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MOODY'S INVESTORS SERVICES RAISES NEW YORK CITY'S GENERAL OBLIGATION BOND CREDIT OUTLOOK

Upward revision affirms the City's strong financial position and sound fiscal management

NEW YORK—Yesterday Moody's Investors Service (Moody's) affirmed the Aa2 rating assigned to New York City's GO bonds and revised the city's outlook to stable. The upward revision affirms actions the City has taken to maintain fiscal stability in response to the crisis brought on by COVID-19, the greatest budgetary stress test the city has faced in generations. New York City and State now have the same rating and outlook, which is significant because a local government is rarely rated as high as its home state.

Moody's raised the outlook to stable due to improvements in the city's overall financial position in light of nearly $15 billion in federal stimulus that will flow to the city, which they acknowledge provides flexibility and relief over the next several fiscal years, and that the risk of budget cuts from New York State is now eliminated. Moody's highlighted the role of City's vaccination program, stressed that high vaccination rates as compared with the US overall will drive confidence in the local economy, and noted the positive effect that the city's accelerating reopening will have on employment and tax revenues. The agency also affirmed that outyear budget gaps are manageable, though noted that City must continue to exercise caution.

"New York City is creating a recovery for all of us, bolstered by our vaccination campaign and strategic investments in public health, our children's education, maintaining public safety, supporting small businesses and keeping streets clean. Combined with strong fiscal management, we are building the foundation for a successful future," said **Mayor Bill de Blasio**.

In affirming the City's Aa2 GO Bond rating, Moody's cited firm budgetary controls and strong financial management, a diverse revenue base, low crime rates compared with other large cities, a young and skilled labor pool, and that fixed costs for debt service, pensions and retiree health care are below the median for the largest local governments and in the bottom of the nation's largest cities.

Additionally, Moody's affirmed that the City's outstanding appropriation-backed debt, including debt issued by the Hudson Yards Infrastructure Corporation, the New York City Health and Hospitals Corporation, the New York City Educational Construction Fund, and the New York City Industrial Development Agency (New York Stock Exchange Project) will remain at Aa3.
In April, Mayor Bill de Blasio presented the Recovery Budget, New York City's $98.6 billion Executive Budget for Fiscal Year 2022 (FY22). The Recovery Budget is an historic stimulus-

driven investment in the city's comeback that will drive economic growth, lift up working families and small businesses, promote academic and social resilience and ensure a clean and safe city for all. The Recovery Budget is fiscally responsible with $4.59 billion in budget reserves and $3.9 billion in savings achieved in the Citywide Savings Program which stretches across Fiscal Years 2021 and 2022.

Read Moody's May 13, 2021 Rating Action Report here.

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