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FOR IMMEDIATE RELEASE

February 5, 2020

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**MAYOR LIGHTFOOT ANNOUNCES MAJOR REFORMS TO THE CITY'S APPROACH
TO ALLOCATING TAX INCREMENT FINANCING (TIF) FUNDS**

Reforms to elevate transparency, accountability, and equity in how TIF spending decisions are made and will ensure TIF delivers intended benefits as economic development tool for areas of need

CHICAGO—Mayor Lori E. Lightfoot today announced sweeping reforms to the City's tax increment financing (TIF) approval and oversight process. These reforms, which affects how TIF spending occurs within existing districts, will increase transparency for future TIF allocations while establishing new guidelines for TIF spending, internal review and approval processes, and public disclosures. Bringing greater transparency to the TIF designation process fulfills a key campaign promise made by Mayor Lightfoot and represents an important first step in ensuring a more transparent process for the public with regard to how the City determines future economic investment decisions.

"For too long, the City's TIF spending decisions have occurred in the shadows," said Mayor Lightfoot. "With our reforms, we are bringing a new level of transparency to the way the City spends precious taxpayer dollars, while holding private recipients of TIF dollars accountable to higher standards during the review and approval process. As I have said from the beginning, it is imperative that we use these limited resources responsibly in order to ensure we bring equity and economic development to the neighborhoods that need it most – exactly as TIF law is intended to do."

TIF is a state-regulated economic development tool that allows municipalities to allocate property tax growth within designated TIF districts toward local needs involving economic development, public infrastructure, schools, affordable housing and other uses. The reforms brought forward today are meant to ensure that there is a standard level of accountability across the board for all TIF spending in each of Chicago's 136 TIF districts.



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“Each year, the City receives hundreds of millions of dollars in property taxes through the TIF program – and residents deserve to know that their money is being used well,” said Deputy Mayor of Economic and Neighborhood Development and Chair of the TIF Investment Committee, Samir Mayekar. “With these reforms, we are committed to being more transparent with TIF decisions and ensuring that communities have information on the spending considerations that directly impact them.”

The City is bringing additional transparency and accountability to the TIF system with the following reforms:

- **Creation of a new TIF Investment Committee:** As one of her first acts in office, Mayor Lightfoot reorganized an existing TIF Task Force committee that internally reviewed potential TIF expenditures. The newly created TIF Investment Committee now aims to center equity in its decision making. Supported by the city’s first-ever Chief Equity Officer Candace Moore, the committee has developed a routine analysis to guide future investments and ensure they are aligned with the administration’s commitment to promoting equity citywide. The committee will continue to meet mostly to review proposals that expand access to TIF funds for businesses and neighborhoods that have historically lacked the investments that other neighborhoods enjoyed.
- **Rigorous Analysis of TIF proposals:** The TIF Investment Committee has directed the Department of Planning and Development (DPD) to adopt a more robust “but-for” analysis for all private applicants for TIF funds. These changes, which affect the way TIF spending occurs in existing TIF districts, are meant to guarantee that TIF funds are only used for projects that wouldn’t otherwise move forward.
- **Publication of new TIF Program Guide:** This new guide, which will be updated annually, will offer clarity to taxpayers, researchers and the development community on how the City operates its TIF program.
- **Release of data for public review:** To keep Chicago residents informed of how the City is spending TIF, Mayor Lightfoot instructed the Department of Planning and Development (DPD) to publish TIF spending decisions on a monthly basis. Going forward, the City will make it easier to find information on TIF by publishing annual reports as well as a new, user-friendly version of the long-standing online TIF Portal. This information is now available at [Chicago.gov/tif](https://chicago.gov/tif).

“The City of Chicago is committed to advancing uses of TIF that maximize its impact for the communities that most need economic development,” said DPD



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Commissioner Maurice Cox. “Mayor Lightfoot’s reforms will allow the City to fulfill our responsibility to marshal critical investments in communities where the needs are greatest.”

The administration has taken on other TIF reforms since taking office, starting by eliminating the possibility of conflicts of interest for consultants who prepare proposals on developer driven TIFs.

“The City’s reforms to the TIF system are an essential step to ensure we make the most of taxpayer dollars generated for and by our communities, and that they are invested in the communities where they are most needed ,” said 32nd Ward Alderman and Finance Committee Chair, Scott Waguespack. “I applaud Mayor Lightfoot and her administration for finally taking necessary action to reform this program so we can unlock its full potential and chart a new course for strategic, long-term economic development in our city.”

Finally, to ensure the City’s economic investments do not rely solely on a one-off, developer-driven approach, Mayor Lightfoot will direct DPD to develop a broad, comprehensive vision for investment in each neighborhood to ensure the future economic investments by the City are allocated fairly, transparently, and in a way that makes the most responsible use of taxpayer dollars.

“These historic reforms will allow Chicago to ensure TIF resources are properly allocated to support critical infrastructure and provide the highest value for areas of the city that need them most,” said 3rd Ward Alderman and Budget Committee Chair, Pat Dowell.

These reforms build on actions taken by the Lightfoot administration to improve transparency and accountability across City government, notably with the passage of ethics reforms, an executive order eliminating aldermanic prerogative from City departments, and other structural changes to ensure that City government prioritizes efficient and fair neighborhood service delivery.

“By bringing these long needed reforms to the TIF program, Mayor Lightfoot is sending a clear signal to our neighborhoods and developers that her administration is committed to ensuring this tool generates equitable, economic growth for underinvested communities, exactly as it was designed to do,” said Ralph Martire, Executive Director for the Center for Tax and Budget Accountability. “We are heartened to see the City take these important first steps for ensuring clearer guidelines for future allocation of taxpayer resources and believe this will bring greater stability and predictability to the market for communities and developers alike.”



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Mayor Lightfoot has also made equitable investments for neighborhoods a top priority. Last year, her administration launched INVEST South/West, an unprecedented community initiative to marshal the resources of multiple City departments, community organizations, and corporate partners towards 10 neighborhoods on Chicago's South and West Sides. The City will align more than \$750 million in public funding over the next three years to re-activate neighborhood cores and provide coordinated investments.

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