE LIMITING TAX RATE
LEVIED BY CUNNINGHAM TOWNSHIP UNDER THE PROPERTY TAX EXTENSION LIMITATION
LAW FOR THE PURPOSE OF PROVIDING ASSISTANCE FOR LOW-INCOME HOUSEHOLDS IN
URBANA ON THE NOVEMBER 3, 2020 BALLOT**

WHEREAS, Section 18-190 of the Illinois Property Tax Code (35ILCS 200/18-190) requires any increase in the limiting tax rate levied by the County to be submitted to direct referendum of the electors of Cunningham Township; and

WHEREAS, Section 28-2(c) of the Illinois Election Code, 10 ILCS 5/28-2(c), provides that a resolution of a unit of local government which initiates the submission of public questions pursuant to the law must be adopted no less than 79 days before a regularly scheduled election to be eligible for submission on a ballot at such election; and

WHEREAS, the next regularly scheduled election in Champaign County is the Consolidated Election to be held on November 3, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Cunningham Township Board that the Cunningham Township Board directs the County Clerk of Champaign County, in his capacity as the appropriate election authority, to place the following question on the consolidated election ballot on November 3, 2020:

Shall the limiting rate under the Property Tax Extension Limitation Law for Cunningham Township within Champaign County, Illinois, be increased by an additional amount equal to .0959% above the limiting rate for the purpose of providing Assistance for Low Income Households in Urbana (including rent, job transportation, and other life saving assistance for those in need) for levy year 2019 and be equal to .3015% of the equalized assessed value of the taxable property therein for levy years 2020, 2021, 2022?	YES
	NO

1. The approximate amount of taxes extendable at the most recently extended limiting rate is \$1,227,339.27 and the approximate amount of taxes extendable if the proposition is approved is \$1,799,884.

2. For the 2020 levy year the approximate amount of additional tax extendable against property containing a single family residence and having a fair market value at the time of referendum of \$100,000 is estimated to be \$36.

3. If the proposition is approved, the aggregate extension for 2020 will be determined by the limiting rate set forth in the proposition, rather than the otherwise applicable limiting rate calculated under the provisions of the Property Tax Extension Limitation Law (commonly known as the Property Tax Cap Law).

PRESENTED, ADOPTED, APPROVED and RECORDED this 10th day of August, 2020.

AYES:

NAYS:

ABSTENTIONS:

Phyllis D. Clark, Town Clerk

Diane Wolfe Marlin, Chair