



CITY OF CHICAGO • OFFICE OF THE MAYOR



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MOODY'S OUTLINES BENEFITS OF MAYOR BRANDON JOHNSON'S PLAN UNDERLYING THE ISSUANCE OF \$1.25 BILLION IN BONDS

CHICAGO—Moody's Investors Service released research highlighting the benefits of Mayor Johnson's strategy to fund vital housing and economic development. Moody's notes that this new framework supports stability and increases budgetary flexibility.

In their Issuer In-Depth Report, released on April 24, 2024, Moody's notes that allowing Tax Increment Financing (TIF) districts to expire and offsetting this decline in incremental revenue by capturing this revenue in the property tax levy will have several credit-positive benefits for the City. The report references an increase in expenditure flexibility, a predictable and stable revenue source, and enhanced transparency through the City's budget, capital improvement and bond issuance processes as key benefits.

"This significant reform of our financial strategy reflects our unwavering dedication to economic development and sound fiscal management," **Mayor Brandon Johnson** said. "By allowing the phasing out of certain TIF districts and opting for an augmented property tax levy, we not only stabilize our main revenue streams but also reinforce our commitment to transparent and responsible financial governance."

Key Benefits of Mayor Johnson's Plan Outlined in Moody's Report:

- **Increased Financial Flexibility:** The reallocation from TIF revenues to a more flexible property tax levy will empower the city to meet emerging needs more dynamically.
- **Predictable Revenue Streams:** Transitioning to a consistently set annual property tax enhances predictability, which is vital for strategic financial planning and long-term investments.
- **Transparency and Efficient Budget Management:** These changes will promote transparency, allowing the city to manage its budget more



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strategically, with better-aligned capital improvements and bond issuance processes.

"The flexibility gained from this shift allows us to respond more adeptly to our City's immediate and future needs, driving growth and enhancing community welfare," said **Chief Financial Officer Jill Jaworski**.

The bond financing, supported by the revenue shift, will be channeled into high-priority housing and infrastructure projects that will significantly benefit local communities, promoting sustainable growth and improved quality of life for all Chicago residents.

As the City phases out specific TIF districts, the commitment to a transparent transition that protects financial interests and improves operational efficacy remains firm. The expected benefits of these changes are projected to unfold over the next decade, enhancing the City's economic resilience and quality of governance.

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