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The Sanctuary City Showdown: How Legal Battles Reshape Municipal Credit and Urban Investment Opportunities

Overview

– Trump administration’s lawsuits against sanctuary cities face legal setbacks, with courts affirming state sovereignty over immigration enforcement.

– Threats to withhold federal grants risk downgrading municipal credit ratings, increasing bond yields for cities like New York and Chicago.

– Sanctuary policies boost economic participation and real estate demand by fostering immigrant trust and stable communities.

– Investors are advised to overweight bonds and real estate in cities with diversified revenue streams and strong legal defenses.

– Sanctuary cities demonstrate fiscal resilience through lower crime rates and sustained growth in multifamily/industrial property sectors.

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