Sales Tax Securitization Corporation (STSC)

Issuer: Sales Tax Securitization Corporation		
Assigned	**Rating**	**Outlook**
Second Lien Sales Tax Securitization Bonds, Series 2021A	AA+	Stable
Second Lien Sales Tax Securitization Bonds, Taxable Series 2021B	AA+	Stable
Affirmed	**Rating**	**Outlook**
Sales Tax Securitization Bonds	AAA	Stable
Second Lien Sales Tax Securitization Bonds	AA+	Stable

Methodology:

[Public Finance: U.S. Special Tax Revenue Bond Rating Methodology]

[ABS: General Global Rating Methodology for Asset-Backed Securities]

[ESG Global Rating Methodology]

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Rating Summary: KBRA has assigned long-term ratings to the Second Lien Sales Tax Securitization Bonds, ("STSC") Series 2021A and Series 2021B and affirmed the outstanding Sales Tax Securitization and Second Lien Sales Tax Securitization Bond rating. STSC Second Lien Bonds proceeds together with proceeds from concurrently offered City of Chicago general obligation refunding bonds are expected to refund approximately $1.24 billion in STSC sales tax, City general obligation, motor fuel tax, and TIFIA obligations for significant present value savings. In aggregate, the transactions are expected to reduce aggregate debt service costs by $232 million in 2021 and $22 million in 2022, providing upfront debt service savings, but no extension of final maturity. The transactions will reduce aggregate STSC debt service requirements by $48.7 million in the bond year ending January 1, 2022.

Pledged sales tax receipts were significantly impacted by the COVID-19 pandemic and resulting restrictions on business and leisure activity in the City of Chicago, but coverage of pro forma maximum annual debt service (MADS) for both the Bonds and Second Lien Bonds remains very strong at 3.74x and 2.15x, respectively, based on 2020 receipts. Receipts declined 10.5% in 2020. Revenues received by the Trustee lag economic activity by three months, so the impact of public health measures instituted beginning in March 2020 were first reflected in June 2020 receipts, which declined 21.5% YoY. Collections bottomed out in July 2020 down 32.3% YoY and have generally improved since. Collections in September 2021 were 14.9% above the September 2019. Collections for October 2021 through the 15th were up 13.3% from the full month of October in 2019.

The Bonds and Second Lien Bonds are secured by first and second liens, respectively, on the pledged sales tax revenues which have been previously sold by the City of Chicago to the Corporation, a bankruptcy remote special purpose entity, pursuant to State law and a Sale Agreement. The Corporation was established to facilitate the refinancing of outstanding higher cost City of Chicago general obligation and sales tax revenue debt. As of October 2021, there was approximately $2.59 billion of Bonds and $1.02 billion of Second Lien Bonds outstanding.

There is no debt service reserve fund requirement for either lien. However, the Indenture directs the Trustee after paying the Corporation's capped operating expenses, to set aside 150% of the monthly accrual of interest, and then 150% of 1/12th of the annual principal due on the senior lien bonds. After payment of deposit requirements, the Corporation is required to deposit 120% of 1/12th of the monthly accrual of second lien interest, then 120% of 1/12th of the annual second lien principal requirements. For the senior lien bonds, this results in the accumulation of semi-annual interest requirement in month four and month ten instead of months six and twelve, respectively, while the annual principal requirement is accumulated in month eight instead of month twelve. Similarly, because of the 120% deposit requirement described above, the semi-annual second lien interest requirements are accumulated in months five and eleven and the annual second lien principal requirement is accumulated in month ten. These early accumulations allow the Corporation to withstand greater reductions in pledged revenues than would a schedule of even monthly set-asides.

The Stable Outlook reflects KBRA's expectation that even under severe economic downturns and other stressful scenarios, the pledged sales tax revenues will remain more than sufficient to meet timely principal and interest requirements on the Corporation's debt. Furthermore, even in the unlikely event of City insolvency or bankruptcy, KBRA believes the assets of the Corporation, including the right to the pledged revenues, will not be consolidated with the City's assets and the cash flow supporting the Corporation's debt will not be disrupted.

Key Credit Considerations

The rating actions reflect the following key credit considerations:

Credit Positives

- The combination of State law, the bankruptcy remoteness of the Corporation, the Sale Agreement, and the Indenture provide the Bonds with a strong legal framework that KBRA believes will insulate the pledged sales tax revenues and the Corporation from the operating and credit conditions of the City.
- The broad base of goods and services included in the pledged revenues combined with a long track record of collection and distribution mechanics provide for strong underlying asset characteristics.
- Additional bonds test of 4.0x on senior and 1.75x on junior obligations prevents the Corporation from diluting the substantial cushion provided by the pledged revenues.
- Chicago's deep, diverse, and resilient underlying economic base supports substantial residential and tourist retail activity.
- Strong projected coverage of monthly deposit and annual debt service requirements that withstand KBRA's stress scenarios.

Credit Challenges

- Economic headwinds tied to COVID-19 variants may adversely affect revenues in the coming months.
- The high overall sales tax rate in the City may weaken growth of the pledged sales tax revenues.

Rating Sensitivities

▪ N/A	+
▪ A significant decline in pledged sales tax revenues that results in material weakening of debt service coverage ratios.	-

Pledged Sales Tax Receipts and Pro Forma MADS Coverage
Bond Year Ending January 1 (dollars in thousands)

	Receipts			Change Same Month	
	2019	**2020**	**2021**	**2019 to 2020**	**2019 to 2021**
January	$ 61,216	$ 64,997	$ 53,518	6.2%	-12.6%
February	58,576	59,559	50,355	1.7%	-14.0%
March	67,115	70,300	63,524	4.7%	-5.4%
April	47,204	52,655	47,722	11.5%	1.1%
May	49,398	48,373	46,468	-2.1%	-5.9%
June	59,657	46,847	67,473	-21.5%	13.1%
July	58,068	39,296	63,970	-32.3%	10.2%
August	62,154	44,955	67,879	-27.7%	9.2%
September	63,817	49,896	73,307	-21.8%	14.9%
October	62,149	54,634	70,432	-12.1%	13.3%
November	62,398	52,653		-15.6%	
December	62,069	54,561		-12.1%	
Total	**713,821**	**638,726**			
First Lien Pro Forma MADS (BYE 2046)		170,689			
First Lien Pro Forma MADS Coverage[2]		**3.74x**			
Combined Lien Pro Forma MADS (BYE 2034)		296,761			
Combined Lien Pro Forma MADS Coverage[2]		**2.15x**			

(1) Through October 15, 2021.

(2) Sales taxes are released to the City each month after required deoposits for debt service. KBRA estimates MADS coverage based on the full amount of sales taxes received by STSC.

Source: STSC and KBRA Calculations

Rating Determinants (RD)	First Lien	Second Lien
1. Legal Framework	AAA	AAA
2. Nature of Special Tax Revenues	AAA	AAA
3. Economic Base and Demographics	AA	AA
4. Revenue Analysis	AAA	AAA
5. Coverage and Bond Structure	AAA	AA+

RD 1: Legal Framework

KBRA believes that the legal mechanics and security provisions governing the Bonds provide bondholders with strong levels of protection against interruption of the cash flow from the pledged sales tax revenues. In reaching this opinion, KBRA has reviewed the Act, the Master Trust Indenture ("the Indenture"), the Corporation's organizational documents, the Sale Agreement and various other documents and legal opinions provided by the City and the Corporation that provide the legal framework for all bonds issued by the Corporation. After consulting with outside counsel, KBRA also believes that the legal mechanics and security provisions for the Bonds insulate the pledged sales tax revenues from the day-to-day operating and credit risk of the City, and that these protections would likely withstand the improbable circumstance of the City becoming insolvent or entering bankruptcy.

A more detailed review of this rating determinant can be found in the report dated July 14, 2021.

Bankruptcy Assessment

KBRA's current bankruptcy assessment can be found in the report dated July 14, 2021.

RD 2: Nature of Special Revenues

KBRA views the pledged sales tax revenues as providing a broad and sustainable source of cash flow for debt service payments. The City has historically received revenue from eight different categories of sales taxes covering a very broad range of goods and services comprising portions of (i) the City's 1.25% sales and use tax and (ii) the local share of the State's 6.25% sales and use tax. Additional levies in place in the City including the (iii) County's 1.75% tax and (iv) Regional Transportation Authority's 1.00% tax push the combined sales tax rate to 10.25%, a level that is among the highest in the nation. KBRA believes that neither the City nor the State have any practical or political ability to significantly raise sales tax rates. For modeling and cash flow analysis purposes KBRA views the sales tax rates as capped.

Six of the City's eight sales tax categories, and a portion of a seventh category were completely assigned to the Corporation and are pledged as security for the Bonds. The sales tax revenues that were not assigned to the Corporation are those that are collected directly by the City, and therefore not subject to the Act and not able to be legally insulated from the City's financial operations. The pledged sales tax revenues consist of three of the City's four Home Rule (HRM) sales tax revenues (these taxes are imposed by the City pursuant to its Home Rule powers, municipal code, and laws of the State) and all of the City's four "Local Share" sales tax revenues (these revenues come from the City's formulaic share of sales and use taxes imposed by the State). About 15% of pledged revenues have historically been subject to appropriation. This figure increased to the 25% range for nine months following onset of the pandemic as e-commerce sales (which make up an outsize portion of the subject to appropriation tax base) surged amid weakness in many other spending categories. This portion has receded back to the historic 15% range as public health measures have eased and spending patterns have normalized.

With regard to the risk of the City possibly lowering its HRM tax rates, KBRA notes two mitigating factors. First, the City's Home Rule portion of the overall sales tax rate is only 1.25% and not the main driver of the high overall rate, therefore in KBRA's opinion there is little political incentive to lower the rate. And second, the City's General Fund will remain dependent on the excess cash flow coming out of the bottom of the Bond structure's waterfall, so the City has no financial incentive to lower the rates. Meanwhile, the State is highly dependent on sales tax revenues collected in the City for re-distribution outside the City making it highly unlikely that it will lower rates. KBRA also believes that the State's ability to alter the formulae by which it distributes Local Share sales taxes is limited by political realities given how many municipalities depend on these revenues and is also limited by the State's non-impairment covenant in the Act.

A more detailed review of this rating determinant can be found in the report dated July 14, 2021.

RD 3: Economic Base and Demographics

Stable Population

The City of Chicago is the largest city in the Midwest and the third largest city in the United States with a population of 2.7 million people. City increased 1.9% over the last decade, faster than the State (0.1%) but slower than the U.S. (+7.4%).

Figure 1

Change in Population	2010	2020	Growth (%)
Chicago	2,695,598	2,746,388	1.9%
Chicago-Naperville-Joliet, IL-IN-WI MSA	9,461,105	9,618,502	1.7%
Illinois	12,830,632	12,812,508	-0.1%
United States	308,745,538	331,449,281	7.4%

Source: U.S. Census Bureau

The City is the county seat for Cook County and a regional hub for commerce and culture. The City is home to 16 of the State's 38 Fortune 500 headquarters, with many of the remainder based throughout the broader Chicago-Naperville-Elgin MSA which is additionally home to more than 60 post-secondary education institutions. Chicago exhibits characteristics of an important world business center and is home to an exceptionally broad and diverse workforce.

Broad Employment Base

The City's employment base is broad and is concentrated in any single employer. The top ten employers represent only 12.6% of total City employment.

Figure 2

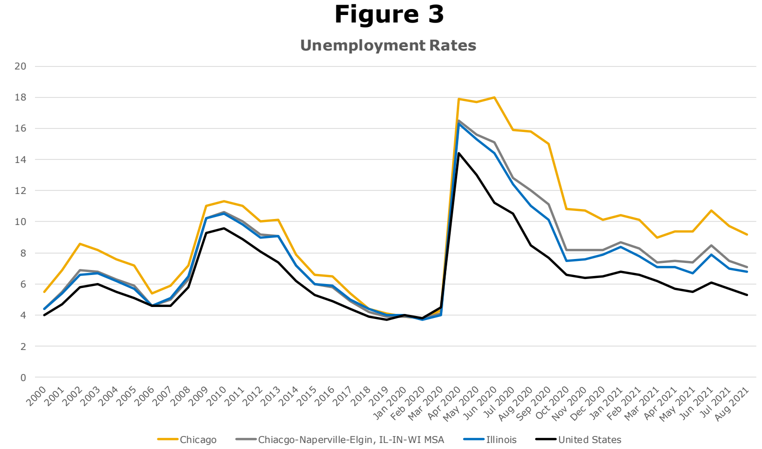
Top Employers (2020)	Sector	Employees	% of City Total
Advocate Aurora Health	Health Care	26,335	2.3%
Northwestern Memorial Healthcare	Health Care	21,999	1.9%
University of Chicago	Higher Education	18,732	1.6%
Walmart Inc.	Retail	16,711	1.4%
Amazon.com Inc.	E-Commerce	16,610	1.4%
Amita Health	Health Care	14,282	1.2%
JPMorgan Chase & Co.	Financial Services	13,750	1.2%
Walgreens Boots Alliance Inc.	Pharmacy	13,377	1.2%
United Continental Holdings Inc.	Transportation	11,059	1.0%
Jewel-Osco	Supermarket	10,754	0.9%
Total of Top 10		**163,609**	**14.0%**
Total City of Chicago		1,165,000	

Source: CAFR

Unemployment Remains High

Unemployment in Chicago has historically been somewhat than that of the State and U.S. Unemployment rose sharply across the U.S. following onset of the pandemic in early 2020. Chicago unemployment reached a peak of 17.9% in April 2020, higher than the State's peak of 16.3% and U.S. peak of 14.4%, reflecting the particularly severe impact of pandemic-related public health measures in highly urbanized areas. Per the increasingly successful vaccination program and easing of public safety measures, City unemployment has receded to 9.2% as of August 2021, still somewhat higher than the State at 6.8% and U.S. at 5.3%.

Figure 3



	Chicago	Chicago-Naperville-Elgin, IL-IN-WI MSA	Illinois	United States
August 2021	9.2	7.1	6.8	5.3
July 2021	9.7	7.5	7	5.7
Great Recession Peak	11.3	10.6	10.5	9.6
Point Δ Since Great Recession Peak	-2.1	-3.5	-3.7	-4.3

Source: U.S. Bureau of Labor Statistics

City employment increased 9.8% between the 2009 Great Recession trough and 2019, a level of growth exceeding that of the State (+4.4%) but slower than the United State (+12.6%). City employment remains negatively impacted by the pandemic with August 2021 employment 6.1% below the 2019 pre-pandemic level, a hit in line with that of the State (also down 6.1%) but worse than that of the U.S. overall (down 2.7%).

Figure 4

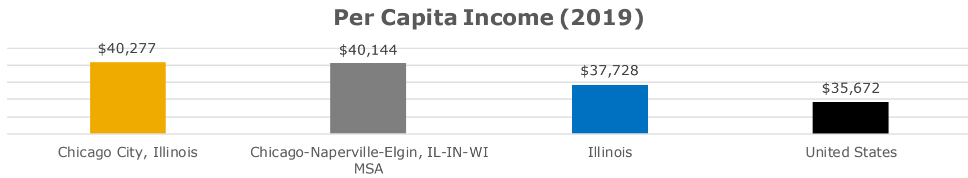
Total Employment (Not Seasonally Adjusted) (In Thousands)								
	Chicago City, Illinois	**% Δ**	**Chicago-Naperville-Elgin, IL-IN-WI**	**% Δ**	**Illinois**	**% Δ**	**United States**	**% Δ**
2000	1,313		4,570		6,206		136,891	
2001	1,282	-2.4%	4,506	-1.4%	6,103	-1.7%	136,933	0.0%
2002	1,220	-4.9%	4,358	-3.3%	5,926	-2.9%	136,485	-0.3%
2003	1,202	-1.4%	4,345	-0.3%	5,885	-0.7%	137,736	0.9%
2004	1,201	-0.1%	4,388	1.0%	5,956	1.2%	139,252	1.1%
2005	1,192	-0.8%	4,421	0.7%	6,045	1.5%	141,730	1.8%
2006	1,219	2.2%	4,554	3.0%	6,218	2.9%	144,427	1.9%
2007	1,236	1.4%	4,622	1.5%	6,301	1.3%	146,047	1.1%
2008	1,228	-0.7%	4,591	-0.7%	6,222	-1.3%	145,362	-0.5%
2009	**1,172**	-4.5%	4,375	-4.7%	5,929	-4.7%	139,877	-3.8%
2010	1,203	2.6%	**4,349**	-0.6%	**5,918**	-0.2%	**139,064**	-0.6%
2011	1,200	-0.2%	4,356	0.2%	5,926	0.1%	139,869	0.6%
2012	1,232	2.6%	4,447	2.1%	5,989	1.1%	142,469	1.9%
2013	1,238	0.5%	4,466	0.4%	5,961	-0.5%	143,929	1.0%
2014	1,257	1.6%	4,541	1.7%	6,049	1.5%	146,305	1.7%
2015	1,271	1.1%	4,597	1.3%	6,120	1.2%	148,834	1.7%
2016	1,282	0.9%	4,649	1.1%	6,173	0.9%	151,436	1.7%
2017	1,285	0.3%	4,656	0.1%	6,164	-0.1%	153,337	1.3%
2018	1,286	0.1%	4,671	0.3%	6,189	0.4%	155,761	1.6%
2019	1,287	0.1%	4,670	0.0%	6,189	0.0%	157,538	1.1%
2020	1,165	-9.4%	4,248	-9.0%	5,658	-8.6%	147,795	-6.2%
August-2021	1,209	3.7%	4,393	3.4%	5,814	2.8%	153,232	3.7%
Change Great Recession Trough to 2019	**9.8%**		**6.7%**		**4.4%**		**12.6%**	
Change 2019 Avg to Aug 2021	**-6.1%**		**-5.9%**		**-6.1%**		**-2.7%**	

Source: U.S Bureau of Labor Statistics

Bold = trough during the Great Recession (2008-2012)

Chicago's per capita income at $40,277 in 2019 was strong 107% of the state and 113% of the U.S. levels.

Figure 5

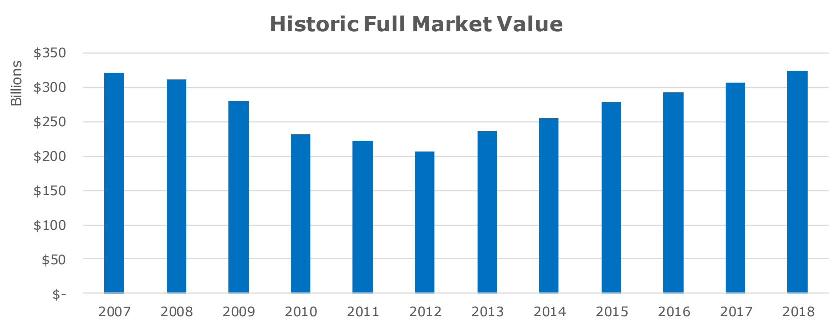


	2010	2019	% Δ 2010 to 2019	Comparison
Chicago City, Illinois	$25,650	$40,277	57.0%	-
Chicago-Naperville-Elgin, IL-IN-WI MSA	$28,630	$40,144	40.2%	100.3% of MSA
Illinois	$27,325	$37,728	38.1%	106.8% of State
United States	$26,059	$35,672	36.9%	112.9% of U.S.

Source: U.S. Census

Total full market value (FMV) was hit hard by the Great Recession and experienced declines between 2007 and 2012 totaling 35.4%. Growth has subsequently been favorable with an increase of 56.2% between 2010 and 2018, the most recent year available.

Figure 6

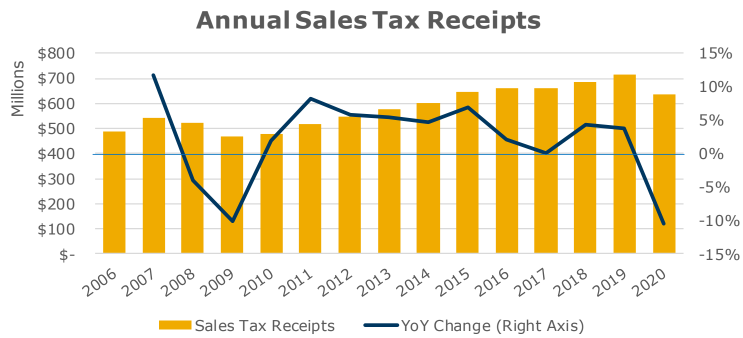


Source: City of Chicago

RD 4: Revenue Analysis

KBRA views the pledged sales tax revenues as providing a strong source of repayment for the first and second lien bonds. Sales tax receipts are economically sensitive but have generally grown over time. Periods of notable downside volatility include the Great Recession and, more recently, public health measures stemming from the COVID-19 pandemic.

Figure 7



Source: STSC

Receipts declined 10.5% in 2020 due to the pandemic. Revenues received by the Trustee lag economic activity by three months, so the impact of public health measures instituted beginning in March 2020 were first reflected in June 2020 receipts, which declined 21.5% YoY. Collections bottomed out in July 2020 down 32.3% YoY and have generally improved since. Collections in September 2021 were 14.9% above the September 2019. Collections for October 2021 through the 15th were up 13.3% from the full month of October in 2019.

As noted in our latest monthly U.S. retail sales update, retail sales activity in the U.S. have persisted at a level significantly exceeding the pre-pandemic trend through 2021 as broad federal stimulus has coincided with a period of unusually high consumption. It remains to be seen whether and over what timeline retail sales may revert to the prior growth trend.

Figure 8

Monthly Receipts FYE December 31 (dollars in thousands)					
	Receipts			**Change Same Month**	
	2019	**2020**	**2021(1)**	**2019 to 2020**	**2019 to 2021**
January	$ 61,216	$ 64,997	$ 53,518	6.2%	-12.6%
February	58,576	59,559	50,355	1.7%	-14.0%
March	67,115	70,300	63,524	4.7%	-5.4%
April	47,204	52,655	47,722	11.5%	1.1%
May	49,398	48,373	46,468	-2.1%	-5.9%
June	59,657	46,847	67,473	-21.5%	13.1%
July	58,068	39,296	63,970	-32.3%	10.2%
August	62,154	44,955	67,879	-27.7%	9.2%
September	63,817	49,896	73,307	-21.8%	14.9%
October	62,149	54,634	70,432	-12.1%	13.3%
November	62,398	52,653		-15.6%	
December	62,069	54,561		-12.1%	
Total	713,821	638,726		-10.5%	

(1) Through October 15, 2021.
Source: POS

RD 5: Coverage and Bond Structure

Outstanding Debt

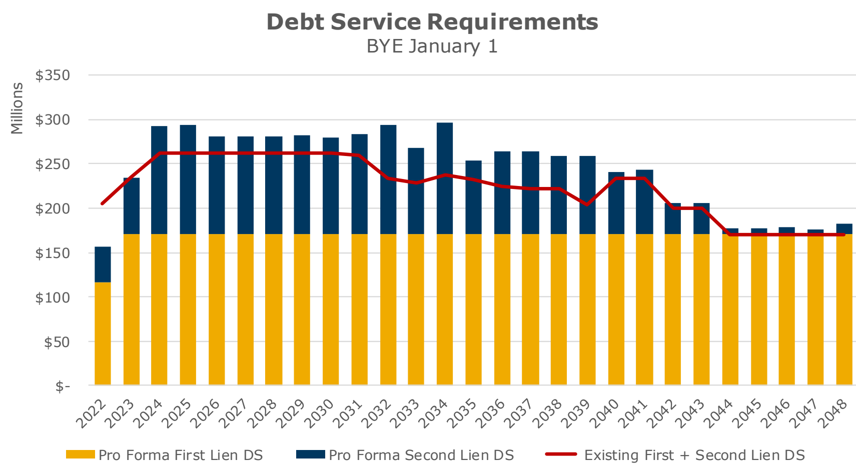
As of October 2021, there are $2.59 billion in First Lien and $1.02 billion in Second Lien bonds outstanding.

Financing Plan

Pro forma proceeds of $1.1 billion from the currently offered STSC Second Lien Bonds together with $283 million in proceeds from City of Chicago general obligation refunding and $27 million in prior debt service funds are expected to refund approximately $1.24 billion in STSC sales tax, City general obligation, motor fuel tax, and TIFIA obligations for present value savings of 18.6%.

In aggregate, the transactions are expected to reduce aggregate debt service costs by $232 million in 2021 and $22 million in 2022, providing upfront savings and no increase in annual debt service on a budgetary basis. Shown below, the transactions will reduce aggregate STSC debt service requirements by $48.7 million in the bond year ending 1/1/2022 and increase debt service requirements after 1/1/2023.

Figure 9



Source: STSC

Pro Forma MADS Coverage Strong Despite 2020 Revenue Weakness

Following issuance of the Second Lien Series 2021A and 2021B Bonds, pro forma STSC MADS will occur in the bond year ending 1/1/2034 at $296.8 million, upon which 2020 pledged revenues of $638.7 million provide strong MADS coverage of 3.74x First Lien and 2.15x Combined Lien MADS.

Figure 10

Pledged Sales Tax Receipts and Pro Forma MADS Coverage Bond Year Ending January 1 (dollars in thousands)	Receipts			Change Same Month	
	2019	**2020**	**2021**	**2019 to 2020**	**2019 to 2021**
January	$ 61,216	$ 64,997	$ 53,518	6.2%	-12.6%
February	58,576	59,559	50,355	1.7%	-14.0%
March	67,115	70,300	63,524	4.7%	-5.4%
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(1) Through October 15, 2021.

(2) Sales taxes are released to the City each month after required deoposits for debt service. KBRA estimates MADS coverage based on the full amount of sales taxes received by STSC.

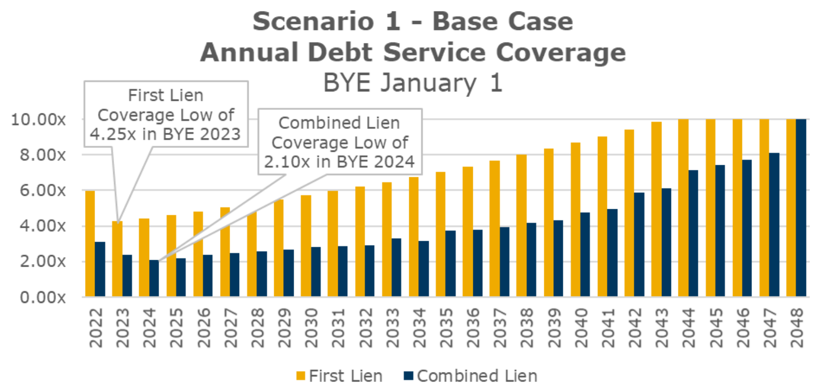
Source: STSC and KBRA Calculations

Scenario Analysis

KBRA evaluated three scenarios to assess the capacity of pledged revenues to pay debt service under a range of conditions. Each scenario assumes the issuance of addition borrowing up the 4.0x First Lien ABT and 1.75x Combined Lien ABT based on actual 2020 pledged receipts with full leverage commencing in the bond year ending 1/1/2023, and no additional issuance thereafter. Based on 2020 receipts, the current rate environment, and assumed level repayment over 25 years, KBRA estimates that STSC could issue no additional First Lien Bonds, but approximately $1.24 billion under the additional bonds tests.

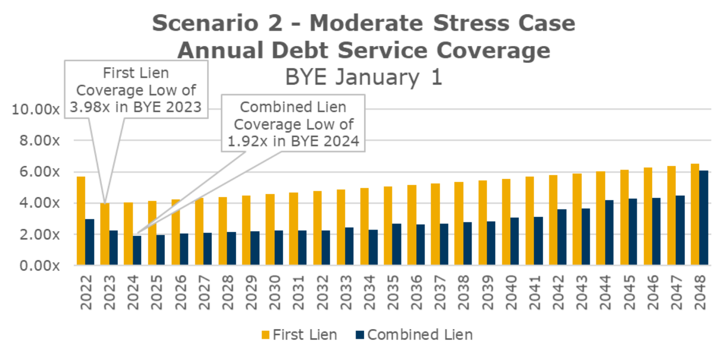
Scenario 1 – Base Case
In the first scenario, KBRA assumed pledged revenues grow by 4.3% annual each year after 2020, which is consistent with the 10-year CAGR prior to onset of the pandemic. In this scenario, Senior Lien coverage reached a low of 4.25x in BYE 2023 while Combined Lien coverage reached a low of 2.10x in BYE 2024.

Figure 11



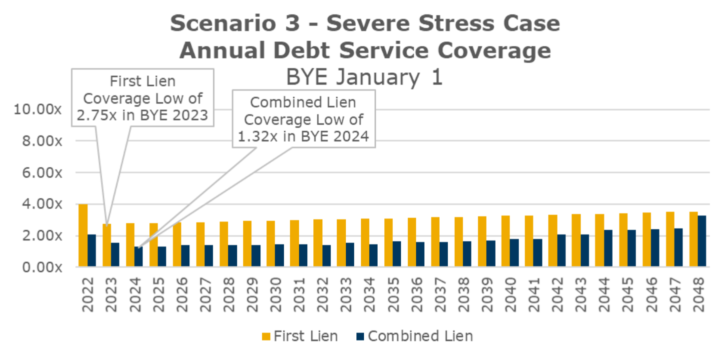
Scenario 2 – Moderate Stress Case
In the second scenario, KBRA assumed pledged revenues grew 2.0% annual after 2020, or about half the 10-year CAGR prior to the pandemic. In this scenario, Senior Lien Coverage reached a low of 3.98x in BYE 2023 while Combined Lien coverage reached a low of 1.92x in BYE 2024.

Figure 12



Scenario 3 – Severe Stress Case
In the third and most severe stress scenarios, KBRA assumed a 28% pledged revenue decline in BYE 2022, which is double the decline experienced in the Great Recession and reflective of a severe economic shock. Pledged revenues were then assumed to grow at an anemic 1% annually thereafter, a level intended to reflect a scenario of stagnant to gradually declining population and commercial activity. In this scenario First Lien coverage reached a low of 2.75x in BYE 2023 while Combined Lien coverage reached a low of 1.32x in BYE 2024.

Figure 13



Assessment of a range of additional stress scenarios based on leverage to the respective additional bonds tests can be found in the report dated January 13, 2020.

ESG Management

KBRA typically analyzes Environmental, Social, and Governance (ESG) factors through the lens of how issuers plan for and manage relevant ESG risks and opportunities. More information on KBRA's approach to ESG risk management in public finance ratings can be found here. Over the medium-term, public finance issuers will likely need to prioritize ESG risk management and disclosure with the likelihood of expansions in ESG-related regulation and rising investor focus on ESG issues.

Environmental Factors

Chicago's prioritization of environmental preservation and sustainability began over three decades ago, with measures including open space development, energy efficiency, renewable energy, green buildings, and investment in transportation infrastructure among the City's earliest and ongoing environmental initiatives. The City's focus on greenhouse gas (GHG) reduction was discussed in its a 2008 Climate Action Plan, which set forth a comprehensive climate planning process, and outlined specific goals for reducing emissions and preparing for climate change. The goal is to achieve a 26-28% reduction in emissions levels over the span of 20 years from 2005 to 2025, which is in line with the original commitment made by the Obama Administration as part of the Paris Climate Agreement. A GHG Inventory Report for calendar year 2017 (published December 2019) indicates that total GHG emissions declined 15% from 2005-2017 (a period of growth in gross domestic product), and that as of 2017 the City was 59% of the way to reaching its Paris Agreement 2025 target. The report indicates that rate of emissions reduction per year has also increased.

Climate change and transforming weather patterns has resulted in greater variation in Lake Michigan water levels and increased prospects of street and basement flooding. The Metropolitan Water Reclamation District's multi-billion-dollar system of sewage storage tunnels and reservoirs, began in the 1970s and expected to be completed by the end of the decade, has been an effective response to most combined sewer overflows, and significantly improved Lake and Chicago River water quality, but it is still not large enough to handle storms of recent magnitude. Low-income neighborhoods are disproportionately affected and are the least able to pay for flood repairs. Therefore, this is a social issue. To increase resilience, open spaces are being built, as well as green spaces, and porous parking lots, The City has been placing restrictors, known as "Rain Blockers"—in catch basins throughout the City. The restrictors slow down the flow of water from the street to the sewer, which keeps the water out of the sewer until the sewer can handle it.

Social Factors

The Mayor has advocated and the City has adopted a reform agenda that includes economic and social policies targeted to population growth in historically underinvested communities. Notably, in 2020, the Invest South/West Program was begun, a collaboration between government agencies, businesses, philanthropies, and community leaders to leverage resources toward ten neighborhoods on Chicago's South and West sides. The City has increased its violence prevention investment significantly and earmarked additional funds for mental health and trauma interventions. Chicago Connected was launched, a program provides free high-speed internet service to approximately 100,000 Chicago Public School students in their households. The Utility Billing Relief Program was also started that reduces the cost of water and sewer portions of City utility bills for qualifying low-income individuals. To improve access to affordable housing, the City initiated a program to assist more people experiencing homelessness to find pathways to housing and services and a new program to deliver loan modifications to operators of affordable rental housing.

In September 2021, the City adopted an integrated plan designed to drive economic and social change. The $1.2 billion plan ($567 million of ARPA funds; $660 million general obligation bond issue) invests in two broad areas: (1) Thriving and Safe Communities, which includes affordable housing, assistance to families, City priorities for health and wellness, violence prevention, environmental justice, homelessness support services, and youth opportunities; and (2) Equitable Economic Recovery, providing funding for arts & culture, community climate investments, community development, parks & infrastructure, small business & workforce support, and travel & industry support.

Governance Factors

The City's Information Security Office ("ISO"), established in 2013, is responsible for evaluating and responding to cyber risks and performs enterprise security monitoring and response. The ISO works in a "Shared Services" model, evaluating and addressing risks and vulnerabilities within the City. Key objective include: (1) the development and enforcement of an information security strategy, framework, policies and procedures that align City of Chicago business needs, legislative and regulatory requirements and industry best practices; (2) Assist City of Chicago IT projects and functional areas with the development of efficient processes that are required to meet requirements as defined by the Information Security Office and/or regulatory standards; (3) Develop and support a NIST 800-30 and NIST 800-53 risk management framework to be used in information security solutions and asset prioritization; (4) Develop a security awareness program to ensure that City of Chicago users understand their responsibility in protecting City of Chicago assets and information.