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RECOVERY FOR ALL OF US: STANDARD & POOR'S GLOBAL RATINGS LIFTS NEW YORK CITY'S GENERAL OBLIGATION BOND CREDIT OUTLOOK

The revision to "stable" confirms the City's sound fiscal recovery strategy

NEW YORK—Yesterday Standard & Poor's Global Ratings (S&P) revised its outlook to stable on New York City's general obligation (GO) bonds and affirmed the AA rating assigned to its outstanding GO debt. The return to a stable outlook reflects recognition of reduced uncertainty of pandemic-caused credit stress, robust federal stimulus, and the effectiveness of the City's financial planning in the face of severe budgetary stress.

S&P based its revision on the city's successful vaccination efforts, receipt of more than $15 billion in stimulus that is invested in the current financial plan, and budget actions including the restoration of $1.6 billion in budget reserves through the Retiree Health Benefits Trust and the removal of unspecified labor savings in Fiscal Years 2021 and 2022. Further, the rating agency recognized that the most recent New York State Budget allocates long awaited Campaign for Fiscal Equity education funding to New York City which ramps up to $1.1 billion annually over the financial plan.

Additionally, S&P affirmed its A+ rating on debt issued by the Hudson Yards Infrastructure Corporation.

"New York City is resilient and we're coming back strong," said **Mayor Bill de Blasio**. "A recovery for all of us means investing in our people and building the right foundation for a post-COVID economy."

"Rating agencies are forward-looking financial monitors. S&P's decision to raise the City's bond rating outlook, coming right after Moody's similar action last week, is a vote of confidence in the City's economic recovery, strong fiscal management by the de Blasio administration and resiliency of New Yorkers," said **Lorraine Grillo, Senior Advisor for Recovery**.

The S&P revision comes shortly after Moody's Investor Services raised the city's GO bond credit outlook to stable and affirmed 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. 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.

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 S&P's May 18, 2021 rating report here, and Moody's May 13, 2021 Rating Action Report here.

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