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Abstract

Cities use tax incremen argue that Chicago’s broad conceptualization of “blight” facilitates the designation of TIF districts that do not resemble conventional notions of blight, bolstering their natural ability to generate capital, thereby exacerbating the gap between wealthy and poor minority spaces. This study examines Chicago’s TIF districts to determine whether blight levels and percentage of non-White residents interact to reduce the effectiveness of TIFs measured as the change in the equalized assessed valuation (EAV) of properties. Using composite indices to measure physical and economic blight, the results of a quantile regression analysis indicate that economically blighted TIFs with predominantly non-White populations outperform other districts. These findings run counter to expectations given that TIFs report high rates of growth in property values, yet they remain substantially blighted. This suggests a need to reconsider change in equalized assessed valuation as the measure of TIF effectiveness given that the “growth” in TIFs does not seem to reflect a higher quality of life for residents.

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